Singapore POST

MORE THAN EVER

SINGPOST Annual Report 2004/05

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SINGPOST, TODAY, IS MORE THAN AN EFFICIENT POSTAL SERVICE. WITH THE NEEDS OF OUR CUSTOMERS IN MIND, WE AIM TO OFFER A RANGE OF VALUE-ADDED SERVICES AND TAILOR-MADE SOLUTIONS AND ADVICE.

OUR Vision

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

OUR Mission

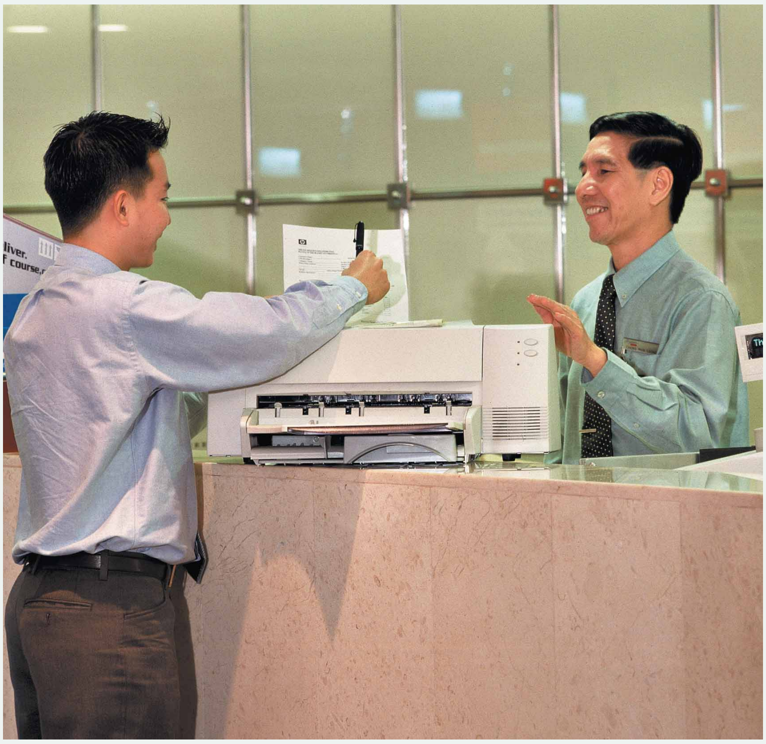
We are in business to communicate information, distribute goods and provide services for our customers through the most reliable and efficient domestic and global networks.

ENHANCING THE CORE

As Singapore's leading provider of postal services, SingPost is committed to not only protecting, but also to growing our business. We are continually improving our operations and processes to deliver more value to our customers, partners and shareholders.

GROWING THE WINGS

With one of the most extensive retail networks in Singapore, SingPost reaches people from all walks of life. As part of our prudent strategy for growth and diversification, we are leveraging our strong retail network to offer more value-added products and services, including financial services, to our customers. We are also working to strengthen our regional network for our logistics business.



BUILDING CAPABILITIES

From an efficient postal administrator, SingPost is evolving into a progressive and commercial entity, focusing not only on maintaining the competitiveness of its core business but also on leveraging its retail network to provide new products and services to the customer. We are constantly building capabilities across the organisation to further enhance our business and strengthen our foundation in our push for growth.

COMMITMENT TO CREATING SHAREHOLDER VALUE

The focus on shareholder value permeates the organisation, from the Board to management and staff. We are committed to building and creating value for our shareholders.

LIM HO KEE, CHAIRMAN

DEAR SHAREHOLDERS,

In my letter to you last year, I expressed that the SingPost Group had made progress in what was then a major transition year and would do even more to realise its full potential in the following year.

Indeed during the financial year 2004/05, we have taken further significant measures to position the Group on a stronger foundation to face future challenges. More importantly, we have been able to achieve these while continuing to improve on our financial performance. With this backdrop, I am pleased to report, on behalf of the Board, the results for the financial year 2004/05 for the Group.

FINANCIAL PERFORMANCE

For the financial year ended 31 March 2005, the Group posted a 2.1 per cent increase in operating revenue to S$375.8 million from S$368.2 million in FY2003/04. Our efforts in enhancing our core businesses have resulted in a stronger operating performance. Operating profit rose 4.5 per cent to S$134.7 million despite higher operating expenses arising mainly from start-up costs and expenses associated with the rollout of financial services as well as additional hires to strengthen the capabilities of the Group.

We achieved a net profit of S$110.5 million for FY2004/05, a 6.0 per cent growth over the previous financial year. The Group's cash flow generation ability remains strong. Our net operating cash flow for FY2004/05 rose to S$144.4 million from S$121.7 million in FY2003/04, giving confidence to the Board to enhance its dividend policy and to embark on quarterly dividend distributions with effect from FY2005/06.

Further, in recognition of the Group's strong financials, the ratings agency Standard & Poor's has upgraded SingPost's credit rating from "A+" to "AA-".

MAJOR ACHIEVEMENTS

In FY2004/05, we made good progress in our drive towards realising the full potential of SingPost.

As part of our continuing efforts to improve productivity, the Group undertook a thorough review of its operations and processes with McKinsey & Company. We have identified and implemented certain initiatives to raise productivity and grow revenue. Indeed, the positive impact of the initiatives implemented in the last quarter of FY2004/05 was already evident in the core performance. We would continue to benefit from these initiatives in FY2005/06.

The risk of being reclassified as an industrialised country in 2006 by the Universal Postal Union (UPU) for the purpose of terminal dues has passed. If this had transpired, SingPost's net terminal dues (i.e. settlements for the processing and delivery of international mail between countries) would have increased significantly.

We also settled Spring's business restructuring and the revision in commission structures with our joint venture partners, TPG and Royal Mail. As a result, SingPost's agency service fees payable to Spring were reduced, lowering our annual outsourcing cost by S$7.7 million. The business restructuring, which resulted in a one-off impact to our FY2004/05 net profit would place Spring in a better position to compete more effectively in the cross-border mail market.

Finally, in an independent study conducted by Taylor Nelson Sofres (TNS Global Reputation Study 2005), postal services in Singapore were ranked second among 40 countries. This cemented our reputation as one of the best postal operators in the world.

COMMITMENT TO CREATING VALUE

Dividends

The Board is committed to a robust dividend policy.

During the financial year, the Board had enhanced the dividend policy wherein SingPost would make a full-year dividend payout of 80 to 90 per cent of net profit or a minimum net dividend payment of 4.2 cents per share, whichever was higher. We then further raised the minimum level of annual dividend payment to 5.0 cents per share.

For the final dividend in respect of FY2004/05, the Board is recommending a net payment of 2.7 cents per share, representing an increase of 28.6 per cent from the final dividend of 2.1 cents in FY2003/04. Together with the FY2004/05 interim dividend of 2.3 cents paid in November 2004, which was a 10 per cent increase over the previous interim, the total net dividend for FY2004/05 would amount to 5.0 cents per share. This is an increase of 19.1 per cent over the 4.2 cents paid in each of the previous two financial years.

In addition, starting from FY2005/06, the Group will pay net dividends on a quarterly basis, amounting to 1.25 cents per share each quarter based on the minimum annual payment of 5.0 cents.

Growth Strategies

It was Warren Buffet who said, "The investor of today does not profit from yesterday's growth."

We recognise the need for growth amid the challenges that the Group is facing – the impact of e-substitution, the Government's cost-cutting measures and potential deregulation in 2007. We have been working to grow the core businesses as well as lay the foundation for future expansion. Our strategy is two-pronged: to enhance the core and to grow our wings.

SingPost would continue to adopt a prudent approach in its pursuit of new growth opportunities. Amongst other things, we would seek to minimise our financial exposure in any new venture and ensure that we would be able to meet our dividend commitment. A good example was the way in which we rolled out our financial services. With a relatively small budget of

"We have been working to grow the core businesses as well as lay the foundation for future expansion. Our strategy is two-pronged: to enhance the core and to grow our wings."

S$2 million, we introduced *SpeedCash* (secured personal finance) in June and July 2004. We also launched *CASHOME* (micro remittance service) in October 2004, *Care for Life* (Postassurance) in January 2005 and *ezyCash* (unsecured personal loans) in February 2005.

In March 2005, we entered into a deal that would allow us to invest in Accord Customer Care Solutions (ACCS). We believed the proposed investment would be beneficial to SingPost. Still, together with our financial adviser, DBS Bank, we structured the deal in such a way that would allow us to terminate if certain conditions were not fulfilled or if we were not satisfied with the outcome of due diligence. As it turned out, the deal was terminated without us having made any investment because ACCS was unable to fulfill certain of its obligations set out in the agreement.

Building Capabilities

SingPost is a more competitive organisation today compared to what it was when it was listed. Whilst the business model remains stable and strong, the operations and corporate culture are being transformed from one that is process-oriented to one that is more commercially focused.

As the Group embarked on its strategy to enhance the core business and seek new growth areas, we have recruited experienced personnel to augment the strengths and capabilities of the existing management team. In February 2005, we appointed BT Lau as Group Chief Executive Officer of the SingPost Group and a Director on the Board of SingPost. A people-oriented leader with a strong operational background, BT has many years of experience in leading multinational companies. I am confident that he will lead SingPost to greater heights.

ACKNOWLEDGEMENTS

In ending, I would like to thank Mrs Lim Hwee Hua, who resigned from the Board on 11 August 2004 following her appointment as Minister of State for Finance and Transport, and Ms Janet Ang, who resigned on 25 February 2005, for their invaluable contributions to the Group.

We welcome two new Directors, Mr Phua Kok Kim and Mr Tan Yam Pin to the Board. I am confident that we will benefit from their expertise.

I would also like to thank all our Board members for their commitment and contribution to the Group.

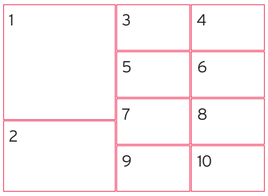
Last but not least, I thank you, our shareholders, for your support. The Group is committed to creating value for you. I am confident that with the Board's guidance and our staff's dedication and efforts, we will take the SingPost Group to the next level of achievement.

LIM HO KEE, CHAIRMAN

BOARD OF DIRECTORS





1: MR LIM HO KEE **2:** MR LAU BOON TUAN **3:** MR TOMMIE GOH THIAM POH
4: MR LEE HSIEN YANG **5:** MR ONG AH HENG **6:** MR PHUA KOK KIM
7: MR WILLIAM TAN SOO HOCK **8:** MR KENNETH MICHAEL TAN WEE KHENG
9: MR TAN YAM PIN **10:** MR KEITH TAY AH KEE

MR LIM HO KEE,
Non-executive, independent director

MR LAU BOON TUAN,
Executive, non-independent director
Group Chief Executive Officer

MR TOMMIE GOH THIAM POH,
Non-executive, independent director

MR LEE HSIEN YANG,
Non-executive, non-independent director

MR ONG AH HENG,
Non-executive, independent director

MR PHUA KOK KIM,
Non-executive, non-independent director

MR WILLIAM TAN SOO HOCK,
Executive, non-independent director
Executive Vice President (Postal Services & Administration)

MR KENNETH MICHAEL TAN WEE KHENG,
Non-executive, independent director

MR TAN YAM PIN,
Non-executive, independent director

MR KEITH TAY AH KEE,
Non-executive, independent director

APRIL 04

SingPost again achieved the Singapore Quality Class (SQC) standard for business excellence.

MAY 04

For the third consecutive year, SingPost was awarded a Gold Certification Level Award by the Universal Postal Union (UPU) for its *Speedpost Worldwide* courier service for 2003.

DataPost continued to establish its regional presence with the second overseas facility, eP2M Services Sdn. Bhd., set up in Malaysia.

Vehicle owners began enjoying the convenience of renewing their vehicle road tax at 42 designated post offices conveniently located across the island.

JUNE 04

SpeedCash, SingPost's secured personal finance service and the first of a suite of financial services, was launched at its first branch in Bedok Central.

JULY 04

The second branch offering *SpeedCash* was introduced at Yishun Central.

Kick-off of a series of direct mail trade launches highlighting SingPost's databases and Geo-Mapping Tool.

AUGUST 04

SingPost was the main sponsor of the first World Stamp Championship (WSC), the most prestigious of philatelic events, equivalent of the Olympics for sports. For the first time, a championship class was added to a world stamp exhibition. The five-day event was attended by more than 100,000 visitors.

SEPTEMBER 04

During the Universal Postal Union (UPU) Congress, it was established that Singapore would be classified as a "Net Contributor Country" for the purpose of terminal dues (i.e. settlements for the processing and delivery of international mail between countries).

OCTOBER 04

SingPost was the first post office in Asia to work with eBay in partnership to deliver value-added services to eBay PowerSellers in Singapore.

Introduction of *Speedpost Send4Service* for nine leading brands – Ariston, Canon, EF, Elba, IBM, JVC, Lexmark, LG and Sony.

The launch of *VBox* enabled residents to use a number to represent their address, thereby maintaining the privacy of their homes.

CASHOME to the Philippines, SingPost's remittance service in partnership with VISA International and Equitable PCI Bank (Philippines), was introduced.

SingPost was awarded the 2003 Corporate Bronze Award for its contribution to the Community Chest.

ABOVE:
SpeedCash, SingPost's pawnbroking service, was officially launched at Bedok Branch on 30 June 2004 by our Chairman, Mr Lim Ho Kee.

LEFT:
The second SpeedCash Branch at Yishun soon followed with its official opening on 3 July 2004 by Mr K Shanmugam, MP for Sembawang GRC (Chong Pang).

NOVEMBER 04

In an exclusive partnership, Warner Bros. Singapore and SingPost jointly promoted the festive movie, The Polar Express™. This was the first time in Singapore a movie was exclusively promoted using the post office delivery and retail network.

The 2004 Collection of Singapore Stamps, a premium quality book compiling all the stamps issued during the year, was launched.

DECEMBER 04

Standard & Poor's upgraded SingPost's long-term corporate credit rating and senior unsecured debt to "AA-" from "A+".

SingPost partnered American Express International Inc. to offer customers and travellers the purchase and encashment of American Express Travellers Cheques at 40 designated post offices.

In aid of victims of the tsunami disaster, SingPost absorbed the postage of cheques posted to the Singapore Red Cross Society as well as waived charges for collection of donations-in-kind for one month. The post offices were also opened for collection of donations. The donated items were shipped to tsunami-hit Sri Lanka by our partner A&T Freight Management Pte Ltd.

SingPost, together with staff from the SingPost Group including Spring and the Union of Telecoms Employees of Singapore, raised S$108,000 for the Singapore Red Cross Society's Tidal Waves Asia Fund.

JANUARY 05

Launch of SingPost's Postassurance service under *Care for Life* in partnership with Prudential Assurance at 10 post offices.

Residents in Tanjong Pagar Group Representation Constituency (GRC) were the first in Singapore to enjoy over-the-counter payment mode for service and conservancy charges at all post offices.

In a recent global survey by market research firm Taylor Nelson Sofres, Singapore's mail services came in second best in the world, behind Australia.

FEBRUARY 05

SingPost welcomed its new Group CEO, Mr Lau Boon Tuan. The appointment came in tandem with a reorganisation of SingPost in order to better position the Group to tackle the challenges ahead.

The opening of SingPost's Sengkang Central Post Office brought the total number of post offices in Singapore to 62.

SingPost and GE Money partnered to introduce *ezyCash*, a personal loan service, at three post offices in the initial stage.

MARCH 05

Care For Life was introduced to five more post offices, bringing the total number of post offices distributing this service to 15.

ezyCash was rolled out to another post office, with a total of four post offices now offering *ezyCash*.

SingPost released a special MyStamp sheet of 20 "1st Local" stamps featuring two images of Taufik, the first Singapore Idol and also the first music artiste to be featured on MyStamp.

SingPost entered into an agreement that would allow it to invest in Accord Customer Care Solutions (ACCS). However, as ACCS was unable to fulfil certain obligations set out in the agreement, the deal was terminated.

LEFT:
The MOU signing and launch of Tanjong Pagar Town Council's service and conservancy payment at post offices.

ABOVE:
The special Taufik MyStamp sheet.

RIGHT:
Prize giving by Ms Mary Ong, Senior Vice President (Corporate Services & eBusiness) of SingPost, to the winners of the Christmas Gift Lucky Draw.

SINGPOST BUSINESSES

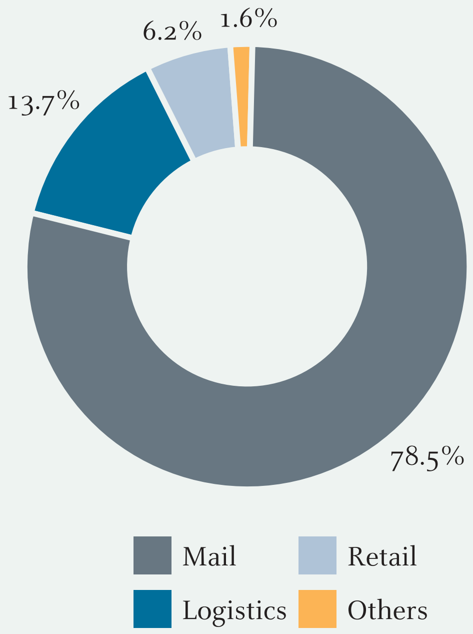
SINGPOST GROUP

- **MAIL**
  - Domestic
  - International
  - Hybrid
  - Philately & Stamps
- **LOGISTICS**
  - Speedpost
  - Warehousing, Fulfilment & Distribution
- **RETAIL**
  - Agency services
  - Financial services
  - eBusiness
- **PROPERTY**
- **SUBSIDIARIES & JVS**

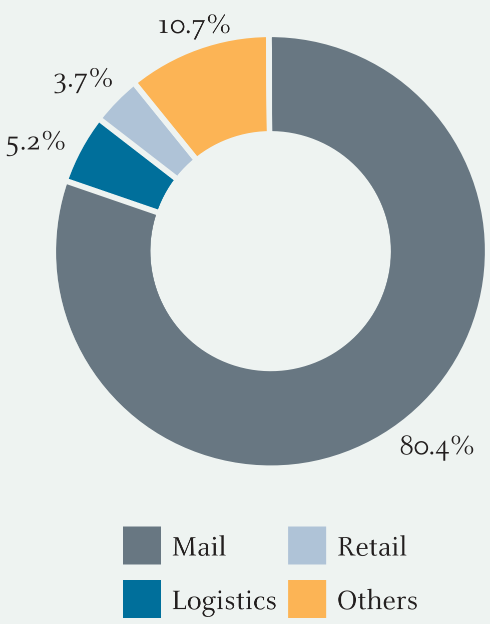
The SingPost Group has three main operating divisions: Mail, Logistics and Retail.

For the financial year ended 31 March 2005, the Group recorded operating revenue of S$375.8 million, of which 78.5 per cent was contributed by the core business of Mail. Logistics comprised 13.7 per cent of Group operating revenue, while Retail contributed the remaining 6.2 per cent. The Mail business also accounted for the bulk of Group operating profit, at 80.4 per cent, compared to 5.2 per cent by Logistics and 3.7 per cent by Retail.

Operating Revenue Breakdown



Operating Profit Breakdown



MORE THAN DELIVERY...

WE BRING
YOUR WORLD TOGETHER.

SingPost's domestic and international delivery network reaches even the most remote regions. Our simple and cost-effective direct mail services provide tailored direct marketing solutions to businesses needing to reach out to consumers.

MAIL

We provide comprehensive services for collecting, sorting, transporting and distributing domestic and international mail, and also offer a number of direct mail products and services. Our *ePost* hybrid mail service is a low-cost, high-speed one-stop service that allows businesses to process and deliver large quantities of data-intensive but personalised documents. SingPost's international mail service handles incoming and outgoing international mail to and from foreign postal administrations.

SingPost is Singapore's leading provider of domestic and international mail services, with more than 95 per cent market share of all domestic mail, despite approximately 60 per cent of the domestic mail volumes being open to competition.

