New Tradition.
Confident Future.

Singapore POST

ANNUAL REPORT 2007/08

OUR VISION

TO BE A WORLD-CLASS PROVIDER OF CONSUMER SERVICES FOCUSING ON MAIL, LOGISTICS AND RETAIL SOLUTIONS IN THE REGION

CONTENTS

New Tradition.
Confident Future.

Our future is backed by a tradition of excellence that we keep renewing. Over the years, we have worked to make SingPost an integral part of people's lives; becoming a brand that emanates Trust, Reliability and Integrity.

The trust we have earned from our customers, coupled with our ability to evolve and grow, has helped us move into new business areas, through a wider scope of innovative services that now reach a broader customer base.

What differentiates an enduring company from others, is its ability to constantly push the envelope and innovate in the face of changing times. As we look to the future, we are confident in our ability to deliver increasing value...

Always.

CONFIDENT IN creating &

ENHANCEMENT

SingPost has always been about catering to your communication and delivery needs and more. Throughout our history, we have kept pace with the changing times by enhancing our services while seeking new solutions in a traditional business to add value to our customers. The commitment of our staff and the use of advanced technology provide convenience, making for a more complete customer experience at SingPost.

maximising value

INNOVATIVE PRODUCTS AND SERVICES

You've always entrusted us to deliver your mail and more to the world. Now we are looking to delivering the world to you. That is why we are offering you a myriad of exciting lifestyle products and services by reinventing ourselves and working with partners of the highest repute. By creating value for our customers, we are also building the future for ourselves. Enjoy the empowering experience of innovation with SingPost.

James Your loan. Your way.

CONFIDENT IN growing &

ezyCash
For every need, for everyone

Care for Life
Your future is our priority

DIVERSIFICATION

As we grow, we confidently seek to serve a wider range of your everyday needs. Whether you're planning for your child's education, seeking protection against unexpected medical expenses or remitting money to your loved ones, count on us for our financial offerings to help achieve your goals.

expanding

REGIONAL REACH

In looking for opportunities for business expansion, we have been steadily extending our reach in the regional markets through strategic partnerships. Today, our businesses such as hybrid mail and *vPOST* have established a presence in Asia Pacific to better serve our customers in these territories.

FOCUS

We are confident that we have the assets, business model and more importantly, the right people to take us forward. The international recognition we received for our excellence further spurs us to focus on the opportunities ahead. We will continue to build on our momentum and stay on the right side of big ideas that will meet the demands of today and create the growth of tomorrow.

CONFIDENT IN
delivering &

STRATEGIES

While enriched by our proud heritage, we are also energised by our promising future. We have evolved our strategies and taken our business onto new paths and new levels of achievement. Going forward, we are confident in our fundamental strengths to create a better future for our people and a more valuable company for our customers and stakeholders.

staying ahead

LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

I AM HAPPY TO REPORT THAT THE EFFORTS TO GROW OUR BUSINESS, ALONG WITH THE BUOYANT LOCAL ECONOMIC CONDITIONS IN 2007, RESULTED IN ANOTHER YEAR OF GOOD PERFORMANCE FOR THE SINGPOST GROUP.

FY2007/08 REPORT

For the financial year ended 31 March 2008, the Group's revenue grew 8.4 per cent from S$436.0 million to S$472.6 million, driven by growth in all the business segments.

The Mail business continues to deliver, registering a 7.9 per cent growth in revenue from S$338.4 million to S$365.3 million, and 5.1 per cent increase in operating profit from S$134.6 million to S$141.5 million. In spite of the continued impact of e-substitution, the Group succeeded in growing mail volumes with initiatives in direct mail and international mail.

In the highly competitive Logistics business, revenue increased 6.7 per cent from S$64.3 million to S$68.6 million on traffic growth and shipping contributions from our e-business. Operating profit increased 1.6 per cent from S$10.4 million to S$10.5 million.

The Retail business achieved good growth as the Group successfully leveraged its strong retail and distribution network and diversified into high value-added retail products and financial services. Revenue rose 10.8 per cent from S$55.6 million to S$61.6 million, while operating profit grew 5.8 per cent from S$9.5 million to S$10.1 million.

The Group's net profit rose 6.8 per cent from S$139.8 million to S$149.3 million. Excluding one-off items, net profit increased 7.1 per cent from S$130.8 million to S$140.0 million.

The business continues to generate robust cash flows. Free cash flow amounted to S$160.9 million in FY2007/08, compared to S$152.4 million in FY2006/07.

ENHANCING SHAREHOLDER RETURNS

We are committed to enhancing shareholder value. The Board of Directors is recommending a final dividend of 2.5 cents per share, which will bring the total dividend for FY2007/08 to 6.25 cents per share. This represents a payout of 86 per cent of the underlying net profit, or 81 per cent of net profit including exceptional items. The proposed total dividend of 6.25 cents per share is 25 per cent higher than the base dividend of 5 cents per share which the Group has committed to pay out.

Over the five years since the initial public offering of SingPost, the Total Shareholder's Return (TSR) was 20.1 per cent compounded annually. For FY2007/08, the Group's return on average equity was 72.6 per cent, while return on invested capital was 29.0 per cent for FY2007/08.

LOOKING AHEAD

Indications point to a global slowdown in the year ahead. In Singapore, the government expects local economic growth to remain resilient, albeit slower compared to the buoyancy seen in 2007.

An issue arising from the robust business environment, however, has been the rising costs of operation. The difficulties that SingPost faces under such inflationary conditions are no different from those of other businesses in Singapore.

We are addressing the issue of rising costs by reaping greater efficiencies from all our resources, with focus on people and processes. Attention is given to innovation and the improvement of productivity, through the application of new technology and the refinement of our current systems and processes. We aim to put in place sustainable and scalable solutions that increase productivity and improve the efficiency of the Group.

Additionally, we are facing the challenges of operating in an open market for basic mail services, following the expiry of our monopoly licence from 1 April 2007. Our response, long before the onset of the market liberalisation, has been a range of strategic measures to strengthen and position the Group to address the challenges. Our diversification and growth strategies over the last few years have been key, and we have seen our diversification into financial services bearing fruit and contributing to the growth of the Group. We believe the Group is well-positioned to address the challenges arising from the market liberalisation.

The greater competition to SingPost over the years has been, and continues to be, e-substitution. The structural change arising from the evolution of the e-enabled world has had an impact on mail volumes around the world; in Singapore, we have witnessed the declining trend in public mail volumes over the last decade.

The main thrust here is to find ways to grow. Since 2003, we have been transforming SingPost with a key goal – to grow the business and enhance shareholder value; and this remains pertinent in this fast-changing e-environment. SingPost must continue to change to stay relevant.

To this end, key to our strategic objectives are the acquisition of new customer segments and the fulfilment of the evolving needs of customers. This will require the continuing innovation and advancement of all aspects of our offerings, including our brand, products and services, and use of technology. We must continually innovate and renew SingPost and its proposition to customers in order to make the Group their partner of choice.

As part of the Group's transformation over the past few years, SingPost has been concentrating its energies on realising its potential for growth in the core business and leveraging its distribution network. While the Group continues to work on opportunities on this front, it is also increasing its focus on opportunities to extend its core competencies into the region in order to establish a bigger regional footprint. Where it is able to acquire sound companies that fit the Group's corporate strategies and enhance its core competencies, the Group will pursue the opportunity to do so.

While SingPost has made significant improvements over the last five years, transforming from a traditional postal services provider to a consumer-oriented organisation, we believe that the Group has the potential to achieve even more. We are confident that the strengths we have built will put us in good stead as we move to the next level of development and build for long term success.

CORPORATE SOCIAL RESPONSIBILITY

As a corporate citizen, SingPost aims to play a greater role in serving the community. During the year, we supported various meaningful causes, both directly and in partnership with our business partners. One of our key annual contributions is to the Singapore Philatelic Museum for the upkeep and preservation of philatelic materials and exhibits. In 2007, SingPost was bestowed the inaugural Patron of Heritage Award by the National Heritage Board. Additionally, in contributing towards a cleaner and greener environment, SingPost implemented various initiatives such as reducing the carbon emission of our flagship building, Singapore Post Centre, with the refinement to the chiller plant system, and maintaining efforts in energy conservation and environment-friendly practices to reduce wastage and carbon output.

We are constantly looking at ways to serve the community and it is our commitment to contribute meaningfully to the society at large.

NOTE OF THANKS

In October 2007, we appointed Mr Wilson Tan as Group Chief Executive Officer and a Director on the Board of SingPost. Wilson has held key management positions with regional responsibilities in major multi-national corporations, developing and growing the businesses in Asia and the region. With his extensive regional experience, we are confident that Wilson will lead SingPost to the next phase of development.

We thank Mr Lau Boon Tuan, who stepped down on 31 August 2007, for his contributions and commitment during his time with the SingPost Group.

We are also pleased to welcome Mr Lim Eng to the Board, and are confident that the Group will benefit from his experience and insights.

I would like to express my deepest gratitude to the Board members for providing strategic direction and counsel to the Company throughout the year.

My appreciation also goes to all our customers and partners for their continued support, and our employees for their commitment and contributions toward the success of SingPost. Most importantly, we wish to thank you, our shareholders, for your support. It is our promise that the SingPost Group will continue to work steadfastly to build and create value for all its stakeholders.

Lim Ho Kee
Chairman
13 May 2008

BOARD OF DIRECTORS

From left to right:
LIM HO KEE, WILSON TAN WEE YAN, TIMOTHY CHIA CHEE MING, LEE CHONG KWEE, LIM ENG, ONG AH HENG, KENNETH MICHAEL TAN WEE KHENG, TAN YAM PIN, KEITH TAY AH KEE

CORPORATE CALENDAR

Throughout the year, SingPost kept up a busy schedule on all fronts to grow its core businesses, offering more innovative products and services to its customers and creating value for all its stakeholders.

APRIL 2007

SingPost was honoured at the inaugural National Heritage Board's Patron of Heritage Awards ceremony for its contributions to the Singapore Philatelic Museum.

We offered customers convenient and multiple pre-order channels for one of the most anticipated book releases of the year, *Harry Potter and the Deathly Hallows*. These included SAM for the first time, in addition to all post offices, *vPOST* and mail order.

MAY 2007

We clinched our first win at the annual World Mail Awards for the Quality category.

SingPost entered into a joint venture agreement with GPN International and Océ to engage in the business of print-on-demand.

SingPost and Hongkong Post signed a tripartite cooperation agreement with DataPost (HK) Pte Limited for the provision of e-post services in Hong Kong.

JUNE 2007

vPOST was rolled out in India in partnership with ICICI Bank.

SingPost released a new definitive stamp series on local flora and fauna.

JULY 2007

DataPost signed an agreement with Thai British Security Printing Company Limited to set up a joint venture company to provide laser printing and enveloping statements, bills and invoices and related value-added services.

DMrocket, SingPost's one-stop specialist Direct Mail service, was launched.

We launched a new concept store, *Speedpost* Centre at Bras Basah, Marine Parade, Robinson and Singapore Post Centre post offices with dedicated counters.

Our post office network saw the addition of a new branch at Sun Plaza.

AUGUST 2007

SingPost issued a set of stamps featuring iconic or historical buildings of the 10 ASEAN Member Countries to commemorate 40 years of ASEAN, followed by another set on local tourist landmarks to celebrate the nation's 42nd National Day.

OCTOBER 2007

SingPost received the Most Transparent Company Award for the Services/Utilities/Agriculture Category at the Securities Investors Association (Singapore) (SIAS) 8th Investors' Choice Awards 2007.

Fifty-five SingPost staff won SPRING Singapore's Excellent Service Awards (EXSA) for their outstanding service.

Two new *SpeedCash* branches were opened in Chinatown Point and Geylang.

vPOST was launched in Australia in partnership with PayPal.

DECEMBER 2007

DMrocket was voted into Marketing Magazine's Top 10 Direct Marketing Agencies of 2007.

JANUARY 2008

We partnered Bank Negara Indonesia (BNI) to launch a new remittance service to Indonesia under the *CASHOME* brand.

SingPost issued its second Zodiac Stamp Series starting with the Zodiac Rat stamps.

FEBRUARY 2008

SingPost won the Bronze Award for the "Best Investor Relations" category at the Singapore Corporate Awards 2008.

SingPost was the first postal service operator in the world to offer Visa Money Transfer remittance service.

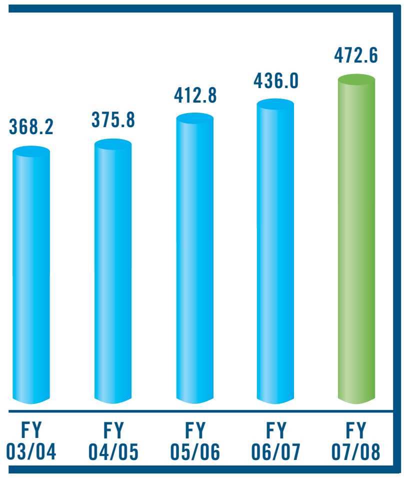
MARCH 2008

SingPost presented a brand new car and S$10,000 worth of shopping vouchers to a lucky customer at its Win@Post promotion Grand Lucky Draw.

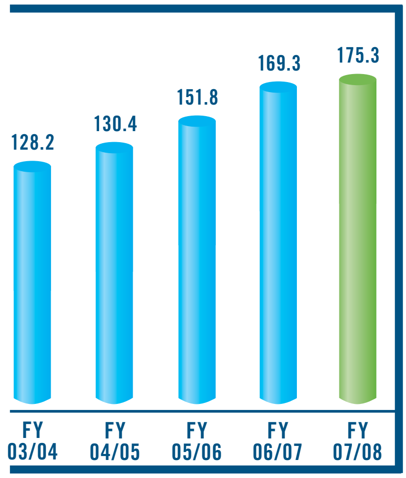
We launched an Asian property securities fund with Prudential Asset Management to offer it exclusively to our customers at selected post offices.

GROUP FINANCIAL HIGHLIGHTS

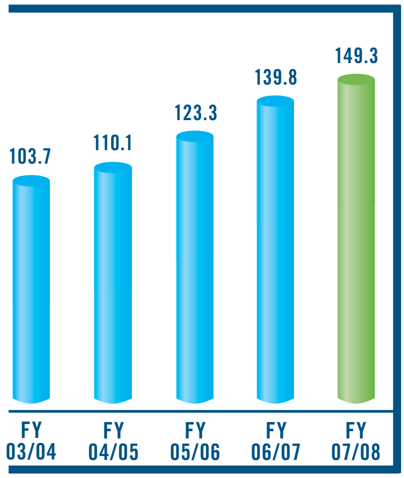
REVENUE (S$M)



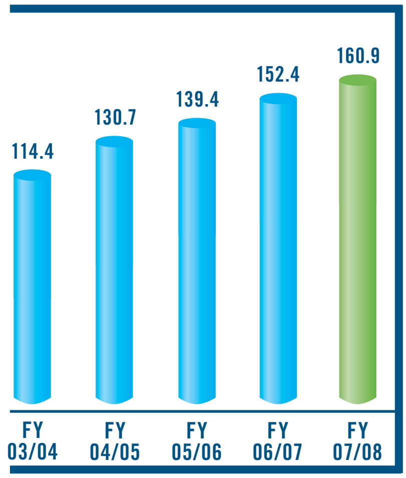
OPERATING PROFIT (S$M)



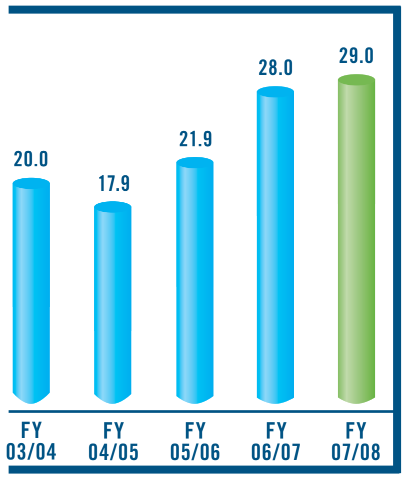
NET PROFIT (S$M)



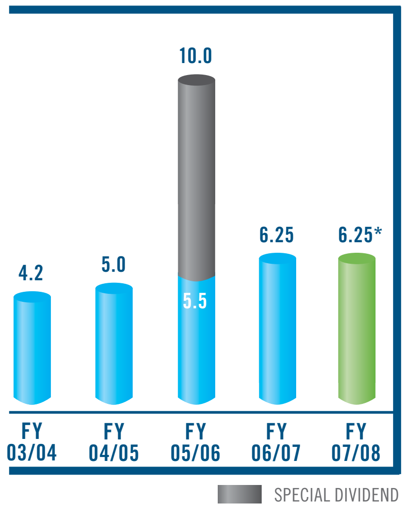
FREE CASH FLOW (S$M)



RETURN ON AVERAGE INVESTED CAPITAL (%)



DIVIDEND (CENTS PER SHARE)

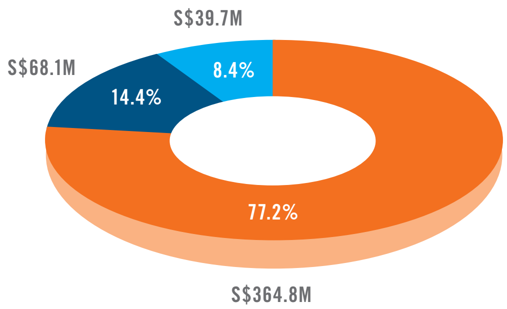


* Including proposed final dividend of 2.5 cents per share to be approved by shareholders at the AGM in June 2008.

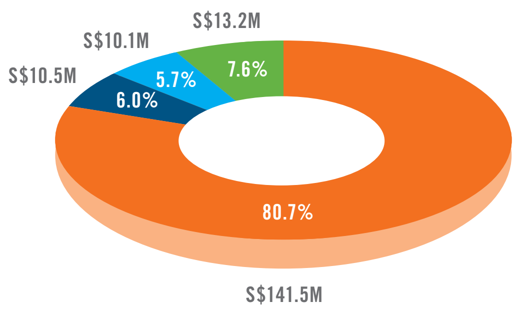
BUSINESS REVIEW

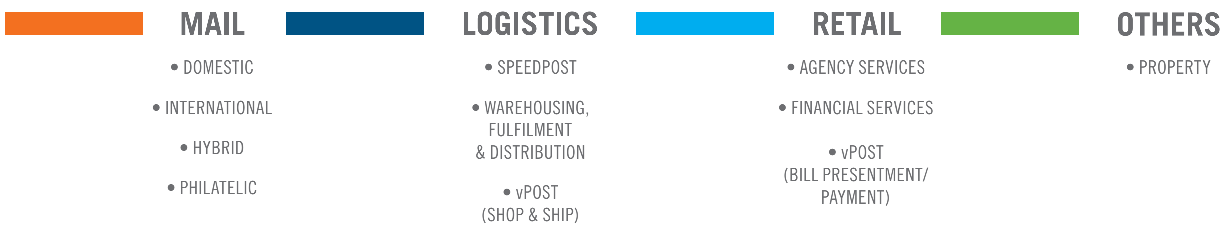
The SingPost Group has three main operating divisions: Mail, Logistics and Retail. For the financial year ended 31 March 2008, the Group recorded revenue of S$472.6 million, of which 77.2 per cent was contributed by the core business of Mail. Logistics comprised 14.4 per cent of Group revenue, while Retail contributed the remaining 8.4 per cent. The Mail Division also accounted for the bulk of Group operating profit, at 80.7 per cent, compared to 6.0 per cent by Logistics and 5.7 per cent by Retail.

REVENUE BREAKDOWN



OPERATING PROFIT BREAKDOWN





MAIL

With 62 post offices, almost 1,800 postal workers, over 800 postboxes islandwide and our advanced mail processing system handling more than 2.7 million mail items each day, it has never been easier to send your warmest regards or latest news.

Over the years, SingPost has been entrusted to provide high-quality, efficient and affordable domestic and international postal services. Today, as the nation's designated Public Postal Licensee, our long-standing tradition and commitment to our customers remain strong. At the same time, we strive to offer even better value at competitive rates and greater reliability. We constantly seek to introduce new solutions and innovative services as well as initiatives to grow and enhance our core Mail business.

MAIL

PERFORMANCE REVIEW

Our Mail Division posted revenue of S$365.3 million, a growth of 7.9 per cent from S$338.4 million in the last financial year. The strong performance was attributed to contributions from all four business lines, namely domestic mail, international mail, hybrid mail as well as philately and stamps.

Domestic mail, which accounted for about 61 per cent of total mail revenue, rose 9.3 per cent from S$204.8 million to S$223.8 million. International mail revenue, which contributed about 33 per cent of total mail revenue, grew 7.7 per cent from S$110.4 million to S$118.9 million. Hybrid mail's performance was steady, with revenue rising marginally by 1.1 per cent from S$15.4 million to S$15.6 million. Revenue from philately and stamps declined by 14.7 per cent from S$7.7 million to S$6.6 million.

Despite the impact of cost pressures, particularly in the fourth quarter of FY2007/08, operating profit for the Mail Division rose 5.1 per cent from S$134.6 million to S$141.5 million for the financial year.

OPERATIONS REVIEW

Operating in the newly-liberalised business environment for basic mail services, SingPost stepped up on efforts to stay attuned to its customers' needs, sharpen its competitiveness and maintain its high quality services. Concurrently, SingPost focuses on growing segments such as direct mail, hybrid mail and international mail, locally and regionally, to enlarge its customer base and offer increasing value for its customers.

During the financial year, domestic postage rates for the first two weight-steps of 20 grams and 40 grams were revised to account for the increase in the Goods and Services Tax (GST). Postage for all other weight-steps for local posting remain unchanged.

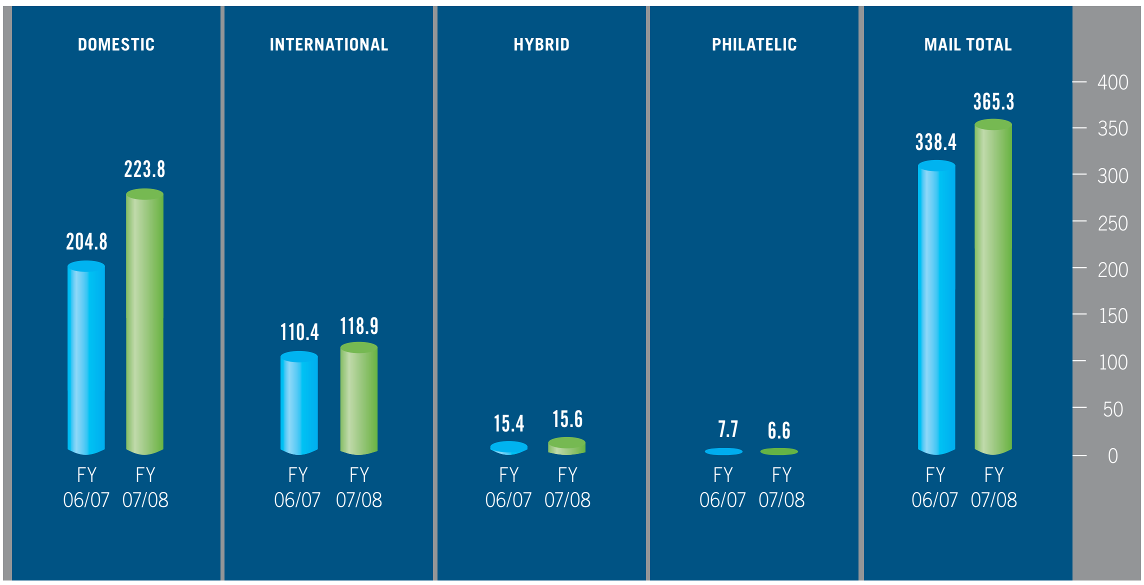
Growing the Mail Business

The direct mail business segment continued to enjoy good growth in FY2007/08. *DMrocket*, our dedicated direct mail centre launched in July 2007 to further grow the business, offers a whole suite of services from highly-targeted lists, creative executions, printing and response-handling right through to warehousing, letter-shopping and delivery. Among the growing portfolio of customers that *DMrocket* has helped to execute successful direct mail campaigns were Garnier, Ricoh Camera and Nippon Paint. *DMrocket* proved a hit with marketers, and was voted sixth position in the Top 10 Direct Marketing Agencies of 2007 in a survey by Marketing Magazine within months of its launch. It was also the first non-creative agency to be accorded this recognition.

Wider Regional Reach

During the financial year, we continued to expand the regional footprint of our core Mail business. Under our hybrid mail business, DataPost, we established a subsidiary in Hong Kong – DataPost (HK) Pte

REVENUE (S$M)



Backed by a dedicated workforce and advanced technology, we deliver to customers efficient, reliable mail service.

Limited – for the provision of e-post services. We also set up a joint venture company with Thai British Security Printing Company Limited in Thailand – Thai British DPost Company Limited – to provide laser printing and enveloping statements, bills and invoices and related value-added services.

Our international mail business performed well as we continued to position ourselves as a key printing and distribution hub for the region, with focus on good service quality and after-sales services.

