every day matters

2008/09 annual report

Singapore POST

Our Vision

To be a world-class provider of consumer services focusing on mail, logistics and retail solutions in the region

Contents


Every day we make the day
a little brighter,


help fulfill
promises on time,


make life that much
more convenient,
MORE


and help secure
the future of tomorrow.

At SingPost, every day

Monday
9:30am

Tuesday
1:00pm

Wednesday
11:00am

Thursday
9:15pm

matters

Every day our employees walk through our doors knowing that they will be able to touch someone's life, do something meaningful, and in the process, enhance the day and add value to the lives of millions.

Friday
3:35pm

Saturday
11:15pm

Sunday
6:50pm

Letter to Shareholders

Dear Shareholders,

FY2008/09 REPORT

2008 was an eventful year, with tumultuous developments in the US financial system leading to the current global economic meltdown. Singapore with its open economy and heavy reliance on world trade was hard hit.

The SingPost Group is not immune to the current economic fallout.

In the first half of the financial year ended 31 March 2009, we were still riding on the wave of economic buoyancy. As expected, the Group's second half results reflected the subsequent drastic turn in the economy. For the full year, the Group recorded revenue of S$481.1 million, an increase of 1.8 per cent over FY2007/08.

The Group's net profit was marginally lower by 0.3 per cent from S$149.3 million to S$148.8 million. Excluding the benefits from the Singapore government's budget relief measures as well as other one-off items, the Group's underlying net profit was S$146.9 million, an increase of 4.9 per cent.

Despite the adverse economic environment, the Group remained in robust financial condition. Cash flow remained steady, with free cash flow of S$155.9 million generated in FY2008/09. Net debt to equity ratio was low at 0.64 times. The Group's financial indicators were maintained at healthy levels – return on average equity (ROAE) was 61.8 per cent while return on invested capital (ROIC) was 27.4 per cent.

MOVING FORWARD

The current recession, with its scale and impact, is unprecedented. Unlike previous crises such as the Asian financial crisis in 1997/98 and the downturn caused by the severe acute respiratory syndrome (SARS) in 2002/03, the impact of this turbulence is far reaching, hitting almost all sectors of the world economy – across markets, industries and countries. In Singapore, the Government has forecast a contraction of 6 to 9 per cent in the economy. We expect a period of hardship for the economy and businesses, including SingPost.

Addressing Challenges from Recession

A key area of SingPost's attention has been the review of the Group's business plans and strategies. There has been pressure across the organisation to urgently adapt and drive performance in an increasingly difficult operating climate. The rising external challenges called for a quick adaptation of our business.

We have been aligning our capacity and resources to the level of demand from the market. In manpower resource management, we are regulating the temporary and contract labour content in proportion to business activities and volumes. The hiring freeze imposed in the last quarter of last year remains in place. Redesign of jobs and functions is on-going to further improve productivity. We have also been enhancing processes in our operations for optimal efficiency and productivity.

Intensified cost management is a critical focus area. While cost control has always been a key tenet of SingPost, even greater discipline and measures have been applied in an austerity drive. Discretionary expenses have been cut and volume-related expenses are reduced in tandem with slower business traffic.

The Singapore government's relief measures to help companies under this grim business climate are certainly appreciated, in particular the Jobs Credit Scheme. This will continue to help provide some relief to our labour costs in FY2009/10.

While we focus on keeping the Group lean and efficient, we also view innovation as a means of creating greater value for and differentiating ourselves to customers and stakeholders in these difficult times. In FY2008/09, the Group introduced new offerings such as mail product, *A.M. Mail*, and warehousing service, S^3, and various retail and financial products and services. We will continue to think about new ways to enhance our offerings to customers. We also work hard at competing in the liberalised market.

Good Position to Ride Out Recession

We believe that there is a degree of resilience in our business. The Group is lean and flexible to navigate and ride through the tough times. The measures that are in place will help to put it on a firm footing for the challenges and opportunities ahead.

Financially, the Group is in a strong position to weather the downturn. The sole debt on the balance sheet is the S$300 million 10-year bond maturing in 2013, while cash balance amounted to S$139.5 million as at 31 March 2009, up from S$104.1 million the previous year.

Maintaining Strategic Focus on Growth

It is important to highlight that while we look at ways to address the challenges thrown up by the external environment, we are not taking our eyes off our strategic focus on growth. The key objective of creating and enhancing shareholder value remains our utmost priority.

We believe that new opportunities for growth will arise in these times. These may be in organic growth or through partnerships, mergers and acquisitions, either in Singapore or the Asia Pacific region. We are actively reviewing opportunities for growth to ensure that SingPost emerges from the downturn in an even stronger position.

Subsequent to the financial year-end, in April 2009, we acquired the remaining 50 per cent stake of our joint venture, G3 Worldwide Aspac Pte Ltd, giving us full control over an established regional operator. This move strengthens our footprint in Asia Pacific and gives us a ready platform to further expand and extend our core competencies into the region.

While our mainstay mail business continues to be strong, in the longer run, we need to reduce our dependence on mail business.

DIVIDENDS

In view of the Group's healthy cash flows, the Board is recommending a final dividend of 2.5 cents per share for FY2008/09. Together with the interim dividend payments of 1.25 cents per share for each of the first three quarters of the financial year, the proposed total dividend for FY2008/09 would amount to 6.25 cents per share.

We will endeavour, barring unforeseen circumstances, to maintain a minimum annual dividend payout of 5 cents per share. This will continue to be paid out quarterly.

SOCIAL RESPONSIBILITY

Social stewardship is an integral element in the Group's corporate philosophy. We continually develop and drive initiatives to look after the interests of our staff and the community in which we operate.

In FY2008/09, the Group set up a Workplace Health, Environment, Safety and Security committee to promote environmental protection and health, safety and security at work among staff and customers. Among our charity initiatives during the year was the adoption of a local charitable organisation, where we leveraged our strength in collection and delivery to distribute food to the needy and facilitated corporate volunteerism. On the donations front, dollar-for-dollar matches were made by the Group for donations by the Board and staff for victims of the natural disasters in China and Myanmar.

As a responsible corporate citizen, SingPost has a long-term commitment to all stakeholders and the larger community. Our commitment remains unchanged even in tough times.

APPRECIATION

We are going through difficult times and all signs point to protracted weakness in the business environment. I would like to extend my heartfelt gratitude and appreciation to the following groups of people who have been instrumental in helping SingPost cope with the difficult conditions: the Union for their collaboration and support, our customers and partners for their support and our staff for their dedication, commitment and sacrifices.

I especially thank our Directors for their counsel and strategic guidance in these trying times. My sincere appreciation goes to Mr Ong Ah Heng, who is stepping down as director at the 17th Annual General Meeting on 30 June 2009, for his contributions as a member of the SingPost Board since 19 November 1999.

Finally, I thank you, our shareholder, for your faith and belief in SingPost. With the support of all our stakeholders, I am confident that SingPost will get through this difficult period in good shape.

Sincerely,

Lim Ho Kee
Chairman

Board of Directors

1. Lim Ho Kee
2. Wilson Tan Wee Yan
3. Timothy Chia Chee Ming
4. Lee Chong Kwee
5. Lim Eng
6. Ong Ah Heng
7. Kenneth Michael Tan Wee Kheng
8. Tan Yam Pin
9. Keith Tay Ah Kee

Corporate Calendar

April 2008

SingPost was bestowed the National Heritage Board's Patron of Heritage Award, for the second year, for its ongoing contributions to Singapore's stamp heritage and development.

We collaborated with Royal Bank of Scotland (formerly ABN AMRO) to distribute *PostLine*, a new personal line of credit.

Five key e-services by the Immigration and Checkpoints Authority were made available at post offices, providing customers greater convenience.

SingPost introduced the world's first beaded stamp, bringing to life the exquisite colours and textures of traditional Peranakan beadwork.

June 2008

SingPost matched our staff contributions dollar-for-dollar to raise S$145,000 for the victims in disaster-stricken Myanmar and China.

We adopted Food from the Heart, helping to collect and deliver unsold bread and pastries from participating hotels and confectioneries to self-collection centres for needy beneficiaries.

A set of stamps celebrating Singapore's winning bid to host the inaugural Youth Olympic Games in 2010 was released.

July 2008

vPOSTEUROPE, another *vPOST* online shopping and shipping service, was introduced.

SingPost and Macao Post issued their first joint stamp, featuring popular local dishes of Singapore and Macao.

August 2008

SingPost won the ASEAN Energy Award 2008 for its energy-efficient green building.

We held the National Day Observance Ceremony and NTUC Learning Journey with NTUC Women's Development Secretariat.

We issued the *XXIX Olympiad Games* stamp issue, featuring popular Olympic sports in Singapore namely table tennis, sailing, shooting and badminton.

September 2008

SingPost was ranked fifth in innovation, for efficiency and late opening hours in the Wall Street Journal Asia Readers Survey for Asia's 200 most-admired companies: Singapore.

SingPost and Philippine National Bank offered real-time remittance to the Philippines at 51 designated post offices.

DMrocket won the Silver Award and Local Hero Award in the "Direct Marketing Agency of the Year" category at the Marketing Magazine Agency Awards.

We launched an exciting range of *2008 Formula 1 Singapore Grand Prix*™ stamp products to commemorate Singapore's first-ever Formula One Race and Formula One's first night race.

October 2008

SingPost was the runner-up for the Most Transparent Company Award for the Services/Utilities/Agriculture Category at the Securities Investors Association (Singapore) 9th Investors' Choice Awards 2008.

Fifty-seven SingPost staff won SPRING Singapore's Excellent Service Awards 2008 for their outstanding service.

Singapore hosted the 15th ASEAN Postal Business Meeting.

We introduced a new mobile post office, Post-on-Wheels or *PoWee* at Changi Airport, offering an innovative customer experience.

A set of stamps tracing the changing phases of Singapore's Postal Services from 1858 to 2008 was issued.

November 2008

A joint stamp issue on the fruits of Singapore and Viet Nam was launched to commemorate the 35th anniversary of diplomatic relations between the two countries since 1973.

SingPost presented FM S.H.E *MyStamp* gift set, making Mandopop's top girl band, S.H.E the first overseas artiste to be featured on Singapore's stamps.

December 2008

SingPost introduced a new innovative service, *A.M. Mail* - a time-certain service using prepaid envelopes that offers an earlier delivery time for mail.

A beautiful and colourful coffee table-sized book, *The 2008 Collection of Singapore Stamps,* encapsulating key events of the year was released.

February 2009

SingPost launched S^3 (Self Storage Solutions), offering professionally managed state-of-the-art storage facilities.

We opened Pioneer Post Office, bringing postal and remittance services closer to customers in the Jurong and Tuas industrial regions.

March 2009

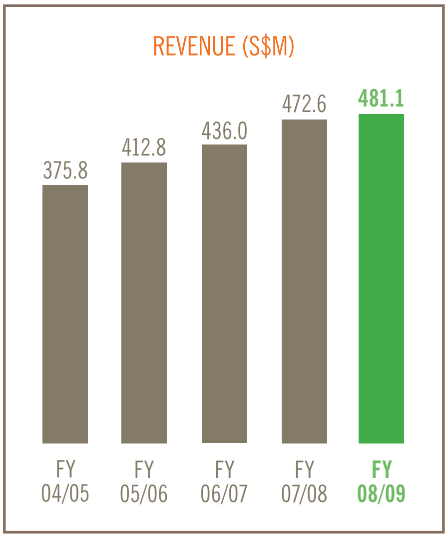
For eight consecutive years, the Universal Postal Union (UPU) bestowed on SingPost the Express Mail Service (EMS) Cooperative Certification Gold Level Award for its *Speedpost* Worldwide Courier Service.

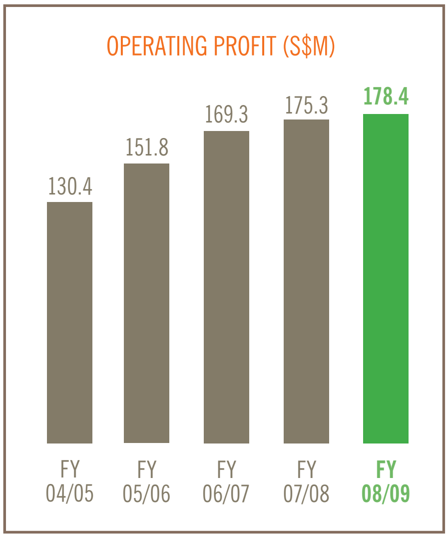
SingPost received the 2008 EMS Customer Care Award (Medium Category) from UPU for providing consistent high quality of service.