Amidst the challenges posed by e-substitution and the Singapore government's cost-cutting measures, as well as potential deregulation of postal services in 2007, we are pursuing initiatives in growth areas, such as direct mail, and are continually working to improve our processes and introduce innovative services that add value to our customers.

PERFORMANCE REVIEW

Mail operating revenue was strong at S$295.3 million, a 2.0 per cent growth over the previous financial year. The good results were attributed to strong performances by all three lines of business – domestic mail, international mail and hybrid mail.

During FY2004/05, the Mail division reaped benefits from the Group's efforts to push growth in the direct mail business and international mail traffic.

Against the backdrop of a declining trend in international mail traffic worldwide, SingPost's international mail revenue rose 6.0 per cent to S$94.7 million in FY2004/05 on increased traffic volumes. The Group has been working with customers to increase their worldwide distribution from Singapore.

Hybrid mail operating revenue rose to S$12.6 million, from S$12.4 million in FY2003/04.

BUSINESS REVIEW

During the financial year, SingPost continued to focus efforts and pursue initiatives to develop growth segments of our business.

As part of our direct mail push, we organised a series of trade events targeted at different industries to share success stories, best practices and to facilitate the understanding of the effectiveness and use of direct mail, which are promotional and printed mailers, as a complementary channel to other advertising and promotions channels. High attendance levels and genuine interest generated at these events further strengthened our conviction to grow direct mail as a greater part of the mail business.

Furthermore, to create greater awareness of direct mail as the definitive targeting solution to corporate customers, we actively initiated and participated in various direct mail activities. We sponsored the annual Asia-Pacific Direct Mail Award 2004 organised by the Direct Marketing Association of Singapore (DMAS), chaired Direct Marketing forums, participated as speakers in

MAIL OPERATING REVENUE BREAKDOWN

S$ million	FY 2004/05	FY 2003/04	% change
Domestic mail	**188.0**	187.9	+0.1
International mail	**94.7**	89.3	+6.0
Hybrid mail	**12.6**	12.4	+1.7

DOMESTIC MAIL VOLUME

(million items)	FY2004/05	FY2003/04	% change
Public mail (stamped & franked)	**158.9**	177.3	-10.3
Bulk mail	**565.0**	542.0	+4.2
Total domestic mail	**723.9**	719.3	+0.6

DIRECT MAIL GROWTH

Direct mail has been identified as a growth potential area in the mix of advertising channels for both business-to-business, and business-to-consumer businesses. With the increasing proliferation of new marketing channels, direct mail growth remains attractive due to inherent qualities such as a targeted reach, as well as new creative genres adopted by companies in their mailers for brand advertising, sales promotion, product awareness, consumer acquisition and loyalty programs. Direct mail is an opportunity for SingPost to extend its mail business in a complementary fashion with other media and advertising channels as an integrated communications strategy.

Direct Marketing seminars and are in the process to form a Direct Mail Council under the DMAS charter.

Hybrid mail is seen as a strategic area for growth as we aim to provide businesses with a cost-efficient, complete end-to-end service – from data management, printing, enveloping, processing and final delivery of the information to the customers.

We have started to establish a regional presence for the hybrid mail business. In FY2004/05, through our subsidiary company, DataPost Pte Ltd, we set up eP2M Services Sdn. Bhd, in Malaysia. Together with our Philippines subsidiary, ePDS, Inc., which was set up earlier in December 2003, we aim to partner our corporate customers and be their premier solution provider within and outside Singapore.

For the international mail business, we expect volumes to continue to grow as the Group works with existing and prospective customers to increase their worldwide distribution from Singapore. Our key targets in the coming year include publishers and mail-order companies.

Operations Update

SingPost has consistently exceeded the mail delivery standards set by the Info-communications Development Authority (IDA). We delivered on average 99.9 per cent of mail within the Central Business District (CBD) and 99.9 per cent of mail outside the CBD (even with mail being posted as late as 7.00 pm within the CBD) by the next working day, surpassing IDA's standards.

In FY2004/05, postman productivity rose from 2,781 to 2,813 items delivered per effective man-day, an increase of 1.2 per cent. The productivity of the mail processing officer was stable at an average of 5,409 items sorted per effective man-day.

As improving our staff productivity is one of many measures to keep our business robust, we are constantly refining and adapting our operational processes to put in place the most efficient facilities and network.

To enhance our machine-processing capability, we work closely with our customers to improve the processing of their mail, enabling their mail to be mechanically sorted in the fastest possible time. We constantly monitor technological trends, applying the most relevant technology, in order to minimise processing costs.

Cost containment measures help to maintain the mail business profitability. Process reviews have always been central to our processing and delivery activities.

During the year, process enhancement efforts included deploying more cost-effective resources to deliver registered mail, reducing the number of motor vehicles used in delivering mail and sourcing for more local components to service our processing machines.

Terminal dues

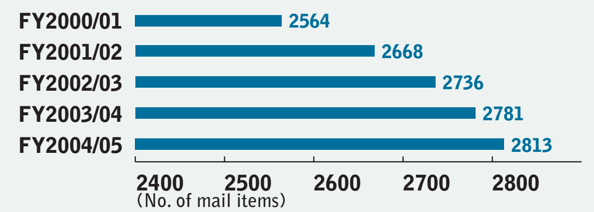
During the Universal Postal Union (UPU) Congress in September 2004, it was decided that Singapore would be classified as a "Net Contributor Country" for the purpose of terminal dues (i.e. settlements for the processing and delivery of international mail between countries). This removed the risk of being reclassified as an "Industrialised Country" whereby SingPost's net terminal dues would have been higher.

The UPU also decided to raise the worldwide standard per kilogram rate by 8.75 per cent with effect from 1 January 2006. The rate will hold for four years until December 2009.

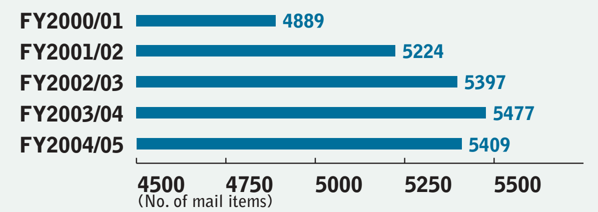
Restructuring of Spring

FY2004/05 was a significant year for Spring, our joint venture with partners, TPG and Royal Mail. As a result of the increasingly competitive cross-border mail market, particularly in several markets that Spring operates in,

MAIL ITEMS DELIVERED PER POSTMAN



MAIL ITEMS PROCESSED PER PROCESSING OFFICER



the joint venture partners undertook a review of the business and decided on a restructuring plan to make Spring a more cost-effective organisation. Spring continues to be an important area of focus, with particular emphasis on top-line growth and a constant review of operating costs.

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 2004 to 31 March 2005. 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 2005. 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 14,752 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 2005.

KPMG

KPMG
Certified Public Accountants
Singapore
4th May 2005

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

PHILATELY AND STAMPS

SingPost's philately and stamps contribution to revenue has mainly been from sales of first-day covers as well as stamp issues.

With the exciting potential of MyStamp, a service that allows individuals' photos or company logos to be printed on the blank tab beside each stamp, we plan to reach out to other segments of the consumer market.

We experienced overwhelming response when we offered MyStamp to visitors to the first World Stamp Championship (WSC) that Singapore hosted from 28 August to 1 September 2004. Visitors to the WSC were photographed on the spot and featured on Singapore postage stamps for the first time.

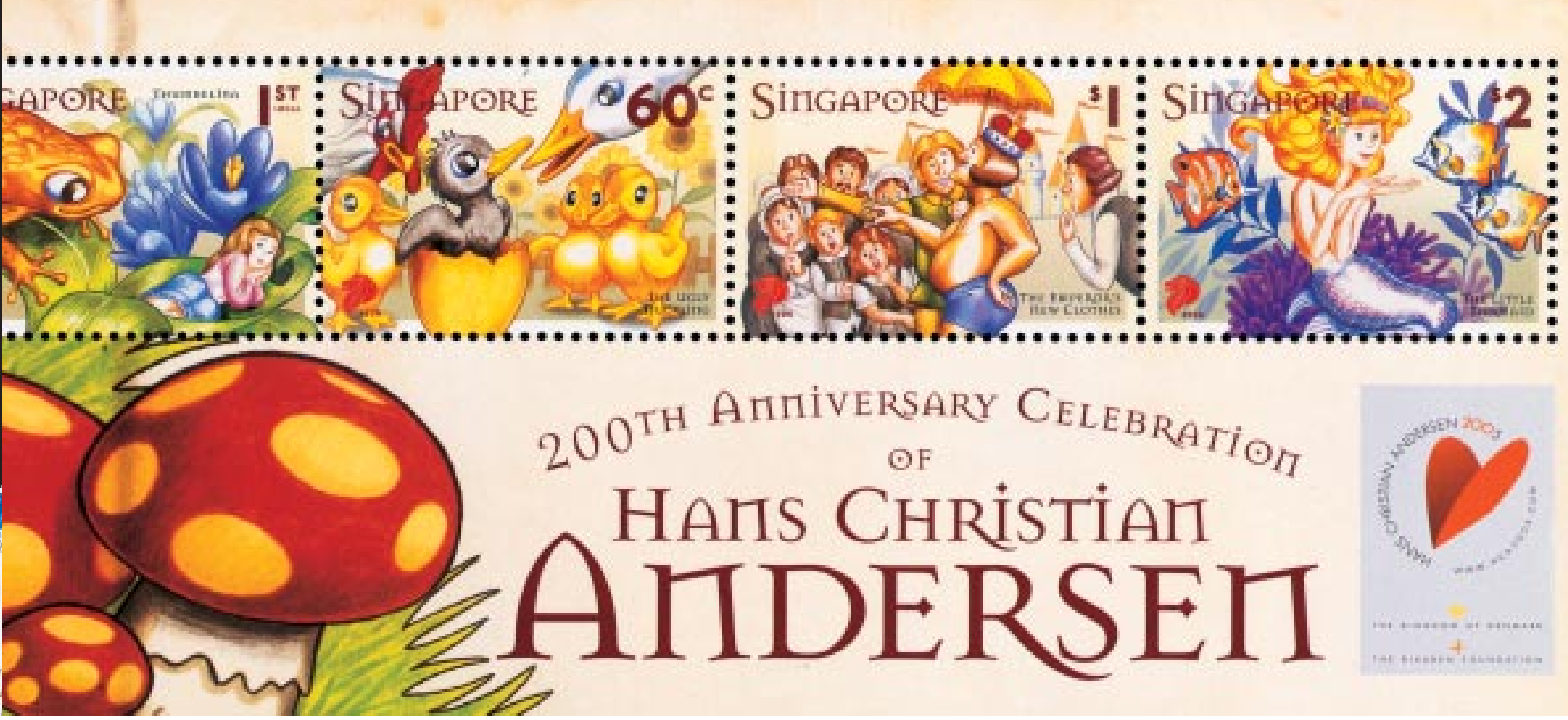
Stamp Issues

SingPost released 10 new stamp issues in FY2004/05, several of which commemorated significant anniversaries and events.

In May 2004, football stamps celebrating 100 years of FIFA (Fédération Internationale de Football Association) were produced. A special printing technique using cloth-like Flockage paper and embossing created the unique stamps featuring the iconic football field, the football, the jersey and the world map.

August 2004 was an eventful month. As the world watched the return of the Olympics Games 2004 to their origins in Athens, SingPost commemorated the event with a set of stamps. These Olympic stamps were selected as the most original stamps issued for the Athens 2004 Olympic Summer Games. We also celebrated 150 years of the first stamp used in Singapore in August 2004. The 150 Years stamps trace the stamp journey from the Straits Settlements era to the present day, using a stamp-on-stamp design concept.

The World Stamp Championship in August/September 2004 saw an international participation of over 2,000 competitive frames of exhibits on stamps and postal history and a visitorship of over 100,000, comprising school children, members of the public and local and overseas stamp collectors. There were more than 100 sales booths



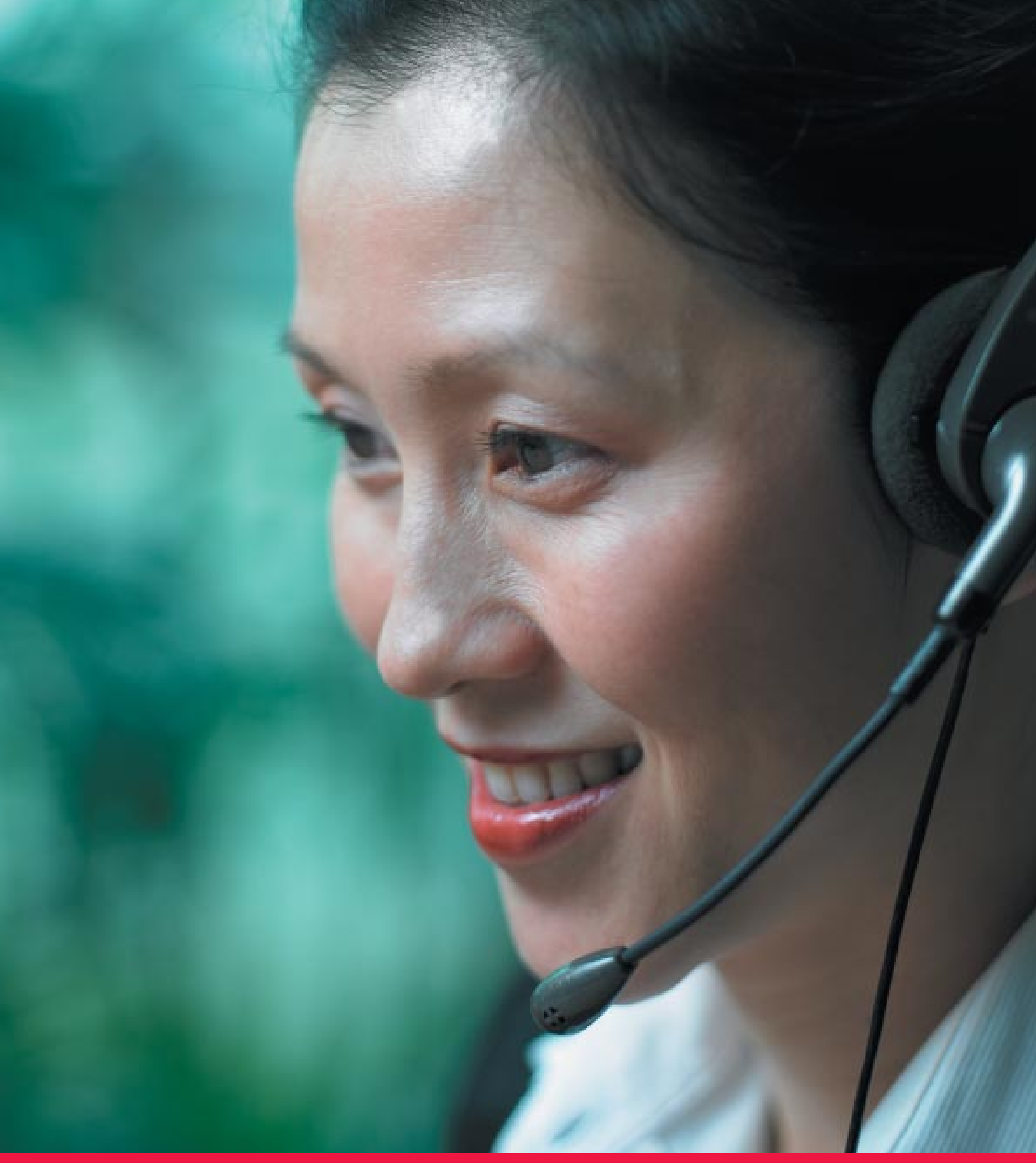
from postal administrations and overseas stamp exhibitors. Visitors got the chance to see the rarest and most beautiful stamps from 130 countries and special exhibits put up by global companies such as HSBC, Shell and Sony.

In October 2004, stamps went from history and heritage to nature. Together with HSBC, SingPost produced a set of stamps to record one of Singapore's richest ecosystems tucked away at the eastern tip of Pulau Ubin, Chek Jawa. Through the beautiful set of stamps, the serenity and unique collection of six distinct habitats clustered in an area that is one square kilometre in size but rich in biodiversity, were preserved in miniature art form.

In March 2005, Singapore joined the world in remembering one of the greatest storytellers of all time, Hans Christian Andersen (1805-1875). Through the generations, his stories such as the Little Mermaid have enthralled both children and adults. A set of four beautiful stamps was released to commemorate this immortal storyteller.

STAMPS ISSUED IN FY2004/05

Stamp Theme	Date of Issue
Singapore, A Global City – Trade & Industry in conjunction with World Stamp Championship 2004	21 Apr 04
100 Years of FIFA	21 May 04
Festivals	07 Jul 04
National Day – National Monuments	09 Aug 04
Games of the XXVIII Olympiad, Athens 2004	13 Aug 04
A Stamp Journey – 150 Years	28 Aug 04
Nature Series – Chek Jawa (Care For Nature Issue)	20 Oct 04
Zodiac Series – Rooster	14 Jan 05
Greetings	23 Feb 05
200th Anniversary Celebration of Hans Christian Andersen	30 Mar 05



MORE THAN CONVENIENCE...

WE ARE THE GATEWAY TO YOUR SUCCESS.

Speedpost services enable customers to send goods and items virtually anywhere. More than this, SingPost also offers customised delivery solutions, including warehousing, fulfilment and distribution.

LOGISTICS

We offer express delivery services for customers sending documents, parcels and freight (*Speedpost Freight*) both within Singapore (*Speedpost Islandwide*) and throughout the world (*Speedpost Worldwide*). Additional services include warehousing and inventory management, including product storage, physical inventory checks and monthly and annual inventory reports.

We continue to strengthen and expand our *Speedpost* business through efficient, cost-effective processes and superior customer service. We are strengthening our regional network by working with strategic partners in Asia.

PERFORMANCE REVIEW

The Logistics Division performed well in FY2004/05, with operating revenue increasing 4.0 per cent to S$51.9 million from S$49.9 million in FY2003/04. Operating profit rose 20 per cent to S$7.0 million in FY2004/05. In December 2004, we implemented fuel and security surcharges, which had been held back by SingPost for the last three years. This was in line with market practice.

BUSINESS REVIEW

Speedpost Islandwide and *Worldwide* continue to contribute significantly to the business. We foresee potential from the value-added services of warehousing, fulfilment and distribution, which complement and help contribute to the *Islandwide* and *Worldwide* delivery services.

As the largest domestic courier delivery service provider in Singapore, we are continually looking to increase market share. In our annual customer survey conducted in 2004, customers graded *Speedpost Islandwide* Service as a superior domestic delivery service.

We will continue to increase our service quality through cost efficient operations and constant improvements via customer feedback and systematic reviews.

We are strengthening our regional capabilities by working with strategic partners in Asia, complementing the existing postal-to-postal delivery network.

We are working to provide customers additional value-added services such as customs clearance and track-and-trace for door-to-door delivery service. In addition, our partners will also help generate inbound courier traffic from other countries into Singapore.

We intend to grow our transshipment business with our Airmail Transit Centre (ATC), which is located within the Free Trade Zone of Changi Airfreight Centre. With hundreds of incoming

LOGISTICS OPERATING REVENUE BREAKDOWN

S$ million	FY2004/05	FY2003/04	% change
Speedpost	**47.6**	45.2	+5.3
Warehousing, fulfilment & distribution	**4.3**	4.7	-8.3

and outgoing flights at the airport every day, it is a well-positioned gateway for the growth of the transshipment business.

In our quest to continually improve our service to our customers, SingPost launched the *Speed Surface Parcel Service* on 1 April 2005, offering shorter delivery time at competitive rates.

Operations Update

SingPost is certified to the International ISO 9001:2000 Quality Management System as well as eSupply Chain Management (e-SCM) by the Singapore eSupply Chain Management Council.

Our quest for quality is evident with our win, for the fourth consecutive year, of the Gold Certification Level awarded by the Universal Postal Union (UPU) for 2004. The award is sponsored and administered by the UPU under the EMS Cooperative Audit and Measurement Programme, which measures the quality of delivery of incoming *Speedpost* items.