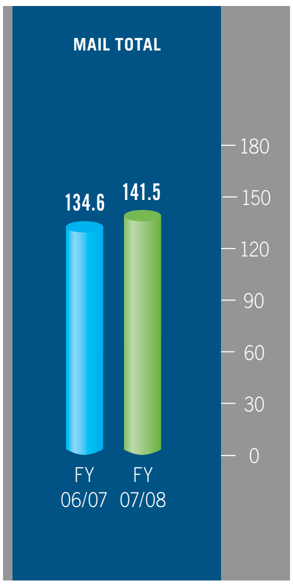
As Singapore's Public Postal Licensee, we enjoy strong and direct relationships with postal administrations from over 200 countries in the Universal Postal Union (UPU) network.

Leveraging our core competency in regional distribution, we entered into a joint venture for the print-on-demand business with GPN International, which specialises in print-on-demand technology, and Océ, a Dutch global company which designs, manufactures and supplies digital printing devices.

The joint venture company, GPN Asia Pte Ltd, which prints in Singapore and distributes to the region, seeks to fulfil the growing market demand for printing as and when orders are received.

Spring, our joint venture with TNT Post and Royal Mail for cross-border mail business, continued to operate in a challenging and competitive environment. It undertook a review and restructuring of its operations in the year and sold its USA business to focus on the operations in Europe and Asia.

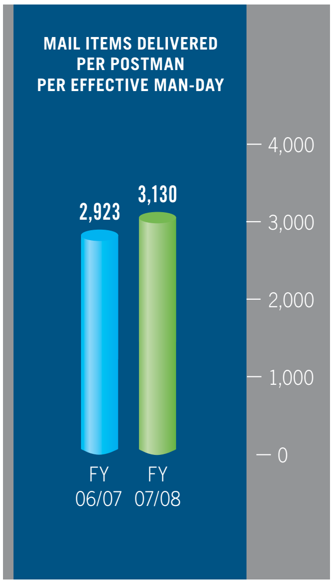
OPERATING PROFIT (S$M)



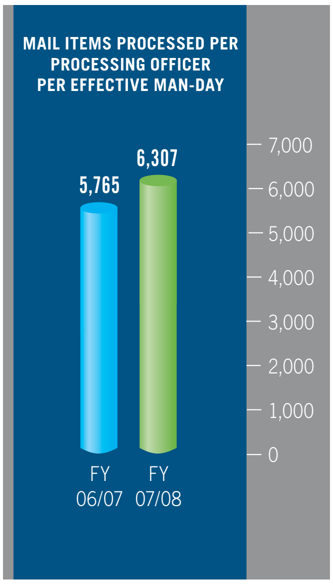
MAIL VOLUMES (MILLION ITEMS)

MAIL

PRODUCTIVITY INDICATORS - MAIL DELIVERY (NUMBER OF MAIL ITEMS)



PRODUCTIVITY INDICATORS - MAIL PROCESSING (NUMBER OF MAIL ITEMS)



Service Improvements Boosted by International Recognition

In FY2007/08, we continued to surpass the Quality of Service in mail delivery set by the Infocomm Development Authority of Singapore (IDA). We achieved more than 99 per cent delivery by the next working day for mail posted within and outside the Central Business District (CBD).

Our continued efforts in enhancing staff productivity have also produced improvements. Postman productivity increased from 2,923 to 3,130 items delivered per postman per effective man-day, while the productivity of mail processing officers grew from 5,765 to 6,307 items sorted per processing officer per effective man-day.

Throughout the year, we improved on our efficiency with initiatives such as the use of cost-effective mechanical aids in the lifting of mailbags and introducing flexible work arrangements to help address manpower requirements.

To support the growth of our international mail business and enhance customer service, we developed an online track and trace system for articles. The system also helps to manage the inventory and warehousing for our publisher customers.

For the first time, SingPost took part in the annual World Mail Awards. In the Quality category, SingPost's mail service excellence received world recognition in May 2007. The Awards, supported by the UPU, aim to encourage and celebrate best practices within the mail industry worldwide. SingPost's win was based on several key initiatives undertaken over the past years resulting in better mail quality, which the international panel of judges noted, have "increased productivity and improved accuracy of sorting and delivery".

Contributing to International and Regional Postal Communities

As the Public Postal Licensee, SingPost represented Singapore at international and regional postal meetings, in which we participated actively to foster closer ties and business partnerships, and to promote service and performance excellence within the postal community. During the financial year, these meetings included the UPU Postal Operations Council and Council of Administration meetings held in April and October 2007 respectively in Berne.

At the regional level, we contributed to airport security efforts by hosting the Airport Security Coordinators Course in August 2007 and by participating as a Group Leader for the International Airport Mail Security Review in Los Angeles in October 2007.

We were also involved in regional forums on terminal dues issues, by co-leading an ASEANPOST CEO Roundtable on Terminal Dues in January 2008. We also participated in the ASEAN Postal Business Meeting in Manila in September 2007 and the Asia Pacific Postal Union meeting in New Delhi in November 2007 to discuss these issues.

In addition, SingPost is currently a board member of the Asia Pacific Post Cooperative which aims to improve the service quality of member postal organisations and address overall operational, commercial and technical issues of postal services in Asia Pacific.

Philately & Stamps

Eleven new stamp issues were released in FY2007/08. These included diverse themes covering significant national and regional events such as Singapore's 42nd National Day and the 40th Anniversary of the founding of the Association of South East Asian Nations (ASEAN).

Ongoing themes such as the Definitives Set, the Chinese Zodiac Series and Singapore Festivals re-emerged with exciting new designs, such as the 14 new definitive stamps which featured lifelike illustrations of local flora and fauna.

The Zodiac Rat stamp which kicked off the second Zodiac Stamp Series, featured a special Collectors' Sheet using the first-in-the-world printing technique on stamps. Under the offset lithography with high reflective index transparent hologram with morphing effect, the Rat could be viewed simultaneously with the Boar and the Ox on the stamps.

MyStamp, SingPost's unique and creative stamp personalisation product, created much buzz among our local and overseas customers with more exciting designs such as Harry Potter, Looney Tunes and Disney Pixar Movies. Our personalised versions also featured new charming designs for special occasions such as Mother's Day and Valentine's Day, which make memorable gifts for loved ones. We also organised lucky draw promotions with overseas trips as top prizes.

OUTLOOK

Our tradition of efficiency and reliability, together with the initiatives to enhance our performance standards, puts us in good stead to address the challenges and pressures of competition in the liberalised operating environment.

We will continue to drive growth in the Mail business, by tapping the potentials of direct mail through more innovative and one-stop solutions, as well as that of our hybrid mail business whose now-enlarged regional presence will enable us to better serve customers in more countries and territories. At the same time, we will be looking for more opportunities to reach out to new markets in the region and beyond.

World Mail Award for SingPost's mail quality.


Zodiac Rat Collector's Sheet featuring a first-in-the-world printing technique.

STAMPS ISSUED IN FY2007/08

Stamp Theme	Date of Issue
Cultural Dances	16 May 07
Definitives – Flora and Fauna	6 Jun 07
40 Years of National Service	2 Jul 07
40th Year of ASEAN	8 Aug 07
National Day – Tourist Landmarks	9 Aug 07
Uniformed Groups in Schools	19 Sep 07
Nature Series – Shores and Reefs	17 Oct 07
Cultural Institution – National Library Board	12 Nov 07
Singapore Changi Airport Terminal 3	9 Jan 08
Zodiac Series - Rat	18 Jan 08
Festivals	29 Feb 08

LOGISTICS

Powered by over 300 dedicated professionals and more than 250 vehicles, we deliver your items door-to-door with utmost reliability and efficiency.

SingPost is the leading player for delivery solutions in Singapore under its courier brand *Speedpost*, providing on-time, reliable and value-for-money services. *Speedpost* also offers express delivery service to over 220 countries and territories worldwide. Our one-stop logistics solutions cover a wide range of value-added services including warehousing and fulfilment.

Our e-commerce outfit *vPOST* further boosted growth in the logistics business, as online shopping and shipping services were rolled out into more countries in the region during the financial year.

LOGISTICS

PERFORMANCE REVIEW

Our Logistics Business performed well in the face of strong competition. We achieved revenue growth of 6.7 per cent from S$64.3 million to S$68.6 million in FY2007/08. The good results were contributed by growth in *Speedpost* traffic and shipping contributions from *vPOST* online shopping transactions, as well as increased revenue from warehousing, fulfilment and distribution.

Speedpost revenue, which accounted for about 87.3 per cent of Logistics revenue, grew 6.0 per cent from S$56.5 million to S$59.9 million. Revenue from warehousing, fulfilment and distribution, which comprised approximately 12 per cent of Logistics revenue, increased 20.5 per cent from S$6.9 million to S$8.3 million.

The operating profit achieved by the Logistics Division grew by 1.6 per cent from S$10.4 million to S$10.5 million.

OPERATIONS REVIEW

Heightened Convenience with New Services

SingPost launched a new concept store, *Speedpost* Centre in July 2007 at the Bras Basah, Marine Parade, Robinson and Singapore Post Centre post offices. The Centre provides one-stop convenience to retail customers and enhanced their experience with our *Speedpost* services. With dedicated counters and professional, knowledgeable staff, *Speedpost* Centre offers a comprehensive suite of delivery solutions and peripheral services such as packaging and insurance. Three more post offices in Chinatown Point, Clementi and Woodlands started offering the *Speedpost* Centre services in September 2007.

For our corporate customers, a new service, *Speedpost Click n Ship* brought along new convenience. This is an online portal that allows customers to generate consignment notes, invoices and summary reports online, as well as track their shipments.

With *Click n Ship*, customers can enjoy greater efficiency and convenience in preparing their shipments from their premises.

Enhanced Islandwide Delivery Capabilities

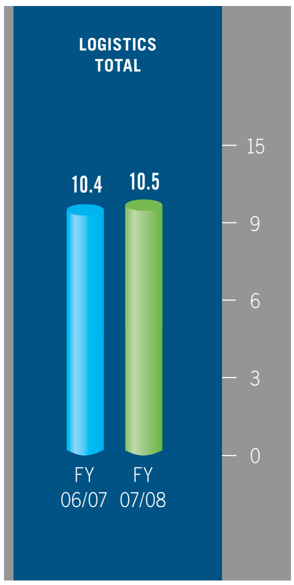
In the year under review, we successfully expanded our customer base. To better serve our new and existing customers, our delivery capabilities were enhanced through an upgrade to our courier monitoring system to better ensure on-time delivery and collection.

Speedpost's efficiency and effort in providing customers with value-added services were showcased once again, by the islandwide complimentary delivery of the 7th Harry Potter book, *Harry Potter and the Deathly Hallows* on the day of its international release from 7.01am.

To provide a better level of service, we expanded our Customer Contact Centre team and also enhanced our processes for greater efficiency in handling customer bookings and enquiries.

REVENUE (S$M)

OPERATING PROFIT (S$M)



Growth in Customised Logistics

During the financial year, we acquired more customers in a variety of industries for our warehousing and fulfilment business, which offers a wide range of capabilities and services.

Together with *vPOST* as the retail front, we offered a complete suite of business-to-business and business-to-consumer logistics solutions to our customers. With the strong demand for our services, the warehousing and fulfilment operations were strengthened to handle the growth.

vPOST: Enhancing Offerings and Expanding Regionally

With the ease of use and wide range of services and products through strategic tie-ups, *vPOST's* membership has expanded significantly to more than 330,000. The strong growth in shopping transactions contributed to increased shipping traffic for the Logistics business.

During the financial year, *vPOST* was launched in more countries in the region, with the service now being offered in Australia and India in partnership with PayPal and ICICI Bank respectively. Customers in these countries, as well as those in Malaysia, Thailand and Singapore, are able to enjoy the convenience of online shopping at USA sites and have their purchases shipped to them via *vPOST*.

vPOST worked with established merchants like Hewlett Packard, Symantec and Lenovo in Asia to provide a wide range of exclusive online deals and discounts for its customers. These included Lenovo's first 'Online Interest-Free Instalment Plan' for UOB credit card members.

Throughout the year, *vPOST* launched numerous festive and seasonal promotions with attractive shipping discounts and giveaways, including its 'Christmas Wish List' and 'Valentine's Day Romantic Getaway Lucky Draws'.

Awards and Accolades

We continued to uphold our high service standards, working closely and efficiently with postal administrations all over the world. With our delivery standard at above 98 per cent, SingPost was bestowed the Express Mail Service (EMS) Cooperative Certification Gold Level Award for its *Speedpost* Worldwide courier service by the Universal Postal Union (UPU) for the seventh year running since 2001. SingPost is the first postal administration in the world to attain this achievement.

We have also been recertified by the Technology Asset Protection Association (TAPA) for our warehousing security capabilities, and certified ISO 9001 for process efficiency.

OUTLOOK

We will continue to strengthen our Same-Day and Express delivery services by focusing on our core strengths in distribution and delivery. We will also reinforce our international delivery and supply-chain network, particularly in the Asia-Pacific region to provide our customers with more value-added, reliable and innovative services. In the domestic delivery market, we aim to continue maintaining our leadership and position with quality service offerings and standards. With strong fundamentals as well as the ability to adapt to changing market conditions, we believe we are in good stead to attain continued growth and stay ahead in this industry.

With the good reception for *Speedpost* Centre, we will be setting up more such stores in the coming months. We will introduce more innovative services to serve the needs of our customers.

A new Warehouse Management System is in the pipeline to harness the use of latest technologies for the benefit of our business and customers. Moving forward, we will focus on growing our existing customised logistics business as well as acquiring new customers in the electronics, retail and publishing sectors.

As for *vPOST*, its customers can look forward to expanded offerings as its growth momentum continues into the region in the upcoming year.

Comprehensive solutions at Speedpost Centre.

Quick and friendly service is just a phone call away.

A touch of romance for Valentine's Day with vPOST.

RETAIL

Our tri-channel network of 62 post offices, 253 SAM and our internet portal provides unsurpassed convenience, as well as financial solutions, products and services for our customers.

As a result of years of business growth and innovation to meet our customers' fast-changing needs, our post offices and Self-service Automated Machines (SAM and SAM^{PLUS}) today offer one-stop convenience not only for one's postal essentials, but also other essential services. They include bill payments, government services, ticketing and financial products and services. We are also rolling out more higher-value consumer products and services to offer customers a greater number of interesting shopping choices at our outlets.

Besides the personalised and friendly counter services at our post offices, our customers also enjoy round-the-clock service with our SAM and *vPOST*.

RETAIL

PERFORMANCE REVIEW

The Retail Division recorded revenue of S$61.6 million, an increase of 10.8 per cent over S$55.6 million in the previous year. This was contributed by growth in revenue from financial services and retail products.

Revenue from agency services and retail products, comprising 34.2 per cent of total Retail revenue, increased 7.5 per cent from S$19.6 million to S$21.1 million. Financial services, which accounted for about 30 per cent of total Retail revenue, continued to grow, rising 24.5 per cent from S$14.9 million to S$18.6 million.

Operating profit from the Retail Division was S$10.1 million for FY2007/08, an increase of 5.8 per cent from S$9.5 million in the previous year.

OPERATIONS REVIEW

During the year, we continued to upgrade our network of post offices and SAM to give it a fresh appeal and make it more user-friendly.

In addition to a new branch at Sun Plaza, we injected a more modern look and feel to the four relocated post offices at Clementi, IMM, Pasir Ris and Robinson Road. Our SAM also underwent a facelift and now have more user-friendly and enhanced security features to provide for a more enjoyable customer experience.

We also leveraged our vast retail network to offer a greater variety of consumer and financial products and services to meet the increasing and diverse needs of our customers. During the year, our portfolio of financial service offerings was also expanded through more collaborations with strategic partners.

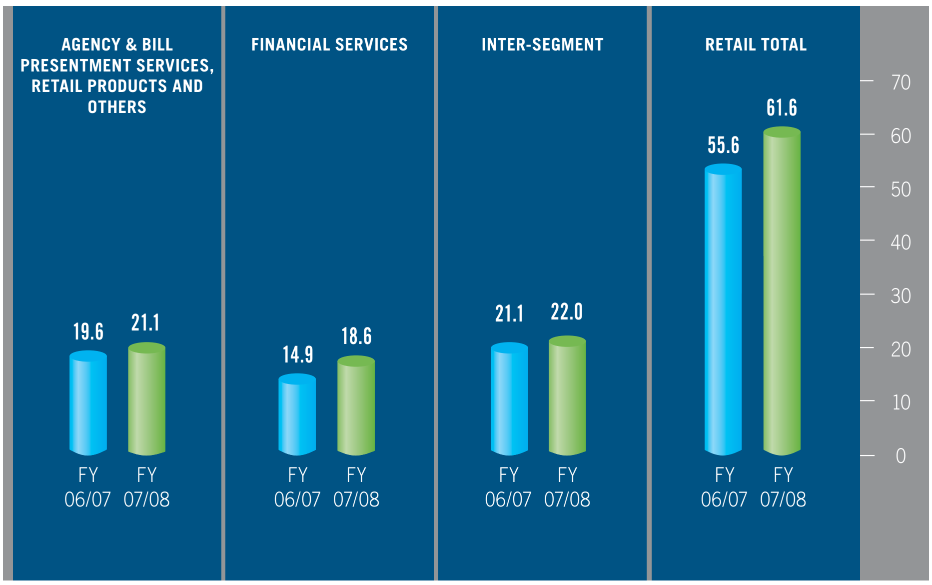
Comprehensive One-Stop Shop

Shop@Post, SingPost's quarterly direct mail order catalogue, made its debut in December 2007 and was well-received by customers. The catalogue offered attractive and exclusive deals on popular higher-value and lifestyle items ranging from information technology and electronic products such as branded MP3 players, cameras, laptops and watches, to festive goodies like abalone gift sets. Customers could conveniently buy them over post office counters or order via SAM or mail order, with complimentary delivery services.

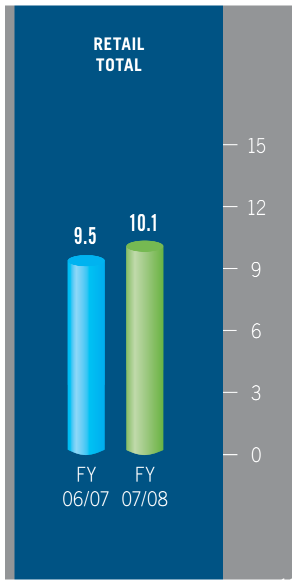
Among the growing range of such products was *Harry Potter and the Deathly Hallows*, which could be ordered via our multiple retail channels and for the first time, SAM. We also created a limited edition Book Collectors' Box and gave away a trip to London for four in a special lucky draw.

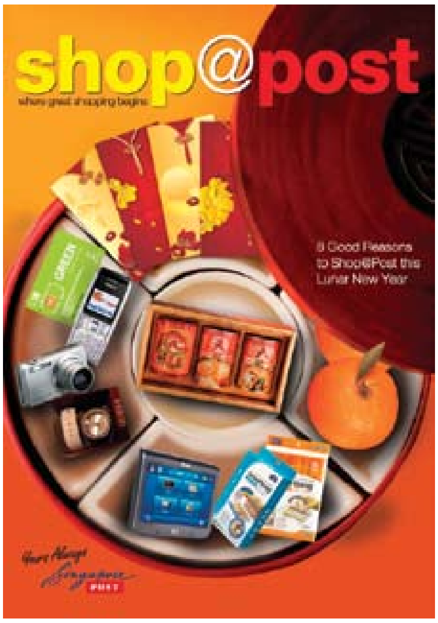
In the financial year, more agency services were added to our wide range of service offerings. We were the ticketing partners for high-profile and popular events such as Chingay, Singapore Airshow and Formula 1™ SingTel Singapore Grand Prix. To better serve community needs, SingPost worked with Government agencies for application services such as the Workfare Income Supplement scheme, entry visas and Singapore passports. Singapore identity card holders reaching the age of 30 could also re-register for identity cards at our post offices.

REVENUE (S$M)



OPERATING PROFIT (S$M)





Adding more financial services, lifestyle products and ticketing services to our retail network.

Enhanced Financial Service Offerings

Our suite of financial services was not only enhanced during the financial year, but was also made available at more post offices to improve their accessibility to customers.

Under the financial planning service *Care for Life* offered in conjunction with our partner Prudential, we started offering a new *Care for Life* insurance planning service at Jurong East, IMM and Chinatown Point post offices in addition to other branches. Its new white-labelled product *CashGrowth Plus*, a single premium investment-linked policy, allows customers to enjoy a regular stream of income.

Under the growing partnership between SingPost and Prudential Asset Management, we rolled out a new fund, International Opportunities Fund – Asian Property Securities exclusively for our customers at selected post offices. This affordable fund joins a suite of other investment products already available at our post offices, catering to the different investment requirements of our customers.

To widen our remittance options for customers, we worked with Bank Negara Indonesia (BNI) to launch a fast, convenient and secure remittance service under our *CASHOME* brand for remittance into a recipient's BNI account in Indonesia. We also became the first postal service provider in the world to offer the *Visa Money Transfer* remittance service. This smart, simple and safe service allows the transfer of money to Visa cardholders in nine global markets namely Australia, China, India, Indonesia, Malaysia, the Philippines, Sri Lanka, Thailand and the United Kingdom.

For the unsecured personal loan services with our partner GE Money, *ezyCash* introduced a new product feature *Call-for-Cash* that allows customers to apply for reserve credit in advance and gives them the flexibility to draw down the credit within the year. *James* was re-packaged and re-branded to expand its share in the target market segments. The new *James* now boasts innovative flexible repayment plans for customers to better manage their finances.

Our *Speedcash* network has grown to readily meet more customers' instant cash needs. During the financial year, we set up two more branches at Geylang and Chinatown Point offering this secured personal financial service, bringing the total number of outlets to six.

OUTLOOK

We will continue to leverage our retail network to offer a wider range of higher-value products and services for a more vibrant and convenient experience for our customers. We will further enhance our service quality to bring our customers more of the efficiency and reliability that they have been enjoying all these years.

We will seek to grow our customer base by reaching out to new customer segments with attractive initiatives, products and services and to liven up and transform our post offices to satisfy new demands.

Concurrently, we will actively look for strategic partners to jointly offer more financial products and services for the benefit of our customers.

PROPERTY

We continued to focus on yield enhancement of our flagship building, Singapore Post Centre (SPC) in FY2007/08. We created an additional area of 2,800 square metres to expand the office and retail space for commercial lease. SPC continued to enjoy a high occupancy rate of 99.2 per cent as at 31 March 2008.

We will continue to review our non-core business and explore opportunities in respect of SPC, including unlocking the value of the asset. During the financial year, we continued to review the optimisation of the post office network. Two HDB shop units were sold – one at Boon Lay Place for S$2.8 million and the other at Clementi Central for S$7.9 million.

LIST OF MAJOR PROPERTIES

Name	Address	Title	Yrs	With Effect From	Land Area (SQ M)	Building Gross Floor Area (SQ M)
Airmail Transit Centre	21 North Perimeter Road	Leasehold	30	25.09.00	2,903	8,862
Alexandra Post Office	110 Alexandra Road	Leasehold	99	31.03.92	2,305	802
Ayer Rajah Delivery Base	6 Ayer Rajah Crescent	Leasehold	30	01.02.96	4,401	10,274
Bukit Panjang Post Office	10 Choa Chu Kang Track 10	Leasehold	99	31.03.92	3,264	2,015
Jurong Delivery Base	2 Kian Teck Way	Leasehold	30	16.10.95	4,016	3,574
Kallang Delivery Base	18 Jalan Lembah Kallang	Leasehold	30	16.09.98	2,761	6,850
Killiney Road Post Office	1 Killiney Road	Leasehold	99	31.03.92	1,029	493
Loyang Delivery Base	25 Loyang Lane	Leasehold	30	16.10.95	3,519	3,225
MacPherson Road Post Office	70 MacPherson Road	Leasehold	99	31.03.92	2,074	315
Pasir Panjang Post Office	396 Pasir Panjang Road	Leasehold	99	31.03.92	1,726	391
Serangoon Garden Post Office	54 Serangoon Garden Way	Leasehold	99	31.03.92	1,215	307
Serangoon Road Post Office	755 Upper Serangoon Road	Leasehold	99	31.03.92	1,353	3,012
Simpang Bedok Post Office	350 Bedok Road	Leasehold	99	31.03.92	1,134	329
Singapore Post Centre	10 Eunos Road 8	Leasehold	99	30.08.82	32,738	137,297
Tanglin Post Office	56 Tanglin Road	Leasehold	99	31.03.92	2,622	2,678
Thomson Road Post Office	246T Upper Thomson Road	Leasehold	99	31.03.92	2,753	1,793
Woodlands Delivery Base	9 Woodlands Walk	Leasehold	30	16.10.95	3,040	2,393

HUMAN RESOURCE & CORPORATE SOCIAL RESPONSIBILITY

Entering a more challenging business environment, it is imperative that we enhance the skills of our people and nurture a winning mindset in them to support the company's continued development and growth. We also focus on the well-being of our staff through appropriate staff welfare programmes.