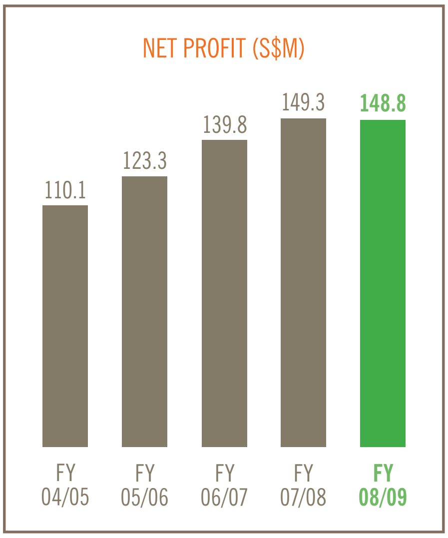
We partnered United Overseas Bank to distribute HDB Home Loans.

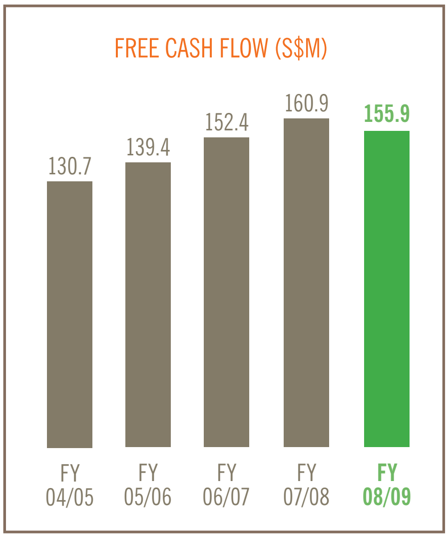
A spanking new Killiney Post Office was re-opened, offering more lifestyle products and services.

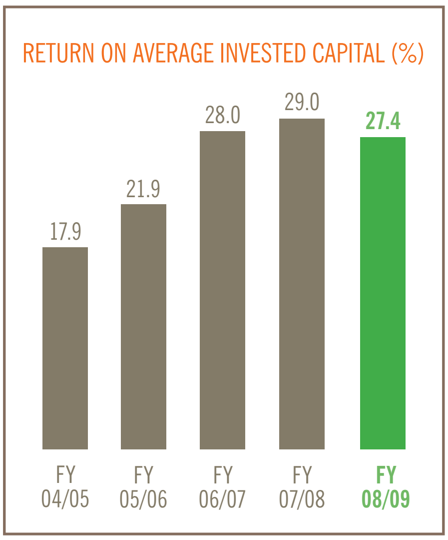
Group Financial Highlights

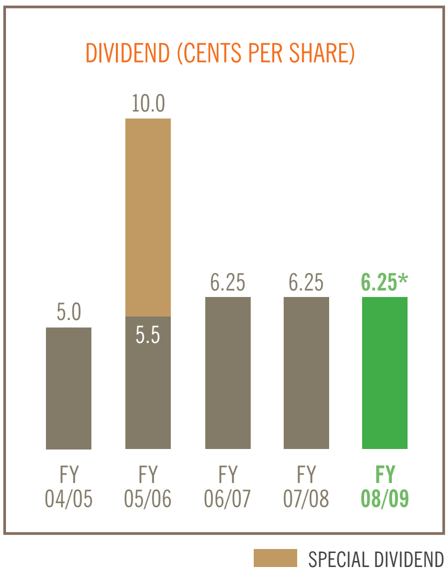








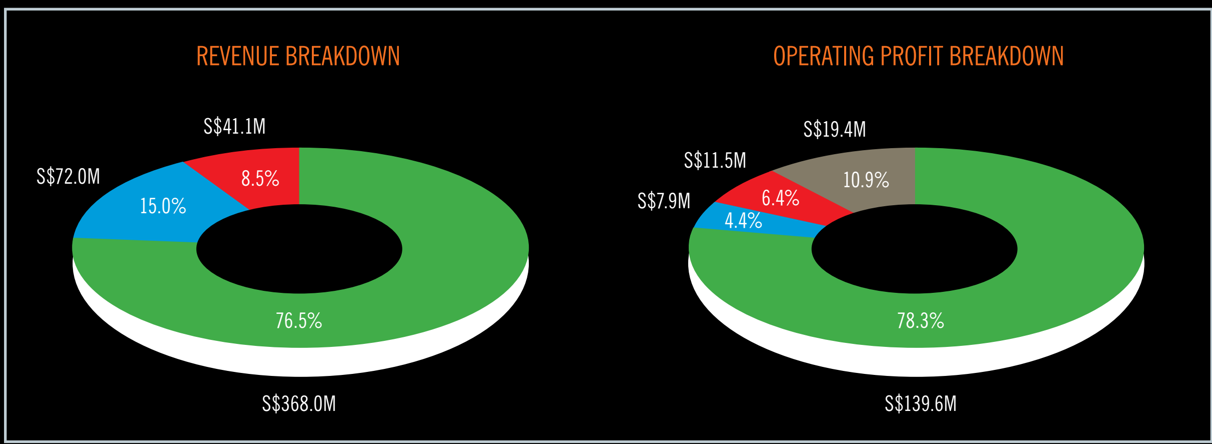




* Including proposed final dividend of 2.5 cents per share to be approved by shareholders at the AGM in June 2009

Business Review

The SingPost Group has three main operating divisions: Mail, Logistics and Retail. For the financial year ended 31 March 2009, the Group recorded revenue of S$481.1 million, of which 76.5 per cent was contributed by the core business of Mail. Logistics comprised 15.0 per cent of Group revenue, while Retail contributed the remaining 8.5 per cent. The Mail Division also accounted for the bulk of Group operating profit, at 78.3 per cent, compared to 4.4 per cent by Logistics and 6.4 per cent by Retail.



MAIL
- DOMESTIC
- INTERNATIONAL
- HYBRID
- PHILATELIC

LOGISTICS
- SPEEDPOST
- WAREHOUSING, FULFILMENT & DISTRIBUTION
- *vPOST* (SHOP & SHIP)

RETAIL
- AGENCY SERVICES
- FINANCIAL SERVICES
- *vPOST* (BILL PRESENTMENT/ PAYMENT)

OTHERS
- PROPERTY

mail

879.8mil
mail items are processed in a year

Serving about
1.47mil
households and businesses in Singapore

99%
local ordinary mail items are delivered by the next working day

Every day, we collect, process and deliver 2.8 million mail items to more than a million households and businesses in Singapore and millions more all over the world. Around the clock, supported by our advanced mail processing system, almost 2,000 postal workers keep the mail on the move, giving customers the service they have come to depend on and trust.

Mail

Delivering Greater Value

In the review year, SingPost, as Singapore's designated Public Postal Licensee (PPL) operating in a liberalised business environment, continued to create value by introducing innovative, affordable solutions and services.

A new mail service, *A.M. Mail* was rolled out in the second half of FY2008/09 to further boost customers' business efficiency and competitiveness during this difficult period.

A.M. Mail, a time-certain delivery service that bridges the gap between express mail or courier service and regular mail, was launched to cater to the needs of small- and medium-sized enterprises and the general consumer. Customers post their mail using pre-paid envelopes at any posting box and their addressees receive the mail by 11am the next business day at a very affordable rate.

DMrocket, our direct mail business, continued to collaborate with customers to improve the quality and relevancy of their marketing materials, helping them achieve good returns on their marketing investment. It enabled customers to directly communicate customised offers in the most cost-effective way. Besides targeting to increase direct mail's share of marketers' advertising spend, *DMrocket* also offers higher value direct mail with its new offset and fully personalised colour digital printing service.

DMrocket clinched the Silver award and Local Hero award in the 'Direct Marketing Agency of the Year' category at Asia's biggest agency awards, Marketing Magazine's Agency of the Year Award this year, establishing a strong presence among marketers with its one-stop shop services.

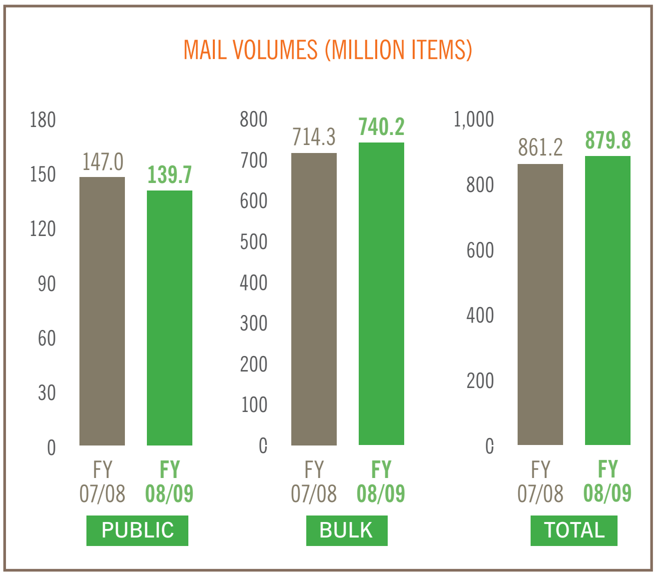
Sustaining High Service Standards and Maintaining Mail Security

Every day, we are driven to deliver our best for our customers, meeting or even exceeding their expectation for fast and reliable service.

In FY2008/09, we continued to provide customers with excellent service, surpassing the Quality of Service (QoS) standards set by the Infocomm Development Authority of Singapore (IDA). We achieved more than 99 per cent of mail delivered by the next working day within the Central Business District (CBD) and over 98 per cent outside the CBD.

In our relentless efforts to provide high quality mail service at a competitive price, we kept our productivity levels high throughout the year. Postman productivity reached an average of 3,113 items delivered per effective man-day, and mail processing officer productivity was 6,345 items sorted per effective man-day.

A.M. Mail offers a time-certain, convenient and affordable service.



SingPost has invested considerably to improve its mail handling processes.

We have also rationalised our delivery base network, reducing our nine delivery bases to eight. We will continue to give greater focus and priority to the management of costs and capacity planning to weather this economic downturn.

To enhance mail security, we replaced the traditional mechanical key and lock system with the electronic controlled key system for our 800-odd posting boxes during the year. This electronic system makes unauthorised duplication of keys impossible, further improving mail security.

Strengthening Regional Presence

In FY2008/09, we continued to provide high quality delivery service to our customers through leveraging the strong and direct relationships we have with postal administrations from over 200 countries in the Universal Postal Union (UPU) network.

Our international mail business division continues to work closely with customers to increase their worldwide distribution from Singapore, focusing on providing good after-sales services. In FY2008/09, we achieved 100 per cent of incoming mail delivered and outgoing mail despatched from Singapore by the next working day, exceeding the QoS standards set by the IDA.

By establishing Singapore as a printing and e-commerce hub for the region, we maintained our competitive position in the international mail business in spite of the challenging economic environment.

DataPost, our hybrid mail business with presence in five countries in the region, continued to provide our corporate customers with cost-efficient and complete end-to-end *ePost* services. During the year, we worked to increase our customer base in Thailand and Hong Kong where we had set up operations in the previous year.

Subsequent to the financial year-end, we consolidated our interest in the joint venture, G3 Worldwide Aspac Pte Ltd (G3AP), by acquiring the remaining 50 per cent stake. G3AP provides cross-border mail and value-added mail services in Asia Pacific and has a direct presence in 10 countries and territories in the region.

This move gives us full control over a regional operator and allows us to focus on opportunities to expand our business beyond cross-border mail and extend our core competencies in the Asia Pacific region in order to establish a bigger regional footprint.

Mail

Heads of delegations at the Opening Ceremony with ambassadors of the ASEAN countries, and Datuk Abu Huraira, ASEANPOST Chairman (4th from left), Guest-of-Honour Dr Lee Boon Yang, the then Minister for Information, Communications and the Arts (5th from left) and Mr Lim Ho Kee, SingPost Chairman (6th from left).