We are implementing various productivity initiatives, which are expected to result in cost savings and productivity improvements.

MORE THAN CUSTOMER SATISFACTION...

WE BRING VALUE-ENHANCING SERVICES CLOSER TO YOU.

SingPost offers exciting ideas with the distribution of financial products. For instance, insurance and personal loan products are now available at our retail network.

RETAIL

SingPost's retail network offers customers a wide variety of postal, agency and financial services on behalf of third parties. Our services are delivered through three principal distribution channels – the post offices, self-service automated machines (SAM) and internet portal, *vPOST*.

The Group's growth strategy is to enhance profitability through leveraging its retail presence, sophisticated IT infrastructure, reputation for reliability and trustworthiness, and experienced and well-trained staff. We will continue to review our product portfolio and introduce new products and services to satisfy the evolving needs of our customers.

PERFORMANCE REVIEW

For the financial year ended 31 March 2005, the Retail Division recorded operating revenue of S$44.3 million compared to S$43.7 million in the previous financial year. Operating profit was lower at S$5.0 million, from S$7.2 million in FY2003/04, as a result of start-up costs and additional expenditure incurred for the development and rollout of financial services.

BUSINESS REVIEW

During FY2004/05, we have been working to expand our agency services and introduce more value-added services and products, including financial services, to provide a one-stop service to our customers.

We introduced 25 new products and services in FY2004/05. For the first time, we began accepting road tax renewals at 42 post offices. Also, for the first time, residents of Tanjong Pagar Town Council were able to pay their service fees or fines at SingPost counters, in addition to other modes of payment such as SAM and vPOST.

Our pick-up and drop-off service was expanded with the introduction of *Speedpost Send4Service* for nine leading consumer brands where customers may request for delivery and repair or service of their household or IT equipment.

We partnered NETS to provide cashback services at our counters where customers can withdraw cash using their NETS cards. We also partnered American Express to introduce the sale and encashment of Amex Traveler's Cheques.

The first financial service launched by SingPost was secured personal finance, or *SpeedCash*.

This new service was introduced in June and July 2004 in Bedok Central and Yishun Central. *SpeedCash* provides hassle-free 'conversion' of valuable items into cash to satisfy customer's need for urgent liquidity. We injected a modern approach in the pawnbroking business, providing customers with alternative choices.

RETAIL OPERATING REVENUE BREAKDOWN

S$ million	FY2004/05	FY2003/04	% change
Retail (including agency & financial services)	**23.1**	22.7	+1.8
Inter-segment	**21.2**	21.0	+1.1

FINANCIAL SERVICES

The financial year 2004/05 marked our rollout of financial services at the post offices. With more than 20 million customer visits per annum to our network of 62 post offices located strategically islandwide, SingPost reaches people from all walks of life. With the SingPost household brand name and a trusted image, the Group has embarked on a prudent growth strategy to leverage on our strong retail network and advanced IT infrastructure to introduce more products and services including financial services.

CASHOME, our new remittance service, was introduced in October 2004. A partnership with VISA and the Philippines' Equitable PCI Bank, *CASHOME* to the Philippines offers customers an exclusive *CASHOME* card for their remittance use and a FASTcard for their beneficiaries' use in the Philippines for withdrawing the remittance.

The remittance service to the People's Republic of China was extended to seven post offices, from three the previous year. Remittance services were extended to 40 post offices, up from 33 previously.

SingPost rolled out the third financial service, Postassurance, in January 2005. Through this partnership, SingPost distributes *Care for Life*, comprising affordable and comprehensive life insurance policies underwritten by Prudential Assurance. With Postassurance, SingPost's customers have access to financial planning advice and services at the post offices.

In February 2005, SingPost partnered GE Money to launch an unsecured personal loan service for the mass market called *ezyCash*. Through this service, SingPost distributes and offers our customers loans suited for their needs.

We also enhanced the offerings on our Internet portal *vPOST*. As at 31 March 2005, the number of *vPOST* users increased to 210,000 compared to 165,000 last year.

Following the success of *vPOSTUSA* which allows users to shop and then ship items from the USA at economic shipping rates, we extended the *vPOST* service to Japan. Customers can shop for the latest electronic gadgets and toy releases in Japan with *vPOSTJAPAN*.

In addition, we increased the range of bill payment services on the portal, offering customers additional means and greater convenience for their bill payment needs.

FINANCIAL SERVICES OFFERED

	Date Launched:
SpeedCash	June 2004
CASHOME	October 2004
Care For Life	January 2005
ezyCash	February 2005

Operations Update

As at 31 March 2005, there were 62 post offices, 76 authorised postal agencies and 780 stamp vendors and 200 SAMs.

During the year, we renovated and gave a new look to selected post offices. Importantly, we have consistently met the IDA's standards for waiting times at post offices. For the year ended 31 March 2005, we served 99.97 per cent of customers within 15 minutes during peak periods and 99.8 per cent of customers within 10 minutes during non-peak periods.

Our Retail staff garnered two Star awards, two Gold and 18 Silver at the prestigious national Excellent Service Awards (EXSA) in 2004. This was our fifth year of participation in the awards, showing our commitment in giving our best to our customers.

In our continual efforts to improve and provide better customer service, we enhanced our mail transfer service to enable customers to make their transfer/ second delivery requests online via our website. Now, besides calling the post office or 1605, customers can go online to request for redirection of their Registered Article to another post office or have it redelivered.

We also expanded our network of 150 SAMs to a total of 200 SAMs as at 31 March 2005, with the installation of SAMs at more Mass Rapid Transit (MRT) train stations, petrol stations, shopping centres and public housing estates. The 50 new SAMs are slimmer and have a sleek finish, with the use of bigger LCD flat-screens that further improve visibility for customers.

SINGPOST RETAIL NETWORK
(as at 31 March 2005)

Post offices	62
SAMs	200
Postal agencies	76
Stamp vendors	780

PROPERTY

Our flagship building Singapore Post Centre (SPC) is a premier commercial centre situated across the Paya Lebar MRT station in the eastern zone of Singapore. Comprising an office block and a retail mall, the building also houses our one-stop mail and distribution hub.

During FY2004/05, the Group continued to focus on efforts to increase occupancy rates and enhance the rental yields of our properties. Over the course of the financial year, overall occupancy at SPC increased steadily, from 89.3 per cent as at 31 March 2004 to 99.6 per cent as at 31 March 2005.

MORE THAN EMPLOYEES...

WE ARE A TEAM.

Our employees are the key to our success. As we pursue a strategy of consistent growth, we build on the capabilities, performance and commitment of our employees.

HUMAN RESOURCES

Our Culture

SingPost has a strong people-oriented work culture, as attested by the continued stability in our workforce, even as the Group went through two significant milestones – on 28 March 1992, when we corporatised and became a private limited company and on 13 May 2003, when SingPost became a public listed company.

Capability Building

FY2004/05 has been a year of capability building. We recruited new employees with the expertise and professional qualifications for our various new corporate functions and to support our diversification drive. In particular, on 1 February 2005, we welcomed our new Group Chief Executive Officer, Mr Lau Boon Tuan.

In our recruitment of employees for our secured personal finance business, our challenge was to find sufficient candidates with unique expertise in the niche pawnbroking industry. With our decision for a friendly and open image to the traditional pawnbroking business, we have successfully recruited and trained employees to support this business.

Service Excellence

We continued our training efforts to promote customer service excellence and good communication skills across the various business units of SingPost, including our technical staff who serve internal customers. For the financial year, a total of 39 employees won the Star, Gold and Silver Excellence Service Awards (EXSA), which are awarded by the Standards, Productivity and Innovation Board (SPRING SINGAPORE).

"FY2004/05 has been a year of capability building."

Keeping to our Core Values

Consistent with SingPost's values of keeping a high level of professionalism and integrity, we set out standards and rules of conduct for all our employees in our Code of Ethics. Our staff are expected to conduct themselves in a professional manner, with utmost integrity and total commitment to the Code of Ethics.

Our Staff, Our Priority

Employee interaction was stepped up during the financial year to communicate the direction and strategies of SingPost. Employee communication sessions were conducted by our Chairman and senior management to promote understanding of the Group's business direction as well as new business and operation initiatives. Management retreat and workshops were organised to foster team-building and camaraderie.

Also, in line with the Group Chief Executive Officer's philosophy that people management is a top priority, a clear plan for staff events covering team-building and communication for the year has been worked out and communicated to staff. In addition, the Management Associates Program will be launched to recruit talented fresh graduates with potential for future leadership positions.

Enhancing our Performance Culture

To enhance the performance culture in SingPost, we piloted the 360 degree performance appraisal system for our senior management in January 2005. This system allows the appraisee to receive feedback on his strengths and areas for development in terms of competencies required to meet the requirements of the job. It also serves as an input for SingPost's reward and recognition schemes.

Also, in the new financial year of FY2005/06, a new Balance Scorecard system has been introduced to all management staff who can look forward to a direct and systematic link of their rewards to performance targets achieved.

Our Excellent Union-Management Relationship

During the financial year, SingPost signed its milestone collective agreement with the union – the Union of Telecoms Employees of Singapore (UTES). Our first after the initial public offering in May

2003, this collective agreement underscores the union's philosophy on pro-business with fair rewards to its members. About 80 per cent of our employees are members of UTES.

For this collective agreement, which will be due for renewal in 2007, the union has helped us manage our fixed salary cost component by keeping the salary ranges of all the relevant job grades unchanged. Instead, focus was on improving the quantum payout of employee benefits and work-related allowances such as flexible benefits, retirement award, the death and disability scheme and shift allowance. In support of the Union's activities, we have pledged a yearly contribution of S$10,000.

Operational Effectiveness

We also initiated the SAPPHIRE project (SAP Payroll, HR, IMPACT Replacement & Enhancement), which saw the successful migration of the human resource and payroll system from the customised PeopleSoft system to the SAP system in January 2005.

With a single Enterprise-Resource Planning system consistent with our finance system, this project will contribute towards cost savings over the next five financial years, besides offering the intrinsic benefits of streamlined payroll, human resource management and development processes for our internal users.

COMMUNITY RELATIONS

As we move towards being a leading world-class solutions provider of all communications and distribution needs in mail, logistics and retail, we recognise the important role SingPost plays in the community and actively use our resources to contribute to the society.

Asian Tsunami Relief Effort

Following the devastating tragedy that cost thousands of lives in Asia, we leveraged our wide distribution and retail networks, accepting donations from the public to the Singapore Red Cross via our network of post offices, postboxes and *Speedpost* service to offer aid to tsunami victims.

During the month of January 2005, SingPost absorbed the postage of all cheques posted to the Singapore Red Cross Society. We also absorbed *Speedpost* pick-up charges for collection of donations-in-kind from households for Sri Lanka, one of the countries worst hit by the tsunami. We also waived commission charges for the remittance service to tsunami-hit areas in Indonesia for amounts not exceeding S$1,000 (telegraphic or electronic transfer).

In addition, together with a corporate donation from SingPost, the management and staff of the SingPost Group (including DataPost Pte Ltd and G3 Worldwide AsPac Pte Ltd) and the Union of Telecoms Employees of Singapore (UTES) also lent a helping hand by raising funds towards re-building efforts. A total of S$108,000 was raised for this cause.

Community Activities

SingPost continues to be a major corporate sponsor of the Singapore Philatelic Museum, a member of the National Heritage Board, in its promotion of stamps and philately. In FY2004/05, SingPost contributed S$390,000 to the upkeep and preservation of philatelic materials and displays at the museum, as well as museum activities.

SingPost was the main sponsor of the World Stamp Championship (WSC), the philatelic equivalent of the Olympics held in Singapore in August 2004. The event saw a huge turnout of over 100,000 visitors. A special auction held at the WSC raised S$50,000 which was donated to charities under the national fund-raising cause, The President's Challenge.

As part of the National Day celebrations, SingPost provided the Singaporean public with easy access to balloting for National Day Parade tickets via its SAM network and *vPOST* internet portal. In addition, we contributed about S$20,000 of the proceeds from the sale of the National Day stamp issue to the Community Chest.

"... we recognise the important role SingPost plays in the community and actively use our resources to contribute to the society."

SingPost also continued to participate in the Community Chest SHARE programme in which the company matches dollar-for-dollar donations pledged by our employees.

For its contribution to the Community Chest, SingPost was conferred the corporate bronze award in October 2004.

SingPost was also the official delivery partner for causes such as the SingTel Touching Lives Fund and Touch Community Services, lending our delivery and distribution strengths in support of their fund-raising efforts for charity.

Protecting the Environment

To promote an eco-friendly environment, SingPost embarked on a company-wide programme to encourage awareness of energy-saving among our employees. Energy conservation activities included using auto sensor lights in certain parts of the building, dovetailing airconditioning with business operating hours, optimising the use of chillers and lift operating hours.

To promote recycling, SingPost has also partnered IT giant, Hewlett Packard, to offer the Singapore public the convenience of dropping off their used ink cartridges at all post offices since April 2000.

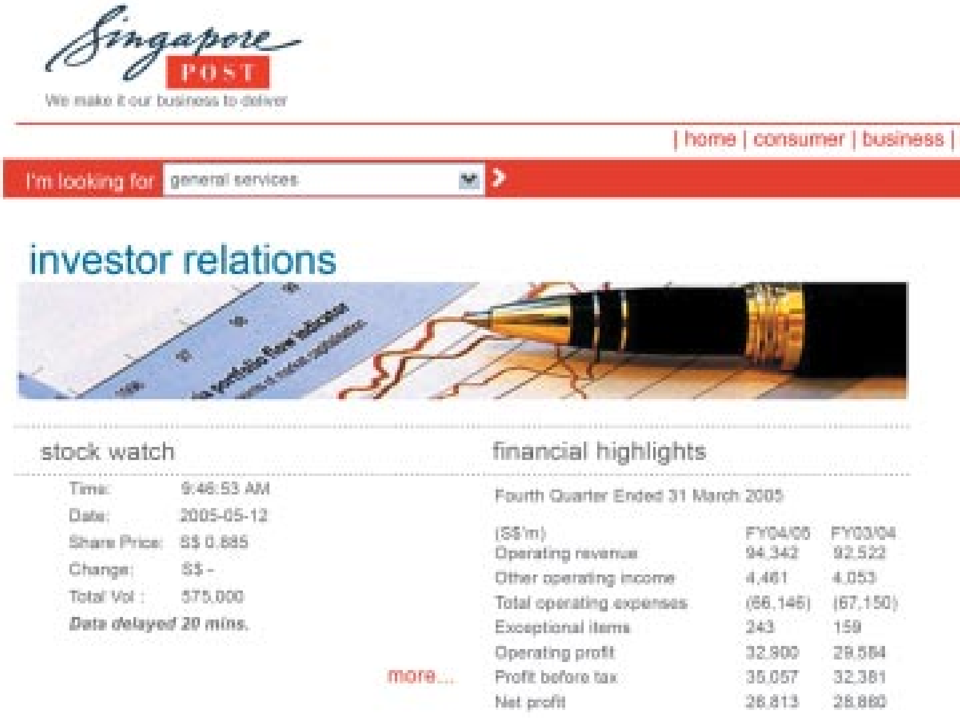
In addition, together with HSBC, we incorporated the theme of nature in our stamp issue on Chek Jawa, one of Singapore's richest ecosystems tucked away at the eastern tip of Pulau Ubin. Through the beautiful stamps, the collection of six distinct, biodiversity-rich habitats was preserved in miniature art form.

INVESTOR RELATIONS

In 2004, more than 150 shareholders attended the 12th Annual General Meeting held on 21 July 2004 at Singapore Post Centre. The Board of Directors and top management were present to address shareholders' queries.

Investor Relations website

The corporate website, with a dedicated investor relations section, is a good source of information for investors. The website has been revamped for greater ease of navigation and allows quick access to financial and corporate information such as previous and current financial results, press releases, annual reports and announcements to SGX-ST.



To provide investors with a better understanding of our business, our management regularly meets up with the investment community.

In September 2004, SingPost embarked on a roadshow to Tokyo to meet with Japanese fund managers as well as to record a specialised TV broadcast to Japanese retail investors. In conjunction with the initial public offering in May 2003, SingPost had undertaken a Public Offer without Listing in Japan.

Management also participated in two investor conferences in Hong Kong during the financial year. Group and one-on-one meetings were held with nearly 30 fund managers from the United States, the United Kingdom, Hong Kong and Singapore at these investor conferences.

In Singapore, SingPost received institutional investors visiting from Europe, North America, Japan and Hong Kong, as well as local analysts and fund managers. Management met with more than 80 fund managers and analysts over the course of the financial year. Site visits to the mail processing centre and post offices were also arranged to allow investors to better understand the operations.

Index Constituent

SingPost shares are a constituent of several key indices, locally and overseas – Morgan Stanley Capital International (MSCI) Standard Index Series, FTSE All-World Asia Pacific ex Japan Index, FTSE Global Islamic, the Straits Times Index, All-Singapore Equities Index, Singapore Equities Transport, Storage and Communications Index and Singapore Equities Mainboard Index. In November 2004, SingPost shares were also included as a constituent of the MSCI Small Cap Index Series.

FINANCIAL CALENDAR

31 March 2004	Financial year-end (FY2003/04)
4 May 2004	FY2003/04 Q4 and full-year results and dividend announcement
25 June 2004	Notice of 12th Annual General Meeting
21 July 2004	12th Annual General Meeting Extraordinary General Meeting
2 August 2004	FY2004/05 Q1 results announcement

FINANCIAL CALENDAR (continued)

6 August 2004	Payment of final dividend for FY2003/04
2 November 2004	FY2004/05 Q2 and half-year results and dividend announcement
30 November 2004	Payment of interim dividend for FY2004/05
28 January 2005	FY2004/05 Q3 results announcement
31 March 2005	Financial year-end (FY2004/05)
4 May 2005	FY2004/05 Q4 and full-year results and dividend announcement

GROUP FINANCIAL SUMMARY

	FY2004/05	FY2003/04	FY2002/03	FY2001/02	FY2000/01
CONSOLIDATED INCOME STATEMENTS (S$M)					
Operating revenue	**375.8**	368.2	373.0	380.9	371.2
Operating profit	**134.7**	128.9	135.0	132.8	149.6
Profit before interest and tax (EBIT)	**146.5**	139.4	145.0	134.2	148.7
Net profit	**110.5**	104.3	108.7	101.3	113.2
CONSOLIDATED BALANCE SHEETS (S$M)					
Total assets	**823.4**	772.3	828.3	901.7	949.4
Shareholders' equity	**331.1**	300.4	316.0	605.9	730.5
Cash and cash equivalents at year-end	**159.0**	98.4	113.9	128.1	231.5
Net debt/(cash)	**141.0**	201.6	6.1	(128.1)	(231.5)
CONSOLIDATED CASH FLOW STATEMENTS (S$M)					
Net cash inflow from operating activities	**144.4**	121.7	112.7	158.2	138.4
Capital expenditure (cash)	**13.8**	7.3	12.2	6.3	20.2
Free cash flow	**130.6**	114.4	100.5	151.9	118.2
KEY RATIOS					
Operating profit margin (%)	**35.8**	35.0	36.2	34.9	40.3
Return on turnover (%)	**29.4**	28.3	29.1	26.6	30.5
Return on average equity (%)	**35.0**	33.8	23.6	15.2	16.4
Net debt to equity (%)	**42.6**	67.1	n.m.	n.a.	n.a.
EBIT interest coverage (x)+	**28.4**	19.7	n.m.	n.a.	n.a.
PER SHARE INFORMATION (CENTS) *					
Earnings per share - basic	**5.81**	5.49	5.72	5.33	5.96
Net assets per share	**17.4**	15.8	16.6	31.9	38.4
Dividends per share in respect of financial year (post IPO)	**5.0**	4.2	4.2	n.a.	n.a.

n.m. = not meaningful; n.a. = not applicable

* 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 financial year before FY2003/04

+ defined as profit before interest and tax/interest on borrowings

FY2004/05 QUARTERLY PERFORMANCE (S$M)

	Q1	Q2	Q3	Q4	Total
Operating revenue	89.4	91.5	100.5	94.3	375.8
Operating profit	31.4	34.6	35.9	32.9	134.7
Profit before interest and tax (EBIT)	34.4	38.2	37.6	36.2	146.5
Net profit	26.1	29.5	28.1	26.8	110.5

FINANCIAL REVIEW

GROUP HIGHLIGHTS

(S$'000)	FY2004/05	FY2003/04	% Change
Operating revenue	375,811	368,180	2.1
Other operating income	16,944	16,893	0.3
Operating expenses	(261,953)	(256,313)	2.2
Exceptional items	3,925	159	n.m.
Operating profit	134,727	128,919	4.5
Assoc & JVs	11,775	10,491	12.2
Net finance cost	(4,211)	(5,368)	(21.6)
Income tax	(31,396)	(29,334)	7.0
Net profit*	110,535	104,292	6.0
Net profit excluding exceptional items	106,610	104,133	2.4

* after minority interest

n.m. – not meaningful

For the full year ended 31 March 2005, the Group's operating revenue rose 2.1% to S$375.8 million from S$368.2 million in FY2003/04 on firm performance by the core business. Operating expenses increased 2.2% to S$262.0 million from S$256.3 million in the previous financial year.