As a caring organisation, SingPost contributes to the community that it serves, with active efforts in the preservation of Singapore's philatelic heritage, the support of charitable and worthwhile causes, as well as the protection of the environment.

TRAINING AND DEVELOPING OUR PEOPLE

People are our most valued resources and we are committed to equip our staff with the right skill sets as we pursue growth and expand our business.

We continued to focus on job-specific and soft skills training for our staff, such as effective verbal communication and business writing, and introduced programmes to reinforce the service excellence mindset. Our post office staff also underwent training in sales and customer service management to increase the level of customer contact and promote sales of new service offerings to customers.

To facilitate our older postal employees in carrying out their duties, we secured funding from the ADVANTAGE! scheme jointly administered by the Singapore Workforce Development Agency (WDA), National Trades Union Congress (NTUC) and Singapore National Employers Federation (SNEF) for the implementation of motorised pallet trucks.

We also have a scheme to rehire retired staff. In FY2007/08, 33 per cent of our retired staff was re-employed.

TEAM-BUILDING AND CARING FOR STAFF

To foster closer bonds among our staff, we organised team-building activities such as the delivery of the seventh *Harry Potter* novel. Our management and staff personally delivered the books to customers' doorsteps on the day of its international release. It was a memorable and meaningful event for our staff as they had first-hand experience in customer service and worked hand-in-hand with the operations staff of postmen and couriers.

Staff were treated to a Family Day at Jurong Bird Park in appreciation of their hard work and efforts all year round. More than 8,000 staff and family members enjoyed a fun-filled day, leaving the park with lots of prizes.

In the year, we tripled our contributions to the bursary fund for the joint Bursary Award with the Union of Telecoms Employees of Singapore (UTES). With additional Book Prizes sponsored by UTES, more than 250 children of our staff benefited from the Award in FY2007/08.

Our management and UTES have enjoyed another year of excellent labour-management relations. Both worked closely to introduce a voluntary leave exchange scheme which was a win-win arrangement for our postmen and the Company in managing staffing requirements during operational peaks.

REWARDS AND RECOGNITION

As part of our ongoing efforts to promote a strong service culture within SingPost, we continued to motivate our staff by recognising their outstanding performance and excellent customer service.

The Best Employee and Commendation Awards were given out for the second year running, with a higher number of winners this year. Our frontline staff garnered more customer compliments for their service. To encourage good internal customer service that would pave the way for excellent service to customers, we launched the 'Thumbs Up' initiative for our staff to show their appreciation to colleagues for providing good service. This year, we also presented the Long Service Awards to 279 recipients.

For the eighth consecutive year, SingPost staff were honoured at the national level by SPRING Singapore in the Excellent Service Awards (EXSA). A total of 55 SingPost staff won the EXSA award this year for their outstanding service, with 37 Silver, 19 Gold and three Star Awards. One of our Customer Service Officers also emerged as a finalist in the SuperStar (Retail) category.

HUMAN RESOURCE
& CORPORATE SOCIAL RESPONSIBILITY

Team-building through Harry Potter book deliveries.

National recognition for SingPost's service champions.

COMMUNICATING AND SHARING

The management shares with staff regularly on SingPost's performance and direction through quarterly communication sessions, which also aim to spur them to contribute to the organisation's success. Within departments, the culture of sharing information to facilitate teamwork was strengthened through staff dialogues and informal gatherings. The staff newsletter and the *Eyes and Ears* Feedback scheme also served well as other channels of communication between management and staff.

PUBLIC OUTREACH EFFORTS

For the second year running, our School Visits Programme reached out to the young student community, with educational presentations and eye-opening tours of our mail processing centre. Through the Programme, the students gained a better understanding of the changing postal landscape in Singapore, SingPost's role as the postal service provider, as well as Singapore's postal system. Such visits also aim to instill in the young visitors an interest for our stamp products and appreciation for our postal workforce and advanced postal technology.

SUPPORTING WORTHWHILE CAUSES

During the year, we supported a number of meaningful causes through donations and sponsorships, directly or in partnership with our business partners.

We have been contributing regularly to the Singapore Philatelic Museum (SPM) for the upkeep and preservation of its philatelic materials and exhibits since becoming its principal corporate sponsor in 1995, including more than S$300,000 in FY2007/08. In April 2007, the National Heritage Board bestowed upon SingPost the Patron of Heritage Award in its inaugural accolade for heritage philanthropy.

We were also a sponsor of the Asia Pacific Mail & Express Conference 2007, which provided a conducive platform for industry players to learn and share on the mail, express and logistics industries' latest developments.

SingPost staff donated to the SHARE programme of Community Chest which has been in place in the Company since 1994. Their contributions were made through their payroll with SingPost matching dollar-for-dollar.

In the spirit of giving back to the community, we supported various meaningful causes to help the less fortunate, such as HSBC's Corporate Responsibility Challenge, Singapore Power Heartware Fund and Singapore Cancer Society's Charity Ball. We also continued to waive postage for the mailing of literature for the blind. In addition, for the seventh consecutive year, we were the official delivery partner for the SingTel Touching Lives Fund, supporting its charity fund-raising efforts with our delivery and distribution strengths.

Educational tours of mail operations for students.

Our "greener" flagship building with reduced carbon output.

By leveraging its extensive retail network, SingPost helped to facilitate the public's balloting exercise for Singapore's 42nd National Day Parade tickets on SAM. As the partner sponsor for Netball Singapore's 5 Nations Netball Cup, we also provided easy access to the public to purchase the event tickets through SAM. Throughout the year, the public could also contribute to the Community Chest through donation boxes placed at our post offices islandwide.

ENVIRONMENT-FRIENDLY INITIATIVES

SingPost believes that every corporate and individual effort goes a long way towards the sustenance of the environment. As a corporate citizen of the world, we continue to play our part to make the world and Singapore a "greener" place to live, work and play in.

During the year, we made our flagship building, Singapore Post Centre, more environment-friendly. We replaced its chiller units and fine-tuned the overall chiller plant system. Our carbon output was reduced by more than 2,600 tonnes per year, reaping substantial savings.

In addition, we continue to ensure that our fleet of vehicles meet the emission standards set by the Land Transport Authority. We also have in place a stringent maintenance regime to ensure that the vehicles are road-worthy.

There is also collective support from SingPost staff who adopt environment-friendly practices involving the reduction of energy and paper consumption, as well as recycling efforts.

We will continue to review and optimise our energy conservation efforts as well as promote greater use of environment-friendly practices among staff, contributing to a "greener" place for everyone.

INVESTOR RELATIONS

Transparency and open, regular communications with the investment community are at the heart of our investor relations (IR) philosophy. We also aim to be proactive in our IR efforts and constantly engage the investment community.

Analysts and the media are invited to SingPost's half-year and full-year results briefings while teleconference briefings are set up for the first and third quarters. The Group Chief Executive Officer and Chief Financial Officer chair these meetings and are available to address any issues at the end of the sessions.

We maintain open communication channels with the investment community. SingPost management conducts regular meetings and calls with fund managers and analysts to update them on the developments and progress of the Company. We also organise site tours for visitors to enable them to better understand our business. As part of the IR outreach programme, SingPost management embarked on overseas roadshows to Hong Kong and Europe, and took part in local roadshows. During the year, we held a total of 76 one-on-one and group meetings with shareholders and potential investors from the United States, Europe and Asia.

Our management actively engages the analyst community. Ten research houses cover SingPost, providing the investment community with in-depth reports. We also proactively encourage other research houses to include the Company into their research coverage.

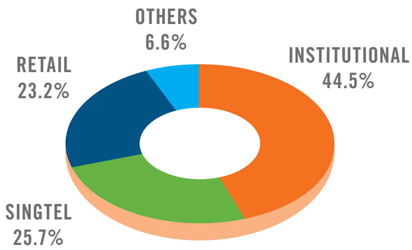
Additionally, we look towards improving our interface with retail investors. Retail investors can access our website at www.singpost.com, which is updated regularly, to obtain more information on the Company, including the latest announcements, news releases and financial results. Retail investors are also kept informed of SingPost's activities through our collaboration with the Securities Investors Association of Singapore (SIAS). SIAS' research material on SingPost is available for their members.

The 15th AGM and EGM, held on 29 June 2007, were attended by over 210 shareholders and proxies. The Board of Directors and senior management were present to answer shareholders' queries. The proxy voting results for each resolution raised were shown at the meetings.

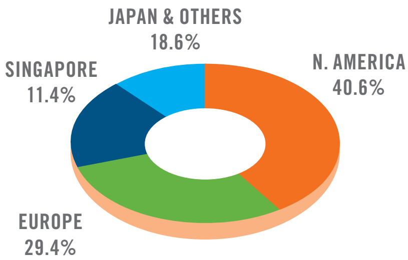
In recognition of our efforts in enhancing corporate transparency, SingPost emerged as the winner in the "Most Transparent Company Award 2007" for the Services/ Utilities/Agriculture Category – one in a series of the SIAS Investors' Choice Awards. In addition, SingPost was consistently ranked among the top 20 of SGX-listed companies in the Business Times Corporate Transparency Index, which measures the quality of financial results disclosures.

As endorsement of the Company's IR efforts, SingPost won the Bronze Award in the "Best Investor Relations" category (market capitalisation of S$500 million and above) at the Singapore Corporate Awards 2008 organised by The Business Times and supported by the Singapore Exchange.

SHARE OWNERSHIP BY INVESTOR GROUPS



INSTITUTIONAL HOLDINGS BY GEOGRAPHIC DISTRIBUTION



FINANCIAL CALENDAR	
Date	**Event**
27 Apr 07	• Q4 and Full Year FY2006/07 results release • Results briefing
29 Jun 07	• 15th Annual General Meeting • Extraordinary General Meeting
30 Jun 07	• End of Q1 FY2007/08
18 Jul 07	• Final dividend payment date
30 Jul 07	• Q1 FY2007/08 results release • Results briefing
31 Aug 07	• Q1 interim dividend payment date
30 Sep 07	• End of Q2 and half year FY2007/08
30 Oct 07	• Q2 and 1st Half FY2007/08 results release • Results briefing
30 Nov 07	• Q2 interim dividend payment date
31 Dec 07	• End of Q3 FY2007/08
30 Jan 08	• Q3 and 9-Month FY2007/08 results release • Results briefing
29 Feb 08	• Q3 interim dividend payment date
31 Mar 08	• End of Q4 and full year FY2007/08
30 Apr 08	• Q4 and Full Year FY2007/08 results release • Results briefing

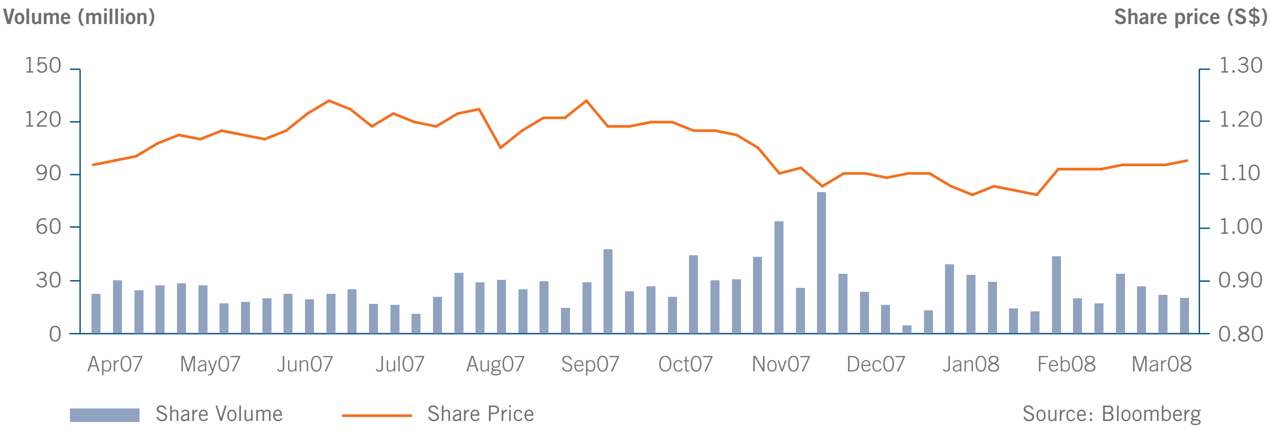
SHAREHOLDER RETURNS

The total shareholder's return (TSR) of SingPost was approximately 8.3 per cent in FY2007/08. The TSR since the Company was listed in May 2003, a period of almost five years, amounted to about 20.1 per cent compounded annually.

The Board of Directors has proposed a final dividend of 2.5 cents per share for FY2007/08. Together with the interim dividends of 1.25 cents per share paid in each of the first three quarters of FY2007/08, the proposed total dividend would amount to 6.25 cents per share. This represents a payout ratio of 81 per cent of net profit or 86 per cent of underlying net profit.

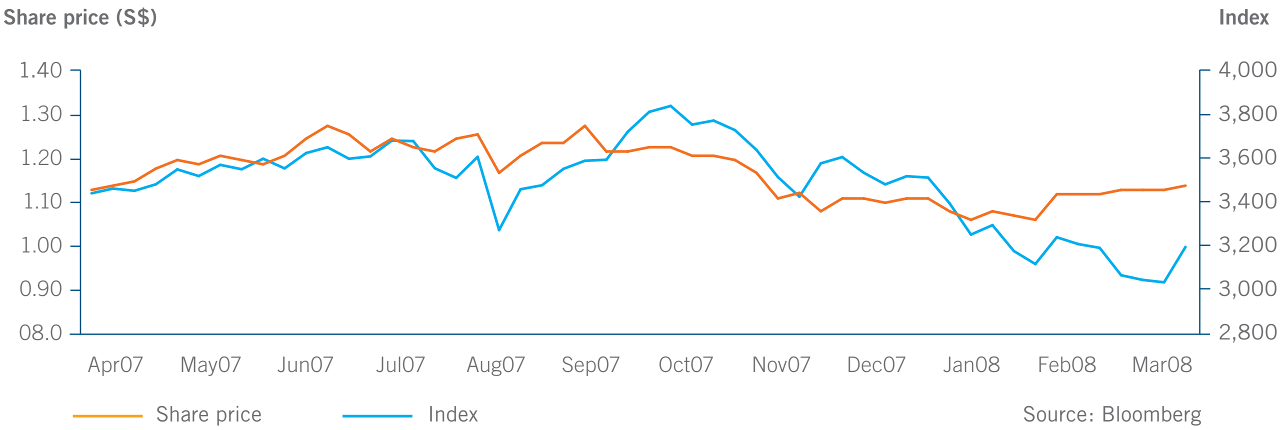
FY2007/08 Dividends (per share)	
Interim Q1 FY2007/08	1.25 cents
Interim Q2 FY2007/08	1.25 cents
Interim Q3 FY2007/08	1.25 cents
Final FY2007/08 (Proposed)	2.50 cents
Total Dividend Paid/Proposed	6.25 cents

SINGPOST SHARE PRICE AND TRADING VOLUME (FY2007/08)



Source: Bloomberg

SINGPOST SHARE PRICE VS FSSTI INDEX (FY2007/08)



Source: Bloomberg

GROUP FIVE-YEAR FINANCIAL SUMMARY

	Financial Year ended 31 March				
	2008	**2007**	**2006**	**2005**	**2004**
Income Statement (S$ million)					
Revenue	**472.6**	436.0	412.8	375.8	368.2
Operating profit (1)	**175.3**	169.3	151.8	130.4	128.2
EBITDA (2)	**214.8**	201.4	185.3	176.7	171.1
Net profit (3)	**149.3**	139.8	123.3	110.1	103.7
Underlying net profit (4)	**140.0**	130.8	123.5	106.2	103.3
Balance Sheet (S$ million)					
Total assets	**747.4**	719.3	710.9	823.4	772.3
Shareholders' funds	**221.4**	185.4	146.5	331.1	3300.4
Cash and cash equivalents	**104.1**	69.0	53.3	159.0	98.4
Net debt	**197.9**	247.3	296.2	141.0	201.6
Cash Flow (S$ million)					
Net cash inflow from operating activities	**173.7**	160.8	149.7	144.4	121.7
Capital expenditure (cash)	**12.8**	8.5	10.3	13.8	7.3
Free cash flow (5)	**160.9**	152.4	139.4	130.7	114.4
Key Ratios					
EBITDA margin %	**45.5**	46.2	44.9	47.0	46.5
Net profit margin %	**31.6**	32.1	29.9	29.3	28.2
Return on average invested capital %	**29.0**	28.0	21.9	17.9	20.0
Return on average equity %	**72.6**	84.2	51.7	35.0	33.8
Net debt to equity %	**87.7**	133.4	202.2	42.6	67.1
EBITDA to interest expense (number of times)	**23.4**	18.6	21.3	34.3	24.2
Per Share Information (S cents)					
Earnings per share – basic	**7.77**	7.30	6.46	5.79	5.49
Earnings per share – underlying net profit (4)	**7.27**	6.84	6.46	5.58	5.44
Net assets per share	**11.7**	9.9	7.7	17.4	15.8
Dividend per share – ordinary	**6.25**	6.25	5.5	5.0	4.2
Dividend per share – special	**–**	–	10.0	–	–

Notes:

(1) Operating profit is defined as profit before interest, tax share of profit of associated companies and joint ventures.
(2) EBITDA is defined as profit before interest, tax, depreciation, impairment and amortisation.
(3) Net profit is defined as profit after tax and minority interest.
(4) Underlying net profit is defined as net profit before one-off items, and gains and losses on sale of investments, properties, plant and equipment.
(5) Free cash flow refers to net cash inflow from operating activities less cash capital expenditure.

FINANCIAL REVIEW

GROUP PERFORMANCE

	Financial Year ended 31 March		
Group	2008 S$'000	2007 S$'000	Change %
Revenue	472,595	436,045	8.4
Operating profit	175,328	169,265	3.6
Share of profit of associated companies and joint ventures	8,200	6,554	25.1
Net profit	149,277	139,761	6.8
Underlying net profit [1]	140,010	130,751	7.1
Basic earnings per share (S cents)	7.77	7.30	6.4
Underlying earnings per share (S cents)	7.27	6.84	6.3

[1] Underlying net profit is defined as net profit before one-off items, and gains and losses on sale of investments, properties, plant and equipment.

The Group achieved good earnings growth for the financial year ended 31 March 2008. Despite operating cost pressures, underlying net profit increased 7.1 per cent to S$140 million.

	Financial Year ended 31 March		
Revenue	2008 S$'000	2007 S$'000	Change %
Mail	365,251	338,424	7.9
Logistics	68,629	64,296	6.7
Retail	61,625	55,642	10.8
Inter-segment eliminations	(22,910)	(22,317)	2.7
	472,595	436,045	8.4

The Group's revenue increased 8.4 per cent to S$472.6 million.

Mail revenue, contributing 77.2 per cent to total revenue, increased 7.9 per cent to S$365.3 million, driven by growth in mail volumes. Within the Mail business, domestic mail revenue, accounting for 61.3 per cent of Mail revenue, rose 9.3 per cent to S$223.8 million. International mail revenue, accounting for 32.6 per cent of Mail revenue, grew 7.7 per cent to S$118.9 million. Hybrid mail and Philatelic revenue, accounting for 6.1 per cent of Mail revenue, declined 4.1 per cent to S$22.1 million.

Logistics revenue, contributing 14.4 per cent to total revenue, rose 6.7 per cent to S$68.6 million. Both business lines – *Speedpost* (which includes *vPOST* shipping contributions) and warehousing, fulfilment, distribution and others – achieved better performances. *Speedpost* revenue, accounting for 87.3 per cent of Logistics revenue, grew 6.0 per cent to S$59.9 million. Warehousing, fulfilment, distribution and others, accounting for 12.0 per cent of Logistics revenue, increased 20.5 per cent to S$8.3 million.

Retail revenue, contributing the remaining 8.4 per cent to total revenue, grew 10.8 per cent to S$61.6 million. Increased contributions from financial services and retail products offset the decline in agency and bill presentment services. Agency services, retail products and others, accounting for 34.2 per cent of Retail revenue, grew 7.5 per cent to S$21.1 million. Financial services revenue, accounting for 30.1 per cent of Retail revenue, increased strongly by 24.5 per cent to S$18.6 million. Inter-segment revenue, which arose from provision of services to Mail and Logistics segments, rose 4.1 per cent to S$22.0 million.

FINANCIAL REVIEW

Rental and property related income improved 18.2 percent to S$23.9 million, benefiting from higher rental rates and yield enhancement initiatives at SingPost Centre. Miscellaneous income increased 21.4 per cent to S$9.3 million, due to gains from the disposal of properties.

In tandem with the trend of rising operating costs in the Singapore economy and the Group's increased business activities, total expenses increased 11.3 per cent to S$338.5 million. This included a one-off impairment charge for two properties amounting to S$4.9 million. Excluding the impact of the impairment charge, the Group's total expenses would have increased 9.7% to S$333.6 million.

Labour and related expenses, accounting for 36.9 per cent of total expenses, went up 8.8 per cent to S$125.1 million, due to higher wage cost, temporary and contract staff cost and to a lesser extent, the impact of the increase in Central Provident Fund contribution rate from July 2007.

Volume related expenses, accounting for 35.9 per cent of total expenses, increased 15.4 per cent to S$121.4 million. The increase was mainly due to growth from traffic and related expenses, as well as higher cost of sales.

Selling, administrative, depreciation and other expenses, accounting for 24.5 per cent of total expenses, increased 13.2 per cent to S$83.0 million. This included the one-off impairment charge for two properties. Excluding the impact of the impairment charge, selling, administrative, depreciation and other expenses would have increased 6.6% to S$78.1 million. Finance expenses, which accounted for 2.7 per cent of total expenses, dropped 15.6 per cent to S$9.0 million.

	Financial Year ended 31 March		
Operating profit	**2008 S$'000**	**2007 S$'000**	**Change %**
Mail	141,476	134,597	5.1
Logistics	10,547	10,376	1.6
Retail	10,066	9,518	5.8
Others	13,239	14,774	(10.4)
	175,328	169,265	3.6

As a result of cost increases and the impairment of two properties, operating profit increased at a slower rate of 3.6 per cent to S$175.3 million. Mail operating profit was up 5.1 per cent to S$141.5 million, while Logistics operating profit increased marginally by 1.6 per cent to S$10.5 million. Retail operating profit increased 5.8 per cent to S$10.1 million. Operating profit from the Others segment was down 10.4 per cent to S$13.2 million as higher rental and property-related income was offset by the one-off impairment charge for two properties.

The Group's share of profit of associated companies and joint ventures was up 25.1 per cent to S$8.2 million. During the year, the Group recorded its share of a one-off gain of S$1.7 million from the sale of the Spring JV's US business, as well as share of one-off restructuring cost of S$0.7 million from Spring JV.

Income tax expense declined 1.5 per cent to S$25.8 million. The lower tax expense was due to a one-off adjustment for over-provision of tax in respect of prior years amounting to S$5.8 million. This was partly offset by the impact from the reduction in corporate tax rate recorded last year.

The Group's net profit increased 6.8 per cent to S$149.3 million, boosted by gains from disposal of properties and a one-off adjustment for over-provision of tax in respect of prior years but partially reduced by an impairment charge for two properties.

FINANCIAL REVIEW

BALANCE SHEET AND CAPITAL MANAGEMENT

Shareholders' fund was higher at S$221.4 million compared to S$185.4 million a year ago. The Group's total assets increased S$28.1 million to S$747.4 million, as cash and cash equivalents rose from S$69.0 million to S$104.1 million. Total debt decreased from S$316.3 million to S$302.1 million, as the Group fully repaid its term loan during the year.

Net gearing ratio declined from 133 per cent to 88 per cent. The Group's interest coverage remained robust, with EBITDA to interest expense rising from 18.6 times to 22.9 times.

	Financial Year ended 31 March		
	2008 S$'000	2007 S$'000	Change %
Total debt	302,077	316,319	(4.5)
Net debt	197,935	247,338	(20.0)
Net debt to equity (%)	88%	133%	
EBITDA to interest expense (number of times)	22.9	18.6	

CASH FLOW

	Financial Year ended 31 March		
	2008 S$'000	2007 S$'000	Change %
Net cash inflow from operating activities	173,712	160,845	8.0
Purchase of property, plant and equipment	12,836	8,492	51.2
Free cash flow	160,876	152,353	5.6
Dividends paid to shareholders	120,131	105,349	14.0
Cash capital expenditure as a percentage of revenue (%)	2.7%	1.9%	

The Group's net cash inflow from operating activities was up 8 per cent to S$173.7 million, due to favourable working capital movements. Free cash flow was higher at S$160.9 million compared to S$152.4 million last year.

FINANCIAL REVIEW

DIVIDEND

The Board has proposed a final dividend of 2.5 cents per share be paid pending approval at the upcoming Annual General Meeting on 30 June 2008. Together with the interim dividend payments of 1.25 cents per share paid in respect of the first three quarters of the financial year ended 31 March 2008, the proposed annual dividend would amount to 6.25 cents per share. This represents 81% of the Group's net profit.