Fostering Greater Cooperation within the Postal Community

To support regional collaboration in postal services through ASEAN and other fora, SingPost, as Singapore's PPL, actively represented Singapore at international and regional postal events during the year.

Singapore hosted the 15th ASEAN Postal Business Meeting in October 2008, providing a platform for about 50 leaders from the postal administrations of ASEAN, China, Hong Kong, India, Japan and South Korea to explore cooperation.

This year saw Singapore being re-elected to the Postal Operations Council (POC) at the 24th UPU Congress held in Geneva, Switzerland. We were elected as the Chair of the Quality Improvement Working Group under the POC Committee 1 (Letters), and are also the Vice Chair of the Global Monitoring System Implementation Group. We are active in the Terminal Dues Working Group Steering Committee and other various working groups like the Postal Security Group. In addition, under the POC Committee 2 (Parcels), we represent Asia Pacific region in the UPU World Customs Organisation (WCO) Contact Committee. This committee looks into coordinating activities and issues between the WCO and UPU for Customs requirements.

SingPost continues to be a board member of the Asia Pacific Post (APP) Cooperative board and Office Director of the APP and Regional Technical Centre for Asia Pacific (RTCAP). The APP and RTCAP play important roles in the region. They assist member countries in improving their service quality and address operational, commercial and technical issues.

Connecting through Stamps

A total of 13 stamp issues was released, covering significant national and regional events in FY2008/09 such as the inaugural Formula 1 SingTel Singapore Grand Prix™, Singapore's winning bid to host the inaugural Youth Olympic Games in 2010, and the XXIX Olympiad Games. A stamp issue featuring *"Singapore Postal Services through the Years"* was also released during the year.

To foster and strengthen bilateral ties with other postal administrations, joint stamp issues with Macao and Viet Nam were released.

More innovative stamp designs using special printing techniques were launched in FY2008/09. We premiered the first-in-the-world beaded stamp, on which tiny caviar beads were manually affixed onto the stamp to recreate the delicate texture of the Peranakan beadwork.

SingPost has consistently exceeded the regulator's standards with more than 99% of mail delivered by the next working day within the CBD and over 98% outside the CBD.

We also added a new feature to the special Collectors' Sheet of the *Zodiac Ox* stamp. Under the offset lithography with high reflective index transparent hologram with morphing effect, apart from viewing the Ox with next year's zodiac animal, Tiger and the outgoing zodiac animal, Rat on the stamps, customers could also see two auspicious Chinese characters.

A suite of specially designed philatelic premium gift sets with attractive and unique packaging was produced, making them a perfect gift while promoting interest in philately and postal heritage. The *Destination Singapore* premium set is a series of eight stamp booklets with each featuring a famous attraction in Singapore while the *Festivals Pack* reflects Singapore's rich and vibrant multi-culture heritage.

To connect with and to reach out to the young, limited edition thematic *MyStamp* designs such as FM S.H.E *MyStamp,* DC Comics *MyStamp* and Hello Kitty *MyStamp* were launched during the year.

This stamp issue, the world's first beaded stamp, embodies the richness of the Peranakan culture.

More exciting *MyStamp* designs were launched, generating a buzz of excitement for collectors.

logistics

24.1%
increase in revenue for warehousing, fulfillment, distribution and others

8th
time winner of the EMS Cooperative Gold Level Award

Over
350,000
vPOST members enjoy its online shopping and shipping service

Every day, value and service are our top priorities as we deliver items both within Singapore and throughout the world.
We are constantly working to build our distribution capabilities and offer integrated logistics solutions that cover a wide range of value-added services including warehousing and fulfilment, and other innovative services.
Our e-commerce outfit, *vPOST* brings global shopping to customers 24 hours, every day.

Logistics

Speedpost Centre offers a comprehensive suite of delivery solutions and peripheral services, catering to retail and corporate customers.

Providing Efficient, Reliable Service

As a leading provider of delivery solutions in Singapore under its courier brand, *Speedpost*, SingPost remained focused on achieving growth in FY2008/09, with emphasis on improving service performance and developing solutions to meet its customers' needs.

During the year, we revamped our domestic courier operations network to improve overall service response and reliability. We also put in place a new scalable system which would enable SingPost to handle increasing volume at an optimal level of resource utilisation. Our efforts to boost efficiency while maintaining a high level of service helped us achieve a 10 per cent growth in traffic this year.

In addition to offering an extensive nationwide delivery network, SingPost is increasingly a key player within the region. We are constantly looking into strengthening partnership and cooperation with overseas postal administrations to provide cost-effective, efficient deliveries to more than 220 countries while broadening our wide range of product offerings.

In July 2008, SingPost joined the Kahala Posts Group (KPG) – an alliance of postal administrations from Australia, China, France, Hong Kong, Japan, Korea, Spain, the United Kingdom (UK), and the United States (US) – to leverage the network's collaborative strength and to access new growth opportunities in the cross-border delivery services. As part of the KPG alliance, we would be able to offer competitive and reliable services with guaranteed day-certain delivery and full end-to-end visibility from collection to delivery. With the impact of the recession, it is critical for us to foster closer collaboration within the KPG network and improve our day-certain international delivery service to stay competitive.

During the year, we were recognised for our relentless efforts in upholding high service standards, working closely and efficiently with postal administrations all over the world. The Universal Postal Union (UPU) awarded SingPost the Express Mail Service (EMS) Cooperative Certification Gold Level Award for its *Speedpost* Worldwide Courier Service for the eighth consecutive year since 2001 – a record among the postal administrations in the world. We also received the 2008 EMS Customer Care Award (Medium Category) from the UPU. This award aims to recognise outstanding performance in customer care, where consistent high quality of service - 95 per cent on-time replies to queries - is the base criterion.

We were once again accorded the Technology Asset Protection Association (TAPA) Class A certification for our warehousing security capabilities and ISO 9001 Certifications for process efficiency.

Satisfying Customer Needs

Our logistics expertise, combined with our efficient door-to-door distribution network, saw our warehousing and fulfilment orders grow at an encouraging pace. We continued to expand our base of customers in different industries in FY2008/09. One of our customers, the National Library Board has centralised its entire book processing and distribution functions at our Tampines hub.

During the year, we introduced services to help customers through this difficult period. The *Speedpost* Worldwide Heavy Weight Promotion offered a 30 per cent discount for shipments above 15 kg sent through *Speedpost* Worldwide Courier Service, and with *Speedpost* Saver Box Promotion, customers could save up to 35 per cent on their shipments.

Leveraging our core strength in logistics, we extended our value-added distribution and delivery solutions to a new customer segment during the year. We launched the *S^3* (Self Storage Solutions), a one-stop integrated suite of services catering to the storage needs of individuals and small- and medium-sized businesses. Competitively priced, *S^3* aims to help our customers save space, time and cost. Besides offering professionally managed state-of-the-art storage facilities, tight security and 24-hour gate access, *S^3* also provides other value-added services including rental of transportation, payment of storage extension via *vPOST* and SAM, and sale of packing materials.

We will continue to provide customers better value, one-stop products and services, catering to their needs and convenience while helping them to stay more competitive in this challenging period.

S^3 provides good value, security and convenience to customers looking for personal and business storage needs.

vPOST expands its regional reach to offer more services to customers.

Extending Retail Reach

vPOST continued to grow and expand its offerings, making online shopping more convenient for customers.

With the launch of *vPOSTEUROPE*, customers can now shop for their favourite UK brands such as Amazon UK, eBay UK and Marks and Spencer, and have their purchases shipped to them via *vPOST*.

To deliver greater value, we revised our shipping rates for *vPOSTUSA*, *vPOSTJAPAN* and *vPOSTEUROPE* in October 2008. With this revision, customers enjoy greater savings on shipping charges. We also worked with strategic partners to offer customers up to 20 per cent instant discounts on their *vPOST* shipping charges.

Through our efforts to expand our customer base, the membership of *vPOST* has increased to over 350,000 in Singapore and the region. During the year, we continued to extend our reach into the region, with strategic partnerships with PayPal in Malaysia and HSBC in Thailand enabling their customers to enjoy the benefits of online shopping via *vPOST*.

vPOST will continue to provide customers with more choices, meeting higher expectation while strengthening its position.

retail

over
22mil
transactions in a year

more than
700
touch points to serve customers conveniently

more than
200
services and products available at post offices, SAM and *vPOST*

Every day, our tri-channel network of post offices, Self-service Automated Machines (SAM) and internet portal, *vPOST* offers unrivalled access for our customers. By providing a vital and convenient network for a plethora of products and services including postal, agency and financial services, we make it easier and more convenient for customers to transact with us. Today, we are an integral part of people's lives, connecting people, businesses and government agencies with each other and with the rest of the world.

Retail

PoWee gives tourists and locals a unique postal experience at Singapore Changi Airport.

Heightening Customer Convenience

During the review year, we focused on making it easier for customers to use our tri-channel network every day. We extended the operating hours of seven post offices, namely Singapore Post Centre, Changi Airport, Chinatown Point, Geylang, Jurong Point, Killiney Road, and Lucky Plaza post offices, on weekdays as well as on Sundays.

We also brought our services closer to customers with the opening of the Pioneer Road Post Office in February 2009. This new outlet with extended operating hours provides a door-step service to foreign workers and the people in Jurong and Tuas industrial regions, catering to their postal and remittance needs on a daily basis.

To provide tourists and locals with a unique and more appealing postal experience while enhancing the convenience factor, we launched *PoWee* or Post-on-Wheels in October 2008 at Changi Airport Terminals 1 and 3. The innovative *PoWee* is the first mobile post office operating in an international airport. Two units of *PoWee* serve customers from 6am to 11pm daily.

In FY2008/09, we continued to broaden our range of products and services, introducing more choices and flexibility for customers. Leveraging our wide network of post offices strategically located in the heartlands and commercial centres, we expanded our agency services to include the transactions of passport, visa and identification card applications offered by the Immigration and Checkpoints Authority (ICA). These ICA e-services, initially available at 10 designated post offices, have been extended to all 62 post offices to provide island-wide accessibility and convenience.

We also partnered with EZ-Link Pte Ltd in the nationwide ez-link card replacement exercise to offer ez-link card exchange at our post offices, providing yet another value-added service to customers who would enjoy both the convenience and reach of the post offices.

During the year, we continued to add new services to our SAM as well as extended the number of access points to 295. New bill payment service providers on board included KK Women's and Children's Hospital, Ministry of Law and Hougang and Potong Pasir Town Councils. In addition, Maybank and United Overseas Bank (UOB) customers are able to pay their credit card bills on SAM located island-wide 24 hours a day.

Shopping was made simpler with *Shop@Post*, SingPost's quarterly direct mail order catalogue. Coinciding with its first anniversary, *Shop@Post* adopted a thematic approach for its catalogues. Catalogues for the Great Singapore Sale, the National Day, Christmas and Chinese New Year were well received, delivering convenience and value for money. Leveraging the strength of our post offices to meet consumer demand with a wide range of exclusive products, we provide our customers a convenient and unique shopping experience.

Enhancing Customer Experience

In FY2008/09, we reconfigured and re-purposed three of our outlets to re-define and extend customer experience beyond the traditional postal experience, and better serve their lifestyle needs. At Tanglin Post Office, customers enjoy shopping and banking services at the integrated retail mall. Killiney Post Office was transformed to incorporate a lifestyle restaurant operated by a partner to reach out to the younger customer segment. At Alexandra Post Office, young families patronising the child-care centre integrated into the facility can make use of the post office services with greater ease.

During the year, we also upgraded Bukit Batok, Jurong Point, and HarbourFront Centre post offices to better serve our customers in a more vibrant and conducive environment.

Meeting Financial Needs

We continued to expand the suite of financial services and investment products offered at our post offices, providing customers more and convenient funding options.