During the financial year, the Group incurred additional expenditure and start-costs for the development and rollout of financial services. Despite the investment in growth and capabilities, the Group's operating profit was up 4.5% to S$134.7 million. Excluding exception gains, the Group's underlying operating profit grew 1.6%.

Contributions from associated and joint venture companies increased 12.2% as the improved performance of the Spring Joint Venture in Asia Pacific and the non-amortisation of goodwill from a change in accounting policy offset the Group's share of business restructuring costs at Spring. The business restructuring, which resulted in a one-off impact to the Group's FY2004/05 net profit, placed Spring in a better position to compete more effectively in the cross-border mail market.

Besides benefitting from non-amortisation of goodwill amounting to S$4.0 million, SingPost also gained from lower net finance cost of S$4.2 million compared to S$5.4 million in the previous financial year. As a result, the Group's net profit rose 6.0% from S$104.3 million to S$110.5 million in FY2004/05. Excluding exceptional items, the Group's net profit increased 2.4% to S$106.6 million.

OPERATING REVENUE

S$'000	FY2004/05	FY2003/04	% Change
Mail	295,343	289,624	2.0
Logistics	51,875	49,882	4.0
Retail	44,338	43,703	1.5
Others	6,334	6,721	(5.8)
Inter-segment eliminations	(22,079)	(21,750)	1.5
Operating revenue	375,811	368,180	2.1

Mail recorded a 2.0% rise in operating revenue to S$295.3 million for FY2004/05 compared to the previous financial year. SingPost's efforts to grow the direct mail and international mail businesses continued to reap results as mail volumes in these two lines of business increased during the financial year.

Logistics revenue also showed a firm improvement, rising 4.0% to S$51.9 million in FY2004/05 from S$49.9 million in FY2003/04 on higher Speedpost revenue, contributed partly by the fuel and security surcharges implemented in Q3 FY2004/05.

Retail revenue improved 1.5% to S$44.3 million in FY2004/05 from S$43.7 million in the previous financial year. Growth in remittance services and vPOST volumes, along with the inaugural contributions from the new financial services, helped offset the drop in agency services.

OPERATING EXPENSES

S$'000	FY2004/05	FY2003/04	% Change
Staff costs	**78,252**	75,784	3.3
Depreciation	**34,079**	33,688	1.2
Traffic and related expenses	**81,703**	78,623	3.9
General administrative and others	**67,919**	68,218	(0.4)
Operating expenses	**261,953**	256,313	2.2

The Group's operating expenses rose 2.2% to S$262.0 million in FY2004/05 from S$256.3 million in the previous financial year. The increase was due mainly to higher traffic and related expenses and staff costs.

Although traffic and related expenses were higher by 3.9% at S$81.7 million, in tandem with the growth in international mail volumes, the increase was mitigated by lower outsourcing cost payable to Spring. Following the revision in Spring's commission structure, SingPost's outsourcing cost was reduced by S$7.7 million per annum, effective Q4 FY2004/05. In future, the reduction in outsourcing cost would result in an overall net benefit from Spring of approximately S$3.0 million per annum.

Staff costs were up 3.3% to S$78.3 million in FY2004/05 from S$75.8 million due to additional hires of management and other staff for the development and roll-out of new products and services, including financial services.

OPERATING PROFIT

S$'000	FY2004/05	FY2003/04	% Change
Mail	**108,266**	105,678	2.4
Logistics	**7,024**	5,851	20.0
Retail	**5,021**	7,189	(30.2)
Others	**10,491**	10,042	4.5
Gain on disposal and write back of provision for winding down of joint venture companies	**3,925**	159	n.m.
Operating profit	**134,727**	128,919	4.5

The core business of Mail and Logistics recorded growth in operating profit in FY2004/05. The decline in Retail operating profit was due to start-up costs and additional expenditure related to the development and rollout of financial services.

Despite the investment in growth, the Group's operating profit was up 4.5% to S$134.7 million. Excluding exceptional gain of S$3.9 million mainly from the sale of a joint venture, the Group's underlying operating profit grew 1.6%.

CASH FLOW AND LIQUIDITY

SingPost's cashflow generation remained strong in FY2004/05. Net cash inflow from operating activities amounted to S$144.4 million, compared to S$121.7 million in the previous year.

Free cash flow, defined as net cash inflow from operating activities less capital expenditure of S$13.8 million, amounted to S$130.6 million for FY2004/05, compared to S$114.4 million for FY2003/04.

As at 31 March 2005, the Group's cash and cash equivalent stood at S$159.0 million.

KEY FINANCIAL INDICATORS

The Group's return on equity improved to 35.0% in FY2004/05 compared to 33.8% in FY2003/04. Net debt to equity improved from 67.1% to 42.6% as at 31 March 2005 as net debt reduced from S$201.6 million as at 31 March 2004 to S$141.0 million. EBIT interest coverage (defined as profit before interest and tax/interest on borrowings) remained strong at 28.4 times.

The Group's net asset per share rose from 15.8 cents as at 31 March 2004 to 17.4 cents as at 31 March 2005. Earnings per share for FY2004/05 was 5.81 cents compared to 5.49 cents for FY2003/04.

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.

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 Corporate Governance Committee. 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 Corporate Governance Committee.

BOARD MATTERS

Principle 1: 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 annual budget and financial results for release to the Singapore Exchange Securities Trading Limited (the SGX-ST).

In order to facilitate decision-making and to ensure the smooth operation of the Company, the Board has delegated some of its powers to the Executive Committee. The Board is also supported by the Audit Committee, Compensation Committee and the Nominations Committee.

The Board conducts regular scheduled meetings at least four times a year and meets as and when warranted by particular circumstances between the scheduled meetings. The Company's Articles of Association provide for meetings to be held via telephone and video conferencing. In the financial year ended 31 March 2005, a total of nine Board meetings were held. The attendance of the directors at Board meetings and Board committee meetings, as well as the frequency of such meetings, are disclosed in this Report.

Newly appointed directors are advised of their disclosure obligations under the Companies Act, Cap. 50 and SGX-ST listing rules. They are also given briefings by Management on the business activities of the Group, its strategic direction and corporate governance practices.

Principle 2: Board Composition and Balance

The majority of our directors are non-executive and independent. The Board comprises ten directors, six of whom are non-executive independent directors, two of whom are non-executive and non-independent and two of whom are executive non-independent director. The non-independent directors are Mr Lee Hsien Yang, the President and CEO of SingTel, a substantial shareholder of SingPost; Mr Phua Kok Kim, Managing Director (Special Projects) of Temasek Holdings (Private) Limited, the majority shareholder of SingTel; Mr Lau Boon Tuan, the Group Chief Executive Officer of SingPost; and Mr William Tan Soo Hock, the Executive Vice President (Postal Services & Administration) 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 Directors and Executive Officers".

The Board considers the present Board size appropriate for the current nature and scope of the Group's operations.

Principle 3: Chairman and Chief Executive Officer

There is a clear separation of the roles and responsibilities of the chairman and the chief executive officer in SingPost. Different individuals assume the chairman and the chief executive officer functions in SingPost, which posts are, and will remain separate. Mr Lim Ho Kee, a non-executive director, is the Chairman and assumes responsibility for the workings of the Board. Mr Lau Boon Tuan, the Group Chief Executive Officer is the most senior executive in SingPost and assumes the executive responsibility of the day-to-day management of SingPost.

The appointments of the chairman and the chief executive officer of SingPost require the prior written approval of the Info-communications Development Authority of Singapore (IDA).

Principle 4: 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 directors to the Board 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 a 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.

Principle 5: Board Performance

The Nominations Committee has recommended and the Board has approved an appraisal process for assessing the Board as a whole and the contribution by each individual director to the Board.

The performance criteria for the Board evaluation are based on financial and non-financial indicators such as an evaluation of size and composition of the Board, the Board's access to information, Board processes, strategy and planning, risk management, accountability, Board performance in relation to discharging its principal functions, communication with Management and standards of conduct of the directors.

During the financial year, as part of the appraisal process adopted to assess the effectiveness of the Board as a whole, the directors were requested to complete appraisal forms and these were collated by an independent consultant who then reviewed the results of the appraisal with the Chairman of Nominations Committee. A report incorporating the recommendations of the Chairman of the Nominations Committee was then presented to the Board.

In the case of the evaluation of the individual directors' contribution to the effectiveness of the Board, SingPost has decided to undertake the assessment of individual directors at a later date.

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.

Principle 6: Access to Information

Prior to each Board meeting, the Board is supplied with relevant information by 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 Management and the Company Secretary at all times. The Company Secretary attends to all corporate secretarial and compliance matters and also attends all Board meetings. To assist our directors 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, the Compensation Committee and the Executive Committee, 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.

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. 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 2005. During the financial year, it recommended to the Board evaluation processes for the performance and effectiveness of the Board and the contribution of each member to the effectiveness of the Board. The Committee also reviewed the composition of the Board and recommended the appointment of new Board members to replace Board members who have stepped down during the financial year.

Compensation Committee

The Compensation Committee comprises Mr Lim Ho Kee (Committee Chairman), Mr Tommie Goh Thiam Poh, Mr Lee Hsien Yang and Mr Keith Tay Ah Kee. All members are non-executive independent directors except Mr Lee Hsien Yang, who is a non-executive non-independent director. Mrs Lim Hwee Hua ceased to be a member of the Compensation Committee following her resignation as a director of SingPost on 11 August 2004. 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;
- administers the SingPost Share Option Scheme; and
- recommends specific remuneration packages for each executive director.

Audit Committee

The Audit Committee comprises four non-executive independent directors: Mr Keith Tay Ah Kee (Committee Chairman), Mr Tommie Goh Thiam Poh, Mr Kenneth Michael Tan Wee Kheng and Mr Tan Yam Pin. Mr Tan Yam Pin was appointed as a member of the Audit Committee on 15 April 2005.

The responsibilities of the Audit Committee as specified in its written charter 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;
- reviews the cost effectiveness of the audit and the independence and objectivity of the external auditors annually, taking into account the nature and extent of non-audit services supplied by the external auditors and seeking to balance the maintenance of objectivity and value for money; 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. If required, the Audit Committee has authority to seek external resources to enable it to discharge its functions properly, including obtaining legal or other professional advice and services.

Audit Committee Activities

The Committee held four meetings during the year.

Internal Audit performs detailed work to assist the Audit Committee in the evaluation of material internal controls of the Group. 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 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. The Committee has also met with the internal and external auditors, without the presence of Management.

The Committee has reviewed the quarterly and annual financial statements of the Company and the Group for the financial year ended 31 March 2005 as well as the auditors' reports thereon.

Interested person transactions of the Group in the financial year have 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 2005. The Committee is of the opinion that the independence and objectivity of the external auditors would not be impaired by the provision of these non-audit services.

In April 2005, the Board approved the implementation of whistle-blowing arrangements, to serve as an additional channel for staff to raise concerns about possible corporate improprieties in matters of financial reporting or other matters. The whistle-blowing arrangements and policies were reviewed by the Audit Committee before submission to the Board for approval. To ensure independent investigation of such matters and for appropriate follow up action, all whistle-blowing reports are to be sent to the internal audit function. The Chairman of the Audit Committee and the Chairman of the Board will be informed immediately of all whistle-blowing reports received.

The Board is kept informed of the Audit Committee's activities.

Executive Committee

The members of the Executive Committee are Mr Lim Ho Kee (Committee Chairman), a non-executive independent director, Mr Lau Boon Tuan, an executive non-independent director, Mr Lee Hsien Yang, a non-executive non-independent director and Mr Phua Kok Kim, a non-executive non-independent director. Mrs Lim Hwee Hua ceased to be a member of the Executive Committee following her resignation as a director of SingPost on 11 August 2004. Both Mr Phua and Mr Lau were appointed as members of the Executive Committee on 15 April 2005. Mr Lau was appointed as a member in place of Mr William Tan Soo Hock.

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 Committee Meetings

The attendance of each director at Board meetings and Board committee meetings during the financial year ended 31 March 2005 is as follows:

	Board	Executive Committee	Audit Committee	Nominations Committee	Compensation Committee
Number Of Meetings Held:	**9 (1)**	**2**	**4**	**4**	**1**
Name			**Number of Meetings Attended**		
Lim Ho Kee	5	2	-	4	1
Janet Ang Guat Har (2)	2	-	-	-	-
Tommie Goh Thiam Poh	4	-	3	-	0
Lau Boon Tuan (3)	5	-	-	-	-
Lee Hsien Yang	9	2	-	-	1
Lim Hwee Hua (4)	2	1	-	-	1
Ong Ah Heng	5	-	-	3	-
Phua Kok Kim (5)	5	-	-	-	-
William Tan Soo Hock	9	2	-	-	-
Kenneth Michael Tan Wee Kheng	7	-	4	3	-
Tan Yam Pin (6)	2	-	-	-	-
Keith Tay Ah Kee	9	-	4	-	0

Notes

(1) 4 out of 9 board meetings were ad hoc board meetings at which certain directors had abstained from attending.

(2) Ms Janet Ang Guat Har ceased to be a director on 25 February 2005. She attended 2 out of 4 Board meetings between 1 April 2004 and 25 February 2005.

(3) Mr Lau Boon Tuan was appointed as a director of SingPost on 1 February 2005.

(4) Mrs Lim Hwee Hua ceased to be a director on 11 August 2004. She attended 2 out of 2 Board meetings, 1 out of 1 Executive Committee meeting and 1 out of 1 Compensation Committee meeting between 1 April 2004 and 11 August 2004.

(5) Mr Phua Kok Kim was appointed as a director of SingPost on 22 November 2004.

(6) Mr Tan Yam Pin was appointed as a director of SingPost on 25 February 2005 and as a member of the Audit Committee on 15 April 2005.

Principle 7: Procedures for Developing Remuneration Policies

The Compensation Committee comprises Mr Lim Ho Kee (Committee Chairman), Mr Tommie Goh Thiam Poh, Mr Lee Hsien Yang and Mr Keith Tay Ah Kee. Only Mr Lee Hsien Yang is a non-executive, non-independent director. The Compensation Committee's responsibilities 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;
- administers the SingPost Share Option Scheme; and
- recommends specific remuneration packages for each executive director.

Principle 8: Level and Mix of Remuneration

The Compensation Committee has access to expert professional advice on human resource matters whenever there is a need to consult externally.

Non-executive directors' remuneration comprises a basic retainer fee, additional fees for appointment to Board committees and attendance fees for Board meetings. Directors' fees for non-executive directors are subject to the approval of shareholders at the AGM.

The Group Chief Executive Officer and the Executive Vice President (Postal Services & Administration), who are executive directors of the Board, are not paid directors' fees. The remuneration structure for executive directors, and other key executive officers consists of the following components:

Fixed Component

Fixed pay comprises a basic salary, Annual Wage Supplement and fixed allowances. Eligibility for the fixed allowances will depend on the scheme of service. To ensure key executives' remuneration is consistent and comparable with market practice, the Compensation Committee benchmarks remuneration components against those of comparable companies.

Variable Component

This component refers to 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 Vice President (Postal Services & Administration), and other key executives. The Group Chief Executive Officer did not receive any variable bonus for the financial year ended 31 March 2005 as he was recently appointed on 1 February 2005.

Provident Fund

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

Benefits

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

Share Options

Share options are granted 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 Trinomial Tree Model valuation methodology.

Principle 9: Disclosure on Remuneration

Directors' Remuneration

Directors' compensation for the year ended 31 March 2005 is as follows:

Name of Director	Fixed Component (1) %	Variable Component (2) %	Provident Fund (3) %	Benefits (4) %	Directors' Fees %	Total Compensation (5) %	SingPost Share Option Scheme No. Awarded & Accepted ('000)	SingPost Share Option Scheme (6) Value (S$'000)
S$250,000 to below S$500,000								
William Tan Soo Hock Executive Vice President (Postal Services & Administration) and Director (Non-Independent)	62	25	2	11		100	300	27.0
Below S$250,000								
Lim Ho Kee Chairman and Director (Independent)					100	100		
Janet Ang Guat Har (7) Director (Independent)					100	100		
Tommie Goh Thiam Poh Director (Independent)					100	100		
Lau Boon Tuan (8) Group Chief Executive Officer and Director (Non-Independent)	73			27		100	3,000	314.0
Lee Hsien Yang Director (Non-Independent)					100	100		
Lim Hwee Hua (9) Director (Non-Independent)					100	100		
Ong Ah Heng Director (Independent)					100	100		
Phua Kok Kim (10) Director (Non-Independent)					100	100		
Kenneth Michael Tan Wee Kheng Director (Independent)					100	100		
Tan Yam Pin (11) Director (Independent)					100	100		
Keith Tay Ah Kee Director (Independent)					100	100		

Notes

(1) Fixed Component refers to base salary earned and Annual Wage Supplement, if applicable, for the year ended 31 March 2005.

(2) Variable Component refers to variable bonus for the year ended 31 March 2005.

(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 benefits, and car allowance.

(5) Total Compensation excludes the value of share options.

(6) The option valuation adopted simulation methodologies consistent with assumptions that apply under the Trinomial Tree Model valuation methodology.

(7) Ms Janet Ang Guat Har ceased to be a director on 25 February 2005.

(8) Mr Lau Boon Tuan was appointed as a director on 1 February 2005.

(9) Mrs Lim Hwee Hua ceased to be a director on 11 August 2004.

(10) Mr Phua Kok Kim was appointed as a director on 22 November 2004.

(11) Mr Tan Yam Pin was appointed as a director on 25 February 2005.

No employee of the Company and its subsidiary companies was an immediate family member of a director and whose remuneration exceeded S$150,000 during the financial year ended 31 March 2005.

Executives' Remuneration

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 2005.

	Fixed Component	Variable Component	Provident Fund	Benefits	Total Compensation	SingPost Share Option Scheme	
Name of Director	(1) %	(2) %	(3) %	(4) %	(5) %	No. Awarded & Accepted ('000)	(6) Value (S$'000)
(in alphabetical order)							
S$250,000 to below S$500,000							
Mary Ong Senior Vice President (Corporate Services & eBusiness)	66	19	4	11	100	100	9.0
Teo Yew Hwa Chief Executive Officer (SPRING)	62	21	4	13	100	200	18.0
Celine Wang Chi Lin Chief Financial Officer	62	20	5	13	100	150	13.5
Below S$250,000							
Loh Choo Beng Senior Vice President (Financial Services)	70	24	5	1	100	200	18.0
Woo Keng Leong Senior Vice President (Mail Business)	72	21	6	1	100	150	13.5

Notes

(1) Fixed Component refers to base salary earned, Annual Wage Supplement and leave compensation allowance, if applicable, for the year ended 31 March 2005.