	Cents per share
Interim Q1 FY2006/07	1.25
Interim Q2 FY2006/07	1.25
Interim Q3 FY2006/07	1.25
Proposed Final FY2006/07	2.50
Total Dividend Paid/Proposed	6.25

OUTLOOK

The Group is positioned to address the challenges arising from the liberalisation of the basic mail services market. The liberalisation and entry of new players will result in margin pressure. With regard to the implementation of the regulatory framework, we expect the Postal Services Competition Code and the Postal Services Operations Code to be finalised in the new financial year. The proposed Codes require SingPost to develop a Reference Access Offer upon which the operators could obtain access to SingPost's network.

Additionally, the Group expects operating cost pressures to remain. This is in line with the trend of rising costs in the economy. We expect the cost pressures to have a continued impact on margins.

SingPost remains focused on growing its core businesses of Mail, Logistics and Retail. As part of its diversification strategy, SingPost continues to leverage on its retail and distribution network to offer higher value products and services to customers. In addition, the Group continues to explore and implement opportunities to extend its regional presence.

The Group continues to review its non-core businesses, and is exploring opportunities in respect of Singapore Post Centre, including unlocking the value of Singapore Post Centre.

CORPORATE GOVERNANCE REPORT

INTRODUCTION

The Board and management of SingPost firmly believe that good corporate governance is essential to the long term sustainability of the Company's businesses and performance. SingPost is committed to maintaining its high standard of corporate conduct and continues to place importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and protection of shareholders' interests.

This report describes SingPost's corporate governance practices and structures that were in place during the financial year, with specific reference made to the principles and guidelines of the Code of Corporate Governance 2005 (the Code). The Company has adhered to the principles and guidelines as set out in the Code.

A BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

The Board oversees the business affairs of the Company and is collectively responsible for its success. 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. It provides leadership and guidance to management. The Company has in place financial authorisation and approval limits for operating and capital expenditure, procurement of goods and services as well as acquisition 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 (SGX-ST).

The Board is supported in its tasks by Board Committees that have been established to assist in the execution of its responsibilities. 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 Nominations Committee, the Compensation Committee, the Audit Committee and the Board Risk Committee. The composition and terms of reference of each Committee can be found in this report.

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 2008, a total of eight Board meetings were held. The attendance of the directors at Board meetings and Board Committees meetings, as well as the frequency of such meetings, is disclosed in this report.

Newly appointed directors are issued with a formal letter by the Company Secretary setting out the directors' duties and advising of their disclosure obligations under the Companies Act, Cap. 50 and SGX-ST listing rules. Orientation programmes for new directors are also conducted to familiarise them with the business activities of the Group, its strategic plans and direction and corporate governance practices.

CORPORATE GOVERNANCE REPORT

Principle 2: Board Composition and Guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board comprises nine directors of whom seven are independent directors and two are non-independent directors. The Group Chief Executive Officer (Group CEO) is the only executive director. The Nominations Committee reviews the independence of each director on an annual basis and considers a director as independent if he has no relationship with the SingPost Group or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interest of the Company. The non-independent directors are Mr Lim Eng, the Chief Executive Officer of NCS Pte Ltd, a wholly-owned subsidiary of SingTel which is a substantial shareholder of SingPost, and Mr Wilson Tan Wee Yan, the Group CEO of SingPost.

The size and composition of the Board are reviewed from time to time by the Nominations Committee to ensure that the Board has the appropriate mix of expertise and experience and collectively possesses the relevant and necessary skill sets and core competencies for effective decision-making. The Committee also strives to ensure that the size of the Board is conducive to discussions and facilitates decision-making.

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, strategic planning and customer service. The diversity of the directors' experience allows for the useful exchange of ideas and views. The non-executive directors communicate regularly without the presence of the executive director or management to review matters of a confidential nature. The profile of each Board member is set out in the section entitled "Profile of Directors".

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 should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

In SingPost, there is a clear separation of the roles and responsibilities of the chairman and the chief executive officer. Different individuals assume the chairman and the chief executive officer functions in the Company; these 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. The Chairman monitors the translation of the Board's decisions and directions into executive action. The Chairman ensures the quality, quantity and timeliness of information flow between the Board and management and that the Board has sufficient opportunities for interaction and informal meetings with management. Mr Wilson Tan Wee Yan, the Group CEO is the most senior executive in SingPost. He implements the Board's decisions and assumes the executive responsibility of the day-to-day management of the Company. The Group CEO is supported by the Executive Management Committee and the Management Committee in his duties. The functions and key responsibilities of these Committees are set out under "Board and Management Committees" in this report.

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

CORPORATE GOVERNANCE REPORT

Principle 4: Board Membership

There should be a formal and transparent process for the appointment of new directors to the Board.

Recommendations for nominations of new directors and retirement of directors are made by the Nominations Committee and considered by the Board as a whole.

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 abilities. The Committee is chaired by Mr Kenneth Michael Tan Wee Kheng who is not associated with a substantial shareholder. Mr Kenneth Michael Tan Wee Kheng was appointed as the Chairman of the Nominations Committee on 31 October 2007. The appointment of directors to the Board requires the prior written approval of the IDA.

The process for the appointment of new directors begins with the Nominations Committee conducting a needs analysis and identifying the critical needs in terms of expertise and skills that are required in the context of the strengths and weaknesses of the current Board. The Committee then defines a profile for the new director to serve as a brief for recruitment. The Committee is empowered to engage professional search firms and will give due consideration to candidates identified by substantial shareholders, Board members and management. Potential candidates will meet with at least one member of the Board. The Committee is responsible for references, which are considered prior to endorsement of the candidate by the Committee. Where a candidate has been endorsed by the Committee, the Committee will then make a recommendation to the Board for the approval of his appointment. Upon the Board's approval, the Company will seek IDA's approval in accordance with the requirement set out in the Postal Services Act, Cap. 237A.

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.

At each Annual General Meeting (AGM) of the Company, 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, the Company'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 the Company 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

There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

A process is in place to assess the performance and effectiveness of the Board as a whole and each individual director's contribution to the effectiveness of the Board. The performance criteria for the Board evaluation are based on financial and non-financial indicators such as an evaluation of the 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.

The evaluation of the Board is conducted annually. As part of the process, the directors will complete appraisal forms which are then collated by an independent consultant. The independent consultant will then review the results of the appraisal with the Chairman of the Nominations Committee and present a report to the Board. The Board has also put in place a process for assessing the contribution of each director and conducts such assessments regularly.

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

In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

The Board is furnished with relevant information and comprehensive analysis by management pertaining to matters for the Board's discussion and decision. Management also ensures that the Board receives regular reports on the Group's financial performance and operations. The Board 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. The Company Secretary is responsible for ensuring that legal and regulatory requirements as well as Board procedures are complied with. The Company Secretary also facilitates and organises directors' induction and training. To assist Board members in fulfilling their responsibilities, procedures have been put in place for directors to seek independent professional advice, where appropriate, at the expense of the Company.

BOARD AND MANAGEMENT COMMITTEES

To assist the Board in the execution of its duties, the Board has established various Board Committees, namely the Executive Committee, the Nominations Committee, the Compensation Committee, the Audit Committee and the Board Risk 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 to foster active participation and contribution from Board members is also taken into consideration.

All the Board Committees' activities are reported to the Board.

CORPORATE GOVERNANCE REPORT

Executive Committee
The members of the Executive Committee are Mr Lim Ho Kee (Committee Chairman), Mr Timothy Chia Chee Ming, Mr Keith Tay Ah Kee, all of whom are non-executive independent directors, Mr Wilson Tan Wee Yan, an executive non-independent director and Mr Lim Eng, a non-executive non-independent director. Both Mr Wilson Tan Wee Yan and Mr Lim Eng were appointed as members of the Executive Committee on 31 October 2007.

The Committee develops and recommends to the Board the overall strategy for the 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. The Committee met three times during the financial year.

Nominations Committee
The members of the Nominations Committee are Mr Kenneth Michael Tan Wee Kheng (Committee Chairman), Mr Timothy Chia Chee Ming, Mr Lim Ho Kee and Mr Ong Ah Heng, all of whom are non-executive independent directors. Mr Kenneth Michael Tan Wee Kheng was appointed the Chairman of the Nominations Committee on 31 October 2007. The responsibilities of the 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 the Company's Articles of Association at each AGM;
- reviews the composition of the Board annually to ensure that the Board has an appropriate balance of independent directors and to ensure an appropriate balance of expertise, skills, attributes and ability among the directors; and
- reviews the independence of the directors.

The Nominations Committee held two meetings during the financial year. The Committee met to review and affirm the independence of the Company's independent directors as well as the retirement and re-election of directors in accordance with the Company's Articles of Association. It reviewed the composition of the Board and the Board Committees in relation to the needs of the Group.

Compensation Committee
The Compensation Committee comprises Mr Keith Tay Ah Kee (Committee Chairman), Mr Lim Ho Kee, Mr Lee Chong Kwee and Mr Lim Eng. All the Committee members are non-executive independent directors except Mr Lim Eng, who is a non-executive non-independent director. Mr Lim Eng was appointed as a member of the Committee on 15 August 2007. The responsibilities of the Committee include the following:

- recommends to the Board for endorsement the remuneration policies and guidelines for setting remuneration for directors and key executives;
- approves performance targets for assessing the performance of the executive director;
- recommends the specific remuneration package for the executive director; and
- administers the Singapore Post Share Option Scheme.

The Compensation Committee held two meetings during the financial year.

CORPORATE GOVERNANCE REPORT

Audit Committee

The Audit Committee comprises three non-executive independent directors namely Mr Keith Tay Ah Kee (Committee Chairman), Mr Kenneth Michael Tan Wee Kheng and Mr Tan Yam Pin.

The responsibilities of the 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 held four meetings during the financial year.

Board Risk Committee

The Board Risk Committee comprises three non-executive independent directors: Mr Tan Yam Pin (Committee Chairman), Mr Kenneth Michael Tan Wee Kheng and Mr Keith Tay Ah Kee. The Committee assists the Board in fulfilling its oversight responsibilities on risk management. The responsibilities of the Committee include the following:

- reviews the overall risk management system and process and makes recommendations on changes as and when considered appropriate, having regard to costs and benefits;
- reviews the Group's risk policies, guidelines and limits; and
- reviews periodically the Group's material risk exposures and evaluates the adequacy and effectiveness of the mitigating measures implemented by management.

The Board Risk Committee held three meetings during the financial year.

Executive Management Committee

In addition to the five Board Committees, the Company has established an Executive Management Committee comprising the Group CEO and the key executives of the Company. The Committee is responsible for the Group's strategic direction and execution of the Company's strategic plans. It also reviews and assesses potential investments. The Committee subsumes the role and responsibilities of the former Investment Committee.

Management Committee

Besides the Executive Management Committee, the Group CEO is also supported by the Management Committee which comprises his direct reports. The Committee meets every fortnight or as and when required to review and direct management and operational policies and activities.

CORPORATE GOVERNANCE REPORT

Attendance at Board and Board Committees Meetings

The attendance of each director at Board meetings and Board Committees meetings during the financial year ended 31 March 2008 is as follows:

	Board	Executive Committee	Nominations Committee	Compensation Committee	Audit Committee	Board Risk Committee
Number of Meetings Held:	**8**	**3**	**2**	**2**	**4**	**3**
Name			**Number of Meetings Attended**			
Lim Ho Kee	8	3	2	2	–	–
Timothy Chia Chee Ming	6	3	2	–	–	–
Lau Boon Tuan(1)	2	1	–	–	–	–
Lee Chong Kwee	7	–	–	2	–	–
Lee Hsien Yang(2)	2	–	–	2	–	–
Lim Eng(3)	6	2	–	–	–	–
Ong Ah Heng	6	–	1	–	–	–
Kenneth Michael Tan Wee Kheng	7	–	2	–	3	2
Wilson Tan Wee Yan(4)	4	2	–	–	–	–
Tan Yam Pin	6	–	–	–	4	3
Keith Tay Ah Kee	7	3	–	2	4	3

Notes

(1) Mr Lau Boon Tuan ceased to be a director and a member of the Executive Committee on 31 August 2007. He attended 2 out of 2 Board meetings and 1 out of 1 Executive Committee meeting between 1 April 2007 and 31 August 2007.

(2) Mr Lee Hsien Yang retired following the conclusion of the AGM held on 29 June 2007. Consequently, he ceased to be a member of the Executive and Compensation Committees. He attended 2 out of 2 Board meetings and 2 out of 2 Compensation Committee meetings between 1 April 2007 and 29 June 2007.

(3) Mr Lim Eng was appointed as a director on 2 July 2007.

(4) Mr Wilson Tan Wee Yan was appointed as a director on 15 October 2007.

CORPORATE GOVERNANCE REPORT

B REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The Compensation Committee meets yearly to discuss the performance assessment of the executive director as well as to discuss the level of rewards to pay. The recommendations are forwarded to the Board for approval on the remuneration of the executive director for the year of assessment. The Committee also reviews and approves the remuneration of senior management, as well as the annual increment and variable bonus for employees.

Directors' fees are recommended by the Committee and are submitted for endorsement by the Board. Directors' fees are subject to the approval of shareholders at the AGM.

All the members of the Committee are non-executive independent directors except Mr Lim Eng, who is non-executive and a non-independent director. No director is involved in deciding his own remuneration.

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

Principle 8: Level and Mix of Remuneration

The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

Non-executive directors' remuneration takes into account the effort and time spent, and responsibilities of the directors. Directors receive a basic retainer fee, additional fees for appointment to Board Committees and attendance fees for Board and Board Committees meetings. The non-executive directors do not receive share options as part of their remuneration. The directors' remuneration is reviewed yearly to ensure its competitiveness and the quantum of the fees is approved by shareholders during the AGM.

The Group CEO, who is an executive director, is not paid directors' fees. The employment contract of the Group CEO is for a period of three years effective 15 October 2007 and it contains clearly spelt out terms for the discontinuation of service. The Group CEO's terms of employment and rewards, including long term incentives in the form of SingPost share options, are approved by the Board.

Principle 9: Disclosure on Remuneration

Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

CORPORATE GOVERNANCE REPORT

Directors' Remuneration

The directors' compensation table for the financial year ended 31 March 2008 is as follows:

Name of Director	Fixed Component (1) (S$'000)	Variable Component (2) (S$'000)	Provident Fund (3) (S$'000)	Benefits (4) (S$'000)	Directors' Fees (S$'000)	Total Compensation (S$'000)
S$500,000 to below S$1,000,000						
Lau Boon Tuan (5) Group CEO	400.0	300.0	1.9	90.8		792.7
S$250,000 to below S$500,000						
Wilson Tan Wee Yan (6) Group CEO	289.0		4.3	28.8		322.1
Below S$250,000						
Lim Ho Kee Chairman				0.5	132.2	132.7
Timothy Chia Chee Ming					62.8	62.8
Lee Chong Kwee				0.8	53.4	54.2
Lee Hsien Yang (7)					16.4	16.4
Lim Eng (8)					43.3	43.3
Ong Ah Heng					52.4	52.4
Kenneth Michael Tan Wee Kheng				0.4	84.8	85.2
Tan Yam Pin				0.8	80.6	81.4
Keith Tay Ah Kee				0.8	110.2	111.0

Notes

(1) Fixed Component refers to base salary and Annual Wage Supplement for the financial year ended 31 March 2008.
(2) Variable Component refers to variable bonus paid in the financial year ended 31 March 2008.
(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. These include medical benefits, flexible benefits, car allowance, club benefits, annual leave payment and housing subsidy where applicable.
(5) Mr Lau Boon Tuan ceased to be a director on 31 August 2007 following his resignation as Group CEO on the same date. In addition to the above, Mr Lau was granted 800,000 share option with a value of S$108,400 in the financial year ended 31 March 2008. The option valuation adopted simulation methodologies consistent with assumptions that apply under the Trinomial Option Pricing Model. Mr Lau was paid a lump sum of S$160,500 upon his cessation of service.
(6) Mr Wilson Tan Wee Yan was appointed as a director on 15 October 2007. He was granted 2,100,000 share options with a value of S$279,048 at the time of his appointment.
(7) Mr Lee Hsien Yang retired following the conclusion of the AGM held on 29 June 2007.
(8) Mr Lim Eng was appointed as a director on 2 July 2007.

No employee of the Company and its subsidiary companies is an immediate family member of a director and whose remuneration exceeded S$150,000 during the financial year ended 31 March 2008.

CORPORATE GOVERNANCE REPORT

Executives' Remuneration
The Company adopts a remuneration strategy that supports a pay-for-performance philosophy. The Company's executives participate in an annual performance review process that assesses the individual's performance against set performance targets. Performance against these targets is a key factor determining their remuneration.

During the year, compensation consultants were engaged to review the long term incentive plan of management to ensure that they are competitive and effective for the retention of key staff.

The remuneration structure for the Group CEO and key executives consists of the following components:

Fixed Component
Fixed pay comprises basic salary and Annual Wage Supplement (AWS).

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 Group CEO and key executives.

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

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

Share Options
Share options are granted to align staff's interests with that of shareholders'. These options are granted with reference to the desired remuneration structure target and valued based on the Trinomial Option Pricing Model. Details of the share option scheme can be found in the "Directors' Report" section of the Annual Report.

CORPORATE GOVERNANCE REPORT

The following information relates to the remuneration of the Company's top five executives (not being directors) for the financial year ended 31 March 2008.

Name of Executive	Fixed Component (1) %	Variable Component (2) %	Provident Fund (3) %	Benefits (4) %	Total Compensation (5) %	SingPost Share Option Scheme (6) No. Awarded & Accepted ('000)	SingPost Share Option Scheme (6) Value (S$'000)
S$250,000 to below S$500,000							
Loh Choo Beng Executive Vice President (Retail & Financial Services)	62	30	3	5	100	485	66.2
Ng Hin Lee Chief Financial Officer	64	32	2	2	100	385	52.5
Dennis Quek Hong Kai (7) Chief Operating Officer	88	–	3	9	100	600	79.2
Teo Yew Hwa Executive Vice President (International Mail)	62	25	3	10	100	240	32.7
Woo Keng Leong Executive Vice President (Mail)	61	28	2	9	100	600	81.8

Notes

(1) Fixed Component refers to base salary earned and Annual Wage Supplement, if applicable, for the year ended 31 March 2008.
(2) Variable Component refers to variable bonus paid in the year ended 31 March 2008.
(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. These include medical benefits, long service awards, flexible 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 Option Pricing Model.
(7) Mr Dennis Quek Hong Kai joined the Company on 2 April 2007. For his contributions for the financial year ended 31 March 2008, he will be paid variable bonus in May 2008.

C ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

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

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

Information on the members of the Audit Committee and the Committee's responsibilities are outlined under the "Board and Management Committees" section of this report.

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 Committee has authority to seek external resources to enable it to discharge its functions properly, including obtaining legal or other professional advice and services.

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 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 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 controls. The Committee has also met with the internal and external auditors, without the presence of management.

The Committee has also reviewed the quarterly and annual financial statements of the Company and the Group for the financial year ended 31 March 2008 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 2008. 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.

CORPORATE GOVERNANCE REPORT

Whistle-blowing Policy

The Company has in place whistle-blowing policies and arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. To ensure independent investigation of such matters and for appropriate follow up action, all whistle-blowing reports are 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. Details of the whistle-blowing policies and arrangements are posted in the Company's intranet for staff's easy reference. New staff are briefed on these during the orientation programme.

Principle 12: Internal Controls

The Board should ensure that the management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

Management is responsible for establishing and ensuring the Group has a sound system of internal controls (including the risk management systems), with oversight from the Board and Board Committees.

The key internal controls of the Group include:

- establishment of risk management systems and policies;
- establishment of policies and approval limits for key financial and operational matters, and the rules relating to the delegation of authorities;
- documentation of keys 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.

Risk management in SingPost is a continuous, iterative and integrated process which has been incorporated into the various planning, approval, execution, monitoring, review and reporting systems. These include:

- strategic, business, operations and financial planning;
- budgeting, investment, divestment and expenditure approval systems;
- business, operations and financial performance tracking, review and reporting systems; and
- preventive and detective systems to ensure compliance with legal and regulatory requirements.

SingPost's risk management policy is to take calculated risks to maximise returns at an optimal level of risk. In determining an appropriate response to the risks identified, the costs of the mitigating measures are balanced with the benefits of eliminating or reducing the risks.

The Group adopts a top-down as well as a bottom-up approach on risk management to ensure its strategic, business, operations, financial, reporting and compliance risk exposures are identified and appropriately managed to achieve its goals and objectives.

The Management Risk Committee, established in September 2005, is chaired by the Group CEO and all his direct reports are members of this Committee. The role of this Committee is to provide further assurance that the material risk exposures of the Group have been identified and evaluated at the group-level, the measures implemented to manage these risks are adequate and effective but not excessive, and the residual risks are acceptable.

A formal risk review exercise is carried out every year for the Management Risk Committee to independently assess the material risk exposures identified by the respective business units and support units, as well as the risk management measures implemented. A risk owner is identified for each material risk exposure of the Group.

The material risk exposures of the Group as assessed by the Management Risk Committee and the measures implemented to manage these risks are presented to the Board Risk Committee for its independent review. The final risk review report, incorporating the recommendations of the Board Risk Committee, is presented to the Board.

Besides the annual risk review exercise, the Board Risk Committee also reviews specific material risks in detail from time to time. If there are events which trigger a major risk to the Group, a meeting will also be convened for the Committee to review the risk.

Various measures are implemented to manage the Group's operational risks. These include safety and security measures, internal control procedures, business continuity plans and appropriate insurance coverage.

Details of the Group's financial risks management measures are outlined in Note 34 to the Financial Statements.

Based on the internal controls established by the Group, work performed by the internal and external auditors, and reviews carried out by the management, various Board Committees and the Board, the Board is of the opinion that the Group has adequate internal controls.

Principle 13: Internal Audit

The company should establish an internal audit function that is independent of the activities it audits.

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 CEO. The Audit Committee reviews the adequacy of the internal audit function and its standing within the Company to ensure it is able to perform its functions effectively and objectively.

D COMMUNICATION WITH SHAREHOLDERS

Principle 14: Communication with Shareholders

Companies should engage in regular, effective and fair communication with shareholders.

The Company's investor relations programme is committed to engaging investors actively and constantly. SingPost believes in keeping the investment community updated on the Company's latest corporate developments by engaging in regular, effective and fair communication to enable them to make informed decisions.

The investment community is kept apprised of the Company's developments through various channels, such as regular news releases, briefings, face-to-face meetings, teleconferences and e-mail broadcasts. SingPost releases its quarterly and full-year financial results within a month of the close of each quarter, and briefings for analysts and the media are conducted shortly after the results announcements have been released through SGXNET. The Management is forthcoming in receiving visiting fund managers and shareholders to provide them with a better understanding of our business.

The Company makes a conscientious effort to ensure that all pertinent information such as the financial results and material information are disseminated through SGXNET on a timely basis. The announcements are then posted on the Company's website at www.singpost.com and e-mailed to analysts and investors subscribed to our e-mail broadcast distribution list.

CORPORATE GOVERNANCE REPORT

In recognition of its efforts in enhancing corporate transparency, SingPost emerged as the winner of the "Most Transparent Company Award 2007" in the Services/Utilities/Agriculture Category – one in a series of the Securities Investor Association Singapore (SIAS) Investors' Choice Awards. The award is based on key criteria such as timeliness, substantiality and clarity of news release, degree of media access, availability of segmental information and communication channels. In addition, SingPost was consistently ranked among the top 20 of SGX-listed companies in the Business Times Corporate Transparency Index, which measures the quality of disclosure of financial results.

As endorsement of the Company's investor relations efforts, SingPost won the Bronze Award in the "Best Investor Relations" category (market capitalisation S$500 million and above) at the Singapore Corporate Awards 2008, organised by The Business Times and supported by the Singapore Exchange.

Principle 15: Greater Shareholder Participation

Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Shareholders are encouraged to attend the Company's AGMs and EGMs as these meetings provide an opportunity for them to communicate their views and clarify issues on matters relating to the resolutions to be passed.

The Company's Articles of Association allow a shareholder entitled to attend and vote to appoint two proxies who need not be a shareholder of SingPost to attend and vote on behalf. The Company proposes separate resolutions on each substantially separate issue at general meetings.

The Board members and chairpersons of the Audit, Board Risk, Nominations and Compensation Committees are present and available to address shareholders' questions at general meetings. The external auditors are also present to address shareholders' queries relating to the conduct of audit and the preparation and content of the auditors' report.

DEALINGS IN SECURITIES

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. The policy also discourages trading on short-term considerations.

INFORMATION ON DIRECTORS AND MANAGEMENT

PROFILE OF DIRECTORS

Mr Lim Ho Kee, 63
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 2006. He is the Chairman of the Executive Committee and also a member of the Compensation and Nominations Committees. Mr Lim is currently a director of Jardine Cycle & Carriage Limited, MCL Land Limited, Keppel Land Limited, CWT Distribution Limited, and HerbalScience Singapore Pte Ltd.