Under the financial planning service *Care-for-Life*, we introduced a new *LifeSecure Solution*, a retirement and protection solution package preparing customers for their golden years. To offer a variety of more affordable protection and saving plans, we revamped the *FamilyCover Plus*, *Saving Plus*, *Cashback Plus* and *EduCashBack Plus* products and instituted *PRU 3Plus*, a capital-protected fund for three years as an alternative to fixed deposits. We also introduced a mortgage reducing plan in January 2009 for customers, offering protection for outstanding home loans.

To widen our remittance options for customers, we collaborated with the Philippine National Bank to launch a real-time remittance service under our *CASHOME* brand, offering a fast, convenient and safe mode for customers to send cash back to the Philippines. One key milestone in FY2008/09 was the extension of remittance service touch-points to all post offices, bringing greater convenience and island-wide accessibility to customers. To bring greater ease to our customers, Visa Money Transfer and Bank Negara Indonesia remittance services were made available at 69 SAM.

We teamed up with the Royal Bank of Scotland, formerly ABN AMRO, to distribute *PostLine*, a new unsecured personal credit line product. Designed with a wide array of benefits, *PostLine* aims to help customers save costs, giving them more flexibility in their cashflow management.

We also forged a new strategic partnership with UOB to distribute HDB Home Loans at four heartland post offices - Ang Mo Kio Central, Hougang Central, Tampines Central and Toa Payoh Central post offices, enabling customers to enjoy attractive home financing.

Convenience at the doorstep: those shopping for a HDB Home Loan can do it at four selected SingPost branches in Ang Mo Kio, Hougang, Tampines and Toa Payoh Central.

In this challenging economic environment, we will continue to introduce new, attractive and innovative services and products that offer lifestyle convenience to customers, ensuring the post office's relevance to the community as a vital and convenient network for connecting customers, businesses, financial institutions and government agencies.

Corporate Social Responsibility
& Human Resources

SingPost touches countless lives every day through its mail, logistics and retail services. We remain committed to all our stakeholders: our customers whom we serve, our shareholders and business partners who have put their faith in us, our employees on whom our success is built and the larger community in which we operate.

As a responsible corporate citizen, we develop and drive initiatives that create value and contribute to the well-being of our stakeholders.

Adopting a Charity

In June 2008, SingPost adopted Food from the Heart (FFTH), a registered, non-profit charitable organisation that runs voluntary food distribution programmes. We supported FFTH largely on the Bread Distribution and Food Goodie Bag programmes. Under the Bread Distribution programme, we leveraged on our strength in collection and delivery to pick up unsold bread and pastries from participating hotels and confectioneries, and send them to Self-Collection Centres for the needy.

The Food Goodie Bag programme enables our staff to participate in corporate volunteerism where they expended both personal time and money, sponsoring, packing and delivering food items to needy beneficiaries.

During the year-end festive season, SingPost pledged a percentage of its *Shop@Post's* Christmas catalogue revenue to FFTH's Toys Buffet, bringing cheer to less privileged children. Together with our business partner, DHL Express, we donated S$1 to FFTH for every *Speedpost Express* shipment made between December 2008 and January 2009.

SingPost collects and delivers bread and pastries to the needy four days a week on six routes.

Doing Our Part

During the year, SingPost's Board members and staff responded swiftly and contributed generously towards the victims of the Myanmar cyclone and China earthquake. With the company's dollar-for-dollar match, a total of S$145,000 was raised and presented to Mercy Relief Limited for programmes and initiatives for the victims. We also leveraged our network of post offices and SAM to facilitate public donations. Cheque donations to relief organisations were made easy with SingPost's waiver of postage for donations sent through mail.

SingPost matches its staff contributions dollar-to-dollar to raise S$145,000 for the Myanmar cyclone and China earthquake relief programmes.

Other charitable initiatives during the year included the Kidz 4 Kidz *MyStamp* project and the Community Chest SHARE programme where SingPost matches its staff's monthly contributions dollar-for-dollar.

SingPost further rendered delivery and logistical support to several youth volunteer projects including the free delivery of specially-made cards to disaster-stricken children of the Sichuan province, China, under the *Envelopes of Love* initiative and the conveyance of study materials to needy children in Cambodia by the Builders of Hope, a youth expedition group.

Our continuing initiatives include waiver of postage for the mailing of literature for the blind as well as supporting our business partners in their community outreach programmes.

Engaging the Community

To reach out to and engage the young community, our Schools' Visit Programme, introduced in April 2006, takes students on back-of-the-house tour of our mail processing centre. It aims to enlighten students on how the postal system operates, and the relevant role we play in Singapore's economy as well as to cultivate in them an interest in philately.

Apart from this outreach programme, we have been contributing regularly to the Singapore Philatelic Museum for the upkeep and preservation of its philatelic materials and exhibits, as well as museum activities. This amounted to more than S$5 million over the years, including over S$300,000 in FY2008/09. For its contribution to the promotion and conservation of Singapore's philatelic heritage, SingPost was bestowed the National Heritage Board's Patron of Heritage Award for the second year running since its inauguration in 2007.

Promoting Workplace Health, Environment, Safety and Security (WHESS)

We initiated a host of activities, through the WHESS committee formed in October 2008, to proactively promote and cultivate awareness of environment protection as well as health, safety and security at the workplace among staff and customers.

A range of initiatives was implemented to encourage a more environmentally responsible culture.

A major energy conservation project that SingPost undertook some two years ago continues to reap benefits, both environmental and financial. By installing new energy efficient cooling units and fine-tuning the overall chiller plant system at our flagship building, Singapore Post Centre, we reduced our carbon footprint significantly by 2,531 tonnes or an equivalent of 626 saloon cars off the roads. It also gave us savings of S$1.2 million in energy costs annually.

This project won the ASEAN Energy Award 2008 (Retrofitted Category). The Award recognises companies for demonstrating best practices in energy efficiency and conservation.

Other initiatives included the implementation of a Recycling of Waste programme and an eight-year Green Fleet programme to replace our existing vehicles gradually with environment-friendly ones.

Keeping our people and customers safe is another of our top priorities. Continuous efforts were made to raise workplace safety awareness during the year such as the implementation of safety walkways and zones. The key focus was to cultivate good safety habits and develop a safety culture at the workplace.

We remain committed to improving our staff's general well-being. We have put in place health programmes such as annual basic health screening and insurance for specialist, hospitalisation and surgical services, aimed at preventive self care.

Developing Our People

One of SingPost's key strengths is the quality of its people. To bring out the best in our people, we continue to invest in training. Our core delivery workforce underwent a professional training and competency certification offered under the Singapore Workforce Development Agency's Workforce Skills Qualifications framework. Staff from the mailroom operations attended upgrading programmes under the London Chamber of Commerce and Industry (LCCI) International Qualifications. Supervisors and managers also participated in leadership development and performance management programmes to hone their leadership skills and manage for higher performance.

As we pursue a strategy of consistent growth, we build on the capabilities, performance and commitment of our employees.

Corporate Social Responsibility
& Human Resources

Our people are driven to perform their best for our customers.

NTUC Secretary-General, Mr Lim Swee Say lauded SingPost's flexi-work scheme and pro-family practices.

As part of our on-going efforts to drive home the importance of good customer service to all staff, we rolled out the Service A.C.T initiative which promotes good Attitude, Consistency and Teamwork for our staff this year. Service A.C.T epitomises our effort for excellence in service delivery, and through it, we strive to inculcate a strong service culture in the organisation.

Staff were also sent for courses, seminars, and workshops on team building, communications skills, computer skills, marketing, sales, technical skills and other areas.

Recognising Team Excellence

SingPost seeks to deliver excellent service quality. To encourage staff to maintain the high level of service, various staff rewards, recognition and incentive programmes are put in place. During the year, 396 SingPost staff were given recognition for good performance and excellent customer service at our Best Employee and Commendation Awards ceremony.

At the national level, 57 staff were honoured at the Excellent Service Awards 2008 by SPRING Singapore for rendering excellent service to customers.

Fostering Industrial Relations

In the year, we continued to build on the excellent labour-management relations with the Union of Telecoms Employees of Singapore (UTES), to drive our initiatives in employee relations and staff development. We also collaborated with the NTUC-Women's Development Secretariat (NTUC-WDS) to encourage economically inactive women back to the workforce over two successful recruitment drives.

In partnership with the NTUC-WDS which focuses on hiring women back into the workforce, we benefitted from the funding available under the *Flexi-Works!* Scheme. The scheme provides funding support to employers who put in place the necessary initiatives including training and workplace equipment to facilitate the hiring of such workers.

We continued to work closely with UTES and NTUC on initiatives to enhance the work environment for mature workers. Leveraging the tripartite *ADVANTAGE!* Scheme, we successfully implemented the motorised pallet truck to all the delivery operations.

We signed a new Collective Agreement (CA) with UTES, valid for a three-year period. Among other things, the new agreement saw the lower salaried workers getting a relatively higher increase in terms of the salary range changes and the consequential salary adjustments, and the extension of medical coverage for the dependents of female employees. This extension, a milestone for the CA, ensured a more even distribution of the benefits.

For the third year running, we made a special flat payment for low-wage workers, supporting the Government's call to look after their welfare.

Investor Relations

At SingPost, we are committed to providing timely disclosures and communication to enable investors to make informed decisions. We believe in keeping the investment community abreast on the developments of the Group through regular and open communication, and continually work to improve our communication efforts.

As part of our continuing efforts to enhance engagement with investors, SingPost's quarterly results presentations by the Group Chief Executive Officer and Chief Financial Officer are now made available through live audio webcasts. This is to provide the analysts and investment community with another channel to receive timely updates on the Group's latest results. Management also conducts post-results local roadshows every quarter to update the investment community.

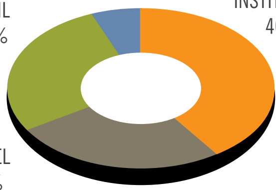
We also hold regular meetings with analysts and investors. There are 12 research houses covering SingPost, providing extensive coverage on the Company. In FY2008/09, we met with 98 fund managers from various parts of the world. Site tours of our mail processing facility are conducted for visiting fund managers to provide them a better insight into our business and operations.

We continue to engage the Securities Investors Association of Singapore (SIAS) to reach out to retail investors. The SIAS programme provides retail investors with opportunities to attend briefings by SingPost management and to interact with them.

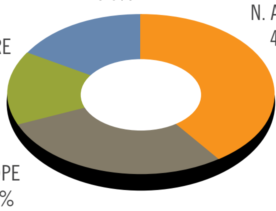
SingPost was one of the three runners-up for the "Most Transparent Company Award 2008" in the Services/ Utilities/Agriculture category presented by SIAS at the Investors' Choice Awards. The award affirms our efforts in enhancing corporate transparency.

In addition, SingPost was ranked joint 8th among 677 SGX-listed companies in the first issue of the Governance and Transparency Index (GTI). The GTI, launched by The Business Times and Corporate Governance and Financial Reporting Centre (CGFRC), ranks companies based on their governance standards, financial transparency and investor relations.

SHARE OWNERSHIP
BY INVESTOR GROUPS



INSTITUTIONAL HOLDINGS
BY GEOGRAPHIC DISTRIBUTION



FINANCIAL CALENDAR

Date	Event
30 Apr 2008	Q4 and Full Year FY2007/08 results briefing
30 Jun 2008	16th Annual General Meeting Extraordinary General Meeting End of Q1 FY2008/09
18 Jul 2008	Final dividend payment
29 Jul 2008	Q1 FY2008/09 results briefing
29 Aug 2008	Q1 interim dividend payment
30 Sep 2008	End of Q2 FY2008/09
30 Oct 2008	Q2 and 1st Half FY2008/09 results briefing
28 Nov 2008	Q2 interim dividend payment
31 Dec 2008	End of Q3 FY2008/09
30 Jan 2009	Q3 and 9-Month FY2008/09 results briefing
27 Feb 2009	Q3 interim dividend payment
31 Mar 2009	End of Q4 FY2008/09
30 Apr 2009	Q4 and Full Year FY2008/09 results briefing

Shareholder Returns

The total shareholders' return (TSR) was -28.6 per cent for FY2008/09 (source: Bloomberg).