(2) Variable Component refers to variable bonus for the year ended 31 March 2005.

(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 benefits, car allowance and long service awards.

(5) Total Compensation excludes the value of share options.

(6) The option valuation adopted simulation methodologies consistent with assumptions that apply under the Trinomial Tree Model valuation methodology.

Principle 10: Accountability

The Board has overall responsibility to shareholders for ensuring that the Group is well managed and guided by its strategic objectives. In presenting the Group's annual and quarterly financial statements to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Group's performance, position and prospects. Management provides the Board with management accounts and other financial statements on a monthly basis.

Principle 11: Audit Committee

Information on the Audit Committee and its activities are outlined under the "Board Committees" section of this Corporate Governance Report.

Principle 12: Internal Controls

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 compliance with appropriate legislation and regulations; and
- having qualified and experienced persons to take charge of important functions.

An enterprise risk management review was carried out during the year to identify the key risks faced by the Group and to review the adequacy of the measures taken to manage and mitigate the Group's exposure to these risks.

Operational risks management measures implemented include the implementation of safety, security and internal control measures, development of business continuity plans and taking up appropriate insurance coverage.

Details of the Group's financial risks management measures are outlined in Note 29 to the Financial Statements.

Principle 13: Internal Audit

The internal audit function's primary line of reporting is to the Chairman of the Audit Committee, although it also reports administratively to the Group Chief Executive Officer. The Audit Committee reviews the adequacy of the internal audit function and its standing within the Group to ensure it is able to perform its functions effectively and objectively.

Principle 14: 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.

Disclosure of information is made through the Company's annual reports, circulars for Extraordinary General Meetings, press releases on major developments at the Company, announcements to SGX-ST, as well as on the corporate website which has a dedicated investor relations section.

SingPost holds briefings for investment analysts and the media, and conducts teleconference calls with overseas analysts and fund managers for the half-year and full-year results releases. Conference calls are also conducted with analysts and fund managers post results announcements for the first and third quarters. For 2004, SingPost was ranked 13th out of 570 locally listed companies in the Business Times Corporate Transparency Index (2004), which analyses the quality of financial results disclosure by companies.

In addition, to provide investors and investment analysts with a good understanding of our business, our top Management frequently meet and teleconference with local and foreign institutional investors.

Principle 15: Greater Shareholder Participation

SingPost fully supports the Code's principle to encourage shareholder participation at general meetings. The Company's Articles of Association allow a shareholder entitled to attend and vote to appoint a proxy, who need not be a shareholder of SingPost, to attend and vote at the meetings. Separate resolutions are proposed for distinct issues for shareholder approval at the meetings.

These meetings provide shareholders the opportunity to clarify issues with directors and top Management. The directors and top Management are present at the meetings to address shareholders' queries. The Company's external auditors are also present to assist the Board in addressing relevant queries.

DEALINGS IN SECURITIES

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.

INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

PROFILE OF DIRECTORS

Mr Lim Ho Kee, 61
Non-executive, independent director

Mr Lim was appointed as a director in April 1998 and subsequently as Chairman of the Board of Directors in March 2003. Mr Lim was last re-elected in 2004. He is also the chairman of the Executive, Nominations and Compensation Committees. Mr Lim is currently a director of Jardines Cycle & Carriage Limited, MCL Land Limited and Keppel Land 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, Singapore Telecommunications Limited (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.

Mr Tommie Goh Thiam Poh, 55
Non-executive, independent director

Mr Goh was appointed as a director in March 2003 and is a member of the Compensation and Audit Committees. Mr Goh was last re-elected in 2003.

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 Lau Boon Tuan, 48
Executive, non-independent director
Group Chief Executive Officer

Mr Lau is the Group Chief Executive Officer and a director of SingPost. He was appointed as a director in February 2005 and was appointed as a member of the Executive Committee on 15 April 2005.

Mr Lau spent 14 years with Pepsi-Cola International Ltd, beginning first as a financial accountant and rising to the position of Chief Financial Officer of Serm Suk Public Company Ltd., Thailand, a position he was seconded to by Pepsi-Cola International Ltd. Mr Lau was the Country Business Manager-Global Consumer Bank of Citibank N.A. in Thailand from 1999 to 2003 and thereafter the Division Executive-Global Consumer Bank, where he oversaw and grew the consumer banking business of Citibank in Thailand, Taiwan, Malaysia and Vietnam. Under his strong leadership, Citibank Thailand garnered many of Citibank's in-house awards during his five years as Country Business Manager. These include Best Citibank Worldwide Privileges in Asia Pacific, Best Voice of Employee Result in Asia Pacific and The Most Consistent Vital Fews Performance of the Year. Among the many successes, Mr Lau achieved for Citibank Thailand the best insurance revenue/profit growth in Asia Pacific in 2003, and the highest percentage profit growth rate of 84% in Asia Pacific in 2002.

Mr Lau obtained his Bachelor of Commerce degree from the University of Western Australia in 1981.

Mr Lee Hsien Yang, 47
Non-executive, non-independent director

Mr Lee 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 the Republic Polytechnic's Board of Governors and sits on the Board of Directors, INSEAD. He is also a board member of Singapore's Land Transport Authority and a director of the Singapore Exchange Limited.

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.

Mr Ong Ah Heng, 61
Non-executive, independent director

Mr Ong was appointed as a director in November 1999 and was last re-elected in 2004. 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 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 Phua Kok Kim, 42
Non-executive, non-independent director

Mr Phua was appointed as a director in November 2004 and was appointed as a member of the Executive Committee on 15 April 2005.

Mr Phua is currently the Managing Director (Special Projects) of Temasek Holdings (Private) Limited and seconded to Mapletree Investments Pte Ltd, a wholly-owned Temasek subsidiary as Executive Vice-

President, Capital Management. Mr Phua presently serves on boards of several companies including Gas Supply Pte Ltd, Jetstar Asia Airways Pte Ltd and NDLC-IFIC Bank Ltd. Mr Phua was previously also a board member of Heliconia Realty Pte Ltd, Cantonment Realty Pte Ltd, Vista Real Estate Investments Pte Ltd, Bougainvillea Realty Pte Ltd, Alexandra Distripark Pte Ltd and Alexandra Terrace Pte Ltd.

Mr Phua obtained his Bachelor of Economics (Hons) from the University of Adelaide, Australia in 1985.

Mr William Tan Soo Hock, 57
Executive, non-independent director
Executive Vice President (Postal Services & Administration)

Mr Tan was appointed as a director in March 2003 and was last re-elected in 2003. He was a member of the Executive Committee until 15 April 2005.

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. He was also the Managing Director of Singapore Telecom International Pte Ltd's Indonesian joint venture project which involved the management and operation of domestic and long distance telephone service in the East Indonesia Region, Division VII, from 1996 to 1997. Mr Tan was the Deputy Chief Executive Officer of SingPost from 1992 to 1995. He was responsible for the introduction of the nation-wide change from a 4- to 6-digit postal code system in 1995 and state-of-the-art mail sorting operations at Singapore Post Centre in 1998.

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.

Mr Kenneth Michael Tan Wee Kheng, 47
Non-executive, independent director

Mr Tan, Senior Counsel, was appointed as a director in March 2003 and is a member of the Audit and Nominations Committees. Mr Tan was last re-elected in 2003. 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 Tan Yam Pin, 64
Non-executive, independent director

Mr Tan was appointed as a director in February 2005 and was appointed as a member of the Audit Committee on 15 April 2005.

Mr Tan is currently the Chairman of PowerSeraya Ltd (Singapore) and presently serves on the boards of BHP Steel Limited (Australia), East Asiatic Company Ltd A/S (Denmark), Keppel Land Limited, Great Eastern Holdings Limited, The Great Eastern Life Assurance Company Limited and The Overseas Assurance Corporation Limited. Mr Tan has been a Member of the Public Service Commission of Singapore since 1990.

A Chartered Accountant by profession, Mr Tan retired as Managing Director of the Fraser and Neave Group in October 2002.

Mr Tan holds a Bachelor of Arts in Economics, University of Singapore; Master of Business Administration, University of British Columbia and is a member of the Canadian Institute of Chartered Accountants.

Mr Keith Tay Ah Kee, 61
Non-executive, independent director

Mr Tay 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. He was conferred the first International Award for outstanding contribution to the profession by the Institute of Chartered Accountants in England & Wales in 1988 and the BBM (Public Service Star) by The President of The Republic of Singapore 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.

PROFILE OF MANAGEMENT
(in alphabetical order)

Mr Loh Choo Beng, 45
Senior Vice President (Financial Services)

Mr Loh joined SingPost in 2003. He is the Senior Vice President of the Financial Services Division and Head of wholly-owned subsidiary, SingPost Retail Services Pte. Ltd.. Mr Loh, who has more than 18 years of financial business experience, started his working career with Overseas Union Bank Limited, and moved to Keppel Bank of Singapore Limited in 1992. He continued his banking career throughout the subsequent merger of Keppel Bank of Singapore Limited and Tat Lee Bank Limited, and the final merger with Oversea-Chinese Banking Corporation Limited. He held various functions covering branch operation, product development in consumer and small and medium enterprise lending, and initiation of strategic business units including the priority banking and wealth management businesses. Mr Loh graduated from the National University of Singapore in 1984 with a Bachelor of Business Administration degree.

Ms Mary Ong, 53
Senior Vice President (Corporate Services & eBusiness)

Ms Mary Ong joined SingPost in 2004 as Vice President responsible for the sales and marketing, and business development units. Since 1 April 2005, Ms Ong is responsible for SingPost's Corporate Services and e-Business unit. She was formerly the CEO of Singapore Telecommunication Limited's Managed Hosting Services business unit. Prior to this, she was seconded to SingTel's joint venture, Lycos Asia Pte Ltd, as CEO for two years. Her earlier careers have been with corporations such as IPACS Asia Pte Ltd, Cap Gemini Singapore Pte Ltd, Advanced Quality Solutions (International) Pte Ltd, Hewlett-Packard Singapore (Sales) Pte Ltd, General Electric (USA) group of companies and Wang Computers Pte Ltd. Ms Ong graduated with a Degree in Business Administration from the Royal Melbourne Institute of Technology (Australia).

Mr Teo Yew Hwa, 48
Chief Executive Officer (SPRING)

Mr Teo is the Chief Executive Officer of G3 Worldwide Aspac Pte Ltd (SPRING) and a Management Board member of G3 Worldwide Mail N.V.. He is concurrently holding the title of Senior Vice President (International Mail Business) of SingPost. He started his career with SingTel in 1982 before joining SingPost in 1989. He was instrumental in the transformation of the postal operations to its 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, 50
Chief Financial Officer

Ms Wang was appointed the Chief Financial Officer in 2002 and was a core team member to prepare for the public listing of SingPost in May 2003. She joined SingPost as a financial controller in 1992 from SingTel, and was responsible for setting up the financial systems and processes of the then newly corporatised SingPost. She sits on the boards of a number of SingPost's subsidiaries and associated companies and is the Chief Financial Officer of G3 Worldwide Aspac Pte Ltd (SPRING). 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, 50
Senior Vice President (Mail Business)

Mr Woo, a Public Services Commission scholar, was posted to the then Postal Services Department in 1980. He was responsible for the seamless transition of the operations when SingPost relocated 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, an international body under the Universal Postal Union. He serves as a director on the boards of DataPost Pte Ltd, eP2M Services Sdn. Bhd. and ePDS, Inc.. Mr Woo graduated from the Nanyang University in Singapore and attended the International Post Office Management course in the UK.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

For the financial year ended 31 March 2005

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 March 2005 and the balance sheet of the Company at 31 March 2005.

DIRECTORS

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

Mr Lim Ho Kee (Chairman)	
Mr Tommie Goh Thiam Poh	
Mr Lau Boon Tuan	(appointed on 1 February 2005)
Mr Lee Hsien Yang	
Mr Ong Ah Heng	
Mr Phua Kok Kim	(appointed on 22 November 2004)
Mr William Tan Soo Hock	
Mr Kenneth Michael Tan Wee Kheng	
Mr Tan Yam Pin	(appointed on 25 February 2005)
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 65 and 66.

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 or debentures of the Company and related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
The Company	**At 31.3.05**	**At 1.4.04 or date of appointment, if later**	**At 31.3.05**	**At 1.4.04 or date of appointment, if later**
Singapore Post Limited				
Ordinary shares of S$0.05 each				
Lim Ho Kee	8,128,350	8,080,000	-	-
Tommie Goh Thiam Poh	80,000	80,000	-	-
Lee Hsien Yang	1,080,000	1,080,000	-	-
Phua Kok Kim (appointed on 22 November 2004)	10,000	10,000	10,000	10,000
William Tan Soo Hock	500,000	300,000	-	-
Kenneth Michael Tan Wee Kheng	80,000	80,000	-	-
Tan Yam Pin (appointed on 25 February 2005)	500,000	500,000	-	-
Keith Tay Ah Kee	128,350	80,000	-	-
Options to purchase ordinary shares of S$0.05 each				
Lim Ho Kee	-	48,350	-	-
Lau Boon Tuan (appointed on 1 February 2005)	3,000,000	3,000,000	-	-
William Tan Soo Hock	5,401,368	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 2005 were the same at 31 March 2005.

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 31 March 2005, the Committee comprises:

Chairman	:	Mr Lim Ho Kee
Members	:	Mr Tommie Goh Thiam Poh Mr Lee Hsien Yang Mr Keith Tay Ah Kee

The Scheme provides SingPost with a means to retain and to give recognition to employees 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 principal terms of the Scheme are as follows:

- 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 Trinomial Tree Model valuation methodology (taking into account relevant assumptions).
- The vesting schedule for the share options offered to eligible employees (including executive directors) 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, exercised 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	Balance as at 1 Apr 2004, or date of grant, if later ('000)	Options exercised ('000)	Options cancelled ('000)	Balance as at 31 Mar 2005 ('000)
For employees (including executive directors)						
13.5.03	14.5.04 to 13.5.13	S$0.600	15,133	3,028	360	11,745
28.7.03	29.7.04 to 28.7.13	S$0.675	2,430	249	77	2,104
18.8.03	19.8.04 to 18.8.13	S$0.600	396	118	-	278
18.8.03	19.8.04 to 18.8.13	S$0.721	56	16	-	40
19.7.04	20.7.05 to 19.7.14	S$0.802	2,880	-	350	2,530
15.10.04	16.10.05 to 15.10.14	S$0.791	100	-	-	100
7.1.05	8.1.06 to 7.1.15	S$0.888	100	-	-	100
1.2.05	2.2.06 to 1.2.15	S$0.892	3,000	-	-	3,000
			24,095	3,411	787	19,897
For non-executive directors						
13.5.03	13.5.04 to 13.5.08	S$0.600	97	97	-	-
			97	97	-	-
Total Share Options			**24,192**	**3,508**	**787**	**19,897**

As at 31 March 2005, no share option has 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 four non-executive and independent directors:

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

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 2005 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 Lau Boon Tuan
Director

Singapore
4 May 2005

STATEMENT BY DIRECTORS

For the financial year ended 31 March 2005

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 70 to 114 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 2005 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 Lau Boon Tuan
Director

Singapore
4 May 2005

AUDITORS' REPORT TO THE MEMBERS OF SINGAPORE POST LIMITED

We have audited the accompanying financial statements of Singapore Post Limited set out on pages 70 to 114 for the financial year ended 31 March 2005, comprising the balance sheet of the Company and the consolidated financial statements of the Group. 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 Companies Act, Cap 50 ("the 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 2005, 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
4 May 2005

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2005

	Notes	The Group 2005 S$'000	The Group 2004 S$'000
Operating revenue	3	**375,811**	368,180
Other operating income	4	**16,944**	16,893
Staff costs	5	**(78,252)**	(75,784)
Depreciation		**(34,079)**	(33,688)
Traffic and related expenses		**(81,703)**	(78,623)
General administrative and others		**(67,919)**	(68,218)
Total operating expenses		**(261,953)**	(256,313)
Exceptional items	6	**3,925**	159
Operating profit	7	**134,727**	128,919
Associated and joint venture companies	8		
- Share of results		**11,775**	14,492
- Amortisation of goodwill		**-**	(4,001)
Profit before interest and tax		**146,502**	139,410
Finance income	9	**1,157**	2,251
Finance costs	9	**(5,368)**	(7,619)
Profit before tax		**142,291**	134,042
Income tax expense	10	**(31,396)**	(29,334)
Profit from ordinary activities after tax		**110,895**	104,708
Minority interest	27	**(360)**	(416)
Net profit		**110,535**	104,292
Earnings per share	11		
- Basic		**5.81 cents**	5.49 cents
- Diluted		**5.80 cents**	5.48 cents

The accompanying notes form an integral part of these financial statements. Auditors' report - Page 69

BALANCE SHEETS
As at 31 March 2005

	Notes	The Group 2005 S$'000	The Group 2004 S$'000	The Company 2005 S$'000	The Company 2004 S$'000
ASSETS					
Current assets					
Cash and cash equivalents	12	**159,048**	98,363	**153,479**	86,842
Trade and other receivables	13	**40,839**	30,230	**32,378**	26,785
Inventories, at cost		**18**	-	**-**	-
		199,905	128,593	**185,857**	113,627
Non-current assets					
Trade and other receivables	14	**1,291**	1,382	**1,291**	1,382
Investments in associated and joint venture companies	16	**87,865**	87,233	**83,372**	83,372
Investments in subsidiaries	17	**-**	-	**12,105**	12,105
Property, plant and equipment	18	**533,946**	554,656	**530,013**	551,412
Intangible asset	19	**396**	432	**396**	432
		623,498	643,703	**627,177**	648,703
Total assets		**823,403**	772,296	**813,034**	762,330
LIABILITIES					
Current liabilities					
Trade and other payables	20	**134,332**	112,970	**136,259**	111,501
Current income tax liabilities	10	**31,356**	31,158	**30,366**	30,227
		165,688	144,128	**166,625**	141,728
Non-current liabilities					
Borrowings	21	**300,000**	300,000	**300,000**	300,000
Deferred income tax liabilities	22	**23,577**	24,962	**23,078**	24,260
Deferred income	23	**148**	243	**148**	243
		323,725	325,205	**323,226**	324,503
Total liabilities		**489,413**	469,333	**489,851**	466,231
NET ASSETS		**333,990**	302,963	**323,183**	296,099
EQUITY					
Share capital	24	**95,175**	95,000	**95,175**	95,000
Share premium		**1,950**	-	**1,950**	-
Foreign currency translation reserve		**1,724**	1,598	**-**	-
Other capital reserve		**1,596**	-	**-**	-
Retained earnings	25	**230,626**	203,807	**226,058**	201,099
Shareholders' equity		**331,071**	300,405	**323,183**	296,099
Minority interest	27	**2,919**	2,558	**-**	-
		333,990	302,963	**323,183**	296,099

The accompanying notes form an integral part of these financial statements. Auditors' report - Page 69

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2005

	Notes	Share capital S$'000	Share premium S$'000	Foreign currency translation reserve S$'000	Other capital reserve S$'000	Retained earnings S$'000	Total S$'000
Balance at 1 April 2004		95,000	-	1,598	-	203,807	300,405
Net gains recognised directly in equity							
- Currency translation differences		-	-	126	-	-	126
Net profit		-	-	-	-	110,535	110,535
Total recognised gains for the financial year		-	-	126	-	110,535	110,661
Dividends	26	-	-	-	-	(83,716)	(83,716)
Issue of new shares	24	175	1,950	-	-	-	2,125
Capital injection by a shareholder of associated company		-	-	-	1,596	-	1,596
Balance at 31 March 2005		95,175	1,950	1,724	1,596	230,626	331,071
Balance at 1 April 2003		95,000	-	1,504	-	219,538	316,042
Net gains recognised directly in equity							
- Currency translation differences		-	-	94	-	-	94
Net profit		-	-	-	-	104,292	104,292
Total recognised gains for the financial year		-	-	94	-	104,292	104,386
Dividends	26	-	-	-	-	(120,023)	(120,023)
Balance at 31 March 2004		95,000	-	1,598	-	203,807	300,405

The accompanying notes form an integral part of these financial statements. Auditors' report - Page 69

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2005

	Notes	2005 S$'000	2004 S$'000
Cash flows from operating activities			
Profit before tax		142,291	134,042
Adjustments for:			
Amortisation of franchise fees received		(95)	(95)
Amortisation of licence fee		36	36
Amortisation of management fee for borrowings		72	537
Depreciation of property, plant and equipment		34,079	33,688
Exceptional items		(3,925)	(159)
Gain on disposal of property, plant and equipment		(238)	(403)
Goodwill amortisation		-	4,001
Interest expense		5,158	7,063
Interest income		(1,157)	(2,251)
Share of profit of associated and joint venture companies		(11,775)	(14,492)
(Write back of)/allowance for doubtful trade receivables		(359)	345
		21,796	28,270
Operating cash flow before working capital changes		164,087	162,312
Changes in operating assets and liabilities			
Inventories		(18)	138
Trade and other receivables		(10,147)	5,629
Trade and other payables		19,171	(8,642)
Cash generated from operations		173,093	159,437
Income tax paid		(28,658)	(37,751)
Net cash inflow from operating activities		144,435	121,686
Cash flows from investing activities			
Capital reduction in associated company		-	2,455
Dividends received from associated company		2,190	2,105
Dividends received from joint venture company		7,000	9,506
Interest received		1,072	2,245
Investment in joint venture company		-	(108)
Purchase of property, plant and equipment		(13,750)	(7,317)
Proceeds from sale/liquidation of joint venture companies		3,686	-
Proceeds from sale of property, plant and equipment		1,329	256
Net cash inflow from investing activities		1,527	9,142
Cash flows from financing activities			
Dividends paid to shareholders		(83,716)	(319,988)
Dividends paid to a minority shareholder		-	(140)
Fees paid on bank loan and bonds issued		-	(734)
Interest paid		(3,686)	(5,466)
Proceeds from bonds issued		-	300,000
Proceeds from issue of shares		2,125	-
Repayment of bank loan		-	(120,000)
Net cash outflow from financing activities		(85,277)	(146,328)
Net increase/(decrease) in cash and cash equivalents held		60,685	(15,500)
Cash and cash equivalents at beginning of financial year	12	98,363	113,863
Cash and cash equivalents at end of financial year	12	159,048	98,363

The accompanying notes form an integral part of these financial statements. Auditors' report - Page 69

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2005

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

1. GENERAL

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

The principal activities of the Company consist of the operation and provision of postal and logistics services. Its subsidiaries are principally engaged in electronic printing and despatching services, secured personal finance services, investment holding and provision of electronic platform and recyclable lockers for merchandise distribution.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS). The financial statements have been prepared under the historical cost convention.