With more than 30 years of experience in both the public and private sectors, Mr Lim's portfolio includes directorship of the former TAS Board, SingTel, Keppel Tatlee Bank Limited, Singapore Shipping Corporation Ltd and Mentor Media Ltd. 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.

Mr Timothy Chia Chee Ming, 58
Non-executive, independent director

Mr Chia was appointed as a director in September 2006 and was last re-elected in 2007. He is a member of the Executive and Nominations Committees.

Mr Chia is the Chairman and Founder of Gracefield Holdings Ltd and its group of companies. He is currently the Deputy Chairman and Group CEO of Hup Soon Global Corporation Limited. Prior to these appointments, he was President of both PAMA Group Inc and PAMA (Singapore) Private Limited. Mr Chia holds directorships in several public listed and private companies. His board directorships include Banyan Tree Holdings Ltd, Fraser and Neave Limited, FJ Benjamin Holdings Ltd and SP PowerGrid Ltd. He currently serves as a Trustee of Singapore Management University.

Mr Chia is a management graduate from the Fairleigh Dickinson University, USA.

INFORMATION ON DIRECTORS AND MANAGEMENT

Mr Lee Chong Kwee, 51
Non-executive, independent director

Mr Lee was appointed as a director in September 2006 and was last re-elected in 2007. He is a member of the Compensation Committee.

Mr Lee is the Chief Executive Officer of Pontiac Land Private Limited, and a director of Mapletree Investments Pte Ltd, Great Wall Airlines Company Limited and First Flight Couriers Ltd. He is also a Corporate Advisor to Temasek Holdings (Private) Limited and was previously directors of several companies including Sinotrans Ltd, PSB Certifications and the JTC Corporation. At JTC, he was also the Chairman of its Audit Committee and Member of the Finance and Investment Committee. He also served as Advisory Board Member of The Logistics Institute Asia-Pacific and the National University of Singapore Business School.

Mr Lee obtained his Bachelor of Science (Honours) degree in Mathematics & Statistics from the University of Malaya, Malaysia and a Certified Diploma in Accounting and Finance, ACCA.

Mr Lim Eng, 52
Non-executive, non-independent director

Mr Lim was appointed as a director in July 2007. He is a member of the Compensation and Executive Committees.

Mr Lim is the Chief Executive Officer of NCS Pte Ltd and sits on several boards of the NCS Group. He is also a Councillor for the Singapore Infocomm Technology Federation (SiTF). Prior to this, Mr Lim held the position of Group Director of Human Resource in Singapore Telecommunications Limited ("SingTel") and was responsible for strategic HR issues for the SingTel Group, including NCS and Optus. Since joining SingTel as an engineer in 1980, Mr Lim has held several key management positions, including that of Assistant Vice President of Business Communications, Chief Executive Officer of the General Business Group, Special Assistant to the President, and Vice President of Corporate Products. He was also President of SingTel's Taiwan Joint Venture, New Century InfoComm Co Ltd (NCIC).

Mr Lim holds a Bachelor of Engineering (Electrical) degree from the National University of Singapore, and a Master of Science in Management from the Massachusetts Institute of Technology.

Mr Ong Ah Heng, 64
Non-executive, independent director

Mr Ong was appointed as a director in November 1999 and was last re-elected in 2007. 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 the Honorary Consultant of the National Transport Workers' Union and also the Consultant of Care n Share Secretariat of the National Trades Union Congress. He is also a director of ComfortDelgro Corporation Ltd and ComfortDelgro Engineering Pte Ltd.

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

INFORMATION ON DIRECTORS AND MANAGEMENT

Mr Kenneth Michael Tan Wee Kheng, 49
Non-executive, independent director

Mr Tan, Senior Counsel, was appointed as a director in March 2003 and was re-elected in 2006. He is the Chairman of the Nominations Committee and also a member of the Audit and Board Risk Committees.

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

Mr Tan is a fellow of the Academy of Law, a member of the Law Society of Singapore and a member of the International Bar Association. He is also the Chairman of the Law Society Disciplinary Committee. 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.

Mr Wilson Tan Wee Yan, 50
Group Chief Executive Officer
Executive, non-independent director

Mr Tan was appointed Group Chief Executive Officer and a director in October 2007. He is also a member of the Executive Committee.

Prior to his appointment, Mr Tan held the position of Managing Director of NEC Solutions Asia Pacific Pte Ltd (Singapore). He is a past board member of the National Computer Board and the Infocomm Development Authority of Singapore (IDA) and was previously director of several companies including Mercury Interactive (Singapore) Pte Ltd and TUV SUD PSB Certification Pte. Ltd. He had also served as Chairman of the Singapore IT Federation, Asia Oceania Computer Industry Organization and the National IT Standards Committee and was a member of the National Standards Council.

He was named IT Person of the Year 2005 by the Singapore Computer Society (SCS), and currently holds various appointments including President of SCS and International Advisor to the Thailand Software Park. He also sits on the advisory board of various education institutions including the Institute of Systems Science and Singapore Polytechnic School of Media and Infocomm Technology.

Mr Tan holds a Bachelor of Arts degree in Economics from the University of Singapore and attended the Executive Management programme from INSEAD, France.

INFORMATION ON DIRECTORS AND MANAGEMENT

Mr Tan Yam Pin, 67
Non-executive, independent director

Mr Tan was appointed as a director in February 2005 and was last re-elected in 2005. He is the Chairman of the Board Risk Committee and also a member of the Audit Committee.

Mr Tan is the non-executive Chairman of PowerSeraya Limited and Singapore Food Industries Limited, and a director of Great Eastern Holdings Limited, Keppel Land Limited, Certis CISCO Security Pte. Ltd. (previously known as Cisco Security Pte Ltd) and BlueScope Steel Limited (Australia). He was a former Board member of East Asiatic Company Limited A/S Denmark. He is also a Member of the Singapore Public Service Commission since 1990.

Mr Tan holds a Bachelor of Arts degree in Economics from the University of Singapore and a Master of Business Administration degree from the University of British Columbia, Canada. He is a Fellow of the Canadian Institute of Chartered Accountants, Canada.

Mr Keith Tay Ah Kee, 63
Non-executive, independent director

Mr Tay was appointed as a director in April 1998 and was last re-elected in 2006. He is the Chairman of the Audit and Compensation Committees and also a member of the Executive and Board Risk Committees.

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, FJ Benjamin Holdings Ltd and Singapore Airport Terminal Services Limited. He is Chairman of Aviva Ltd and Stirling Coleman Capital Limited. He is 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.

INFORMATION ON DIRECTORS AND MANAGEMENT

PRESENT AND PAST DIRECTORSHIPS

Name of director	Present directorships and major appointments (as at 31 March 2008)	Past directorships over the preceding three years (from 31 March 2005 to 30 March 2008)
Lim Ho Kee	Jardine Cycle & Carriage Limited	Vertex Venture Holdings Ltd
	Keppel Land Limited	Singapore Shipping Corporation Ltd
	MCL Land Limited	Mentor Media Ltd
	Cypress Woods Private Limited	
	Southern Capital Group Pte Ltd *(previously known as Mulberry Partners Pte Ltd)*	
	CWT Distribution Ltd	
	HerbalScience Singapore Pte Ltd	
Timothy Chia Chee Ming	Guan Leng Holdings Pte Ltd	PAMA Investment Holdings Ltd
	United Motor Works Pte Ltd (under voluntary liquidation)	SPI PowerNet Pty Ltd
	Banyan Tree Holdings Ltd	Unithai Patana Company Ltd
	Singapore Management University *(Member, Board of Trustees)*	Nichiyu Asia Pte Ltd
	Parkesville Pte Ltd	Kwikpart Sdn Bhd
	FJ Benjamin Holdings Ltd	The Hour Glass Limited
	SP PowerGrid Ltd	Factory Products Centre (Thailand) Limited
	Fraser and Neave Limited	Anglo-Thai Tractors Limited
	Gracefield Holdings Limited *(Chairman)*	Frasers Centrepoint Limited
	United Motor Works (Siam) Public Co., Ltd *(Chairman)*	Macquarie Pacific Star Prime REIT Management Limited
	Anglo-Thai Company Limited	Hup Soon Global Pte Ltd *(Chairman/GCEO)*
	Borneo Technical (Thailand) Limited	Borneo Technical Co. (M) Sdn Bhd
	United Motor Works (Mauritius) Limited	Meritz Securities Co. Ltd
	Nichiyu Asia Pte Ltd	Magnecomp Precision Technology Public Co., Ltd
	HSG Investments Pte Ltd	
	Hup Soon Global Corporation Limited *(Deputy Chairman/Group CEO)*	

INFORMATION ON DIRECTORS AND MANAGEMENT

Name of director	Present directorships and major appointments (as at 31 March 2008)	Past directorships over the preceding three years (from 31 March 2005 to 30 March 2008)
Lee Chong Kwee	Mapletree Investments Pte Ltd *(Director and Chairman of Audit Committee)*	Sinotrans Ltd
	Temasek Holdings (Private) Limited *(Corporate Advisor)*	The Logistics Institute Asia-Pacific *(Advisory Board Member)*
	Great Wall Airlines Company Limited	JTC Corporation *(Chairman of Audit Committee)* *(Member, Finance and Investment Committee)*
	Pontiac Land Private Limited *(Chief Executive Officer)*	National University of Singapore Business School *(Advisory Board Member)*
	First Flight Couriers Ltd	
Lim Eng	NCS Pte. Ltd. *(Chief Executive Officer)*	–
	NCSI Holdings Pte Ltd	
	NCS Communications Engineering Pte Ltd	
	NCS Solutions Pte. Ltd.	
	NCSI Holdings (Malaysia) Sdn. Bhd.	
	NCSI (HK) Limited	
	NCSI (Australia) Pty Limited	
	NCSI (Philippines), Inc.	
	NCSI (India) Private Limited	
	NCSI Lanka (Private) Limited	
	NCSI (ME) W.L.L.	
	NCSI (Korea) Co Limited	
	NCSI (Shanghai) Co., Ltd.	
	NCSI (Chengdu) Co., Ltd.	
	NCS Information Technology (Suzhou) Co., Ltd.	
	Shanghai Zhong Sheng Information Technology Co., Ltd.	
	GuangZhou Zhong Sheng Information Technology Co., Ltd.	

INFORMATION ON DIRECTORS AND MANAGEMENT

Name of director	Present directorships and major appointments (as at 31 March 2008)	Past directorships over the preceding three years (from 31 March 2005 to 30 March 2008)
Ong Ah Heng	Member of Parliament for Nee Soon Central	National Trades Union Congress *(Assistant Secretary-General)*
	National Transport Workers' Union *(Honorary Consultant)*	Chinese Development Assistance Council
	Care n Share Secretariat of the National Trades Union Congress *(Consultant)*	Care n Share Secretariat of the National Trades Union Congress *(Alignment Director)*
	ComfortDelgro Corporation Ltd	
	ComfortDelgro Engineering Pte Ltd	
Kenneth Michael Tan Wee Kheng	–	–
Wilson Tan Wee Yan	Singapore Computer Society *(President)*	Stream Global Pte. Ltd.
	Thailand Software Park *(International Advisor)*	Bizlink Centre Singapore Ltd
	Institute of Systems Science *(Advisory Board Member)*	TUV SUD PSB Certification Pte. Ltd.
	Singapore Polytechnic School of Media and Infocomm Technology *(Advisory Board Member)*	Mercury Interactive (Singapore) Pte Ltd
Tan Yam Pin	BlueScope Steel Limited (Australia)	The East Asiatic Company A/S Denmark
	Keppel Land Limited	Macquarie International Real Estate Fund Limited
	PowerSeraya Limited *(Chairman)*	
	Seraya Energy Pte Ltd	
	Great Eastern Holdings Limited	
	The Great Eastern Life Assurance Company Limited	
	The Overseas Assurance Corporation Limited	
	Certis CISCO Security Pte. Ltd. *(previously known as Cisco Security Pte Ltd)*	
	Singapore Food Industries Limited *(Chairman)*	

INFORMATION ON DIRECTORS AND MANAGEMENT

Name of director	Present directorships and major appointments (as at 31 March 2008)	Past directorships over the preceding three years (from 31 March 2005 to 30 March 2008)
Keith Tay Ah Kee	Singapore Reinsurance Corporation Ltd and subsidiary	Elec & Eltek International Company Limited *(Singapore)*
	Rotary Engineering Limited	Elec & Eltek International Company Limited *(Hong Kong)*
	FJ Benjamin Holdings Ltd and subsidiaries	SPI Australia Group Pty Ltd
	Allgreen Properties Ltd	Refco (Singapore) Pte Ltd
	Pokka Corporation (Singapore) Limited	AMB Packaging Pte Ltd
	SP PowerAssets Limited	Singapore Power Limited
	Stirling Coleman Capital Limited *(Chairman)*	
	Stirling Coleman Limited *(Chairman)*	
	Aviva Ltd and related companies *(Chairman)*	
	AMVIG Holdings Limited (HK)	
	Singapore Airport Terminal Services Limited	
	Macquarie Pacific Star Prime REIT Management Limited	
	Singapore International Chamber of Commerce *(Board Member)*	
	Singapore Institute of Directors *(Vice Chairman)*	

INFORMATION ON DIRECTORS AND MANAGEMENT

PROFILE OF MANAGEMENT
(in alphabetical order)

Mr Loh Choo Beng, 47
Executive Vice President (Retail & Financial Services)

Mr Loh joined SingPost in 2003 to spearhead the Company's foray into financial services. In April 2006, his role has expanded to include the retail business. Mr Loh started his career with Overseas Union Bank Limited in 1984, and moved to Keppel Bank of Singapore Limited in 1992 where he pursued his banking career through the subsequent merger of Keppel Bank and Tat Lee Bank Limited, and the final merger with Oversea-Chinese Banking Corporation Limited. With 18 years of experience in the financial business, Mr Loh has 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 with a Bachelor of Business Administration degree.

Mr Ng Hin Lee, 51
Chief Financial Officer

Mr Ng joined SingPost in 2006, bringing with him more than 20 years of experience in key financial and managerial positions. Before joining SingPost, he was the Executive Director of Valen Technologies (S) Pte Ltd. His career history included employment with KPMG, Banque Paribas (Singapore Branch), Data General Hong Kong Ltd as well as with Gul Technologies Singapore Ltd. Mr Ng is the Chairman of SingPost Retail Services Pte Ltd and also sits on the boards of DataPost Pte Ltd, First Cube Pte Ltd, ePDS, Inc., eP2M Services Sdn. Bhd., DataPost (HK) Pte Limited and Thai British DPost Company Limited. Mr Ng obtained his Bachelor of Accountancy degree from University of Singapore and is a Fellow Member of the Institute of Certified Public Accountants of Singapore.

Mr Dennis Quek Hong Kai, 45
Chief Operating Officer

Mr Quek joined SingPost in April 2007 to further drive growth in the Company's Logistics and eBusiness divisions. In September 2007, his role was expanded to include the sales and marketing functions. Mr Quek is the Chairman of DataPost Pte Ltd, Singapore Post Enterprise Private Limited, DataPost (HK) Private Limited, G3 Worldwide Aspac Pte Ltd and a director of GPN Asia Pte Ltd. Mr Quek has held various key management positions in both local and global companies. With 16 years in the fields of logistics and supply chain management, Mr Quek's extensive experience includes the development of logistics and manufacturing infrastructure and physical distribution for various industry segments such as luxury goods, chemicals and petroleum-chemicals, and computers and peripherals. Before joining SingPost, he was the General Manager for Asia Logistics at Flextronics International (Singapore) Pte Ltd, a subsidiary of NASDAQ-listed Flextronics International Ltd, an electronics manufacturing services provider. He has been actively involved with the Singapore Logistics Association since 1998, and serves on its Council as the 2nd Deputy Chairman, and is also the Chairman of its e-Logistics / Technology Committee. Mr Quek obtained his Bachelor of Business in Transport & Logistics Management (Distinction) degree from the Royal Melbourne Institute of Technology, Australia.

INFORMATION ON DIRECTORS AND MANAGEMENT

Mr Teo Yew Hwa, 50
Executive Vice President (International Mail)

Mr Teo started his career with SingTel in 1982 and was posted to SingPost in 1989. From 1998 to 1999, he was the Managing Director of SingTel's Indonesian joint venture which involved the installation/management and operation of domestic and long distance telephone network and services in the East Indonesia Region. He was instrumental in the transformation of the postal operations to its world-class status in terms of delivery standards and profitability. 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 obtained his Bachelor of Science degree, with honours, from the National University of Singapore. He also obtained a Master of Science (Management) degree from the Massachusetts Institute of Technology, USA.

Mr Woo Keng Leong, 52
Executive Vice President (Mail)

A Public Services Commission scholar, Mr Woo was posted to the then Postal Services Department in 1980. He is responsible for transforming SingPost's Mail business into one of the most efficient and admired mail service providers in the world. Mr Woo serves as a director on the boards of DataPost Pte Ltd, eP2M Services Sdn. Bhd., ePDS, Inc., DataPost (HK) Pte Limited, Thai British DPost Company Limited and Singapore Philatelic Museum. He is a member of the Stamp Advisory Committee and a member of the Global Mail Security Working Group, an international body under the Universal Postal Union. Mr Woo obtained his Bachelor of Arts (Honours) from the Nanyang University in Singapore and attended a four-month International Post Office Management course in the UK.

STATUTORY REPORTS AND FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 March 2008 and the balance sheet of the Company as at 31 March 2008.

DIRECTORS

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

Mr Lim Ho Kee (Chairman)
Mr Timothy Chia Chee Ming
Mr Lee Chong Kwee
Mr Lim Eng (appointed on 2 July 2007)
Mr Ong Ah Heng
Mr Kenneth Michael Tan Wee Kheng
Mr Wilson Tan Wee Yan (appointed on 15 October 2007)
Mr Tan Yam Pin
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 68 to 71.

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	
	AT 31.3.08	AT 1.4.07 OR DATE OF APPOINTMENT, IF LATER	AT 31.3.08	AT 1.4.07 OR DATE OF APPOINTMENT, IF LATER
The Company				
Singapore Post Limited Ordinary shares				
Lim Ho Kee	**1,128,350**	1,128,350	-	-
Lee Chong Kwee	**50,000**	-	-	-
Kenneth Michael Tan Wee Kheng	**80,000**	80,000	-	-
Tan Yam Pin	**500,000**	500,000	-	-
Keith Tay Ah Kee	**128,350**	128,350	-	-

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (cont'd)

(b) According to the register of directors' shareholdings, certain of the directors holding office at the end of the financial year had interests in the options to subscribe for ordinary shares of the Company granted pursuant to the Singapore Post Share Option Scheme as set out below and in the paragraphs on "Share Options".

	NUMBER OF UNISSUED ORDINARY SHARES UNDER OPTIONS HELD BY DIRECTOR	
	AT 31.3.08	AT 1.4.07 OR DATE OF APPOINTMENT, IF LATER
Wilson Tan Wee Yan	**2,100,000**	-

(c) The directors' interests in the shares and convertible securities of the Company as at 21 April 2008 were the same as those as at 31 March 2008.

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 accompanying financial statements and in this report.

SHARE OPTIONS

The Singapore Post Share Option Scheme (the "Scheme") was adopted on 21 March 2003 and administered by the Compensation Committee comprising Mr Keith Tay Ah Kee (Chairman), Mr Lim Ho Kee, Mr Lim Eng and Mr Lee Chong Kwee during the financial year ended 31 March 2008.

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

The principal terms of the Scheme are as follows:

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

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

SHARE OPTIONS (cont'd)

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

- Other than the share options granted on 16 May 2005 which will vest 100% after the third anniversary of the date of grant, the vesting schedule for the share options granted to eligible employees (including executive directors) prior to 26 June 2006 is as follows:

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

Other than the share options granted on 24 October 2007, share options granted to eligible employees (including executive directors) effective 26 June 2006 have a four-year vesting schedule and the details are as follows:

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

SHARE OPTIONS (cont'd)

On 24 October 2007, share options were granted to Mr Wilson Tan Wee Yan as well as other eligible employees. With the exception of the share options granted to Mr Tan, 100% of the share options will vest after the third anniversary of the date of grant. Share options granted to Mr Tan have a three-year vesting schedule and will lapse on the fourth anniversary of the date of grant. The vesting schedule is as follows:

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

Share options 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 5.0 per cent of the issued share capital of the Company on the day preceding that date.

Since the adoption of the Scheme to 31 March 2007, a total of 37,205,936 share options were granted. Particulars of the options were set out in the Directors' Report for the respective financial years.

SHARE OPTIONS (cont'd)

During the financial year ended 31 March 2008, 9,603,000 share options were granted. At the end of the financial year, details of the options granted and the number of unissued ordinary shares of the Company under options outstanding are as follows:

DATE OF GRANT	EXERCISE PERIOD	EXERCISE PRICE(2)	NUMBER OF ORDINARY SHARES UNDER OPTIONS OUTSTANDING(1) BALANCE AT 1.4.07 ('000)	GRANTED DURING FINANCIAL YEAR ('000)	OPTIONS EXERCISED ('000)	OPTIONS FORFEITED ('000)	BALANCE AT 31.3.08(4) ('000)
For employees (including executive directors)							
13.05.03	14.05.04 to 13.05.13	S$0.547	961	-	(959)	-	2
28.07.03	29.07.04 to 28.07.13	S$0.615	924	-	(898)	-	26
19.07.04	20.07.05 to 19.07.14	S$0.731	1,545	-	(1,345)	(10)	190
01.02.05	02.02.06 to 01.02.15	S$0.813	1,200	-	(1,200)	-	-
16.05.05(3)	17.05.08 to 16.05.11	S$0.811	2,570	-	-	(330)	2,240
01.07.05	02.07.06 to 01.07.15	S$0.923	2,574	-	(823)	(155)	1,596
03.01.06	04.01.07 to 03.01.16	S$1.194	600	-	-	-	600
26.06.06	27.06.07 to 26.06.16	S$1.048	4,161	-	(1,157)	(285)	2,719
02.04.07	03.04.08 to 02.04.17	S$1.126	-	300	-	-	300
26.06.07	27.06.08 to 26.06.17	S$1.278	-	4,378	-	(282)	4,096
24.10.07(3)	25.10.10 to 24.10.13	S$1.216	-	2,825	-	(30)	2,795
24.10.07	25.10.08 to 24.10.11	S$1.216	-	2,100	-	-	2,100
Total Share Options			**14,535**	**9,603**	**(6,382)**	**(1,092)**	**16,664**

(1) No share option was issued to non-executive directors during the financial year and there were no outstanding share options previously granted to the non-executive directors at end of financial year.

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

(3) Options, with a 3-year lock-in period, were granted on 16 May 2005 and 24 October 2007 to retain key staff critical for business continuity by providing them with a meaningful reward for driving the business forward and reaping the benefits. 100% of the share options will vest after the third anniversary.

(4) None of the above options granted have expired.

The 2008 options include options granted to the executive director for the number of shares set out below:

	OPTIONS GRANTED IN FINANCIAL YEAR ENDED 31.3.08	AGGREGATE OPTIONS GRANTED SINCE COMMENCEMENT OF SCHEME TO 31.3.08	AGGREGATE OPTIONS EXERCISED SINCE COMMENCEMENT OF SCHEME TO 31.3.08	AGGREGATE OPTIONS OUTSTANDING AS AT 31.3.08
Wilson Tan Wee Yan	2,100,000	2,100,000	-	2,100,000

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

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

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

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

AUDIT COMMITTEE

The members of the Audit Committee comprised the following non-executive and independent directors at the end of the financial year:

Mr Keith Tay Ah Kee (Chairman)
Mr Kenneth Michael Tan Wee Kheng
Mr Tan Yam Pin

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

The Audit Committee has reviewed the overall scope 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 Audit Committee has also reviewed the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2008 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 Audit 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 Audit Committee.