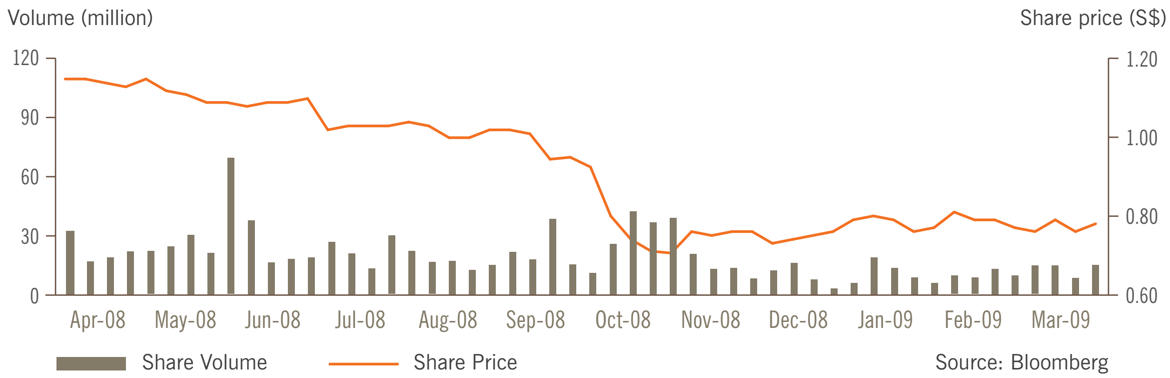
Over the period 1 April 2008 to 31 March 2009, the share price ended at 77.5 cents, 33.2 per cent below the share price at the start of the financial year, outperforming the FSSTI which declined 44.2 per cent.

For FY2008/09, the Board of Directors has proposed a final dividend of 2.5 cents per share. Together with the interim dividends of 1.25 cents per share paid in each of the first three quarters of FY2008/09, the proposed total dividend would amount to 6.25 cents per share.

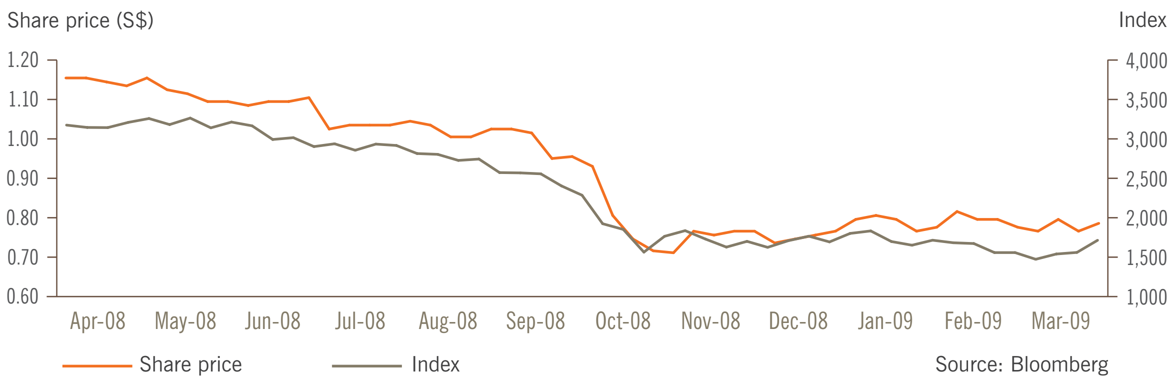
FY2008/09 Dividends (per share)	
Interim Q1 FY2008/09	1.25 cents
Interim Q2 FY2008/09	1.25 cents
Interim Q3 FY2008/09	1.25 cents
Final FY2008/09 (Proposed)*	2.50 cents
Total Dividend Paid/Proposed	6.25 cents

* For the approval of shareholders at the 17th Annual General Meeting.

SINGPOST SHARE PRICE AND TRADING VOLUME (FY2008/09)



SINGPOST SHARE PRICE VS FSSTI INDEX (FY2008/09)



Property

The Group's flagship building, Singapore Post Centre (SPC), continued to enjoy a high occupancy rate of 97.8 per cent as at 31 March 2009.

During the financial year, we rationalised the network of delivery bases for operational efficiency, creating additional lettable space at the same time. The Group currently has eight delivery bases in its distribution network.

We completed our initiative to re-purpose three of our larger post office buildings - Tanglin Post Office, Killiney Road Post Office and Alexandra Post Office, enhancing the yields on the properties.

LIST OF MAJOR PROPERTIES

					Land	Building
Name	Address	Title	Yrs	With Effect From	Area (SQ M)	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	923
Ayer Rajah Delivery Base	6 Ayer Rajah Cresent	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	555
Loyang Delivery Base	25 Loyang Lane	Leasehold	30	16.10.95	3,519	3,225
MacPherson 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	137,306
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

Group Five-Year Financial Summary

	Financial Year ended 31 March				
	2009	**2008**	**2007**	**2006**	**2005**
Income Statement (S$ million)					
Revenue	**481.1**	472.6	436.0	412.8	375.8
Operating profit (1)	**178.4**	175.3	169.3	151.8	130.4
EBITDA (2)	**212.7**	214.8	201.4	185.3	176.7
Net profit (3)	**148.8**	149.3	139.8	123.3	110.1
Underlying net profit (4)	**146.9**	140.0	130.8	123.5	106.2
Balance Sheet (S$ million)					
Total assets	**770.2**	747.4	719.3	710.9	823.4
Shareholders' funds	**251.4**	221.4	185.4	146.5	331.1
Cash and cash equivalents	**139.5**	104.1	69.0	53.3	159.0
Net debt	**163.4**	197.9	247.3	296.2	141.0
Cash Flow (S$ million)					
Net cash inflow from operating activities	**170.3**	173.7	160.8	149.7	144.4
Capital expenditure (cash)	**14.5**	12.8	8.5	10.3	13.8
Free cash flow (5)	**155.9**	160.9	152.4	139.4	130.7
Key Ratios					
EBITDA margin %	**44.2**	45.5	46.2	44.9	47.0
Net profit margin %	**30.9**	31.6	32.1	29.9	29.3
Return on average invested capital %	**27.4**	29.0	28.0	21.9	17.9
Return on average equity %	**61.8**	72.6	84.2	51.7	35.0
Net debt to equity %	**63.8**	87.7	133.4	202.2	42.6
EBITDA to interest expense (number of times)	**27.4**	23.4	18.6	21.3	34.3
Per Share Information (S cents)					
Earnings per share – basic	**7.73**	7.77	7.30	6.46	5.79
Earnings per share – underlying net profit (4)	**7.63**	7.27	6.84	6.46	5.58
Net assets per share	**13.3**	11.7	9.9	7.7	17.4
Dividend per share – ordinary	**6.25**	6.25	6.25	5.5	5.0
Dividend per share – special	**-**	-	-	10.0	-

Notes:

(1) Operating profit is defined as profit before interest, tax and 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

Group	Financial Year ended 31 March 2009 S$'000	2008 S$'000	Change %
Revenue	481,097	472,595	1.8
Operating profit	178,401	175,328	1.8
Share of profit of associated companies and joint ventures	7,849	8,200	(4.3)
Net profit	148,805	149,277	(0.3)
Underlying net profit [1]	146,875	140,010	4.9
Basic earnings per share (S cents)	7.73	7.77	(0.5)
Underlying earnings per share (S cents)	7.73	7.27	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.

For the financial year ended 31 March 2009, earnings for the Group remained steady amid the global economic downturn. Despite the economic downturn and continued cost pressures, underlying net profit increased 4.9 per cent to S$146.9 million.

Revenue	Financial Year ended 31 March 2009 S$'000	2008 S$'000	Change %
Mail	368,491	365,251	0.9
Logistics	72,418	68,629	5.5
Retail	65,346	61,625	6.0
Inter-segment eliminations	(25,158)	(22,910)	9.8
	481,097	472,595	1.8

The Group's revenue increased 1.8 per cent or S$8.5 million to S$481.1 million. As the recession set in, the Group's stronger operating performance in the first half was offset by weakness in the second half.

Mail revenue, the dominant contributor to revenue at 76.5 per cent, increased marginally by 0.9 per cent to end at S$368.5 million for the year. Within the Mail business, domestic mail revenue, accounting for 61.7 per cent of Mail revenue, increased 1.5 per cent to S$227.1 million. International mail revenue, accounting for 31.9 per cent of Mail revenue, decreased 1.3 per cent to S$117.4 million. Hybrid mail's performance was good, with revenue increasing 11.4 per cent to S$17.4 million. Revenue from philately and stamps declined 4.9 per cent to S$6.2 million.

Logistics revenue, contributing 15.0 per cent to revenue, increased 5.5 per cent to S$72.4 million. Both business lines – *Speedpost* (which includes *vPOST* shipping contributions) and warehousing, fulfillment, distribution and others – achieved better performances. *Speedpost* revenue, accounting for 87.7 per cent of Logistics revenue, grew 3.2 per cent to S$63.1 million. Warehousing, fulfillment, distribution and others, accounting for 12.3 per cent of Logistics revenue, increased 24.1 per cent to S$8.9 million.

Retail revenue, contributing the remaining 8.5 per cent to revenue, grew 6.0 per cent to S$65.3 million. Agency services and retail products, accounting for 33.1 per cent of Retail revenue, grew 3.3 per cent to S$21.7 million. Increased contributions from agency service offset the decline in retail products. Financial services revenue, accounting for 29.8 per cent of Retail revenue, increased by 5.0 per cent to S$19.5 million. Inter-segment revenue, which arose from the provision of services to Mail and Logistics segments, rose 10.1 per cent to S$24.2 million.

Financial Review

Rental and property-related income increased 39.8 per cent or S$9.5 million to S$33.4 million from higher rental income at Singapore Post Centre and the leasing of space at re-purposed post offices. Miscellaneous income was lower, due to one-off expenses amounting to S$1.9 million in relation to the winding up of GPN Asia, and one-off gains amounting to S$7.3 million from the disposal of two properties recorded in the previous financial year.

The Group's total expenses increased 1.5 per cent or S$5.1 million to S$343.6 million. Excluding non-recurring items such as the impact of Singapore Budget 2009, and an impairment charge for two properties amounting to S$4.9 million recorded last year, the Group's underlying total expenses increased 3.7 per cent or S$12.5 million to S$346.1 million.

Labour and related expenses, accounting for 37.8 per cent of total expenses, increased 4.0 per cent to S$130.0 million, due to higher salaries and wages, as well as temporary and contract staff costs. These were partly offset by benefits from the Jobs Credit Scheme.

Volume related expenses, accounting for 36.0 per cent of total expenses, increased 1.9 per cent to S$123.7 million.

Selling, administrative, depreciation and other expenses, accounting for 24.0 per cent of total expenses, decreased 1.0 per cent to S$82.2 million. Administrative and other expenses were higher, as a result of increases in property-related expenses and administrative costs. Depreciation and impairment expenses were lower, due to the impairment charge for two properties recorded last year. Selling expenses increased slightly. Higher provisioning for doubtful debts was largely offset by lower spending in the areas of promotional and marketing activities arising from the Group's tighter cost control measures.

Finance expenses, which accounted for 2.2 per cent of total expenses, dropped 14.4 per cent to S$7.7 million, as a result of lower interest rates.

	Financial Year ended 31 March		
Operating profit	**2009 S$'000**	**2008 S$'000**	**Change %**
Mail	139,605	141,477	(1.3)
Logistics	7,862	8,603	(8.6)
Retail	11,505	12,011	(4.2)
Others	19,429	13,237	46.8
	178,401	175,328	1.8

The Group's operating profit rose 1.8 per cent or S$3.1 million to S$178.4 million. Excluding one-off items, underlying operating profit grew 2.8 per cent or S$4.9 million from S$172.9 million to S$177.8 million.

Mail operating profit decreased 1.3 per cent to S$139.6 million. Logistics operating profit, squeezed by cost pressures, was down 8.6 per cent to S$7.9 million. Retail operating profit decreased 4.2 per cent to S$11.5 million. Operating profit from "Others" segment increased 46.8 per cent to S$19.4 million due to higher rental and property-related income. The profit last year included gains from the disposal of two properties which were largely offset by the impairment charge for two properties.

The Group's share of profit of associated companies and joint ventures was lower by 4.3 per cent or S$0.4 million. The contributions in the previous year were boosted by a one-off net impact of S$1.1 million from the restructuring of the Spring JV and its sale of the US business.