On 1 July 2004, the council on Corporate Disclosure and Governance issued FRS 103 Business Combinations, revised FRS 36 impairment of Assets and revised FRS 38 Intangible Assets. These standards apply to annual periods beginning on or after 1 July 2004. However, the early adoption of these standards is permitted under certain circumstances and must be applied prospectively from the same date. The Group has elected to apply FRS 103, revised FRS36 and revised FRS38 prospectively from the beginning of the financial year ended 31 March 2005.

Until 31 March 2004, goodwill was:

- amortised on a straight-line basis over a maximum period of 20 years; and
- assessed for any indication of impairment at each balance sheet date.

In accordance with the provisions of FRS 103:

- the Group ceased amortisation as at 1 April 2004;
- accumulated amortisation as at 1 April 2004 has been eliminated with a corresponding decrease in the cost of goodwill; and
- for the financial year ended 31 March 2005 onwards, goodwill is tested for impairment annually and whenever there is any indication of impairment.

The early adoption of FRS 103 resulted in an increase to the Group's net profits, basic and diluted earning per share of S$4 million, 0.21 cents and 0.21 cents respectively, arising from the cessation of goodwill amortisation.

There was no impact on the Group's opening retained earnings from the early adoption of FRS 103, revised FRS 36 and revised FRS 38.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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.

(b) Revenue recognition

Operating revenue represents the value of postal services, electronic printing and despatching services rendered, commissions and interest earned from financial services, 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.

Interest income is recognised on a time proportion basis using the effective interest method.

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

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

(c) Group accounting

(i) Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest. Please refer to note 2(e)(i) for the accounting policy on goodwill on acquisition of subsidiaries.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Group accounting (continued)

(i) Subsidiaries (continued)

Subsidiaries are consolidated from the date on which control is transferred to the Group to the date on which that control ceases. In preparing the consolidated financial statements, 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.

Minority interest is that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the parent. It is measured at the minority's share of post-acquisition fair values of the subsidiaries' identifiable assets and liabilities, except when the losses applicable to the minority in a subsidiary exceed the minority interest in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minority are taken to the consolidated income statement, unless the minority has a binding obligation to, and is able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority are taken to the consolidated income statement until the minority's share of losses previously taken to the consolidated income statement is fully recovered.

Please refer to note 2(f) for the Company's accounting policy on investments in subsidiaries.

(ii) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanying a shareholding of between and including 20% and 50% of the voting rights. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting. Investments in associated companies in the consolidated balance sheet includes goodwill (net of accumulated amortisation) identified on acquisition, where applicable. Please refer to note 2(e)(i) for the Group's accounting policy on goodwill.

Equity accounting involves recording investments in associated companies initially at cost, and recognising the Group's share of its associated companies' post-acquisition results and its share of post-acquisition movements in reserves against the carrying amount of the investments. When the Group's share of losses in an associated company equals or exceeds its investment in the associated company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

In applying the equity method, 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, adjustments are made to the financial statements of associated companies to ensure consistency of accounting policies with those of the Group.

Please refer to note 2(f) for the Company's accounting policy on investments in associated companies.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Group accounting (continued)

(iii) Joint ventures

Joint ventures are entities over which the Group has contractual arrangements to jointly share the control 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.

Please refer to note 2(f) for the Company's accounting policy on investments in joint ventures.

(iv) Transaction costs

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

(d) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses (note 2(g)).

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 depreciated evenly over the term of the lease.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of 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.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to 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 the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition of subsidiaries, joint ventures or associated 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 the retained earnings; such goodwill has not been retrospectively capitalised and amortised.

From 1 April 2004, goodwill is tested annually for impairment and carried at cost less accumulated impairment losses (note 2(g)). Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of these cash-generating units represents the Group's investment in each line of business. Gain or loss on the disposal of an entity includes the carrying amount of goodwill relating to the entity disposed, but excludes goodwill previously taken to retained earnings (pre-1 April 2001 acquisitions).

(ii) Licence

Licence is stated at cost less accumulated amortisation and accumulated impairment losses (note 2(g)). Amortisation is calculated using the straight-line method to allocate the cost of licenses over the licence period of 25 years.

(f) Investments

Investments in subsidiaries, joint ventures and associated companies are stated at cost less accumulated impairment losses in the Company's balance sheet. 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, joint ventures and associated companies, the difference between net disposal proceeds and its carrying amount is taken to the income statement.

(g) Impairment of assets

Goodwill is not subject to amortisation and is tested annually for impairment. Assets including property, plant and equipment and other intangible assets, are reviewed for impairment 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 asset's carrying amount exceeds its recoverable amount, which is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment of goodwill, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Trade receivables

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

(i) Borrowings

Borrowings are recognised based on the proceeds received.

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.

(j) Financial instruments

Interest rate swap contracts

Interest rate swap contracts are used to hedge the Group's exposure to interest rate risks. These contracts entitle the Group to receive interest at floating or fixed rates on notional principal amounts and oblige the Group to pay interest at fixed or floating rates on the same notional principal amounts.

Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (mainly half yearly), the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts. This difference is taken to the income statement on an accrual basis. The interest amounts arising from the interest rate swap contracts are recorded as current receivables and current payables on the balance sheet.

The notional principal amounts of the interest rate swap contracts are recorded as off-balance sheet items. The fair value of the interest rate swap contracts are not recognised in the financial statements.

(k) Operating leases

(i) When a group company is the lessee:

Leases of assets in which 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Operating leases (continued)

(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 accumulated impairment losses. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

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. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income 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 subsidiaries, associated companies and joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

(n) Provisions for other liabilities and charges

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. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Employee benefits

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds does not hold sufficient assets to pay all employee benefits relating to employee service in the current and preceding financial years. The Group's contribution to defined contribution plans are recognised in the financial year to which they relate.

(ii) 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.

(iii) 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 that entity (the measurement currency). The consolidated financial statements and balance sheet of the Company are presented in Singapore Dollars, which is the measurement currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the date of transactions. Foreign currency monetary assets and liabilities are translated into the measurement currency at the rates of exchange prevailing at the balance sheet date or at contracted rates where they are covered by forward exchange contracts. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are taken to the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Foreign currency translation (continued)

(iii) Translation of Group entities' financial statements

The results and financial position of group entities (none of which has the currency of a hyperinflationary economy) that are in measurement currencies other than Singapore Dollars are translated into Singapore Dollars as follows:

(1) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(2) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(3) All resulting exchange differences are taken to the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is disposed of, such exchange differences are taken to the income statement as part of the gain or loss on disposal.

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 include cash on hand, deposits with financial institutions.

(s) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity instruments, other than for the acquisition of businesses, are taken to equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issuance of new equity instruments for the acquisition of businesses are included in the cost of acquisition as part of the purchase consideration.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Dividends

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders.

3. OPERATING REVENUE

	The Group	
	2005 S$'000	2004 S$'000
Revenue from services rendered	375,511	368,180
Interest income from secured personal finance services	300	-
	375,811	368,180

4. OTHER OPERATING INCOME

	The Group	
	2005 S$'000	2004 S$'000
Other operating income is arrived at after crediting:		
Rental income	15,362	15,085
Net gain on disposal of property, plant and equipment	238	403

5. STAFF COSTS

	The Group	
	2005 S$'000	2004 S$'000
Wages and salaries	67,411	64,163
Employer's contributions to defined contribution plans including Central Provident Fund	7,559	8,368
Other benefits	3,282	3,253
	78,252	75,784

Key management remuneration is disclosed in note 31(c).

The number of persons employed at the end of the financial year:

	The Group	
	2005	2004
Full time	2,288	2,233

6. EXCEPTIONAL ITEMS

	The Group	
	2005 S$'000	2004 S$'000
Gain on disposal of a joint venture company	3,682	-
Write back of provision for winding down of a joint venture company	243	159
	3,925	159

7. OPERATING PROFIT

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

	The Group	
	2005 S$'000	2004 S$'000
Charging/(crediting)		
Amortisation charge:		
- Licence fee	36	36
Auditors' remuneration paid/payable to :		
- Auditors' of the Company	94	77
- Other auditors	1	-
Other fees paid to the auditors of the Company	60	4
Depreciation of property, plant and equipment		
- Leasehold land	1,663	1,663
- Buildings	11,049	11,223
- Postal equipment	9,672	9,700
- Other property, plant and equipment	11,695	11,102
Directors' fees	323	342
Directors' remuneration		
- Directors of the Company	534	451
Foreign exchange gain/(loss)	673	(682)
Rental expense – operating leases	4,607	4,363

8. ASSOCIATED AND JOINT VENTURE COMPANIES

	The Group	
	2005 S$'000	2004 S$'000
Share of results of associated company	502	6,161
Share of results of joint venture companies	11,273	8,331
	11,775	14,492
Amortisation of goodwill arising from acquisition of		
- Associated company	-	(4,001)
	11,775	10,491

9. FINANCE INCOME/COSTS

(a) Finance income

	The Group 2005 S$'000	The Group 2004 S$'000
Interest income from		
- Deposits with financial institutions	1,082	2,204
- Loans in associated and joint venture companies	32	-
- Others	43	47
	1,157	2,251

(b) Finance costs

	The Group 2005 S$'000	The Group 2004 S$'000
Interest expense on		
- Bank loan	-	(638)
- Bonds	(5,105)	(6,392)
- Forward rate agreement	(53)	(33)
Amortisation of management fee for bank borrowings and bonds	(72)	(537)
	(5,230)	(7,600)
Foreign exchange loss - net	(138)	(19)
	(5,368)	(7,619)

10. INCOME TAXES

(a) Income tax expense

	The Group 2005 S$'000	The Group 2004 S$'000
Tax expense attributable to profit is made up of:		
- Current income tax	28,856	29,234
- Deferred tax	(1,385)	(2,598)
	27,471	26,636
Share of tax of associated company	1,331	3,583
Share of tax of joint venture companies	2,594	1,870
	31,396	32,089
Over provision in preceding financial year:		
- Deferred tax	-	(2,755)
	31,396	29,334

10. INCOME TAXES (CONTINUED)

(a) Income 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	
	2005 S$'000	2004 S$'000
Profit before tax	**142,291**	134,042
Tax calculated at a tax rate of 20% (2004: 20%)	**28,458**	26,808
Singapore statutory stepped income exemption	**(33)**	(33)
Effect of different tax rates in other countries	**88**	923
Effect of withholding tax on dividend	**(129)**	(141)
Income not subject to tax	**(736)**	(794)
Items not deductible for tax purposes	**3,633**	5,251
Deferred tax assets not recognised	**115**	75
	31,396	32,089

(b) Movements in current income tax liabilities

	The Group		The Company	
	2005 S$'000	2004 S$'000	2005 S$'000	2004 S$'000
At beginning of financial year	**31,158**	39,675	**30,227**	38,885
Income tax paid	**(28,658)**	(37,751)	**(28,237)**	(37,571)
Current financial year's tax expense on profit	**28,856**	29,234	**28,376**	30,607
Tax deducted at source	-	-	-	(1,694)
At end of financial year	**31,356**	31,158	**30,366**	30,227

11. 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	
	2005	2004
Net profit attributable to members of Singapore Post Limited (S$'000)	110,535	104,292
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,902,345	1,900,000
Basic earnings per share	5.81 cents	5.49 cents

The diluted earnings per share is adjusted for the effects of all dilutive potential ordinary shares.

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	
	2005	2004
Net profit attributable to members of Singapore Post Limited (S$'000)	110,535	104,292
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,902,345	1,900,000
Adjustment for share options ('000)	2,909	2,195
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,905,254	1,902,195
Diluted earnings per share	5.80 cents	5.48 cents

12 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2005 S$'000	2004 S$'000	2005 S$'000	2004 S$'000
Deposits with financial institutions	135,600	65,684	131,250	59,900
Cash at bank and on hand	23,448	32,679	22,229	26,942
	159,048	98,363	153,479	86,842

12 CASH AND CASH EQUIVALENTS (CONTINUED)

The carrying amounts of cash and cash equivalents approximate their fair value.

Cash and cash equivalents are principally denominated in Singapore Dollar.

The deposits with financial institutions mature on varying dates within 3 months (2004: 3 months) from the end of the financial year with the following weighted average effective interest rates:

	The Group		The Company	
Singapore Dollar	**1.8%**	0.5%	**1.8%**	0.5%
United States Dollar	**2.6%**	-	**2.6%**	-

13. TRADE AND OTHER RECEIVABLES - CURRENT

	The Group		The Company	
	2005 S$'000	2004 S$'000	2005 S$'000	2004 S$'000
Trade receivables				
- Third parties	**30,679**	22,097	**17,078**	15,167
- Subsidiaries	-	-	**6,925**	5,306
- Joint venture companies	**3,666**	3,510	**3,409**	3,510
- Related parties	**929**	1,413	**428**	446
Less: Allowance for doubtful receivables – third parties	**(685)**	(1,270)	**(667)**	(1,252)
Trade receivables – net	**34,589**	25,750	**27,173**	23,177
Other receivables	**1,083**	933	**1,093**	931
Dividend receivable	-	-	-	-
Interest receivable	**1,991**	19	**1,987**	14
Deposits	**1,398**	1,262	**685**	656
Prepayment	**1,553**	2,027	**1,215**	1,768
Staff loans (note 15)	**225**	239	**225**	239
	40,839	30,230	**32,378**	26,785

Concentration of credit risk with respect to trade receivables are 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.

The related parties refer to companies related by a common shareholder.

The carrying amounts of current trade and other receivables approximate their fair value.

14 TRADE AND OTHER RECEIVABLES – NON-CURRENT

	The Group and The Company 2005 S$'000	The Group and The Company 2004 S$'000
Staff loans (note 15)	513	532
Prepayment	578	650
Transferable club membership at cost	200	200
	1,291	1,382

The carrying amounts of non-current staff loans at balance sheet date approximate their fair value.

Trade and other receivables (current (note 13) and non-current) are principally denominated in Singapore Dollar.

Trade and other receivables (current (note 13) and non-current) are interest-free, except for staff loans which has a weighted average interest rate of 5.5% (2004: 5.5%).

15. STAFF LOANS

	The Group and The Company 2005 S$'000	The Group and The Company 2004 S$'000
Not later than one year (note 13)	225	239
Later than one year but not later than five years	489	516
Later than 5 years	24	16
Total non-current (note 14)	513	532
	738	771

Loans are made under an approved staff loan scheme. As at 31 March 2005, no loan is made to the key management staff of the Group.

16. INVESTMENTS IN ASSOCIATED AND JOINT VENTURE COMPANIES

	Notes	The Group 2005 S$'000	The Group 2004 S$'000	The Company 2005 S$'000	The Company 2004 S$'000
Investment in associated company	(a)	77,507	78,772	80,922	80,922
Investment in joint venture companies	(b)	10,358	8,461	2,450	2,450
		87,865	87,233	83,372	83,372

16. INVESTMENTS IN ASSOCIATED AND JOINT VENTURE COMPANIES (CONTINUED)

The Group's carrying amount in investments in associated and joint venture companies include the following goodwill:

	The Group	
	2005 S$'000	2004 S$'000
Cost	**70,014**	80,016
Accumulated amortisation	-	(10,002)
Net book value at end of financial year	**70,014**	70,014
Net book value at beginning of financial year	**70,014**	74,015
Amount amortised during financial year	-	(4,001)
Net book value at end of financial year	**70,014**	70,014
Amortisation charged to income statement	-	4,001

Impairment test for goodwill

Goodwill of S$70,014,000 (2004: S$70,014,000) is allocated to the G3 Worldwide group of companies (G3 Worldwide) comprising G3 Worldwide Mail N.V., G3 Worldwide Aspac Pte Ltd and G3 Worldwide Distribution (Singapore) Pte Ltd (refer to note 34) for the purpose of impairment testing.

The recoverable amount of the investment in G3 Worldwide is determined based on value-in-use calculations. These calculations used cash flow projections based on earnings before interest and tax approved by management covering a five-year period. Assumptions used in the five-year cash flow projections are based on past performance and management's expectations of future market developments.

Cash flows beyond the five-year period are extrapolated using an estimated growth rate of nil%.

Discount rate of approximately 8% is used to determine the recoverable amount of the investments in G3 Worldwide.

Management believes that any reasonably possible change on the key assumptions of which G3 Worldwide's recoverable amount is based would not cause G3 Worldwide's carrying amount to exceed its recoverable amount.

16. INVESTMENTS IN ASSOCIATED AND JOINT VENTURE COMPANIES (CONTINUED)

(a) Associated company

	The Group		The Company	
	2005 S$'000	2004 S$'000	2005 S$'000	2004 S$'000
Investment at cost			80,922	80,922
At beginning of financial year	78,772	84,908		
Share of results before tax	502	2,160		
Share of tax (note 10)	(1,331)	(3,583)		
Share of results after tax	(829)	(1,423)		
Dividends received, net of tax	(2,190)	(2,386)		
Capital injection from a shareholders	1,596	-		
Capital reduction	-	(2,455)		
Exchange differences	158	128		
At end of financial year	77,507	78,772		

The share of results before tax includes goodwill amortisation charge of S$nil (2004: S$4,001,000) in respect of the acquisition of the associated company.

Details of the associated company are set out in note 34.