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

INDEPENDENT AUDITOR

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

On behalf of the directors

MR LIM HO KEE
Chairman

MR WILSON TAN WEE YAN
Director

Singapore
2 May 2008

STATEMENT BY DIRECTORS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

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 76 to 132 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 2008, and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; 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 WILSON TAN WEE YAN
Director

Singapore
2 May 2008

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SINGAPORE POST LIMITED

We have audited the accompanying financial statements of Singapore Post Limited (the "Company") and its subsidiaries (the "Group") set out on pages 76 to 132, which comprise the balance sheets of the Company and of the Group as at 31 March 2008, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act (Cap. 50) (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting control sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SINGAPORE POST LIMITED

Opinion

In our opinion,

(a) the balance sheet of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2008, 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
Public Accountants and
Certified Public Accountants

Singapore
2 May 2008

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

	NOTES	GROUP 2008 S$'000	GROUP 2007 S$'000
Revenue	5	**472,595**	436,045
Other gains (net)			
- Rental and property-related income	5	**23,914**	20,238
- Miscellaneous	5	**9,323**	7,682
Labour and related expenses	6	**(125,057)**	(114,935)
Volume-related expenses	7	**(121,444)**	(105,196)
Administrative and other expenses	8	**(40,759)**	(38,013)
Depreciation and impairment		**(31,218)**	(25,539)
Selling expenses		**(11,005)**	(9,738)
Finance expenses	9	**(9,017)**	(10,681)
Total expenses		**(338,500)**	(304,102)
Share of profit of associated companies and joint ventures	10	**8,200**	6,554
Profit before income tax		**175,532**	166,417
Income tax expense	11	**(25,758)**	(26,160)
Total profit		**149,774**	140,257
Attributable to:			
Equity holders of the Company		**149,277**	139,761
Minority interest		**497**	496
		149,774	140,257
Earnings per share	12		
- Basic		**7.77 cents**	7.30 cents
- Diluted		**7.76 cents**	7.29 cents

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

BALANCE SHEETS

AS AT 31 MARCH 2008

	NOTES	GROUP 2008 S$'000	GROUP 2007 S$'000	COMPANY 2008 S$'000	COMPANY 2007 S$'000
ASSETS					
Current assets					
Cash and cash equivalents	13	**104,142**	68,981	**100,445**	65,600
Trade and other receivables	14	**71,183**	63,658	**51,763**	44,128
Inventories		**169**	118	**166**	89
Other current assets	15	**6,457**	6,000	**5,032**	4,775
		181,951	138,757	**157,406**	114,592
Non-current assets					
Trade and other receivables	16	**375**	443	**9,874**	8,774
Derivative financial instruments	26	**2,438**	-	**2,438**	-
Investments in associated companies and joint ventures	18	**91,586**	87,354	**83,372**	83,372
Investments in subsidiaries	19	**-**	-	**12,105**	12,105
Investment property	20	**211,291**	-	**215,832**	-
Property, plant and equipment	21	**259,463**	492,237	**250,422**	488,680
Intangible asset	22	**288**	324	**288**	324
Other non-current asset	23	**-**	200	**-**	200
		565,441	580,558	**574,331**	593,455
Total assets		**747,392**	719,315	**731,737**	708,047
LIABILITIES					
Current liabilities					
Trade and other payables	24	**164,918**	150,910	**166,329**	152,500
Deferred income	28	**70**	-	**70**	-
Current income tax liabilities	11	**36,955**	41,135	**36,238**	40,352
		201,943	192,045	**202,637**	192,852
Non-current liabilities					
Borrowings	25	**302,077**	316,319	**302,077**	316,319
Derivative financial instruments	26	**-**	3,168	**-**	3,168
Deferred income tax liabilities	27	**17,414**	18,623	**16,916**	18,127
Deferred income	28	**374**	-	**374**	-
		319,865	338,110	**319,367**	337,614
Total liabilities		**521,808**	530,155	**522,004**	530,466
NET ASSETS		**225,584**	189,160	**209,733**	177,581
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	29	**113,053**	107,459	**113,053**	107,459
Other reserves	30	**5,800**	4,571	**1,982**	1,678
Retained earnings	31	**102,561**	73,415	**94,698**	68,444
		221,414	185,445	**209,733**	177,581
Minority interest		**4,170**	3,715	**-**	-
Total equity		**225,584**	189,160	**209,733**	177,581

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARTH 2008

	NOTES	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY SHARE CAPITAL S$'000	OTHER RESERVES S$'000	RETAINED EARNINGS S$'000	TOTAL S$'000	MINORITY INTEREST S$'000	TOTAL EQUITY S$'000
2008							
Beginning of financial year		107,459	4,571	73,415	185,445	3,715	189,160
Currency translation differences	30(b)(iii)	-	949	-	949	(42)	907
Cash flow hedges	30(b)(ii)	-	(24)	-	(24)	-	(24)
Net gain/(loss) recognised directly in equity		-	925	-	925	(42)	883
Net profit		-	-	149,277	149,277	497	149,774
Total recognised gains		-	925	149,277	150,202	455	150,657
Dividends	32	-	-	(120,131)	(120,131)	-	(120,131)
Employee share option scheme:							
- Value of employee services	30(b)(i)	-	890	-	890	-	890
- Proceeds from shares issued	30(b)(i)	5,594	(586)	-	5,008	-	5,008
End of financial year		113,053	5,800	102,561	221,414	4,170	225,584
2007							
Beginning of financial year		103,057	4,424	39,003	146,484	3,456	149,940
Currency translation differences	30(b)(iii)	-	(479)	-	(479)	3	(476)
Cash flow hedges	30(b)(ii)	-	157	-	157	-	157
Net gain/(loss) recognised directly in equity		-	(322)	-	(322)	3	(319)
Net profit		-	-	139,761	139,761	496	140,257
Total recognised gains/(losses)		-	(322)	139,761	139,439	499	139,938
Dividends	32	-	-	(105,349)	(105,349)	-	(105,349)
Dividend to a minority shareholder		-	-	-	-	(240)	(240)
Employee share option scheme:							
- Value of employee services	30(b)(i)	-	921	-	921	-	921
- Proceeds from shares issued	30(b)(i)	4,402	(452)	-	3,950	-	3,950
End of financial year		107,459	4,571	73,415	185,445	3,715	189,160

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

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

	NOTES	GROUP 2008 S$'000	GROUP 2007 S$'000
Cash flows from operating activities			
Total profit		**149,774**	140,257
Adjustments for:			
Income tax expense		**25,758**	26,160
Amortisation of franchise fees received		**-**	(57)
Amortisation of licence fee		**36**	36
Depreciation and impairment		**31,218**	25,539
Share-based staff costs		**890**	921
Gain on disposals of property, plant and equipment		**(7,265)**	(5,332)
Interest expense		**9,167**	10,818
Interest income		**(1,021)**	(1,279)
Impairment of other non-current asset		**174**	-
Share of profit of associated companies and joint ventures		**(8,200)**	(6,554)
		50,757	50,252
Operating cash flow before working capital changes		**200,531**	190,509
Changes in operating assets and liabilities			
Inventories		**(51)**	(113)
Trade and other receivables		**(7,984)**	(13,662)
Trade and other payables		**12,363**	11,419
Cash generated from operations		**204,859**	188,153
Income tax paid		**(31,147)**	(27,308)
Net cash inflow from operating activities		**173,712**	160,845
Cash flows from investing activities			
Dividends received from joint venture company		**6,110**	6,100
Interest received		**1,076**	1,273
Investment in an associated company		**(412)**	-
Investment in a joint venture company		**(937)**	(100)
Proceeds from winding down of a joint venture company		**172**	-
Purchase of property, plant and equipment		**(12,836)**	(8,492)
Proceeds from sale of property, plant and equipment		**12,098**	8,066
Net cash inflow from investing activities		**5,271**	6,847
Cash flows from financing activities			
Dividends paid to shareholders		**(120,131)**	(105,349)
Dividends paid to a minority shareholder		**-**	(240)
Interest paid		**(9,188)**	(10,330)
Proceeds from issue of shares		**5,008**	3,950
Repayment of bank term loan		**(20,000)**	(40,000)
Proceeds from grants		**489**	-
Net cash outflow from financing activities		**(143,822)**	(151,969)
Net increase in cash and cash equivalents		**35,161**	15,723
Cash and cash equivalents at beginning of financial year	13	**68,981**	53,258
Cash and cash equivalents at end of financial year	13	**104,142**	68,981

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

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

1. GENERAL

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

The Company is listed on the Singapore Exchange.

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

2.1 Basis of preparation

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

On 1 April 2007, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS and INT FRS that are relevant to the Group:

Amendment to FRS 1	Presentation of Financial Statements – Capital Disclosures
FRS 40	Investment Property
FRS 107	Financial Instruments: Disclosures
INT FRS 110	Interim Financial Reporting and Impairment

The adoption of the above FRS or INT FRS did not result in any substantial changes to the Group's accounting policies nor any significant impact on these financial statements, except for the adoption of FRS 40, of which the effects are disclosed in Note 3. FRS 107 and the complementary amended FRS 1 introduce new disclosures relating to financial instruments and capital respectively.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Revenue recognition

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

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

Revenue from the rendering of services is recognised over the period in which the services are performed 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. This accrual is classified as advance billings under trade and other payables.

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.

2.3 Group accounting

(a) Subsidiaries

Subsidiaries are entities over which the Group has power to govern the financial and operating policies, generally accompanied by a shareholding giving rise to the majority 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 dates of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of minority interest. Please refer to Note 2.5(a) for the accounting policy on goodwill on acquisition of subsidiaries.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Group accounting (cont'd)

(a) Subsidiaries (cont'd)

Minority interests are that part of net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the Group. They are measured at the minorities' share of fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition, except when the minorities' share of losses in a subsidiary exceeds its interest in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minorities are attributed to the equity holders of the Company, unless the minorities have a binding obligation to, and are able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority interests are attributed to the equity holders of the Company until the minorities' share of losses previously absorbed by the equity holders of the Company are fully recovered.

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

(b) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recognised in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the Group's incremental share of the carrying value of identifiable net assets of the subsidiary.

(c) Associated companies and joint ventures

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

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting. Investments in associated companies and joint ventures in the consolidated balance sheet include goodwill (net of accumulated amortisation up to 31 March 2004) identified on acquisition. Please refer to Note 2.5(a) for the Group's accounting policy on goodwill.

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus cost directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of its associated companies and joint ventures' post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in equity directly. These post-acquisition movements are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals or exceeds its interest in the associated company or joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company or joint venture.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Group accounting (cont'd)

(c) *Associated companies and joint ventures (cont'd)*

Unrealised gains on transactions between the Group and its associated companies and joint ventures are eliminated to the extent of the Group's interest in the associated companies and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of associated companies and joint ventures to ensure consistency of accounting policies with those of the Group.

Please refer to Note 2.7 for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) *Measurement*

All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be operating in the manner intended by management.

(b) *Depreciation*

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

	Useful lives
Leasehold land	30 – 99 years
Buildings	5 – 50 years
Postal equipment	3 – 15 years
Plant and equipment	3 – 20 years

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

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the income statement when the changes arise.

(c) *Subsequent expenditure*

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

(d) *Disposal*

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Intangible assets

(a) *Goodwill on acquisitions*

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable net assets and contingent liabilities of the acquired subsidiaries, associated companies or joint ventures at the date of acquisition.

Acquisitions pre-1 April 2001

Goodwill on acquisitions was adjusted against retained earnings in the year of acquisition. On disposal of the subsidiaries, associated companies or joint ventures, such goodwill previously adjusted against retained earnings is not recognised in the income statement.

Acquisitions post 1 April 2001

Goodwill on acquisitions of subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses. Goodwill on acquisition of associated companies and joint ventures is included in investments in associated companies and joint ventures.

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

(b) *Acquired licence*

Licence acquired is initially recognised at cost and is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the licence over the licence period of 25 years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in the income statement when the changes arise.

2.6 Investment properties

Investment properties comprise significant portions of office buildings that are held for long-term rental yields and/or for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method to allocate the depreciation amounts over the estimated useful lives as follows:

Leasehold land	99 years
Building	50 years

The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the income statement when the changes arise.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Investment properties (cont'd)

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

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

2.7 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries, associated companies and joint ventures, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the income statement.

2.8 Impairment of non-financial assets

(a) Goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in associated company and/or joint venture is tested for impairment as part of the investment, rather than separately.

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

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

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

An impairment loss on goodwill is recognised in the income statement and is not reversed in a subsequent period.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Impairment of non-financial assets (cont'd)

(b) *Intangible assets*
Property, plant and equipment
Investments in subsidiaries, associated companies and joint ventures

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

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

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

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

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

A reversal of impairment loss for an asset other than goodwill is recognised in the income statement.

2.9 Trade and other receivables

These financial assets are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets.

The Group assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Allowance for impairment is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the balance sheet date are included in current borrowings in the balance sheet. Other borrowings due to be settled more than twelve months after the balance sheet date are included in non-current borrowings in the balance sheet.

2.11 Trade and other payables

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

2.12 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either: (a) fair value hedge; or (b) cash flow hedge.

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

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

(a) Fair value hedge

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

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method was used is amortised to the income statement over the period to maturity.

(b) Cash flow hedge

The Group's cash flow hedge reserve arises from hedging activities of a joint venture. The joint venture has entered into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. Changes in fair values of these contracts are accumulated in the hedging reserve within equity and subsequently included in the cost of purchases.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 Fair value estimation of financial assets and liabilities

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

The fair values of currency forwards are determined using actively quoted forward exchange rates. The fair values of interest-rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

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

2.14 Operating leases

(a) When the Group is the lessee:

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

Leases of assets where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in 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 financial year in which termination takes place.

(b) When the Group is the lessor:

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

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

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

2.15 Inventories

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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

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

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

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

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

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

2.17 Provisions

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Employee compensation

(a) 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 on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due, unless they can be capitalised as an asset.

(b) Share-based compensation

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

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

2.19 Currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the income statement, unless they arise from borrowings in foreign currencies and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to the income statement as part of the gain or loss on disposal of the foreign operation.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.19 Currency translation (cont'd)

(c) *Translation of Group entities' financial statements*

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

(i) Assets and liabilities are translated at the closing exchange rates at the date of the balance sheet;

(ii) Income and expenses are translated at average exchange rate (unless the 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 using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in the currency translation reserve.

Goodwill and fair value adjustments arising on acquisition of foreign operations on or after 1 April 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the date of the balance sheet. For acquisitions prior to 1 April 2005, the exchange rates at the dates of acquisition are used.

2.20 Segment reporting

A business segment is a distinguishable component of the Group engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments. As the Group operates primarily in one geographical segment, Singapore, segment information by geographical segment has not been presented.

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents include cash on hand and deposits with financial institutions.

2.22 Share capital

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

2.23 Dividends to Company's shareholders

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

3. EFFECTS ON FINANCIAL STATEMENTS ON ADOPTION OF NEW FRS

The Group has adopted FRS 40 Investment Property on 1 April 2007, which is the effective date of the Standard for the Group.

The Group owns its corporate headquarters at Singapore Post Centre, a building partly occupied by the Group and partly leased to parties outside of the Group. Prior to 1 April 2007, the entire property was accounted for as an item of property, plant and equipment and accounted for under FRS 16 Property, Plant and Equipment. Under FRS 16, the assets are carried at cost less accumulated depreciation and accumulated impairment losses.

Under FRS 40, when a portion of a property is leased out and another portion is held for own-use, the portions are required to be accounted for separately if they can be sold or leased out separately under finance leases. Consequently, the portion of Singapore Post Centre that is leased out to parties outside of the Group has been reclassified to investment property on transition to FRS 40 on 1 April 2007.

Under FRS 40, the Group has elected to measure investment properties at cost. Therefore, investment properties are carried at cost less accumulated depreciation and accumulated impairment losses.

On adoption of FRS 40, the Group and the Company prospectively reclassified S$214.4 million and S$219.0 million respectively from property, plant and equipment to investment property on the balance sheets at 1 April 2007, representing the portion of Singapore Post Centre that was rented out for the Group and the Company. There is no impact on the income statement.

The following shows the effects of adopting FRS 40 as at 1 April 2007 and 31 March 2008:

	GROUP		COMPANY	
	31.3.2008 S$'000	**1.4.2007 S$'000**	**31.3.2008 S$'000**	**1.4.2007 S$'000**
Increase / (decrease):				
Property, plant and equipment	**(211,291)**	(214,398)	**(215,832)**	(218,956)
Investment property	**211,291**	214,398	**215,832**	218,956
	-	-	-	-

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

Property, plant and equipment

The Group reviews the residual values and useful lives of property, plant and equipment at each balance sheet date. Property, plant and equipment is tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The net book value of property, plant and equipment at 31 March 2008 was S$259.5 million. For the year ended 31 March 2008, the depreciation and impairment charges totalled S$31.2 million.

5. REVENUE AND OTHER GAINS (NET)

	GROUP	
	2008 S$'000	2007 S$'000
Revenue from services rendered	470,900	434,387
Interest income from secured personal finance services	1,695	1,658
Revenue	472,595	436,045
Other gains (net):		
Rental and property-related income	23,914	20,238
Miscellaneous		
- Currency exchange gain (net)	776	775
- Interest income	1,021	1,279
- Net gain on disposal of property, plant and equipment	7,265	5,332
- Others	261	296
	9,323	7,682
Other gains (net)	33,237	27,920
	505,832	463,965

6. LABOUR AND RELATED EXPENSES

	GROUP	
	2008 S$'000	2007 S$'000
Wages and salaries	80,094	74,006
Employer's contribution to defined contribution plans including Central Provident Fund	9,282	8,393
Share options granted to directors and employees (Note 30)	890	921
Other benefits	4,566	4,014
Temporary and contract staff cost	30,225	27,601
	125,057	114,935

7. VOLUME-RELATED EXPENSES

	GROUP	
	2008 S$'000	2007 S$'000
Traffic expenses	102,234	93,428
Mail outsourcing services and cost of sales	19,210	11,768
	121,444	105,196

8. ADMINISTRATIVE AND OTHER EXPENSES

	GROUP	
	2008 S$'000	2007 S$'000
Included in administrative and other expenses are the following:		
Other fees paid / payable to the auditors of the Company	**76**	14
Repair and maintenance expenses	**8,087**	8,129
Rental on operating leases	**5,308**	4,888

9. FINANCE EXPENSES

	GROUP	
	2008 S$'000	2007 S$'000
Interest expense:		
- Bank borrowings	**133**	1,556
- Bonds	**9,488**	9,462
Effect of hedging using interest rate swaps	**(454)**	(200)
Currency exchange losses – net	**(150)**	(137)
	9,017	10,681

10. ASSOCIATED COMPANIES AND JOINT VENTURES

	GROUP	
	2008 S$'000	2007 S$'000
Share of profit/(loss) of associated companies	**1,941**	(34)
Share of profit of joint ventures	**6,259**	6,588
	8,200	6,554

11. INCOME TAXES

(a) Income tax expense

	GROUP	
	2008 S$'000	2007 S$'000
Tax expense attributable to profit is made up of:		
- Current income tax	**32,797**	31,457
- Deferred tax	**(1,289)**	(1,749)
	31,508	29,708
Over provision in preceding financial year:		
- Current income tax	**(5,830)**	(1,429)
- Deferred tax	**80**	(2,119)
	25,758	26,160

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax is as explained below:

	GROUP	
	2008 S$'000	2007 S$'000
Profit before tax	**175,532**	166,417
Tax calculated at a tax rate of 18% (2007: 18%)	**31,596**	29,955
Tax calculated on share of profit of associated companies and joint ventures	**(2,032)**	(1,181)
Singapore statutory stepped income exemption	**(61)**	(56)
Items not subject to tax	**(1,316)**	(953)
Items not deductible for tax purposes	**3,198**	1,935
Utilisation of previously unrecognised capital allowances	**-**	(34)
Deferred tax assets not recognised	**123**	42
Tax charge	**31,508**	29,708

(b) Movement in current income tax liabilities

	GROUP		COMPANY	
	2008 S$'000	2007 S$'000	2008 S$'000	2007 S$'000
Beginning of financial year	**41,135**	38,415	**40,352**	37,486
Income tax paid	**(31,147)**	(27,308)	**(30,874)**	(26,814)
Tax expense	**32,797**	31,457	**32,590**	31,249
Over provision in prior financial years	**(5,830)**	(1,429)	**(5,830)**	(1,429)
Tax deducted at source	**-**	-	**-**	(140)
End of financial year	**36,955**	41,135	**36,238**	40,352

12. EARNINGS PER SHARE

(a) Basic earnings per share

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

	GROUP	
	2008	**2007**
Net profit attributable to equity holders of the Company (S$'000)	**149,277**	139,761
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**1,922,263**	1,915,138
Basic earnings per share (cents per share)	**7.77**	7.30

(b) Diluted earnings per share

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

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

Diluted earnings per share is calculated as follows:

	GROUP	
	2008	**2007**
Net profit attributable to equity holders of the Company (S$'000)	**149,277**	139,761
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**1,922,263**	1,915,138
Adjustment for share options ('000)	**1,312**	2,428
Weighted average number of ordinary shares for diluted earnings per share ('000)	**1,923,575**	1,917,566
Diluted earnings per share (cents per share)	**7.76**	7.29

13. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2008 S$'000	2007 S$'000	2008 S$'000	2007 S$'000
Cash at bank and on hand	**33,222**	34,646	**30,525**	32,265
Deposits with financial institutions	**70,920**	34,335	**69,920**	33,335
	104,142	68,981	**100,445**	65,600

14. TRADE AND OTHER RECEIVABLES - CURRENT

	GROUP		COMPANY	
	2008 S$'000	2007 S$'000	2008 S$'000	2007 S$'000
Trade receivables				
- Subsidiaries	**-**	-	**9,207**	7,490
- Joint ventures	**3,370**	2,436	**3,288**	2,406
- Companies related by a substantial shareholder	**1,020**	1,008	**602**	570
- Third parties	**66,147**	57,964	**37,732**	31,392
Less: Allowance for impairment of receivables – third parties	**(503)**	(451)	**(491)**	(448)
Trade receivables – net	**70,034**	60,957	**50,338**	41,410
Other receivables	**837**	1,971	**1,114**	2,047
Interest receivable	**12**	67	**11**	8
Accrued interest receivable on interest rate swap contracts	**136**	475	**136**	475
Staff loans (Note 17)	**164**	188	**164**	188
	71,183	63,658	**51,763**	44,128

15. OTHER CURRENT ASSETS

	GROUP		COMPANY	
	2008 S$'000	2007 S$'000	2008 S$'000	2007 S$'000
Deposits	**2,248**	1,805	**1,223**	1,016
Prepayments	**4,209**	4,195	**3,809**	3,759
	6,457	6,000	**5,032**	4,775

16. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	GROUP		COMPANY	
	2008 S$'000	2007 S$'000	2008 S$'000	2007 S$'000
Loan to subsidiary	**-**	-	**9,499**	8,331
Staff loans (Note 17)	**375**	443	**375**	443
	375	443	**9,874**	8,774

The carrying amounts of trade and other receivables – non-current at balance sheet date approximate their fair values.

Trade and other receivables (current (Note 14) and non-current) are interest-free, except for staff loans which have a weighted average interest rate of 5.5% (2007: 5.5%) per annum.

The loan to subsidiary is unsecured, has no fixed terms of repayment and is not expected to be repaid within 12 months from 31 March 2008.

17. STAFF LOANS

	GROUP AND COMPANY	
	2008 S$'000	2007 S$'000
Not later than one year (Note 14)	**164**	188
Later than one year (Note 16)	**375**	443
- Between one and five years	**369**	432
- Later than five years	**6**	11
	539	631

As at 31 March 2008 and 31 March 2007, no loan is made to the key management personnel of the Group.

18. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

		GROUP		COMPANY	
	NOTES	2008 S$'000	2007 S$'000	2008 S$'000	2007 S$'000
Investment in associated companies	(a)	**81,149**	77,753	**80,922**	80,922
Investment in joint ventures	(b)	**10,437**	9,601	**2,450**	2,450
		91,586	87,354	**83,372**	83,372

Goodwill amounting to S$70,014,000 (2007: S$70,014,000) is included in the carrying amount of investments in associated companies and joint ventures.

(a) Associated companies

	GROUP		COMPANY	
	2008 S$'000	2007 S$'000	2008 S$'000	2007 S$'000
Equity investment at cost			**80,922**	80,922
Beginning of financial year	**77,753**	78,085		
Acquisition of an associated company during the year	**412**	-		
Share of profits / (losses)	**1,941**	(34)		
Currency translation differences	**1,043**	(298)		
End of financial year	**81,149**	77,753		

The summarised financial information of associated companies are as follows:

		2008 S$'000	2007 S$'000
-	Assets	**133,580**	131,335
-	Liabilities	**(94,934)**	(110,417)
-	Revenue	**349,738**	365,213
-	Net profit / (loss)	**9,650**	(674)

Investment in an associated company

During the financial year, the Company's wholly-owned subsidiary, Singapore Post Enterprise Private Limited ("SPE"), invested in a 20% equity interest at a cost of S$412,000 in GPN Asia Pte. Ltd. ("GPN Asia"). GPN Asia operates a print-on-demand business in Singapore.

Details of associated companies are provided in Note 39.

18. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES (cont'd)

(b) Joint ventures

	GROUP		COMPANY	
	2008 S$'000	2007 S$'000	2008 S$'000	2007 S$'000
Equity investments at cost			**2,450**	2,450
Beginning of financial year	**9,601**	9,035		
Capital injection during the year	**110**	100		
Acquisition of a joint venture during the year	**827**	-		
Proceeds on winding down of a joint venture	**(172)**	-		
Share of profits	**6,259**	6,588		
Dividends received, net of tax	**(6,110)**	(6,100)		
Share of cash flow hedge reserve	**(24)**	157		
Currency translation difference	**(54)**	(179)		
End of financial year	**10,437**	9,601		

The following amounts represent the Group's share of the assets and liabilities and income and expenses of the joint ventures. The Group's interests in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting.