Income tax expense increased 14.9 per cent to S$29.6 million. Last year's income tax expense included an adjustment of S$5.8 million for over-provision of tax. This year, the Group recorded a one-off impact on deferred taxes amounting to S$1.0 million from the reduction in corporate tax rate from 18 per cent to 17 per cent.

Financial Review

The Group's net profit decreased 0.3 per cent to S$148.8 million. Underlying net profit increased 4.9 per cent to S$146.9 million, supported mainly by higher rental income.

BALANCE SHEET AND CAPITAL MANAGEMENT

Shareholders' fund was higher at S$251.4 million compared to S$221.4 million a year ago. The Group's total assets increased S$22.8 million to S$770.2 million, as cash and cash equivalents rose from S$104.1 million to S$139.5 million. Total liabilities decreased from S$521.8 million to S$514.0 million.

	Financial Year ended 31 March		
Group	**2009 S$'000**	**2008 S$'000**	**Change %**
Total debt	302,969	302,077	0.3
Net debt	163,421	197,935	(17.4)
Net debt to equity (%)	64%	88%	
EBITDA to interest expense (number of times)	27.4	23.4	

Net gearing ratio declined from 88 per cent to 64 per cent. The Group's interest coverage remained robust, with EBITDA to interest expense cover increasing to 27 times.

CASH FLOW

	Financial Year ended 31 March		
Group	**2009 S$'000**	**2008 S$'000**	**Change %**
Net cash inflow from operating activities	170,307	173,712	(2.0)
Purchase of property, plant and equipment	14,451	12,836	12.6
Free cash flow	155,856	160,876	(3.1)
Dividends paid to shareholders	120,382	120,131	0.2
Cash capital expenditure as a percentage of revenue (%)	3.0%	2.7%	

The Group's cash flow generation ability remained robust. Net cash inflow from operating activities amounted to S$170.3 million in FY2008/09, compared to S$173.7 million in the same period last year.

Free cash flow amounted to S$155.9 million for FY2008/09, compared to S$160.9 million for the previous financial year.

Financial Review

DIVIDENDS

In view of the Group's current healthy cash flows, 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 2009. 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 2009, the proposed annual dividend would amount to 6.25 cents per share.

	Cents per share
Interim Q1 FY2008/09	1.25 cents
Interim Q2 FY2008/09	1.25 cents
Interim Q3 FY2008/09	1.25 cents
Proposed Final FY2008/09	2.50 cents
Total Dividend Paid / Proposed	6.25 cents

Barring unforeseen circumstances, the Group will endeavour to pay a minimum annual dividend of 5 cents per share. This will continue to be paid on a quarterly basis.

OUTLOOK

The Singapore government has lowered its economic forecast for the full year to a 6 to 9 per cent contraction. The difficult economic environment will continue to have an impact on the Group's performance. In addition, the Group expects margin pressure arising from competition in the liberalised basic mail services market. The Group is focused on addressing the challenges in its operating environment, with key priority on cost management.

Subsequent to the financial year-end, on 24 April 2009, the Group announced that it was acquiring the remaining 50 per cent stake in its joint venture, G3 Worldwide Aspac Pte Ltd (G3AP), in exchange for its 24.5 per cent stake in G3 Worldwide Mail N.V. and a cash component of EUR7.5 million to its partners. The move will enable the Group to consolidate its interest in G3AP, allowing it to exercise full control over the operations of G3AP in 10 countries and territories in Asia Pacific. This is in line with the Group's strategy of regional expansion and will allow it to focus on opportunities to expand its business beyond cross-border mail and extend its core competencies in Asia Pacific.

The Group continues to be alert to new growth opportunities and will explore acquisition opportunities as and when they arise.

With respect to Singapore Post Centre, in view of the economic downturn, no further action is being taken for the time being with regard to the Expression of Interest initiated last year to assess the level of market interest in the property. The Group continues to review other opportunities and will make the necessary announcements as and when significant developments materialise.

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 places 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).

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 are described 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 2009, a total of seven Board meetings was held. The attendance of the directors at Board meetings and Board Committee meetings, as well as the frequency of such meetings, is disclosed in this report.

Newly appointed directors are issued 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 conducted to familiarise them with the business activities of the Group, its strategic plans and direction and corporate governance practices. During the financial year, a workshop was organised for directors as part of the Company's efforts to provide training for directors.

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 and determines the independence of each director annually based on the guidelines provided in the Code. In addition, the Nominations Committee requires each director to state whether he considers himself independent despite not having any of the relationships identified in the Code. Based on the above, the Nominations Committee concludes that 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.

There is a clear separation of the roles and responsibilities of the chairman and the chief executive officer of SingPost. 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. He also 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, in accordance with the strategies, policies, budget and business plans approved by the Board. 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 the section of "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).

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 Committee is chaired by Mr Kenneth Michael Tan Wee Kheng, an independent director who is not associated with a substantial shareholder. The appointment of directors to the Board requires the prior written approval of the IDA.

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 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 its endorsement of the candidate. Where a candidate has been endorsed by the Committee, it 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.

In addition, the Nominations Committee reviews whether each director has given sufficient time and attention to the affairs of the Company and decides if a director has been adequately carrying out, and is able to carry out, his duties as a director of the Company. The Nominations Committee has determined that all the directors have adequately carried out their duties, based on their attendance as disclosed in this report.

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.

The Nominations Committee assesses the independence of directors as mentioned in Principle 2.

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 director's contribution to the effectiveness of the Board. The evaluation of the Board is conducted annually. 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.

As part of the process, the directors complete appraisal forms which are then collated by an independent consultant. The independent consultant reviews the results of the appraisal with the Chairman of the Nominations Committee and presents a report to the Board together with the recommendations of the Chairman of the Nominations Committee.

The directors also undertake individual evaluation to assess each directors' contribution to the Board's effectiveness. Where appropriate, the Chairman of the Board may take these results into account when the Nominations Committee is determining the re-election of directors or the appointment of directors onto Board Committees.

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 is responsible for ensuring that legal and regulatory requirements as well as Board procedures are complied with. The Company Secretary also attends all Board meetings and facilitates and organises directors' induction and training. The appointment and removal of the Company Secretary are subject to the approval of the Board.

To assist Board members in fulfilling their responsibilities, procedures are in place for directors to seek independent professional advice, where appropriate, at the expense of the Company.

Corporate Governance Report

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.

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.

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. The responsibilities of the Committee include:

- reviewing and assessing candidates for directorships (including executive directorships) before making recommendations to the Board for appointment of directors;
- reviewing and recommending to the Board the retirement and re-election of directors in accordance with the Company's Articles of Association at each AGM;
- reviewing 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
- reviewing the independence of the directors.

The Nominations Committee held two meetings during the financial year.

Corporate Governance Report

Compensation Committee
The Compensation Committee comprises Mr Lim Eng (Committee Chairman), Mr Lee Chong Kwee, Mr Lim Ho Kee and Mr Keith Tay Ah Kee. All the Compensation Committee members are non-executive, independent directors except Mr Lim Eng, who is a non-executive, non-independent director.

Mr Lim Eng was appointed the Chairman of the Compensation Committee on 4 August 2008. Although Mr Lim Eng is not considered independent under the Code, he is a non-executive director with a clear separation of his role from management in the deliberations of the Compensation Committee. The responsibilities of the Committee include:

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

The Compensation Committee held three meetings during the financial year.

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:

- assisting the Board in discharging its statutory responsibilities on financial and accounting matters;
- reviewing the audit plans and reports of the external auditors and internal auditors and considering the effectiveness of the actions taken by management on the auditors' recommendations;
- appraising and reporting 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;
- reviewing 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
- reviewing 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:

- reviewing the overall risk management system and process and making recommendations on changes as and when considered appropriate, having regard to costs and benefits;
- reviewing the Group's risk policies, guidelines and limits; and
- reviewing periodically the Group's material risk exposures and evaluating 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

The Group CEO is supported by the Executive Management Committee comprising the key senior executives of the Company. The Committee is responsible for recommending the Group's strategic direction and execution of its strategic plans. It also reviews and assesses the annual budget and potential investments.

Management Committee

The Group CEO is also supported by the Management Committee which comprises the key executives of the Company. The Committee reviews and directs management on operational policies and activities.

Attendance at Board and Board Committees Meetings

The attendance of each director at Board meetings and Board Committees meetings for the financial year ended 31 March 2009 is as follows:

	Board		Executive Committee	Nominations Committee	Compensation Committee	Audit Committee	Board Risk Committee
	Scheduled	Ad Hoc					
Number of Meetings Held:	**5**	**2**	**3**	**2**	**3**	**4**	**3**
Name	**Number of Meetings Attended**						
Lim Ho Kee	5	2	3	2	3	-	-
Timothy Chia Chee Ming	5	1	3	2	-	-	-
Lee Chong Kwee	5	2	-	-	3	-	-
Lim Eng	5	2	2	-	3	-	-
Ong Ah Heng	5	1	-	2	-	-	-
Kenneth Michael Tan Wee Kheng	4	1	-	2	-	3	3
Wilson Tan Wee Yan	5	2	3	-	-	-	-
Tan Yam Pin	4	2	-	-	-	4	3
Keith Tay Ah Kee	5	2	3	-	3	4	3

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 the level of rewards to pay. The recommendations on the remuneration of the executive director for the year of assessment are forwarded to the Board for approval. 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 as well as Board-endorsed pro tem committees meetings with senior management. 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.

Directors' Remuneration

The directors' compensation for the financial year ended 31 March 2009 is as listed below:

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						
Wilson Tan Wee Yan (5) Group CEO	650.0	100.0	11.0	63.9	-	824.9
Below S$250,000						
Lim Ho Kee Chairman	-	-	-	0.8	126.5	127.3
Timothy Chia Chee Ming	-	-	-	-	63.3	63.3
Lee Chong Kwee	-	-	-	0.8	52.9	53.7
Lim Eng	-	-	-	-	68.6	68.6
Ong Ah Heng	-	-	-	-	52.9	52.9
Kenneth Michael Tan Wee Kheng	-	-	-	0.4	90.5	90.9
Tan Yam Pin	-	-	-	0.8	81.6	82.4
Keith Tay Ah Kee	-	-	-	0.8	104.9	105.7

Notes

(1) Fixed Component refers to base salary and Annual Wage Supplement for the financial year ended 31 March 2009.
(2) Variable Component refers to variable bonus paid in the financial year ended 31 March 2009.
(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 and club benefits, where applicable.
(5) Mr Wilson Tan Wee Yan was granted 200,000 share options with a value of S$25,035 on 30 June 2008. The option valuation adopted simulation methodologies consistent with assumptions that apply under the Trinomial Option Pricing Model.

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 2009.

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.

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.

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 and club benefits, 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 key executives (not being directors) for the financial year ended 31 March 2009.

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)	Value (S$'000)
S$500,000 to below S$1,000,000							
Dennis Quek Hong Kai Chief Operating Officer	57	35	2	6	100	200	25.0
S$250,000 to below S$500,000							
Loh Choo Beng Executive Vice President (Retail & Financial Services)	61	27	3	9	100	300	37.6
Ng Hin Lee Chief Financial Officer	60	28	2	10	100	300	37.6
Teo Yew Hwa Executive Vice President (International Mail)	67	20	2	11	100	200	25.0
Woo Keng Leong Executive Vice President (Mail)	61	29	2	8	100	350	43.8

Notes

(1) Fixed Component refers to base salary earned and Annual Wage Supplement, if applicable, for the year ended 31 March 2009.
(2) Variable Component refers to variable bonus paid in the year ended 31 March 2009.
(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 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.

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 is 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 reviewed the quarterly and annual financial statements of the Company and the Group for the financial year ended 31 March 2009 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 2009. The Committee is of the opinion that the independence of the external auditors would not be impaired by the provision of these non-audit services. The external auditors have also provided a confirmation of their independence to the Audit Committee.

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 are 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 key processes and procedures;
- segregation of incompatible functions which give rise to a risk of errors or irregularities not being promptly detected;
- safeguarding of assets;
- maintenance of proper accounting records;
- ensuring compliance with appropriate legislation and regulations; and
- having qualified and experienced persons to take charge of important functions.