(b) Joint venture companies

	The Group		The Company	
	2005 S$'000	2004 S$'000	2005 S$'000	2004 S$'000
Investments at cost			2,450	4,000
Less: Impairment losses			-	(1,550)
			2,450	2,450
At beginning of financial year	8,461	11,433		
Share of results before tax	11,273	8,331		
Share of tax (note 10)	(2,594)	(1,870)		
Share of results after tax	8,679	6,461		
Dividends received, net of tax	(7,000)	(9,506)		
Acquisition	-	108		
Disposal	239	-		
Exchange differences	(21)	(35)		
At end of financial year	10,358	8,461		

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 are as follows:

	The Group	
	2005 S$'000	2004 S$'000
Operating revenue	69,464	65,903
Net profit after taxation	8,679	6,461
Non-current assets	3,627	4,897
Current assets	26,341	27,919
Current liabilities	(19,056)	(23,692)
Non-current liabilities	(554)	(663)
Net assets	10,358	8,461

Details of the joint ventures are set out in note 34.

17. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2005 S$'000	2004 S$'000
Investments at cost	18,262	18,262
Less: Impairment losses	(6,157)	(6,157)
	12,105	12,105

Details of the subsidiaries are set out in note 34.

Incorporation of eP2M Services Sdn. Bhd.

During the financial year, the Company, through its subsidiary, DataPost Pte. Ltd. incorporated a wholly-owned subsidiary in Malaysia, eP2M Services Sdn. Bhd. (eP2M Services) on 6 April 2004 for the purpose of providing electronic data printing and enveloping services. eP2M Services has an issued and paid-up share capital of S$46,000 (MYR100,000).

18. 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 2004	129,460	414,104	97,392	127,495	1,516	769,967
Additions	-	-	-	4,752	9,720	14,472
Disposals	-	-	(219)	(6,914)	-	(7,133)
Transfers	15	307	92	9,081	(9,495)	-
Translation adjustment	-	-	-	(13)	-	(13)
At 31 March 2005	129,475	414,411	97,265	134,401	1,741	777,293
Accumulated depreciation						
At 1 April 2004	16,148	69,919	51,469	77,775	-	215,311
Depreciation charge	1,663	11,049	9,672	11,695	-	34,079
Disposals	-	-	(174)	(5,868)	-	(6,042)
Translation adjustment	-	-	-	(1)	-	(1)
At 31 March 2005	17,811	80,968	60,967	83,601	-	243,347
Net book value						
At 31 March 2005	**111,664**	**333,443**	**36,298**	**50,800**	**1,741**	**533,946**
Net book value						
At 31 March 2004	113,312	344,185	45,923	49,720	1,516	554,656
The Company						
Cost						
At 1 April 2004	129,460	414,104	97,392	115,264	1,063	757,283
Additions	-	-	-	2,464	9,620	12,084
Disposals	-	-	(219)	(6,759)	-	(6,978)
Transfers	15	307	92	8,801	(9,215)	-
At 31 March 2005	129,475	414,411	97,265	119,770	1,468	762,389
Accumulated depreciation						
At 1 April 2004	16,148	69,919	51,469	68,335	-	205,871
Depreciation charge	1,663	11,049	9,672	10,008	-	32,392
Disposals	-	-	(174)	(5,713)	-	(5,887)
At 31 March 2005	17,811	80,968	60,967	72,630	-	232,376
Net book value						
At 31 March 2005	**111,664**	**333,443**	**36,298**	**47,140**	**1,468**	**530,013**
Net book value						
At 31 March 2004	113,312	344,185	45,923	46,929	1,063	551,412

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	The Group	
	2005 S$'000	2004 S$'000
Cost	**386,298**	386,302
Accumulated depreciation	**(65,287)**	(56,096)
Net book value	**321,011**	330,206
Depreciation charged to income statement	**9,191**	9,354

Based on total net lettable area of 951,591 sq ft (2004: 951,591 sq ft), 44.9% is leased to third parties as at 31 March 2005 (2004: 35.2%).

19. INTANGIBLE ASSET

	The Group and The Company	
	2005 S$'000	2004 S$'000
Licence fee at cost	**900**	900
Accumulated amortisation	**(504)**	(468)
Net book value	**396**	432
At beginning of financial year	**432**	468
Amount amortised during the financial year (note 7)	**(36)**	(36)
At end of financial year	**396**	432

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.

20. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2005 S$'000	2004 S$'000	2005 S$'000	2004 S$'000
Trade payables				
- Third parties	42,454	37,589	40,940	36,499
- Subsidiaries	-	-	4,846	3,504
- Joint venture companies	5,099	4,130	5,099	4,130
- Related parties	796	702	796	698
Advance billings	7,060	7,271	6,971	7,206
Accrual for other operating expenses	30,273	30,857	29,575	30,287
Interest payable	5,033	1,684	5,033	1,684
Other creditors	15,553	8,289	14,953	5,063
Customers' deposits	2,561	2,492	2,561	2,492
Collections on behalf of third parties	22,666	17,440	22,666	17,440
Tender deposits	2,837	2,516	2,819	2,498
	134,332	112,970	136,259	111,501

The carrying amounts of current trade and other payables approximate their fair value.

The related parties relate to companies related by a common shareholder.

Trade and other payables are denominated in the following currencies:

	The Group		The Company	
	2005 S$'000	2004 S$'000	2005 S$'000	2004 S$'000
Singapore Dollar	97,718	81,609	99,864	80,140
SDR*	36,395	31,361	36,395	31,361
Malaysia Ringgit	219	-	-	-
	134,332	112,970	136,259	111,501

* special drawing right – an international monetary fund unit of account used for settling international transactions.

21. BORROWINGS

	The Group and The Company	
	2005 S$'000	2004 S$'000
Non-current		
Bonds (unsecured)	300,000	300,000

21. BORROWINGS (CONTINUED)

(a) The Singapore Dollar 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.

(b) Interest rate risks

The weighted average effective interest rate of non-current borrowings after the effects of interest rate swap at 31 March 2005 was 2.54% (2004: 1.20%) per annum.

(c) Carrying amounts and fair values

The carrying amount and fair value of non-current borrowings are as follows:

	Carrying amount		Fair value	
	2005	2004	2005	2004
The Group and the Company	S$'000	S$'000	S$'000	S$'000
Bonds (unsecured)	300,000	300,000	293,073	293,520

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

22. DEFERRED INCOME TAX LIABILITIES

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

	The Group		The Company	
	2005	2004	2005	2004
	S$'000	S$'000	S$'000	S$'000
Deferred income tax liabilities	23,577	24,962	23,078	24,260

The amounts shown in the balance sheet included the following:

	The Group		The Company	
	2005	2004	2005	2004
	S$'000	S$'000	S$'000	S$'000
Deferred income tax liabilities:				
- To be settled with 12 months	4,359	4,298	4,147	4,091
- To be settled after more than 12 months	19,218	20,664	18,931	20,169

22. DEFERRED INCOME TAX LIABILITIES (CONTINUED)

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

	The Group		The Company	
	2005 S$'000	2004 S$'000	2005 S$'000	2004 S$'000
At beginning of the financial year	**24,962**	30,315	**24,260**	29,592
Tax credited to income statement	**(1,385)**	(2,598)	**(1,182)**	(2,642)
Effect of changes in tax rates	-	(2,755)	-	(2,690)
At end of the financial year	**23,577**	24,962	**23,078**	24,260

Deferred income 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$2,965,000 and S$1,728,000 (2004: S$2,830,000 and S$885,000) respectively which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The 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.

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

The Group

Deferred tax liabilities

	Accelerated tax depreciation S$'000	Others S$'000	Total S$'000
At 1 April 2004	**25,541**	**8**	**25,549**
(Credited)/charged to income statement	**(2,004)**	**391**	**(1,613)**
At 31 March 2005	**23,537**	**399**	**23,936**
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

22. DEFERRED INCOME TAX LIABILITIES (CONTINUED)

The Group (continued)

Deferred tax assets

	Provisions S$'000	Others S$'000	Total S$'000
At 1 April 2004	(407)	(180)	(587)
Charged to income statement	111	117	228
At 31 March 2005	(296)	(63)	(359)
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 2004	24,833	3	24,836
(Credited)/charged to income statement	(1,803)	394	(1,409)
At 31 March 2005	23,030	397	23,427
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 2004	(396)	(180)	(576)
Charged to income statement	110	117	227
At 31 March 2005	(286)	(63)	(349)
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)

23. DEFERRED INCOME

Deferred income represents franchise fees received in advance.

24. SHARE CAPITAL OF SINGAPORE POST LIMITED

(a) Authorised ordinary share capital

The total authorised number of ordinary shares is 4,000 million shares (2004: 4,000 million shares) with a par value of S$0.05 per share (2004: S$0.05 per share).

(b) Issued ordinary share capital

	2005 Shares '000	2004 Shares '000	2005 S$'000	2004 S$'000
At the beginning of financial year	**1,900,000**	1,900,000	**95,000**	95,000
Issue of new shares	**3,508**	-	**175**	-
At the end of financial year	**1,903,508**	1,900,000	**95,175**	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. As at 31 March 2005, cumulative market price share options totalling 19,897,250 (2004: 18,111,544) unissued shares of S$0.05 each were outstanding.

The principal terms of the Scheme are as follows:

- 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 Trimonial Tree Model valuation methodology (taking into account relevant assumptions).
- The vesting schedule for the share options offered to eligible employees (including Executive Directors) 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

24. SHARE CAPITAL OF SINGAPORE POST LIMITED (CONTINUED)

(c) Share options (continued)

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.

Movements in the number of share options on ordinary shares outstanding at the end of the financial year and their exercise prices are as follows:

	At beginning of the financial year ('000)	Granted during the financial year ('000)	Cancelled during the financial year ('000)	Option exercised ('000)	At end of the financial year ('000)	Exercise price	Exercise period
The Group and the Company							
Financial year ended 31 March 2005							
Grant date							
13.05.03	15,133	-	(360)	(3,028)	11,745	S$0.60	14.5.04 to 13.5.13
13.05.03	97	-	-	(97)	0	S$0.60	13.5.04 to 13.5.08
28.07.03	2,430	-	(77)	(249)	2,104	S$0.675	29.7.04 to 28.7.13
18.08.03	396	-	-	(118)	278	S$0.60	19.8.04 to 18.8.13
18.08.03	56	-	-	(16)	40	S$0.721	19.8.04 to 18.8.13
19.07.04	-	2,880	(350)	-	2,530	S$0.802	20.7.05 to 19.7.14
15.10.04	-	100	-	-	100	S$0.791	16.10.05 to 15.10.14
07.01.05	-	100	-	-	100	S$0.888	8.1.06 to 7.1.15
01.02.05	-	3,000	-	-	3,000	S$0.892	2.2.06 to 1.2.15
	18,112	6,080	(787)	(3,508)	19,897		
The Group and the Company							
Financial year ended 31 March 2004							
Grant date							
13.05.03	-	15,525	(392)	-	15,133	S$0.60	14.5.04 to 13.5.13
13.05.03	-	97	-	-	97	S$0.60	13.5.04 to 13.5.08
28.07.03	-	2,430	-	-	2,430	S$0.675	29.7.04 to 28.7.13
18.08.03	-	396	-	-	396	S$0.60	19.8.04 to 18.8.13
18.08.03	-	56	-	-	56	S$0.721	19.8.04 to 18.8.13
	-	18,504	(392)	-	18,112		

25. RETAINED EARNINGS

(a) Retained earnings of the Group and the Company are distributable except for accumulated retained earnings of associated companies amounting to S$3,133,000 (2004: S$6,151,000) which are included in the Group's retained earnings.

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

	The Company 2005 S$'000	The Company 2004 S$'000
At beginning of financial year	**201,099**	210,965
Net profit during financial year	**108,675**	110,157
Dividends (note 26)	**(83,716)**	(120,023)
At end of financial year	**226,058**	201,099

Movement in retained earnings for the Group is shown in the Consolidated Statement of Equity.

26. DIVIDENDS

	The Group and The Company 2005 S$'000	The Group and The Company 2004 S$'000
Ordinary dividends paid		
Interim ordinary dividend for FY 2004/05 of 2.3 cents per share paid on 30 November 2004. These dividends were tax exempt 1-tier dividends	**43,773**	-
Final tax exempt ordinary dividend for FY 2003/04 of 2.1 cents per share paid on 6 August 2004	**39,943**	-
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
	83,716	120,023

The directors have proposed a final tax exempt 1-tier dividend of 2.7 cents per ordinary share amounting to S$51.3 million in relation to the financial year ended 31 March 2005 (2004: final net dividend of 2.1 cents per ordinary share amounting to S$40.0 million). 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.

27. MINORITY INTEREST

	The Group	
	2005 S$'000	2004 S$'000
At beginning of financial year	**2,558**	2,143
Share of results of subsidiaries	**360**	416
Share of currency translation differences	**1**	(1)
At end of financial year	**2,919**	2,558

28. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements (excluding those relating to investments in associated and joint venture companies (note 16)) are as follows:

	The Group		The Company	
	2005 S$'000	2004 S$'000	2005 S$'000	2004 S$'000
Property plant and equipment	**1,730**	9,750	**1,626**	9,668

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

The Group leases various retail outlets and machinery under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

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	
	2005 S$'000	2004 S$'000	2005 S$'000	2004 S$'000
Not later than 1 year	**4,305**	5,812	**4,205**	4,427
Later than 1 year but not later than 5 years	**3,939**	4,519	**3,885**	4,449
Later than 5 years	**5,105**	6,886	**5,105**	6,886
	13,349	17,217	**13,195**	15,762

28. COMMITMENTS (CONTINUED)

(c) Operating lease commitments – where a group company is a 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	
	2005 S$'000	2004 S$'000	2005 S$'000	2004 S$'000
Not later than 1 year	**14,169**	13,638	**14,169**	13,638
Later than 1 year but not later than 5 years	**14,311**	7,705	**14,311**	7,705
	28,480	21,343	**28,480**	21,343

29. FINANCIAL RISK MANAGEMENT

Financial risk factors

The main risks arising from the Group's financial assets and liabilities are foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk policy is to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge underlying risk exposures and the transactions are not held for speculative purposes.

The Group has established risk management policies, guidelines and control procedures to manage its exposure to financial risks approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investing excess liquidity.

(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 in United States Dollar and the Euro. The Group uses foreign currency purchases and forward contracts to manage the foreign exchange risk exposures. 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 risks

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.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Interest rate risks (continued)

The Group's interest rate risk arises from the non-current borrowings. The Group's policy in managing interest rate exposure to interest rate fluctuations is to minimise the interest expense consistent with maintaining an acceptable level of exposure to interest rate fluctuations. A target mix of fixed and floating debt based on the assessment of interest rate trends is used to achieve this objective. To obtain this mix in a cost efficient manner, the Group primarily uses interest rate swaps that have the effect of converting specific debt obligations of the Group from fixed to variable, or vice versa, as deemed appropriate.

The tables below set out the Group and the Company's exposure to interest rate risks. Included in the tables are the assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Variable rates	Fixed rates				
S$'000	Less than 6 months S$'000	6 to 12 months S$'000	1 to 5 years S$'000	Over 5 years S$'000	Non-interest bearing S$'000	Total S$'000
The Group						
At 31 March 2005						
Cash and cash equivalents	159,048	-	-	-	-	159,048
Trade and other receivables	-	225	489	24	41,392	42,130
Investments	-	-	-	-	87,865	87,865
Other assets	-	-	-	-	534,360	534,360
Total assets	159,048	225	489	24	663,617	823,403
Borrowings	-	-	-	300,000	-	300,000
Other liabilities	-	-	-	-	189,413	189,413
Total liabilities	-	-	-	300,000	189,413	489,413
At 31 March 2004						
Cash and cash equivalents	98,363	-	-	-	-	98,363
Trade and other receivables	-	239	516	16	30,841	31,612
Investments	-	-	-	-	87,233	87,233
Other assets	-	-	-	-	555,088	555,088
Total assets	98,363	239	516	16	673,162	772,296
Borrowings	-	-	-	300,000	-	300,000
Other liabilities	-	-	-	-	169,333	169,333
Total liabilities	-	-	-	300,000	169,333	469,333

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Interest rate risks (continued)

	Variable rates	Fixed rates				
	Less than 6 months S$'000	6 to 12 months S$'000	1 to 5 years S$'000	Over 5 years S$'000	Non-interest bearing S$'000	Total S$'000
The Company						
At 31 March 2005						
Cash and cash equivalents	153,479	-	-	-	-	153,479
Trade and other receivables	-	225	489	24	32,931	33,669
Investments	-	-	-	-	95,477	95,477
Other assets	-	-	-	-	530,409	530,409
Total assets	153,479	225	489	24	658,817	813,034
Borrowings	-	-	-	300,000	-	300,000
Other liabilities	-	-	-	-	189,851	189,851
Total liabilities	-	-	-	300,000	189,851	489,851
At 31 March 2004						
Cash and cash equivalents	86,842	-	-	-	-	86,842
Trade and other receivables	-	239	516	16	27,396	28,167
Investments	-	-	-	-	95,477	95,477
Other assets	-	-	-	-	551,844	551,844
Total assets	86,842	239	516	16	674,717	762,330
Borrowings	-	-	-	300,000	-	300,000
Other liabilities	-	-	-	-	166,231	166,231
Total liabilities	-	-	-	300,000	166,231	466,231

Generally, the Group manages its cash flow interest rate risk from borrowings by using fixed-to-floating interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from fixed rates to floating rate. Occasionally, the Group enters into floating-to-fixed interest rate swaps to hedge the fair value of interest rate risk.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Interest rate risks (continued)

The exposure of non-current borrowings to interest rate risks is as follows:

	Variable rates	Fixed rates			
	Less than 6 months S$'000	6 to 12 months S$'000	1 to 5 years S$'000	Over 5 years S$'000	Total S$'000
The Group and the Company					
At 31 March 2005					
Liabilities					
Borrowings	-	-	-	300,000	300,000
Effect of interest rate swaps (note 30)	-	50,000	175,000	(225,000)	-
	-	50,000	175,000	75,000	300,000
At 31 March 2004					
Liabilities					
Borrowings	-	-	-	300,000	300,000
Effect of interest rate swaps (note 30)	300,000	-	-	(300,000)	-
	300,000	-	-	-	300,000

(iii) Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with appropriate credit histories. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

(iv) Liquidity risk

In the management of the 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. The Group aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

30. DERIVATIVE FINANCIAL INSTRUMENTS

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

30. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate swaps

The table below sets out the notional principal amounts of the outstanding interest rate swap contracts of the Group and the Company, and their corresponding favourable and unfavourable fair values at the balance sheet date:

	The Group and The Company	
	2005	**2004**
	S$'000	**S$'000**
Notional principal of interest rate swap contracts	**600,000**	300,000
Favourable fair value of interest rate swap contracts	**3,846**	919
Unfavourable fair value of interest rate swap contracts	**(7,928)**	(10,491)

The fair values of the interest rate swap contracts have been calculated using the rates quoted by the Group's bankers to terminate the contracts at the balance sheet date.

At 31 March 2005, the fixed interest rates of the outstanding interest rate swap contracts vary from 1.0% to 2.7% (2004: 0.6% to 1.6%), while the floating interest rates are pegged to Singapore dollar swap offer rate. Their contractual repricing dates are disclosed in note 29(ii).

31. RELATED PARTY TRANSACTIONS

(a) Sales and purchases of goods and services

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

	The Group	
	2005	**2004**
	S$'000	**S$'000**
Services rendered to related parties		
- Postal services	**17,891**	19,434
- Printing services	**3,373**	3,463
- Property related services	**4,669**	4,728
	25,933	27,625
Services received from related parties		
- Telecommunications services	**1,537**	1,371
- Professional services and others	**2,284**	3,560
	3,821	4,931

The related parties refer to companies related by a common shareholder.

31. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Share options granted to key management

The aggregate number of share options granted to the key management of the Group during the financial year was 4,100,000 (2004: 11,786,344). 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 24(c)). The outstanding number of share options granted to the key management of the Group at the end of the financial year was 13,177,600 (2004: 11,786,344).