	GROUP	
	2008 S$'000	2007 S$'000
Assets		
- Current assets	**22,446**	20,226
- Non-current assets	**3,607**	3,163
	26,053	23,389
Liabilities		
- Current liabilities	**15,365**	(13,486)
- Non-current liabilities	**251**	(302)
	15,616	(13,788)
Net assets	**10,437**	9,601
Sales	**67,067**	65,431
Expenses	**(59,289)**	(57,085)
Profit before tax	**7,778**	8,346
Income tax	**(1,519)**	(1,758)
Profit after tax	**6,259**	6,588

Investment in a joint venture

During the financial year, the Company's subsidiary, DataPost Pte Ltd ("DataPost"), invested 49% equity interest at a cost of S$827,000 in Thai British DPost Company Limited. Thai British DPost Company Limited, located in Thailand, is in the business of laser printing and enveloping statements, bills and invoices and related value-added services.

Details of the joint ventures are provided in Note 39.

19. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2008 S$'000	2007 S$'000
Equity investments at cost	**18,262**	18,262
Less: Allowance for impairment	**(6,157)**	(6,157)
	12,105	12,105

Details of subsidiaries are provided in Note 39.

20. INVESTMENT PROPERTY

	GROUP		COMPANY	
	2008 S$'000	2007 S$'000	2008 S$'000	2007 S$'000
Cost				
Beginning of financial year	**-**	-	**-**	-
Effect of adopting new standard (Note 3)	**272,635**	-	**278,515**	-
End of financial year	**272,635**	-	**278,515**	-
Accumulated depreciation and accumulated impairment losses				
Beginning of financial year	**-**	-	**-**	-
Effect of adopting new standard (Note 3)	**61,344**	-	**62,683**	-
End of financial year	**61,344**	-	**62,683**	-
Net book value				
End of financial year	**211,291**	-	**215,832**	-

The fair values of the investment property based on an independent professional valuer are S$613.4 million and S$624.8 million respectively for the Group and the Company at the balance sheet date. Valuations are made annually using the Discounted Cash Flow Approach and Direct Capitalisation Method.

The following amounts are recognised in the income statement:

	GROUP		COMPANY	
	2008 S$'000	2007 S$'000	2008 S$'000	2007 S$'000
Rental income	**20,715**	-	**23,106**	-
Direct operating expenses arising from investment property that generated rental income	**15,341**	-	**15,752**	-
Property tax and other direct operating expenses arising from investment property that did not generate rental income	**1,578**	-	**1,636**	-

21. PROPERTY, PLANT AND EQUIPMENT

	LEASEHOLD LAND S$'000	BUILDINGS S$'000	POSTAL EQUIPMENT S$'000	PLANT AND MACHINERY S$'000	CAPITAL WORK-IN-PROGRESS S$'000	TOTAL S$'000
Group						
2008						
Cost						
Beginning of financial year	128,437	407,383	97,132	137,618	2,134	772,704
Effect of adopting new standard (Note 3)	(44,878)	(227,757)	-	-	-	(272,635)
Additions	-	-	-	3,116	11,485	14,601
Disposals	-	(5,044)	(2,360)	(7,990)	(883)	(16,277)
Transfers	-	484	-	7,543	(8,027)	-
Currency translation differences	-	-	-	(37)	-	(37)
End of financial year	83,559	175,066	94,772	140,250	4,709	498,356
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	20,981	97,103	69,849	92,534	-	280,467
Effect of adopting new standard (Note 3)	(7,610)	(53,734)	-	-	-	(61,344)
Depreciation charge	1,652	8,928	4,333	11,426	-	26,339
Impairment charge	-	4,879	-	-	-	4,879
Disposals	-	(1,780)	(2,350)	(7,314)	-	(11,444)
Currency translation differences	-	-	-	(4)	-	(4)
End of financial year	15,023	55,396	71,832	96,642	-	238,893
Net book value						
End of financial year	**68,536**	**119,670**	**22,940**	**43,608**	**4,709**	**259,463**
2007						
Cost						
Beginning of financial year	128,442	411,341	97,040	137,032	1,247	775,102
Additions	-	-	2	2,201	4,875	7,078
Disposals	-	(3,773)	(71)	(5,629)	-	(9,473)
Transfers	(5)	(185)	161	4,017	(3,988)	-
Currency translation differences	-	-	-	(3)	-	(3)
End of financial year	128,437	407,383	97,132	137,618	2,134	772,704
Accumulated depreciation						
Beginning of financial year	19,328	89,260	65,762	87,316	-	261,666
Depreciation charge	1,653	9,115	4,145	10,626	-	25,539
Disposals	-	(1,272)	(58)	(5,409)	-	(6,739)
Currency translation differences	-	-	-	1	-	1
End of financial year	20,981	97,103	69,849	92,534	-	280,467
Net book value						
End of financial year	107,456	310,280	27,283	45,084	2,134	492,237

21. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	LEASEHOLD LAND S$'000	BUILDINGS S$'000	POSTAL EQUIPMENT S$'000	PLANT AND MACHINERY S$'000	CAPITAL WORK-IN-PROGRESS S$'000	TOTAL S$'000
Company						
2008						
Cost						
Beginning of financial year	128,437	407,383	97,132	120,961	1,983	755,896
Effect of adopting new standard (Note 3)	(45,602)	(232,913)	-	-	-	(278,515)
Additions	-	-	-	1,982	9,353	11,335
Disposals	-	(5,044)	(2,360)	(7,402)	-	(14,806)
Transfers	-	484	-	6,311	(6,795)	-
End of financial year	82,835	169,910	94,772	121,852	4,541	473,910
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	20,981	97,103	69,849	79,283	-	267,216
Effect of adopting new standard (Note 3)	(7,733)	(54,950)	-	-	-	(62,683)
Depreciation charge	1,652	8,928	4,333	10,111	-	25,024
Impairment charge	-	4,879	-	-	-	4,879
Disposals	-	(1,780)	(2,350)	(6,818)	-	(10,948)
End of financial year	14,900	54,180	71,832	82,576	-	223,488
Net book value						
End of financial year	**67,935**	**115,730**	**22,940**	**39,276**	**4,541**	**250,422**
2007						
Cost						
Beginning of financial year	128,442	411,341	97,040	120,809	1,199	758,831
Additions	-	-	2	1,693	4,612	6,307
Disposals	-	(3,773)	(71)	(5,398)	-	(9,242)
Transfers	(5)	(185)	161	3,857	(3,828)	-
End of financial year	128,437	407,383	97,132	120,961	1,983	755,896
Accumulated depreciation						
Beginning of financial year	19,328	89,260	65,762	75,102	-	249,452
Depreciation charge	1,653	9,115	4,145	9,407	-	24,320
Disposals	-	(1,272)	(58)	(5,226)	-	(6,556)
End of financial year	20,981	97,103	69,849	79,283	-	267,216
Net book value						
End of financial year	107,456	310,280	27,283	41,678	1,983	488,680

The Group and Company recorded an impairment charge of S$4,879,000 (2007: Nil) which relates to the "Others" business segment (Note 36). This is a result of the impairment assessment for buildings. The recoverable amount was determined using the value in use method of the cash generating units, each corresponding to a building, and based on cash flows discounted at 6.4%.

22. INTANGIBLE ASSET

	GROUP AND COMPANY	
	2008 S$'000	2007 S$'000
Licence fee at cost	**900**	900
Accumulated amortisation	**(612)**	(576)
Net book value	**288**	324
Beginning of financial year	**324**	360
Amortisation	**(36)**	(36)
End of financial year	**288**	324

Licence fee represents a lump-sum fee paid to the Infocomm Development Authority of Singapore upon the granting of the postal licence. It is carried at cost less accumulated amortisation calculated on a straight-line basis over the licence period of 25 years starting from year 1992.

23. OTHER NON-CURRENT ASSET

	GROUP AND COMPANY	
	2008 S$'000	2007 S$'000
Transferable club membership at cost	**200**	200
Disposal	**(200)**	-
Net book value	**-**	200

24. TRADE AND OTHER PAYABLES - CURRENT

	GROUP		COMPANY	
	2008 S$'000	2007 S$'000	2008 S$'000	2007 S$'000
Trade payables				
- Subsidiaries	**-**	-	**5,135**	5,595
- Joint ventures	**3,644**	3,598	**3,644**	3,598
- Companies related by a substantial shareholder	**978**	1,056	**978**	1,056
- Third parties	**50,264**	48,893	**47,867**	46,101
	54,886	53,547	**57,624**	56,350
Advance billings	**10,801**	9,857	**10,801**	9,769
Accrual for other operating expenses	**34,355**	27,133	**33,329**	26,313
Interest payable	**4,451**	4,430	**4,451**	4,430
Accrued interest payable on interest rate swap contracts	**-**	381	**-**	381
Other creditors	**12,262**	12,233	**11,982**	11,947
Customers' deposits	**2,443**	2,550	**2,440**	2,549
Collections on behalf of third parties	**38,826**	36,874	**38,826**	36,874
Tender deposits	**6,894**	3,905	**6,876**	3,887
	164,918	150,910	**166,329**	152,500

25. BORROWINGS

	GROUP AND COMPANY	
	2008 S$'000	2007 S$'000
Non-current		
Bank term loan (unsecured)	**-**	19,920
Bonds (unsecured)	**302,077**	296,399
	302,077	316,319

(a) Maturity of bonds

The Singapore Dollar unsecured bonds of principal amount S$300 million listed on the SGX-ST have a maturity period of 10 years from 11 April 2003 and a fixed interest rate of 3.13% (2007: 3.13%) per annum.

(b) Fair value of non-current borrowings

	GROUP AND COMPANY	
	2008 S$'000	2007 S$'000
Bank term loan (unsecured)	**-**	19,920
Bonds (unsecured)	**303,429**	297,741

The fair values above are determined based on independent market quotations from reputable financial institutions.

25. BORROWINGS (cont'd)

(c) Interest rate risks

The weighted average effective per annum interest rates of borrowings at balance sheet date after the effects of hedging are as follows:

	GROUP AND COMPANY	
	2008	**2007**
Bank term loan (unsecured)	**-**	3.25%
Bonds (unsecured)	**3.03%**	3.06%

The exposure of non-current borrowings to interest rate risks is disclosed in Note 34.

26. DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP AND COMPANY	
	2008 S$'000	**2007 S$'000**
Beginning of financial year	**(3,168)**	(9,922)
Net fair value gains recognised in income statement	**5,606**	6,754
End of financial year	**2,438**	(3,168)

Analysed as:

	GROUP AND COMPANY		
	CONTRACT/ NOTIONAL	FAIR VALUES	
	AMOUNT S$'000	ASSETS S$'000	LIABILITIES S$'000
2008			
Fair-value hedges			
- Interest-rate swaps (non-current)	425,000	2,438	-
2007			
Fair-value hedges			
- Interest-rate swaps (non-current)	525,000	-	3,168

Interest rate swaps are entered into to minimise the half-yearly interest payments on borrowings that will mature on 11 April 2013. Changes in the fair values of interest rate swaps that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged item.

27. DEFERRED INCOME TAXES

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

	GROUP		COMPANY	
	2008 S$'000	**2007 S$'000**	**2008 S$'000**	**2007 S$'000**
Deferred income tax liabilities				
- to be settled within one year	**2,673**	2,571	**2,536**	2,487
- to be settled after one year	**14,741**	16,052	**14,380**	15,640
	17,414	18,623	**16,916**	18,127

Movement in the deferred income tax account is as follows:

	GROUP		COMPANY	
	2008 S$'000	**2007 S$'000**	**2008 S$'000**	**2007 S$'000**
Beginning of financial year	**18,623**	22,491	**18,127**	22,057
Tax credited to income statement	**(1,209)**	(3,868)	**(1,211)**	(3,930)
End of financial year	**17,414**	18,623	**16,916**	18,127

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax benefits of tax losses of S$2,830,000 (2007: S$2,830,000) and capital allowances of S$24,000 (2007: S$24,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry dates.

27. DEFERRED INCOME TAXES (cont'd)

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

Group

Deferred income tax liabilities

	ACCELERATED TAX DEPRECIATION S$'000	OTHERS S$'000	TOTAL S$'000
2008			
Beginning of financial year	**18,540**	**369**	**18,909**
Credited to income statement	**(1,151)**	**(51)**	**(1,202)**
End of financial year	**17,389**	**318**	**17,707**
2007			
Beginning of financial year	22,401	440	22,841
Credited to income statement	(1,621)	(27)	(1,648)
Effect of change in Singapore tax rate	(2,240)	(44)	(2,284)
End of financial year	18,540	369	18,909

Deferred income tax assets

	PROVISIONS S$'000	OTHERS S$'000	TOTAL S$'000
2008			
Beginning of financial year	**(286)**	**-**	**(286)**
Credited to income statement	**(7)**	**-**	**(7)**
End of financial year	**(293)**	**-**	**(293)**
2007			
Beginning of financial year	(350)	-	(350)
Charged to income statement	29	-	29
Effect of change in Singapore tax rate	35	-	35
End of financial year	(286)	-	(286)

27. DEFERRED INCOME TAXES (cont'd)

Company

Deferred income tax liabilities

	ACCELERATED TAX DEPRECIATION S$'000	OTHERS S$'000	TOTAL S$'000
2008			
Beginning of financial year	**18,118**	**283**	**18,401**
Credited to income statement	**(1,148)**	**(55)**	**(1,203)**
End of financial year	**16,970**	**228**	**17,198**
2007			
Beginning of financial year	21,956	440	22,396
Credited to income statement	(1,642)	(113)	(1,755)
Effect of change in Singapore tax rate	(2,196)	(44)	(2,240)
End of financial year	18,118	283	18,401

Deferred income tax assets

	PROVISIONS S$'000	OTHERS S$'000	TOTAL S$'000
2008			
Beginning of financial year	**(274)**	**-**	**(274)**
Credited to income statement	**(8)**	**-**	**(8)**
End of financial year	**(282)**	**-**	**(282)**
2007			
Beginning of financial year	(339)	-	(339)
Credited to income statement	34	-	34
Effect of change in Singapore tax rate	31	-	31
End of financial year	(274)	-	(274)

28. DEFERRED INCOME

Deferred income relates to capital grants received from the Universal Postal Union and National Trade Union Congress. Deferred capital grants are recognised in the income statement over the periods necessary to match the depreciation of the assets purchased.

The current portion of the deferred income at the balance sheet date is S$70,000 (2007: Nil).

29. SHARE CAPITAL

	NUMBER OF ORDINARY SHARES	
	ISSUED SHARE CAPITAL '000	SHARE CAPITAL S$'000
2008		
Beginning of financial year	**1,918,128**	**107,459**
Employee share option scheme		
- Value of employee services	**-**	**586**
- Proceeds from shares issued	**6,382**	**5,008**
End of financial year	**1,924,510**	**113,053**
2007		
Beginning of financial year	1,912,116	103,057
Employee share option scheme		
- Value of employee services	-	452
- Proceeds from shares issued	6,012	3,950
End of financial year	1,918,128	107,459

All issued ordinary shares are fully paid.

Share options

The Singapore Post Share Option Scheme (the Scheme) was adopted on 21 March 2003 and is administered by the Compensation Committee.

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

29. SHARE CAPITAL (cont'd)

Share Options (cont'd)

The principal terms of the Scheme are as follows:

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

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

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

- Other than the share option grant on 16 May 2005 which will vest 100% after the third anniversary, the vesting schedule for the share options granted to eligible employees (including executive directors) prior to 26 June 2006 is as follows:

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

29. SHARE CAPITAL (cont'd)

Share Options (cont'd)

- Other than the share options granted on 24 October 2007, share options granted to eligible employees (including executive directors) effective 26 June 2006 have a four-year vesting schedule and the details are as follows:

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

For the 24 October 2007 grant, share options were granted to Mr Wilson Tan Wee Yan as well as other eligible employees. With the exception of the share options granted to Mr Tan, the options will vest 100% after the third anniversary. Share options granted to Mr Tan have a three-year vesting schedule and will lapse on the fourth anniversary. The vesting schedule is as follows:

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

Share options 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 5.0 per cent of the issued share capital of the Company on the day preceding that date.

29. SHARE CAPITAL (cont'd)

Share Options (cont'd)

During the financial year ended 31 March 2008, 9,603,000 share options were granted. Movement in the number of unissued ordinary shares under options and their exercise prices are as follows:

			NUMBER OF ORDINARY SHARES UNDER OPTIONS OUTSTANDING[1]				
DATE OF GRANT	EXERCISE PERIOD	EXERCISE PRICE[2]	BALANCE AT 1.4.07 ('000)	GRANTED DURING FINANCIAL YEAR ('000)	OPTIONS EXERCISED ('000)	OPTIONS FORFEITED ('000)	BALANCE AT 31.3.08[4] ('000)
For employees (including executive directors)							
13.05.03	14.05.04 to 13.05.13	S$0.547	961	-	(959)	-	2
28.07.03	29.07.04 to 28.07.13	S$0.615	924	-	(898)	-	26
19.07.04	20.07.05 to 19.07.14	S$0.731	1,545	-	(1,345)	(10)	190
01.02.05	02.02.06 to 01.02.15	S$0.813	1,200	-	(1,200)	-	-
16.05.05[3]	17.05.08 to 16.05.11	S$0.811	2,570	-	-	(330)	2,240
01.07.05	02.07.06 to 01.07.15	S$0.923	2,574	-	(823)	(155)	1,596
03.01.06	04.01.07 to 03.01.16	S$1.194	600	-	-	-	600
26.06.06	27.06.07 to 26.06.16	S$1.048	4,161	-	(1,157)	(285)	2,719
02.04.07	03.04.08 to 02.04.17	S$1.126	-	300	-	-	300
26.06.07	27.06.08 to 26.06.17	S$1.278	-	4,378	-	(282)	4,096
24.10.07[3]	25.10.10 to 24.10.13	S$1.216	-	2,825	-	(30)	2,795
24.10.07	25.10.08 to 24.10.11	S$1.216	-	2,100	-	-	2,100
Total Share Options			**14,535**	**9,603**	**(6,382)**	**(1,092)**	**16,664**

(1) No share option was issued to non-executive directors during the financial year and there were no outstanding share options previously granted to the non-executive directors at end of financial year.

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

(3) Options, with a 3-year lock-in period, were granted on 16 May 2005 and 24 October 2007 to retain key staff critical for business continuity by providing them with a meaningful reward for driving the business forward and reaping the benefits beyond. 100% of the share options will vest after the third anniversary.

(4) None of the above options granted have expired.

Of the outstanding options for 16,664,079 (2007: 14,534,995) shares, 2,505,079 (2007: 3,528,995) options are exercisable as at 31 March 2008. Options exercised in the financial year ended 31 March 2008 resulted in 6,381,916 shares (2007: 6,012,446) being issued at an average price of S$0.791 (2007: S$0.665). Options were exercised on a regular basis throughout the year. The weighted average share price during the financial year was S$1.18 (2007: S$1.08).

29. SHARE CAPITAL (cont'd)

Share Options (cont'd)

The weighted average fair value of options granted during the financial year ended 31 March 2008, determined using the Trinomial option pricing model, was S$446,681 (2007: S$601,689). The significant inputs into the model were:

- Weighted average share price of S$1.22 (2007: S$1.07) at the grant date.
- Weighted average exercise price of S$1.241 (2007: S$1.048).
- Expected volatility of 22% (2007: 22%).
- Expected option life of 5 years (2007: 5 years).
- The annual risk-free interest rate of 2.5% (2007: 3.4%) per annum.

The model factored in discrete dividends based on expected yield of 5.3% per annum. The volatility measured was based on the historical volatility of the rate of returns of the Company's shares since listing date 13 May 2003.

30. OTHER RESERVES

	GROUP		COMPANY	
	2008 S$'000	**2007 S$'000**	**2008 S$'000**	**2007 S$'000**
(a) Composition:				
Share option reserve	**1,982**	1,678	**1,982**	1,678
Cash flow hedge reserve	**(153)**	(129)	**-**	-
Currency translation reserve	**2,375**	1,426	**-**	-
Other capital reserve	**1,596**	1,596	**-**	-
	5,800	4,571	**1,982**	1,678
(b) Movements:				
(i) Share option reserve				
Beginning of financial year	**1,678**	1,209	**1,678**	1,209
Employee share option scheme:				
- Value of employee services (Note 6)	**890**	921	**890**	921
- Issue of shares	**(586)**	(452)	**(586)**	(452)
End of financial year	**1,982**	1,678	**1,982**	1,678
(ii) Cash flow hedge reserve				
Beginning of financial year	**(129)**	(286)	**-**	-
Share of joint venture cash flow hedge reserve	**(24)**	157	**-**	-
End of financial year	**(153)**	(129)	**-**	-

30. OTHER RESERVES (cont'd)

	GROUP		COMPANY	
	2008 S$'000	2007 S$'000	2008 S$'000	2007 S$'000
(b) Movements: (cont'd)				
(iii) Currency translation reserve				
Beginning of financial year	**1,426**	1,905	-	-
Net currency translation differences of financial statements of foreign subsidiaries, associated companies and joint ventures	**949**	(479)	-	-
End of financial year	**2,375**	1,426	-	-
(iv) Other capital reserve				
Beginning and end of financial year	**1,596**	1,596	-	-

Other reserves are non-distributable.

31. RETAINED EARNINGS

(a) Retained earnings of the Group are distributable except for accumulated retained earnings of associated companies and joint ventures amounting to S$12,789,000 (2007: S$10,469,000). Retained earnings of the Company are distributable.

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

	COMPANY	
	2008 S$'000	2007 S$'000
Beginning of financial year	**68,444**	34,789
Net profit	**146,385**	139,004
Dividends paid (Note 32)	**(120,131)**	(105,349)
End of financial year	**94,698**	68,444

32. DIVIDENDS

	GROUP AND COMPANY	
	2008 S$'000	2007 S$'000
Ordinary dividends paid		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 2.5 cents (2007: 1.75 cents) per share	**48,021**	33,495
Interim exempt (one-tier) dividend paid in respect of the first quarter of current financial year of 1.25 cents (2007: 1.25 cents) per share	**24,018**	23,935
Interim exempt (one-tier) dividend paid in respect of the second quarter of current financial year of 1.25 cents (2007: 1.25 cents) per share	**24,039**	23,942
Interim exempt (one-tier) dividend paid in respect of the third quarter of current financial year of 1.25 cents (2007: 1.25 cents) per share	**24,053**	23,977
	120,131	105,349

At the Annual General Meeting on 30 June 2008, a final exempt (one-tier) dividend of 2.5 cents per share amounting to S$48.1 million will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2009.

33. COMMITMENTS

(a) Capital commitments

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

	GROUP		COMPANY	
	2008 S$'000	2007 S$'000	2008 S$'000	2007 S$'000
Property, plant and equipment	**1,904**	2,441	**1,770**	1,618

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

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

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

	GROUP		COMPANY	
	2008 S$'000	2007 S$'000	2008 S$'000	2007 S$'000
Not later than one year	**5,775**	4,972	**5,553**	4,127
Between one and five years	**7,049**	5,089	**7,016**	4,869
Later than five years	**3,907**	4,001	**3,907**	4,001
	16,731	14,062	**16,476**	12,997

33. COMMITMENTS (cont'd)

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

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

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

	GROUP		COMPANY	
	2008 S$'000	**2007 S$'000**	**2008 S$'000**	**2007 S$'000**
Not later than one year	**24,996**	17,866	**25,662**	19,713
Between one and five years	**67,683**	30,406	**67,893**	31,245
Later than five years	**-**	551	**-**	551
	92,679	48,823	**93,555**	51,509

34. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

(a) Market risk

(i) Currency risk

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

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

34. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

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

	SGD S$'000	SDR S$'000	OTHERS S$'000	TOTAL S$'000
As at 31 March 2008				
Financial assets				
Cash and cash equivalents	103,913	-	229	104,142
Trade and other receivables	68,731	2,294	533	71,558
	172,644	2,294	762	175,700
Financial liabilities				
Borrowings	(302,077)	-	-	(302,077)
Trade and other payables	(129,326)	(34,902)	(690)	(164,918)
	(431,403)	(34,902)	(690)	(466,995)
Net financial (liabilities)/assets	**(258,759)**	**(32,608)**	**72**	**(291,295)**
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	258,759	-	(44)	
Currency exposure	-	(32,608)	28	

	SGD S$'000	SDR S$'000	OTHERS S$'000	TOTAL S$'000
As at 31 March 2007				
Financial assets				
Cash and cash equivalents	68,396	-	585	68,981
Trade and other receivables	61,766	1,881	454	64,101
	130,162	1,881	1,039	133,082
Financial liabilities				
Borrowings	(316,319)	-	-	(316,319)
Trade and other payables	(116,283)	(33,880)	(747)	(150,910)
	(432,602)	(33,880)	(747)	(467,229)
Net financial (liabilities)/assets	**(302,440)**	**(31,999)**	**292**	**(334,147)**
Less: Net financial liabilities denominated in the respective entities' functional currencies	302,440	-	251	
Currency exposure	-	(31,999)	543	

34. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

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

	SGD S$'000	SDR S$'000	OTHERS S$'000	TOTAL S$'000
As at 31 March 2008				
Financial assets				
Cash and cash equivalents	100,417	-	28	100,445
Trade and other receivables	59,343	2,294	-	61,637
	159,760	2,294	28	162,082
Financial liabilities				
Borrowings	(302,077)	-	-	(302,077)
Trade and other payables	(131,427)	(34,902)	-	(166,329)
	(433,504)	(34,902)	-	(468,406)
Net financial (liabilities)/assets	**(273,744)**	**(32,608)**	**28**	**(306,324)**
Less: Net financial liabilities denominated in the respective entities' functional currencies	273,744	-	-	
Currency exposure	-	(32,608)	28	

	SGD S$'000	SDR S$'000	OTHERS S$'000	TOTAL S$'000
As at 31 March 2007				
Financial assets				
Cash and cash equivalents	65,057	-	543	65,600
Trade and other receivables	51,021	1,881	-	52,902
	116,078	1,881	543	118,502
Financial liabilities				
Borrowings	(316,319)	-	-	(316,319)
Trade and other payables	(118,620)	(33,880)	-	(152,500)
	(434,939)	(33,880)	-	(468,819)
Net financial (liabilities)/assets	**(318,861)**	**(31,999)**	**543**	**(350,317)**
Less: Net financial liabilities denominated in the respective entities' functional currencies	318,861	-	-	
Currency exposure	-	(31,999)	543	

34. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The Group and Company monitor the currency exposure and enter into currency forwards where appropriate based on anticipated payments. The Group and Company close off their open positions at each period end. The average currency exposure during each quarter is approximately S$31.6 million.