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.

The Group's risk management policy is to take calculated risks so as 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 that 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 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, meetings will 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 33 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, while it 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 seeks to be fair and transparent in communicating with shareholders. Management believes in nurturing a long-term relationship with the investment community and engages in regular communication with investors to keep them updated on the latest progress and directions of the Company.

The Company is committed to prompt disclosure and a high level of transparency. Material matters concerning the organisation are disclosed on a timely basis through SGXNET. In addition, the Company makes use of other platforms such as briefings, teleconferences, investor meetings and conferences, roadshows, the internet and email broadcasts, to communicate with investors.

SingPost holds quarterly results briefings which are chaired by the Group CEO and CFO. Analysts and the media are invited to the half-year and full-year results briefing while teleconference briefings are set up for the first and third quarters. Live audio webcast of the results briefing are also made publicly available at our corporate website, www.singpost.com

Management regularly receives visits from investors and analysts and conducts meetings to provide insight to the Company's business and developments. In addition, the Company works with the Securities Investors Association (Singapore) to reach out to the retail investor community.

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.

The Company encourages shareholders to attend and participate in the AGMs and EGMs, which serve as a good platform for them to meet the Board to clarify issues relating to the Company's performance and future plans. Shareholders can also take the opportunity to communicate their views on matters relating to the Company.

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 at general meetings. The Company proposes separate resolutions on each substantially separate issue. Proxy votes for each resolution are shown to shareholders and proxies at the AGM before voting takes place. Voting in absentia by mail, email or fax is currently not permitted under the Company's Articles of Association until security, integrity and other pertinent issues are satisfactorily resolved.

Board members and the chairpersons of the Audit, Board Risk, Nominations and Compensation Committees are present and available to address shareholders' questions at general meetings. The Company's 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 Key Management

PROFILE OF DIRECTORS

Mr Lim Ho Kee, 64
Non-executive, independent director

Mr Lim was appointed as a director in April 1998 and as Chairman of the Board of Directors in March 2003. Mr Lim was last re-elected in 2008. He is the Chairman of the Executive Committee and also a member of the Compensation and Nominations Committees. Mr Lim's directorships include RedFire Investments Pty Ltd (Australia), Jardine Cycle & Carriage Limited, MCL Land Limited, Keppel Land Limited, HerbalScience Singapore Pte Ltd and Transcu Group Limited.

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, 59
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 and Vice Chairman - Asia of UBS Investment Bank. 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 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 Key Management

Mr Lee Chong Kwee, 52
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 Chairman of Jurong Port Pte Ltd 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. Mr Lee was previously the Chief Executive Officer of Pontiac Land Private Limited and 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, 53
Non-executive, non-independent director

Mr Lim was appointed as a director in July 2007 and was last re-elected in 2008. He is the Chairman of the Compensation Committee and a member of the Executive Committee.

Mr Lim is the Chief Executive Officer of NCS Pte Ltd and also 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 Management from the Massachusetts Institute of Technology.

Mr Ong Ah Heng, 65
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 Industrial Relations 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 Key Management

Mr Kenneth Michael Tan Wee Kheng, 50
Non-executive, independent director

Mr Tan, Senior Counsel, was appointed as a director in March 2003 and was last re-elected in 2008. 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 President of the Law Society Disciplinary Tribunal. 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, 51
Group Chief Executive Officer
Executive, non-independent director

Mr Tan was appointed Group Chief Executive Officer and a director in October 2007. Mr Tan was last re-elected in 2008. He is 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). He is currently the International Advisor to the Thailand Software Park and is also a member of the Republic Polytechnic Board of Governors and the International Academic Panel of Singapore Institute of Management (SIM). He also sits on the advisory board of various education institutions including the Institute of Systems Science and Singapore Polytechnic School of Digital 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 Key Management

Mr Tan Yam Pin, 68
Non-executive, independent director

Mr Tan was appointed as a director in February 2005 and was last re-elected in 2008. 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 Singapore Food Industries Limited, and a director of Great Eastern Holdings Limited, Keppel Land Limited, BlueScope Steel Limited (Australia) and Leighton Asia Limited (Hong Kong). 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, 64
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 Committee and also a member of the Executive, Compensation 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. 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 Key Management

PRESENT AND PAST DIRECTORSHIPS

Name of director	Present directorships and major appointments (as at 31 March 2009)	Past directorships over the preceding three years (from 31 March 2006 to 30 March 2009)
Lim Ho Kee	Jardine Cycle & Carriage Limited	Singapore Shipping Corporation Ltd
	Keppel Land Limited	Mentor Media Ltd
	MCL Land Limited	Southern Capital Group Pte Ltd
	Cypress Woods Private Limited	CWT Distribution Limited
	HerbalScience Singapore Pte Ltd	
	RedFire Investments Pty Ltd (Australia)	
	Transcu Group Limited	
Timothy Chia Chee Ming	Guan Leng Holdings Pte Ltd	Kwikpart Sdn Bhd
	Banyan Tree Holdings Ltd	The Hour Glass Limited
	Singapore Management University *(Member, Board of Trustees)*	Factory Products Centre (Thailand) Limited
	Parkesville Pte Ltd	Anglo-Thai Tractors Limited
	SP PowerGrid Ltd	Frasers Centrepoint Limited
	Fraser and Neave Limited	Macquarie Pacific Star Prime REIT Management Limited
	Gracefield Holdings Limited *(Chairman)*	Hup Soon Global Pte Ltd *(Chairman/GCEO)*
	United Motor Works (Siam) Public Co., Ltd *(Chairman)*	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	United Motor Works Pte Ltd (under voluntary liquidation)
	Hup Soon Global Corporation Limited *(Deputy Chairman/Group CEO)*	FJ Benjamin Holdings Ltd
	UBS AG, Singapore Branch *(Vice Chairman)*	Anglo-Thai Company Limited
	SPI (Australia) Assets Pty Ltd	Borneo Technical (Thailand) Limited

Information on Directors and Key Management

Name of director	**Present directorships and major appointments** (as at 31 March 2009)	**Past directorships over the preceding three years** (from 31 March 2006 to 30 March 2009)
Lee Chong Kwee	Mapletree Investments Pte Ltd *(Director and Chairman of Audit Committee)* Temasek Holdings (Private) Limited *(Corporate Advisor)* Great Wall Airlines Company Limited First Flight Couriers Ltd Jurong Port Pte Ltd *(Chairman)*	–
Lim Eng	NCS Pte. Ltd. *(Director and Chief Executive Officer)* *(Director of its related companies)*	–
Ong Ah Heng	Member of Parliament for Nee Soon Central National Transport Workers' Union *(Honorary Consultant)* Industrial Relations of the National Trades Union Congress *(Consultant)* ComfortDelgro Corporation Ltd ComfortDelgro Engineering Pte Ltd	Care n Share Secretariat of the National Trades Union Congress *(Alignment Director)* Care n Share Secretariat of the National Trades Union Congress *(Consultant)*

Information on Directors and Key Management

Name of director	**Present directorships and major appointments** (as at 31 March 2009)	**Past directorships over the preceding three years** (from 31 March 2006 to 30 March 2009)
Kenneth Michael Tan Wee Kheng	–	–
Wilson Tan Wee Yan	Thailand Software Park *(International Advisor)*	Stream Global Pte. Ltd.
	Institute of Systems Science *(Advisory Board Member)*	Bizlink Centre Singapore Ltd
	Singapore Polytechnic School of Digital Media and Infocomm Technology *(Advisory Board Member)*	
	Republic Polytechnic Board of Governors *(Member)*	
	Singapore Institute of Management (SIM) *(Member, International Academic Panel)*	
Tan Yam Pin	BlueScope Steel Limited (Australia)	The East Asiatic Company A/S Denmark
	Keppel Land Limited	Macquarie International Real Estate Fund Limited
	Great Eastern Holdings Limited	Certis CISCO Security Pte. Ltd
	The Great Eastern Life Assurance Company Limited	PowerSeraya Limited *(Chairman)*
	The Overseas Assurance Corporation Limited	Seraya Energy Pte Ltd
	Singapore Food Industries Limited *(Chairman)*	
	Leighton Asia Limited (Hong Kong)	

Information on Directors and Key Management

Name of director	**Present directorships and major appointments** (as at 31 March 2009)	**Past directorships over the preceding three years** (from 31 March 2006 to 30 March 2009)
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
	Stirling Coleman Capital Limited *(Chairman)*	AMB Packaging Pte Ltd
	Stirling Coleman Limited (Chairman)	Singapore Power Limited
	Aviva Ltd and related companies *(Chairman)*	Pokka Corporation (Singapore) Limited
	AMVIG Holdings Limited (HK)	
	Singapore Airport Terminal Services Limited	
	YTL Pacific Star REIT Management Limited	
	Singapore International Chamber of Commerce *(Board Member)*	
	Singapore Institute of Directors *(Vice Chairman)*	
	Subsidiaries of Singapore Power Limited: *SP PowerAssets Limited* *PowerGas Limited*	

Information on Directors and Key Management

PROFILE OF KEY MANAGEMENT
(in alphabetical order)

Mr Loh Choo Beng, 48
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 was 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 banking 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 is a board member of the Intellectual Property Office of Singapore effective 1 April 2009. Mr Loh graduated from the National University of Singapore with a Bachelor of Business Administration degree.

Mr Ng Hin Lee, 52
Chief Financial Officer

Mr Ng joined SingPost in 2006, bringing with him more than 20 years of experience in key financial and managerial positions. In October 2008, his role was expanded to include the property management function. Before joining SingPost, Mr Ng 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, 46
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 has a diverse range of experience which includes the development of logistics and manufacturing infrastructure, physical distribution for various industry segments including 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 Key Management

Mr Teo Yew Hwa, 51
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). 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, 53
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 2009

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 March 2009 and the balance sheet of the Company as at 31 March 2009.

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
Mr Ong Ah Heng
Mr Kenneth Michael Tan Wee Kheng
Mr Wilson Tan Wee Yan
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 66 to 70 of this report.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		**Holdings in which a director is deemed to have an interest**	
	At 31.3.09	At 1.4.08 or date of appointment, if later	**At 31.3.09**	At 1.4.08 or date of appointment, if later
The Company				
Singapore Post Limited Ordinary shares				
Lim Ho Kee	**128,350**	1,128,350	**1,300,000**	-
Lee Chong Kwee	**50,000**	50,000	**-**	-
Kenneth Michael Tan Wee Kheng	**230,000**	80,000	**60,000**	-
Tan Yam Pin	**500,000**	500,000	**-**	-
Keith Tay Ah Kee	**128,350**	128,350	**-**	-

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

(b) According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests in the options to subscribe for ordinary shares of the Company granted pursuant to the Singapore Post Share Option Scheme as set out below and under "Share Options" on page 66 to 70 of this report.

	Number of unissued ordinary shares under options held by director	
	At 31.3.09	At 1.4.08
Wilson Tan Wee Yan	**2,300,000**	2,100,000

(c) The directors' interests in the shares and convertible securities of the Company as at 21 April 2009 were the same as those as at 31 March 2009.

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 Lim Eng (Chairman), Mr Lee Chong Kwee, Mr Lim Ho Kee, and Mr Keith Tay Ah Kee during the financial year ended 31 March 2009.

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 (continued)

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

- Other than the share options granted on 16 May 2005 which has vested 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 (continued)

- On 24 October 2007, share options were granted to an executive director, 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 2008, a total of 46,808,936 share options were granted. Particulars of the options were set out in the Directors' Report for the respective financial years.