(c) Key management's remuneration

The key management's 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. The key management's remuneration is as follows:

	The Group	
	2005 S$'000	2004 S$'000
- Directors of the Company	857	793
- Directors of subsidiaries	778	1,002
- Others	586	169

32. SEGMENT INFORMATION

Primary reporting format – business segments

	Mail S$'000	Logistics S$'000	Retail S$'000	Others S$'000	Eliminations S$'000	Group S$'000
2005						
External revenue	294,880	51,497	23,126	6,308	-	375,811
Inter-segment revenue	463	378	21,212	26	(22,079)	-
Operating revenue	295,343	51,875	44,338	6,334	(22,079)	375,811
External other operating income	15	173	80	16,676	-	16,944
Inter-segment rental income	-	-	-	31,546	(31,546)	-
Other operating income	15	173	80	48,222	(31,546)	16,944
Exceptional items	-	-	-	3,925	-	3,925
Operating profit	108,266	7,024	5,021	14,416	-	134,727
Share of results of associated and joint venture companies	11,802	-	(27)	-	-	11,775
Profit before interest and tax						146,502
Finance income						1,157
Finance costs						(5,368)
Profit before tax						142,291
Income tax expense						(31,396)
Profit from ordinary activities after tax						110,895
Minority interest						(360)
Net profit						110,535
Segment assets	73,906	11,819	39,688	479,312		604,725
Investment in net assets of associated and joint venture companies	87,716	-	149	-		87,865
Unallocated assets						130,813
Consolidated total assets						823,403
Segment liabilities	57,303	11,859	31,310	28,096		128,568
Unallocated liabilities						360,845
Consolidated total liabilities						489,413
Capital expenditure	1,942	2,213	8,893	1,425		14,473
Depreciation	11,429	2,364	3,461	16,825		34,079
Amortisation	36	-	-	72		108

32. SEGMENT INFORMATION (CONTINUED)

Primary reporting format – business segments (continued)

	Mail S$'000	Logistics S$'000	Retail S$'000	Others S$'000	Eliminations S$'000	Group S$'000
2004						
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	-	16,521	-	16,893
Inter-segment rental income	-	-	-	29,851	(29,851)	-
Other operating income	257	115	-	46,372	(29,851)	16,893
Exceptional item	-	-	-	159	-	159
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 income						2,251
Finance costs						(7,619)
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

32. 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 and commissions and interest earned from financial services.

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 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 and deferred taxation.

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.

33. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the directors dated 4 May 2005.

34. COMPANIES IN THE GROUP

The following are the subsidiaries, associated and joint venture companies as at 31 March 2005 and 31 March 2004.

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group % 2005	Percentage of effective equity held by the Group % 2004	Cost of investment S$'000 2005	Cost of investment S$'000 2004
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 finance services	Singapore	**100.00**	100.00	**5,000**	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	18,262
Held by a subsidiary						
eP2M Sdn. Bhd.[4]	Electronic printing and despatching services	Malaysia	**70.00**	-	**46**	-
ASSOCIATED COMPANY						
Held by the Company						
G3 Worldwide Mail N.V.[5]	Provision of cross-border international mail	Netherlands	**24.50**	24.50	**80,922**	80,922

34. COMPANIES IN THE GROUP (CONTINUED)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group % 2005	Percentage of effective equity held by the Group % 2004	Cost of investment S$'000 2005	Cost of investment S$'000 2004
JOINT VENTURE COMPANIES						
Held by the Company						
G3 Worldwide Aspac Pte Ltd (3)	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
G3 Worldwide Distribution (Singapore) Pte Ltd (3)	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)
ID.Safe Pte Ltd	Liquidated	Singapore	**-**	50.00	**-**	1,550
					2,450	4,000
Held by subsidiaries						
Mail Boxes Exchange (MBE) Pte Ltd	Provision of business and communication services	Singapore	**50.00**	50.00	**400**	400
ePDS, Inc. (6)	Provision of electronic printing and despatching services	Philippines	**33.45**	33.45	**108**	108
S-Net Freight (Holdings) Pte Ltd (7)	Investment holding and management consultancy services in respect of international freight forwarding and logistics services	Singapore	**-**	36.80	**-**	4,091
					508	4,599

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 Roger, Yue, Tan and Associates

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

(6) Audited by SyCip Gorres Velayo & Co.

(7) During the financial year, the Company, through its wholly-owned subsidiary, Singapore Post Enterprise Private Limited, completed its disposal of its 36.8% stake in S-NET Freight (Holding) Pte Ltd. The gain on disposal is S$3,682,000 (note 6).

ADDITIONAL INFORMATION

DIRECTORS' REMUNERATION BAND

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

	The Group and the Company 2005	The Group and the Company 2004
Number of directors of the Company in remuneration bands		
S$250,000 to below S$500,000	1	1
Below S$250,000	11	9
	12	10

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$100,000)	
	2005 S$'000	2004 S$'000	2005 S$'000	2004 S$'000
Sales				
Singapore Power Limited and its associates	1,863	-	-	-
Singapore Telecommunications Limited and its associates	1,007	2,468	-	-
Singapore Airlines Limited and its associates	414	-	-	-
PSA International Pte Ltd and its associates	227	-	-	-
Temasek Holdings (Private) Limited and its associates	134	-	-	-
MediaCorp Pte Ltd and its associates	-	3,492	-	-
	3,645	5,960	-	-

	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$100,000)	
	2005 S$'000	2004 S$'000	2005 S$'000	2004 S$'000
Purchases				
Tuas Power Limited and its associates	5,130	5,136	-	-
Singapore Telecommunications Limited and its associates	845	-	-	-
PSA International Pte Ltd and its associates	575	242	-	-
Fullerton Management Pte Ltd and its associates	529	-	-	-
Singapore Airlines Limited and its associates	465	-	-	-
Singapore Power Limited and its associates	202	-	-	-
Singapore Technologies Pte Ltd and its associates	120	360	-	-
	7,866	5,738	-	-
Total interested person transactions	11,511	11,698	-	-

MATERIAL CONTRACTS

There are no material contracts entered into by SingPost or any of its subsidiaries involving the interests of the chief executive officer, each director or controlling shareholder (as defined in the SGX-ST Listing Manual), 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.

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	8,862
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	10 Eunos Road 8	Leasehold	99	30.08.82	32,738	137,266
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 9 May 2005

ORDINARY SHARES

Number of ordinary shareholders – 20,029

Voting rights:

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

On poll – 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	-	589,863,000[1]
Singapore Telecommunications Limited	589,000,000	-
The Capital Group Companies, Inc.	-	170,488,664[2]

Notes

(1) Temasek Holdings (Private) Limited is deemed to be interested in 589,863,000 SingPost shares held by Singapore Telecommunications Limited, the DBS Group Holdings Ltd group of companies and Singapore Technologies Engineering Ltd group of companies.

(2) The Capital Group Companies, Inc. is deemed to be interested in 170,488,664 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	6	0.03	1,630	0.00
1,000 – 10,000	16,673	83.24	61,148,700	3.21
10,001 – 1,000,000	3,316	16.56	183,074,803	9.62
1,000,001 and above	34	0.17	1,659,282,567	87.17
	20,029	100.00	1,903,507,700	100.00

MAJOR SHAREHOLDERS LIST

No.	Name	No. of Shares Held	% of Issued Share Capital
1	Singapore Telecommunications Limited	589,000,000	30.94
2	DBS Nominees Pte Ltd	347,167,267	18.24
3	Raffles Nominees Pte Ltd	204,361,760	10.74
4	Citibank Nominees Singapore Pte Ltd	137,018,948	7.20
5	HSBC (Singapore) Nominees Pte Ltd	104,949,609	5.51
6	United Overseas Bank Nominees Pte Ltd	99,104,000	5.21
7	DB Nominees (S) Pte Ltd	53,596,000	2.81
8	The Asia Life Assurance Society Ltd - Par Fund	29,302,000	1.54
9	Morgan Stanley Asia (S'pore) Securities Pte Ltd	21,908,550	1.15
10	The Asia Life Assurance Society Ltd - Non-Par Fund	9,548,000	0.50
11	Merrill Lynch (S'pore) Pte Ltd	8,876,000	0.47
12	DBS Vickers Securities (S) Pte Ltd	6,740,100	0.35
13	The Asia Insurance Company Limited - Fund Account	5,000,000	0.26
14	National Council Of Social Service	3,600,000	0.19
15	Phillip Securities Pte Ltd	3,475,200	0.18
16	Asia General Holdings Limited	3,350,000	0.18
17	Liew Chee Kong	3,100,000	0.16
18	OCBC Securities Private Ltd	2,930,000	0.15
19	OCBC Nominees Singapore Private Limited	2,783,000	0.15
20	Thioequities Pte Ltd	2,250,000	0.12
		1,638,060,434	86.05

Note

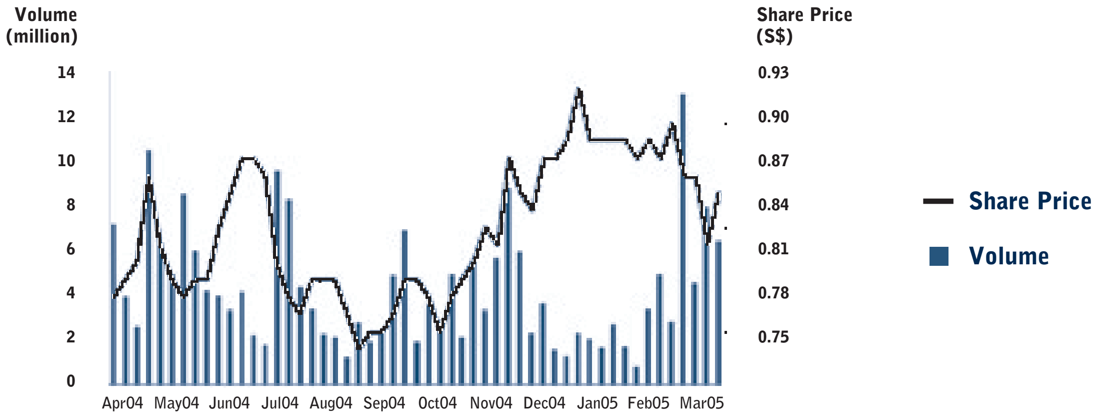
Based on information available to the Company, approximately 59.50% of the issued ordinary shares of the Company are held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited which requires that at least 10% of the ordinary shares of the Company be at all times held by the public, is complied with.

SHARE PRICE AND VOLUME

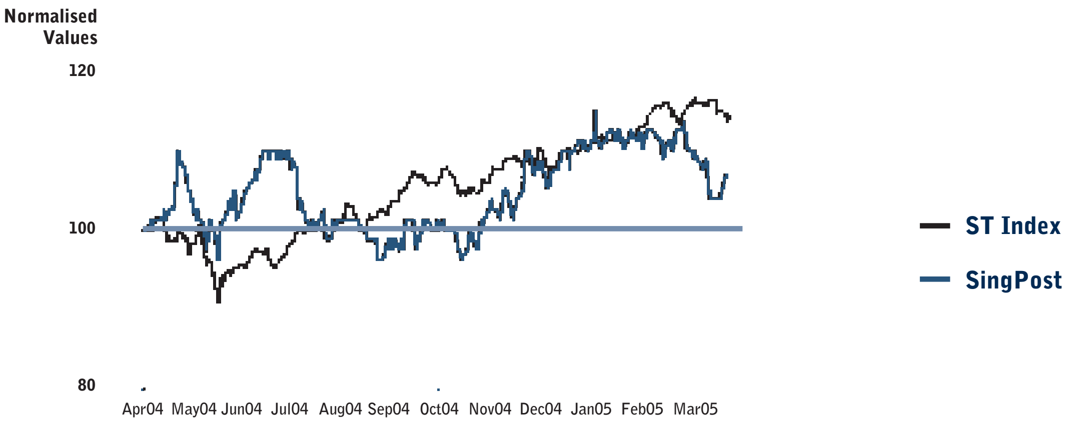
SingPost share price information	
Closing price (1 April 2004)	80 cents
Closing price (31 March 2005)	85.5 cents
12-month high (8 March 2005)	94 cents
12-month low (27 August 2004)	77 cents
Average monthly volume	4.26 million

Over the financial year, from 1 April 2004 to 31 March 2005, SingPost's share price rose from 80 cents to 85.5 cents. This represents an increase of 6.9% over the 12-month period. Monthly volume of SingPost shares traded averaged 4.3 million. As at 31 March 2005, SingPost's market capitalisation amounted to S$1.63 billion, ranking among the top 50 on the Singapore Exchange.

SingPost weekly share price vs volume (1 April 2004 to 31 March 2005)



SingPost share price vs ST Index (1 April 2004 to 31 March 2005)



DIVIDENDS

Dividend Payments since Listing

Period	Dividend (per share)
Final FY2002/03	4.2 cents
Interim FY2003/04	2.1 cents
Final FY2003/04	2.1 cents
Interim FY2004/05	2.3 cents
Final FY2004/05 (proposed)	2.7 cents

FY2004/05 Dividends

The Group made an interim net dividend payment of 2.3 cents in November 2004. This represented a 10% increase from the interim net dividend of 2.1 cents in the previous financial year.

In respect of the final dividend, the Board of Directors has proposed a net payment of 2.7 cents per share. This represents an increase of 28.6% over the previous final dividend of 2.1 cents per share. Together with the interim dividend of 2.3 cents per share, the total net dividend for FY2004/05 will amount to 5.0 cents per share. The total dividend payout for FY2004/05 represents 86.1% of the Group's net profit.

Enhanced Dividend Policy

At the initial public offering of SingPost shares in May 2003, annual net dividends of 4.2 cents per share, or S$80 million, were assured for the two financial years, FY2002/03 and FY2003/04.

Committed to a robust dividend policy, the Board enhanced the Group's dividend policy in FY2004/05. In the second quarter FY2004/05 results release, it was announced that, barring unforeseen circumstances, SingPost would make a full-year dividend payout of 80 to 90% of net profit or a total annual net dividend payment of 4.2 cents per share, whichever was higher.

Subsequently, in the full-year FY2004/05 results release, the dividend policy was further enhanced as follows:

a) Minimum dividend payout raised

The minimum annual net dividend payout was raised by 19% from 4.2 cents per share to 5.0 cents per share. With this enhancement, SingPost will endeavour, barring unforeseen circumstances, to make a total annual net dividend payout of 80 to 90% of net profit or a minimum net dividend of 5.0 cents per share, whichever is higher. Dividends paid by SingPost will be on tax-exempt 1-tier basis.

b) Quarterly dividends

From FY2005/06, SingPost will make net dividend payments on a quarterly basis, amounting to 1.25 cents per share each quarter based on the minimum base of 5.0 cents per share. Should the target dividend of 80 to 90% of net profit be higher than the minimum level of 5.0 cents per share, the difference will be paid out in the final quarter together with the regular dividend of 1.25 cents per share for the quarter.

The dividend level is subject to regular reviews and will be based on the Group's financial performance and condition, investment requirements and other conditions deemed relevant by the Board.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 13TH 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 Thursday, 30 June 2005 at 10 a.m. to transact the following businesses:-

ORDINARY BUSINESS

1. To receive and adopt the Audited Accounts for the financial year ended 31 March 2005 and the Directors' Report and the Auditors' Report thereon. (Resolution 1)

2. To declare a final tax exempt 1-tier dividend of 2.7 cents per ordinary share in respect of the financial year ended 31 March 2005. (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 Tommie Goh Thiam Poh [1] (Resolution 3)
   (b) Mr Lee Hsien Yang [1] (Resolution 4)

   Mr Tommie Goh will, upon re-election as a director of the Company, remain as a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the SGX-ST).

4. To re-elect the following directors who cease to hold office in accordance with Article 97 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:-

   (a) Mr Phua Kok Kim [1] (Resolution 5)
   (b) Mr Lau Boon Tuan [1] (Resolution 6)
   (c) Mr Tan Yam Pin [1] (Resolution 7)

   Mr Tan Yam Pin will, upon re-election as a director of the Company, remain as a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

5. To approve Directors' fees payable by the Company of S$323,066 for the financial year ended 31 March 2005 (2004: S$342,012). (Resolution 8)

6. To appoint Auditors and to authorise the directors to fix their remuneration. (Resolution 9)

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

Note

(1) Detailed information about these Directors can be found in the "Corporate Governance Report" section of the Company's Annual Report 2004/05.

SPECIAL BUSINESS

8. 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

(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 10 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 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 10)

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 5 per cent of the total issued share capital of the Company from time to time. (Resolution 11)

BY ORDER OF THE BOARD

Leong Chee Sian (Ms)
Company Secretary
Singapore
7 June 2005

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

Resolution 10 is to empower the Directors to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in total 50 per cent of the issued share capital of the Company, with a sub-limit of 10 per cent for issues other than on a pro rata basis to shareholders. The 10 per cent sub-limit for non-pro rata share issues is lower than the 20 per cent sub-limit allowed under the Listing Manual of the Singapore Exchange Securities Trading Limited and the Articles of Association of the Company. The Company is seeking approval from shareholders for a lower sub-limit for non-pro rata share issues as it does not anticipate that it will require a higher sub-limit before the next Annual General Meeting. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued share capital shall be based on the issue share capital at the time that Resolution 10 is passed, after adjusting for (a) 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 that Resolution 10 is passed, and (b) any subsequent consolidation or subdivision of shares.

Resolution 11 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 (the Share Option Scheme) provided that the aggregate number of shares to be issued does not exceed 5 per cent of the issued share capital of the Company for the time being. Although the Rules of the Share Option Scheme provide that the maximum number of shares which may be issued under the Share Option Scheme is limited to 10 per cent of the issued share capital of the Company, Resolution 11 provides for a lower limit, namely, 5 per cent of the issued share capital of the Company, as the Company does not anticipate that it will require a higher limit before the next Annual General Meeting.

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 10 Eunos Road 8, Singapore Post Centre, Singapore 408600 (Attention: Secretariat) not less than 48 hours before the time appointed for the Annual General Meeting.

In relation to the retirement of Directors by rotation at the 13th Annual General Meeting, Mr William Tan Soo Hock is also due to retire by rotation, but has given notice to the Company that he does not wish to be re-elected to office thereat.

NOTICE OF BOOKS CLOSURE

NOTICE IS ALSO HEREBY GIVEN THAT the Transfer Book and Register of Members of the Company will be closed on 7 July 2005 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 p.m. on 6 July 2005 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 p.m. on 6 July 2005 will be entitled to the proposed final net dividend. Payment of the dividend, if approved by members at the 13th Annual General Meeting, will be made on 15 July 2005.

BY ORDER OF THE BOARD

Leong Chee Sian (Ms)
Company Secretary
Singapore
7 June 2005

SINGAPORE POST LIMITED
(Incorporated in the Republic of Singapore)
Co. Reg. No. 199201623M

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 13th 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 Thursday, 30 June 2005 at 10 a.m. and at any adjournment thereof.

(Please indicate with an "X" 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 tax exempt 1-tier dividend of 2.7 cents per ordinary share		
3. To re-elect Mr Tommie Goh Thiam Poh as Director		
4. To re-elect Mr Lee Hsien Yang as Director		
5. To re-elect Mr Phua Kok Kim as Director		
6. To re-elect Mr Lau Boon Tuan as Director		
7. To re-elect Mr Tan Yam Pin as Director		
8. To approve Directors' fees payable by the Company		
9. To appoint Auditors and to authorise the Directors to fix their remuneration.		
10. To authorise Directors to issue shares and to make or grant convertible instruments		
11. 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** ____________ **2005**

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 10 Eunos Road 8, Singapore Post Centre, Singapore 408600 (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

REGISTERED OFFICE

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Singapore 408600

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Company Secretary

Leong Chee Sian (Ms)

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8 Cross Street #17-00
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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

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138 Robinson Road
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Art and Design Direction
Green House Design + Communication

Editorial Photography
Collin Patrick, Black Studio

Cover Photography
Stryke, Shotsighted Studio

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