If the SDR changes against the SGD by 2% (2007: 2%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	2008		2007	
	INCREASE/(DECREASE)			
	PROFIT AFTER TAX S$'000	EQUITY S$'000	PROFIT AFTER TAX S$'000	EQUITY S$'000
Group				
SDR against SGD				
- strengthened	(483)	(483)	(480)	(480)
- weakened	483	483	480	480
Company				
SDR against SGD				
- strengthened	(483)	(483)	(480)	(480)
- weakened	483	483	480	480

(ii) Cash flow and fair value interest rate risks

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

The Group's policy is to minimise the interest expense consistent with maintaining an acceptable level of exposure to interest rate fluctuations. A target mix of fixed and floating debts based on the assessment of interest rate trends is used to achieve this objective. The Group is exposed to fair value interest rate risk from its fixed rate bonds. The Group has entered into interest rate swaps that are fair value hedges for the fixed rate bonds. The Group's exposure to cash flow interest rate risks arises mainly from fixed-to-floating interest rate swaps. The Group manages these cash flow interest rate risks using floating-to-fixed interest rate swaps.

The Group's and Company's fixed-to-floating interest rate swaps are denominated in SGD. If the SGD interest rates increase/decrease by 0.50% (2007: 0.50%) with all other variables including tax rate being held constant, the profit after tax will be lower/higher by S$513,000 (2007: S$308,000).

34. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level. The Group and the Company have no significant concentrations of credit risk.

The Group and Company, except for a subsidiary whose business is to provide small loans to customers on the security of pawned articles, do not hold any collateral. The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	COMPANY	
	2008 S$'000	**2007 S$'000**
Corporate guarantee to financial institutions on an associated company's loan	**2,472**	-

The Group's and Company's major classes of financial assets are bank deposits and trade receivables.

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

	GROUP		COMPANY	
	2008 S$'000	**2007 S$'000**	**2008 S$'000**	**2007 S$'000**
By geographical areas				
Singapore	**64,874**	55,354	**46,339**	36,373
Other countries	**5,160**	5,603	**3,999**	5,037
	70,034	60,957	**50,338**	41,410
By types of customers				
Related parties	**4,390**	3,444	**13,097**	10,466
Non-related parties:				
- Government bodies	**5,925**	3,868	**4,870**	3,220
- Banks	**11,413**	11,145	**6,386**	6,103
- Overseas postal administrations	**2,294**	1,881	**2,294**	1,881
- Other companies	**46,012**	40,619	**23,691**	19,740
	70,034	60,957	**50,338**	41,410

34. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

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

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

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

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

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

	GROUP		COMPANY	
	2008 S$'000	**2007 S$'000**	**2008 S$'000**	**2007 S$'000**
Past due 0 to 3 months	**17,194**	16,078	**14,914**	10,472
Past due over 3 months	**2,503**	2,890	**1,389**	2,467
	19,697	18,968	**16,303**	12,939

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

	GROUP		COMPANY	
	2008 S$'000	**2007 S$'000**	**2008 S$'000**	**2007 S$'000**
Gross amount	**4,695**	1,403	**4,682**	1,400
Less: Allowance for impairment	**(503)**	(451)	**(491)**	(448)
	4,192	952	**4,191**	952
Beginning of financial year	**451**	406	**448**	406
Allowance made	**168**	275	**150**	172
Allowance reversed	**(48)**	(67)	**(39)**	-
Allowance utilised	**(68)**	(163)	**(68)**	(130)
End of financial year	**503**	451	**491**	448

34. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk

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

	LESS THAN 1 YEAR S$'000	BETWEEN 1 AND 2 YEARS S$'000	BETWEEN 2 AND 5 YEARS S$'000	OVER 5 YEARS S$'000
Group				
At 31 March 2008				
Favourable interest rate swaps	1,840	2,992	8,975	1,496
Unfavourable interest rate swaps	(546)	(690)	(2,070)	(345)
Trade and other payables	(164,918)	-	-	-
Borrowings	(9,390)	(9,390)	(28,170)	(304,695)
	(173,014)	(7,088)	(21,265)	(303,544)
At 31 March 2007				
Favourable interest rate swaps	1,786	412	1,237	618
Unfavourable interest rate swaps	(1,421)	(872)	(2,616)	(1,308)
Trade and other payables	(150,910)	-	-	-
Borrowings	(9,390)	(29,390)	(28,170)	(314,085)
	(159,935)	(29,850)	(29,549)	(314,775)
Company				
At 31 March 2008				
Favourable interest rate swaps	1,840	2,992	8,975	1,496
Unfavourable interest rate swaps	(546)	(690)	(2,070)	(345)
Trade and other payables	(166,329)	-	-	-
Borrowings	(9,390)	(9,390)	(28,170)	(304,695)
	(174,425)	(7,088)	(21,265)	(303,544)
At 31 March 2007				
Favourable interest rate swaps	1,786	412	1,237	618
Unfavourable interest rate swaps	(1,421)	(872)	(2,616)	(1,308)
Trade and other payables	(152,500)	-	-	-
Borrowings	(9,390)	(29,390)	(28,170)	(314,085)
	(161,525)	(29,850)	(29,549)	(314,775)

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

34. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Capital risk

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

Management monitors capital based on gearing ratio. The Group and Company aim to sustain a strong investment-grade credit profile and the strategy, which was unchanged from 2007, is to maintain gearing ratios within 200%.

The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings less cash and cash equivalents.

	GROUP		COMPANY	
	2008 S$'000	**2007 S$'000**	**2008 S$'000**	**2007 S$'000**
Net debt	**197,935**	247,338	**201,632**	250,719
Total equity	**225,584**	189,160	**209,733**	177,581
Gearing ratio	**88%**	131%	**96%**	141%

The Group and Company have no externally imposed capital requirements for the financial year ended 31 March 2008.

35. RELATED PARTY TRANSACTIONS

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

(a) Sales and purchases of goods and services

	GROUP	
	2008 S$'000	2007 S$'000
Services rendered to companies related by a substantial shareholder	**19,386**	21,143
Services received from companies related by a substantial shareholder	**2,077**	2,510
Services received from a joint venture company	**19,926**	18,941

During the financial year ended 31 March 2008, the Company made payments on behalf of subsidiaries totalling S$6.1 million (2007: S$6.7 million) which were subsequently reimbursed.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	GROUP	
	2008 S$'000	2007 S$'000
Salaries and other short-term employee benefits	**3,665**	3,091
Post-employment benefits – contribution to CPF	**53**	45
Termination benefits	**161**	-
Share-based staff costs	**480**	412
	4,359	3,548

Included in the above is total compensation to directors of the Company amounting to S$639,094 (2007: S$594,646).

The banding of directors' remuneration is disclosed in Note 1 of SGX Listing Manual Requirements.

36. 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
2008						
Revenue:						
- External	364,814	68,139	39,642	-	-	472,595
- Inter-segment	437	490	21,983	-	(22,910)	-
	365,251	68,629	61,625	-	(22,910)	472,595
Other gains (net)						
- Rental, property-related and miscellaneous income						
- External	647	23	553	30,993	-	32,216
- Inter-segment	-	-	-	34,923	(34,923)	-
	647	23	553	65,916	(34,923)	32,216
Segment results	141,476	10,547	10,066	13,239	-	175,328
Interest income						1,021
Finance expense						(9,017)
Share of profit of associated companies and joint ventures	8,200	-	-	-	-	8,200
Profit before income tax						175,532
Income tax expense						(25,758)
Total profit						149,774
Segment assets	85,043	12,264	62,026	427,998	-	587,331
Investment in net assets of associated companies and joint ventures	91,586	-	-	-	-	91,586
Unallocated assets						68,475
Consolidated total assets						747,392
Segment liabilities	69,288	11,250	52,586	25,181	-	158,305
Unallocated liabilities						363,503
Consolidated total liabilities						521,808
Capital expenditure	3,708	1,898	3,545	3,685	-	12,836
Depreciation	6,794	1,416	1,809	16,320	-	26,339
Amortisation	36	-	-	-	-	36
Impairment of receivables, property, plant and equipment, and other non-current asset	97	13	3	5,060	-	5,173

36. SEGMENT INFORMATION (cont'd)

Primary reporting format – business segments (cont'd)

	MAIL S$'000	LOGISTICS S$'000	RETAIL S$'000	OTHERS S$'000	ELIMINATIONS S$'000	GROUP S$'000
2007						
Revenue:						
- External	338,164	63,352	34,529	-	-	436,045
- Inter-segment	260	944	21,113	-	(22,317)	-
	338,424	64,296	55,642	-	(22,317)	436,045
Other gains (net)						
- Rental, property-related and miscellaneous income						
- External	103	85	375	26,078	-	26,641
- Inter-segment	-	-	-	33,114	(33,114)	-
	103	85	375	59,192	(33,114)	26,641
Segment results	134,597	10,376	9,518	14,774	-	169,265
Interest income						1,279
Finance expense						(10,681)
Share of profit of associated company and joint ventures	6,554	-	-	-	-	6,554
Profit before income tax						166,417
Income tax expense						(26,160)
Total profit						140,257
Segment assets	81,256	9,807	57,068	455,104	-	603,235
Investment in net assets of associated company and joint ventures	87,184	-	170	-	-	87,354
Unallocated assets						28,726
Consolidated total assets						719,315
Segment liabilities	63,852	11,207	52,104	17,505	-	144,668
Unallocated liabilities						385,487
Consolidated total liabilities						530,155
Capital expenditure	3,196	666	1,265	3,366	-	8,492
Depreciation	5,936	1,599	1,800	16,204	-	25,539
Amortisation	36	-	-	-	-	36
Impairment of receivables	172	23	5	8	-	208

36. SEGMENT INFORMATION (cont'd)

Primary reporting format – business segments (cont'd)

At 31 March 2008, the Group is organised into three main business segments:

- **Mail** – Mail division provides comprehensive services for collecting, sorting, transporting and distributing domestic and international mail as well as sale of philatelic products. International mail service covers the handling of incoming international mail from, and outgoing international mail to, foreign postal administrations as well as via a global cross-border network through Spring (G3 Worldwide group of companies). Mail division also offers ePost hybrid mail service which integrates electronic data communication with traditional mail.

- **Logistics** – Logistics division provides domestic and international door-to-door delivery services, including express services (Speedpost), shipping services at vPOST ("virtual post") internet portal and warehousing, fulfilment and distribution services.

- **Retail** – Retail division provides a wide variety of products and services beyond the scope of traditional postal services, including agency and remittance services as well as financial services. The three principal distribution channels are: post offices, authorised postal agencies and stamp vendors; self-service automated machines ("SAMs"); and vPOST internet portal for bill presentment / payment.

Other operations mainly comprise the balance of the Group's operations including the provision of commercial property rental, none of which constitutes a separately reportable segment.

Inter-segment transactions are recorded at their transacted prices which are generally at fair values. Unallocated costs represent income tax expense and net finance expense. Segment assets consist primarily of receivables, property, plant and equipment and investments and exclude assets managed at the corporate level such as cash and cash equivalents. Segment liabilities comprise operating liabilities and exclude corporate borrowings, current tax liabilities and deferred taxation. Capital expenditure comprises additions to property, plant and equipment.

Secondary reporting format – geographical segments

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

37. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group for accounting periods beginning on or after 1 April 2008 or later periods and which the Group has not early adopted. The Group's assessment of the impact of adopting those standards, amendments and interpretations that are relevant to the Group is set out below:

(a) FRS 108 Operating Segments (effective for annual periods beginning on or after 1 January 2009).

FRS 108 supercedes FRS 14 Segment Reporting and requires the Group to report the financial performance of its operating segments based on the information used internally by management for evaluating segment performance and deciding on allocation of resources. Such information may be different from the information included in the financial statements, and the basis of its preparation and reconciliation to the amounts recognized in the financial statements shall be disclosed.

The Group will apply FRS 108 from 1 April 2009 and provide comparative information that conforms to the requirements of FRS 108. The Group expects the new operating segments to be substantially the same as the business segments currently disclosed.

(b) Revised FRS 23 Borrowing Costs (effective for annual periods beginning on or after 1 January 2009).

The revised standard removes the option to recognise immediately as an expense borrowing costs that are attributable to qualifying assets, except for those borrowing costs on qualifying assets that are measured at fair value or inventories that are manufactured or produced in large quantities on a repetitive basis.

The Group will apply the revised FRS from 1 April 2009. The revised standard is not expected to have any impact on the Group.

38. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 2 May 2008 in accordance with a resolution of the Board of Directors of Singapore Post Limited.

39. LISTING OF COMPANIES IN THE GROUP

NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	PERCENTAGE OF EFFECTIVE EQUITY HELD BY THE GROUP 2008 %	2007 %	COST OF INVESTMENT 2008 S$'000	2007 S$'000
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 Services Sdn Bhd. (5)	Electronic printing and despatching services	Malaysia	**70.00**	70.00	**46**	46
DataPost (HK) Pte Limited (6)	Electronic printing and enveloping services	Hong Kong	**70.00**	70.00	**969**	-
					1,015	46
ASSOCIATED COMPANIES						
Held by the Company						
G3 Worldwide Mail N.V.(7)	Provision of cross-border mail	Netherlands	**24.50**	24.50	**80,922**	80,922
Held by a subsidiary						
GPN Asia Pte. Ltd.	Print-on-demand business	Singapore	**20.00**	-	**412**	-

39. LISTING OF COMPANIES IN THE GROUP (cont'd)

NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	PERCENTAGE OF EFFECTIVE EQUITY HELD BY THE GROUP 2008 %	2007 %	COST OF INVESTMENT 2008 S$'000	2007 S$'000
JOINT VENTURES						
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]	Collection, receipt, sortation and delivery of cross-border mail	Singapore	**62.25**	62.25[1]	**[2]**	[2]
					2,450	2,450
Held by subsidiaries						
Mail Boxes Exchange (MBE) Pte Ltd [4]	Provision of business and communication services	Singapore	**50.00**	50.00	**-**	400
ePDS, Inc. [8]	Provision of electronic printing and despatching services	Philippines	**33.45**	33.45	**318**	208
Thai British DPost Company Limited [9]	Provision of laser printing and enveloping services	Thailand	**34.30**	-	**827**	-
					1,145	608

39. LISTING OF COMPANIES IN THE GROUP (cont'd)

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 ventures because it exercises joint control.

(4) Struck off from the Register of Companies with effect from December 2007.

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

(5) Audited by Roger, Yue, Tan and Associates, Malaysia

(6) Audited by Wing On CPA & Associates, Hong Kong

(7) Audited by PricewaterhouseCoopers N.V.

(8) Audited by SyCip Gorres Velayo & Co, Philippines

(9) Audited by KPMG Phoomchai Audit Ltd, Thailand

SGX LISTING MANUAL REQUIREMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

1 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 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.

2 INTERESTED PERSON TRANSACTIONS

During the financial year ended 31 March 2008, the following interested person transactions were entered into by the Group:

	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS DURING THE FINANCIAL PERIOD (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$100,000)	
	2008 S$'000	2007 S$'000	2008 S$'000	2007 S$'000
Sales				
Singapore Airlines Limited and its associates	-	-	**2,562**	4,229*
Singapore Telecommunications Limited and its associates	-	-	**5,011**	15,160*
Starhub Ltd and its associates	-	-	**1,994***	-
Temasek Holdings (Private) Limited and its associates	-	-	**5,518***	885
	-	-	**15,085**	20,274
Purchases				
CapitaMall Trust and its associates	-	-	**314***	-
PowerSeraya Limited and its associates	-	-	**6,840**	12,271*
Singapore Airlines Limited and its associates	-	-	-	2,613*
Singapore Telecommunications Limited and its associates	-	-	**595***	1,175*
Temasek Holdings (Private) Limited and its associates	-	-	**970***	862*
	-	-	**8,719**	16,921
Total interested person transactions	-	-	**23,804**	37,195

Note

All the transactions set out in the above tables were based on the Group's interested person transactions register. They were either based on contractual values for the duration of the contracts (which may vary from 1 month to 3 years) or annual values for open-ended contracts.

* Include contracts of duration exceeding one year.

SHAREHOLDING STATISTICS

AS AT 13 MAY 2008

NUMBER OF SHARES IN ISSUE
1,924,545,068

CLASS OF SHARES
Ordinary Shares

NUMBER OF SHAREHOLDERS
20,039

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	-	500,025,817 [1]
Singapore Telecommunications Limited	494,000,000	-
The Capital Group Companies, Inc.	-	230,443,000 [2]

Notes

(1) Deemed through its subsidiary, Singapore Telecommunications Limited and its associated company, DBS Group Holdings Ltd.

(2) Deemed through BBH Dublin, DBS Bank, DBS Nominees Pte. Ltd., Deutsche Bank AG (Hong Kong), Development Bank of Singapore Ltd, Raffles Nominees Pte. Ltd. and United Overseas Bank Nominees Pte. Ltd.

ANALYSIS OF SHAREHOLDINGS

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1 – 999	18	0.09	3,500	0.00
1,000 – 10,000	15,968	79.68	63,357,782	3.29
10,001 – 1,000,000	4,018	20.05	208,673,190	10.84
1,000,001 and above	35	0.18	1,652,510,596	85.87
	20,039	100.00	1,924,545,068	100.00

SHAREHOLDING STATISTICS

AS AT 13 MAY 2008

MAJOR SHAREHOLDERS LIST
(As shown in the Register of Members)

NO.	NAME	NO. OF SHARES HELD	% OF ISSUED SHARE CAPITAL
1	Singapore Telecommunications Limited	494,000,000	25.67
2	DBS Nominees Pte Ltd	368,758,049	19.16
3	HSBC (Singapore) Nominees Pte Ltd	214,813,172	11.16
4	DBSN Services Pte Ltd	209,700,784	10.90
5	Citibank Nominees Singapore Pte Ltd	172,952,909	8.99
6	United Overseas Bank Nominees Pte Ltd	56,773,265	2.95
7	Raffles Nominees Pte Ltd	44,600,419	2.32
8	DB Nominees (S) Pte Ltd	22,492,347	1.17
9	Morgan Stanley Asia (Singapore) Securities Pte Ltd	13,686,859	0.71
10	Merrill Lynch (Singapore) Pte Ltd	5,148,605	0.27
11	Oversea Chinese Bank Nominees Pte Ltd	3,725,000	0.19
12	OCBC Nominees Singapore Pte Ltd	3,674,000	0.19
13	Teo Yew Hwa	3,282,099	0.17
14	Peh Kwee Chim	3,093,641	0.16
15	UOB Kay Hian Pte Ltd	2,766,000	0.14
16	OCBC Securities Private Ltd	2,567,840	0.13
17	Sarasin-Rabo Nominees (S) Pte Ltd	2,275,000	0.12
18	BNP Paribas Nominees Singapore Pte Ltd	2,154,000	0.11
19	SHAW Investments (1988) Pte Ltd	2,000,000	0.10
20	Tang Wee Loke	2,000,000	0.10
21	The Shaw Foundation Pte	2,000,000	0.10
		1,632,463,989	84.81

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 13 May 2008, approximately 61.95% 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.

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE POST LIMITED (INCORPORATED IN THE REPUBLIC OF SINGAPORE) COMPANY REGISTRATION NUMBER: 199201623M

NOTICE IS HEREBY GIVEN THAT THE 16TH 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 Monday, 30 June 2008 at 10.30 a.m. to transact the following businesses:-

ORDINARY BUSINESS

1. To receive and adopt the Audited Accounts for the financial year ended 31 March 2008, and the Directors' Report and Independent Auditor's Report thereon. (Resolution 1)

2. To declare a final tax exempt 1-tier dividend of 2.5 cents per ordinary share in respect of the financial year ended 31 March 2008. (Resolution 2)

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

   (a) Mr Lim Ho Kee(1) (Resolution 3)
   (b) Mr Kenneth Michael Tan Wee Kheng(1) (Resolution 4)
   (c) Mr Tan Yam Pin(1) (Resolution 5)

   Mr Kenneth Tan and Mr Tan Yam Pin will, upon re-election as directors of the Company, remain as members 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 retire in accordance with Article 97 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:

   (a) Mr Lim Eng(1) (Resolution 6)
   (b) Mr Wilson Tan Wee Yan(1) (Resolution 7)

5. To approve directors' fees payable by the Company of S$636,006 for the financial year ended 31 March 2008 (2007: S$594,646). (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.

NOTES
(1) Detailed information about these directors can be found in the "Corporate Governance Report" section of the Company's Annual Report 2007/08.

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 total number of issued shares (excluding treasury shares) in the 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 total number of issued shares (excluding treasury shares) in the 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 shares shall be based on the total number of issued shares (excluding treasury shares) in the 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 bonus issue or 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 number of issued shares (excluding treasury shares) in the capital of the Company from time to time. (Resolution 11)

BY ORDER OF THE BOARD

Leong Chee Sian (Ms)
Company Secretary
Singapore
12 June 2008

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 total number of issued shares (excluding treasury shares) in the 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 shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company 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 bonus issue or 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 total number of issued shares (excluding treasury shares) in the 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 total number of issued shares in the capital of the Company, Resolution 11 provides for a lower limit, namely, 5 per cent of the total number of issued shares (excluding treasury shares) in the 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.

NOTICE OF BOOKS CLOSURE

SINGAPORE POST LIMITED (INCORPORATED IN THE REPUBLIC OF SINGAPORE) COMPANY REGISTRATION NUMBER: 199201623M

NOTICE IS ALSO HEREBY GIVEN THAT the Transfer Book and Register of Members of the Company will be closed on 7 July 2008 for the preparation of dividend warrants. Duly completed registrable transfers of ordinary shares 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 4 July 2008 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 4 July 2008 will be entitled to the proposed final net dividend. Payment of the dividend, if approved by members at the 16th Annual General Meeting, will be made on 18 July 2008.

BY ORDER OF THE BOARD

Leong Chee Sian (Ms)
Company Secretary
Singapore
12 June 2008

SINGAPORE POST LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 199201623M

IMPORTANT

1. For investors who have used their CPF monies 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.

ANNUAL GENERAL MEETING PROXY FORM

I/We ______________________________ NRIC No./Passport 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 16th 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 Monday, 30 June 2008 at 10.30 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 Independent Auditor's Report		
2.	To declare a final tax exempt 1-tier dividend of 2.5 cents per ordinary share		
3.	To re-elect Mr Lim Ho Kee as director		
4.	To re-elect Mr Kenneth Michael Tan Wee Kheng as director		
5.	To re-elect Mr Tan Yam Pin as director		
6.	To re-elect Mr Lim Eng as director		
7.	To re-elect Mr Wilson Tan Wee Yan as director		
8.	To approve directors' fees payable by the Company		
9.	To appoint Auditors of the Company 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		
12.	Any other business		

Dated this ____________ day of ____________ 2008

TOTAL NUMBER OF SHARES HELD	

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

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Secretariat

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(Co. Reg. No. 199201623M)
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Singapore 408600

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IMPORTANT:

PLEASE READ THE FOLLOWING NOTES TO THE PROXY FORM

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

Singapore Post Limited
10 Eunos Road 8
Singapore Post Centre
Singapore 408600
Tel: +65 6841 2000
Email: singpost@singpost.com
Web: www.singpost.com

Company Secretary

Leong Chee Sian (Ms)

SHARE REGISTRAR

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

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Audit Partner

Trillion So (Ms)
Appointed with effect from financial year ended 31 March 2008

REGISTERED OFFICE
Singapore Post Limited
Co. Reg. No.: 199201623M
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Singapore Post Centre
Singapore 408600