SHARE OPTIONS (continued)

During the financial year ended 31 March 2009, 5,320,000 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 1.4.08 ('000)	Granted during financial year ('000)	Options exercised ('000)	Options forfeited ('000)	Balance At 31.3.09[4] ('000)
For employees (including executive directors)							
13.05.03	14.05.04 to 13.05.13	S$0.547	2	-	-	-	2
28.07.03	29.07.04 to 28.07.13	S$0.615	26	-	-	-	26
19.07.04	20.07.05 to 19.07.14	S$0.731	190	-	(69)	-	121
16.05.05[3]	17.05.08 to 16.05.11	S$0.811	2,240	-	(1,347)	-	893
01.07.05	02.07.06 to 01.07.15	S$0.923	1,596	-	(225)	-	1,371
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	2,719	-	(110)	(81)	2,528
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	4,096	-	-	(958)	3,138
24.10.07[3]	25.10.10 to 24.10.13	S$1.216	2,795	-	-	-	2,795
24.10.07	25.10.08 to 24.10.11	S$1.216	2,100	-	-	-	2,100
02.06.08	03.06.09 to 02.06.18	S$1.100	-	100	-	-	100
30.06.08	01.07.09 to 30.06.18	S$1.100	-	5,120	-	(100)	5,020
21.07.08	22.07.09 to 21.07.18	S$1.040	-	100	-	-	100
Total Share Options			**16,664**	**5,320**	**(1,751)**	**(1,139)**	**19,094**

(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.

SHARE OPTIONS (continued)

The 2009 options include options granted to the executive director for the number of shares set out below:

	Options granted in financial year ended 31.3.09	Aggregate options granted since commencement of Scheme to 31.3.09	Aggregate options exercised since commencement of Scheme to 31.3.09	Aggregate options outstanding as at 31.3.09
Wilson Tan Wee Yan	200,000	2,300,000	-	2,300,000

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.

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 2009 as well as the independent auditor's report thereon prior to their submission to the Board of Directors for approval.

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

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

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, 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
4 May 2009

Statement by Directors

For the Financial Year Ended 31 March 2009

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 74 to 128 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 2009, 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
4 May 2009

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 74 to 128, which comprise the balance sheets of the Company and of the Group as at 31 March 2009, and the consolidated income statement, the consolidated statement of changes in equity and the 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 accounts 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 audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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.

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 2009, 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 auditor, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore
4 May 2009

Consolidated Income Statement

For the Financial Year Ended 31 March 2009

	Note	Group 2009 S$'000	Group 2008 S$'000
Revenue	4	**481,097**	472,595
Other income and gains (net)			
- Rental and property-related income	4	**33,426**	23,914
- Miscellaneous	4	**329**	9,323
Labour and related expenses	5	**(130,008)**	(125,057)
Volume-related expenses	6	**(123,739)**	(121,444)
Administrative and other expenses	7	**(44,551)**	(40,759)
Depreciation and impairment		**(26,408)**	(31,218)
Selling expenses		**(11,205)**	(11,005)
Finance expenses	8	**(7,721)**	(9,017)
Total expenses		**(343,632)**	(338,500)
Share of profit of associated companies and joint ventures	9	**7,849**	8,200
Profit before income tax		**179,069**	175,532
Income tax expense	10	**(29,598)**	(25,758)
Total profit		**149,471**	149,774
Attributable to:			
Equity holders of the Company		**148,805**	149,277
Minority interest		**666**	497
		149,471	149,774
Earnings per share	11		
- Basic		**7.73 cents**	7.77 cents
- Diluted		**7.73 cents**	7.76 cents

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

Balance Sheets

As at 31 March 2009

	Note	Group 2009 S$'000	Group 2008 S$'000	Company 2009 S$'000	Company 2008 S$'000
ASSETS					
Current assets					
Cash and cash equivalents	12	**139,548**	104,142	**131,255**	100,445
Trade and other receivables	13	**69,303**	71,183	**52,243**	51,763
Inventories		**678**	169	**674**	166
Other current assets	14	**5,708**	6,457	**4,523**	5,032
Non-current asset held for sale	15	**84,275**	-	**80,922**	-
		299,512	181,951	**269,617**	157,406
Non-current assets					
Trade and other receivables	16	**359**	375	**9,859**	9,874
Derivative financial instruments	25	**3,258**	2,438	**3,258**	2,438
Investments in associated companies and joint ventures	18	**9,021**	91,586	**2,450**	83,372
Investments in subsidiaries	19	**-**	-	**12,105**	12,105
Investment property	20	**204,941**	211,291	**209,131**	215,832
Property, plant and equipment	21	**252,408**	259,463	**243,584**	250,422
Intangible asset	22	**252**	288	**252**	288
Other non-current asset		**412**	-	**412**	-
		470,651	565,441	**481,051**	574,331
Total assets		**770,163**	747,392	**750,668**	731,737
LIABILITIES					
Current liabilities					
Trade and other payables	23	**159,358**	164,918	**160,091**	166,329
Deferred income	27	**70**	70	**70**	70
Current income tax liabilities	10	**35,014**	36,955	**34,624**	36,238
		194,442	201,943	**194,785**	202,637
Non-current liabilities					
Borrowings	24	**302,969**	302,077	**302,969**	302,077
Deferred income tax liabilities	26	**16,200**	17,414	**15,811**	16,916
Deferred income	27	**351**	374	**351**	374
		319,520	319,865	**319,131**	319,367
Total liabilities		**513,962**	521,808	**513,916**	522,004
NET ASSETS		**256,201**	225,584	**236,752**	209,733
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	28	**114,673**	113,053	**114,673**	113,053
Other reserves	29	**5,700**	5,800	**2,597**	1,982
Retained earnings	30	**130,984**	102,561	**119,482**	94,698
		251,357	221,414	**236,752**	209,733
Minority interest		**4,844**	4,170	**-**	-
Total equity		**256,201**	225,584	**236,752**	209,733

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

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 March 2009

	Note	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
2009							
Beginning of financial year		113,053	5,800	102,561	221,414	4,170	225,584
Currency translation differences	29(b)(iii)	-	(900)	-	(900)	8	(892)
Cash flow hedges	29(b)(ii)	-	185	-	185	-	185
Net (loss)/income recognised directly in equity		-	(715)	-	(715)	8	(707)
Net profit		-	-	148,805	148,805	666	149,471
Total recognised income/(loss)		-	(715)	148,805	148,090	674	148,764
Dividends	31	-	-	(120,382)	(120,382)	-	(120,382)
Employee share option scheme:							
- Value of employee services	29(b)(i)	-	769	-	769	-	769
- Proceeds from shares issued	29(b)(i)	1,620	(154)	-	1,466	-	1,466
End of financial year		114,673	5,700	130,984	251,357	4,844	256,201
2008							
Beginning of financial year		107,459	4,571	73,415	185,445	3,715	189,160
Currency translation differences	29(b)(iii)	-	949	-	949	(42)	907
Cash flow hedges	29(b)(ii)	-	(24)	-	(24)	-	(24)
Net income/(loss) recognised directly in equity		-	925	-	925	(42)	883
Net profit		-	-	149,277	149,277	497	149,774
Total recognised income		-	925	149,277	150,202	455	150,657
Dividends	31	-	-	(120,131)	(120,131)	-	(120,131)
Employee share option scheme:							
- Value of employee services	29(b)(i)	-	890	-	890	-	890
- Proceeds from shares issued	29(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

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

Consolidated Cash Flow Statement

For the Financial Year Ended 31 March 2009

	Note	Group 2009 S$'000	Group 2008 S$'000
Cash flows from operating activities			
Total profit		**149,471**	149,774
Adjustments for:			
Income tax expense		**29,598**	25,758
Amortisation of grants received		**(70)**	(44)
Amortisation of licence fee		**36**	36
Depreciation and impairment		**26,408**	31,218
Share-based staff costs		**769**	890
Gain on disposals of property, plant and equipment		**(111)**	(7,265)
Interest expense		**7,754**	9,167
Interest income		**(540)**	(1,021)
Impairment of other non-current asset		**-**	174
Share of profit of associated companies and joint ventures		**(7,849)**	(8,200)
		55,995	50,713
Operating cash flow before working capital changes		**205,466**	200,487
Changes in working capital			
Inventories		**(509)**	(51)
Trade and other receivables		**1,909**	(7,940)
Trade and other payables		**(3,806)**	12,363
Cash generated from operations		**203,060**	204,859
Income tax paid		**(32,725)**	(31,147)
Net cash provided by operating activities		**170,335**	173,712
Cash flows from investing activities			
Dividends received from joint venture company		**5,660**	6,110
Interest received		**537**	1,076
Investment in an associated company		**-**	(412)
Investment in a joint venture company		**-**	(937)
Proceeds from winding down of a joint venture company		**-**	172
Purchases of property, plant and equipment		**(14,451)**	(12,836)
Proceeds from disposal of property, plant and equipment		**433**	12,098
Net cash (used in) / provided by investing activities		**(7,821)**	5,271
Cash flows from financing activities			
Dividends paid to equity holders of the Company		**(120,382)**	(120,131)
Interest paid		**(8,239)**	(9,188)
Proceeds from issuance of ordinary shares		**1,466**	5,008
Repayment of bank term loan		**-**	(20,000)
Proceeds from grants		**47**	489
Net cash used in financing activities		**(127,108)**	(143,822)
Net increase in cash and cash equivalents		**35,406**	35,161
Cash and cash equivalents at beginning of financial year	12	**104,142**	68,981
Cash and cash equivalents at end of financial year	12	**139,548**	104,142

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2009

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

1. GENERAL INFORMATION

Singapore Post Limited (the "Company") is 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. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2008

On 1 April 2008, 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:

INT FRS 111 Group and Treasury Share Transactions

In addition, amendments to FRS 39 – Financial Instruments: Recognition and Measurement and FRS 107 – Financial Instruments Disclosure – Reclassifications of Financial Assets, were adopted by the Group with effect from 1 July 2008.

The adoption of the above amended 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

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, and 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 less impairment losses.

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(c) *Associated companies and joint ventures (continued)*

Dilution gains and losses arising from investments in associated companies and joint ventures are recognised in the income statement.

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 initially recognised at cost and subsequently carried 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 (continued)

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 identifiable assets, liabilities and contingent liabilities of the acquired subsidiaries, associated companies or joint ventures at the date of acquisition.

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 except for goodwill arising from acquisitions prior to 1 April 2001. Such goodwill was adjusted against retained earnings in the year of acquisition and not recognised in the income statement on disposal.

(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 commercial 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 depreciable 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.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are written off to the income statement. The cost of maintenance, repairs and minor improvements 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 an 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. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

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

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

(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 this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Trade and other receivables

These financial assets are initially recognised at fair value plus transaction costs 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.

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

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

The Group designates each hedge as either: (a) fair value hedge; or (b) cash flow hedge. Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the income statement when the changes arise.

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Derivative financial instruments and hedging activities (continued)

(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.

2.13 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.

(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.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

2.16 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 (continued)

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 the 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 Dollars.

(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 (continued)

2.19 Currency translation (continued)

(c) Translation of Group entities' financial statements

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

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

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the 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 which are subject to an insignificant risk of change in value.

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.

2.24 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised in the income statement. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in the income statement.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) Estimated impairment of non-financial assets

Property, plant and equipment, investment property and investments in subsidiaries, associated companies and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. Management performed impairment tests on the above mentioned assets and concluded that no impairment is required for the financial year ended 31 March 2009 (2008: no impairment except property, plant and equipment of S$4.9 million, refer to Note 21 for the results of the impairment test).

(b) Estimated residual values and useful lives of property, plant and equipment

Management reviews the residual values and useful lives of property, plant and equipment at each balance sheet date. The net book value of property, plant and equipment at 31 March 2009 was S$252.4 million (2008: S$259.5 million). There were no significant revision to the estimated residual values and useful lives as at 31 March 2008 and 2009.

(c) Estimated impairment of trade receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, the Group makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded in the income statement. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

The Group recognised an allowance for impairment of S$2.5 million for the financial year ended 31 March 2009 (2008: S$0.2 million).

(d) Income taxes

The Group has exposure to income taxes in more than one jurisdiction. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and the deductibility of certain expenses at each tax jurisdiction. Management reviewed the tax liabilities and concluded that the current income tax liabilities as at 31 March 2009 of S$35.0 million (2008: S$37.0 million) was reasonable.

4. REVENUE AND OTHER INCOME AND GAINS (NET)

	Group	
	2009 S$'000	2008 S$'000
Revenue from services rendered	**473,747**	465,071
Sale of products	**5,446**	5,829
Interest income from secured personal finance services	**1,904**	1,695
Revenue	**481,097**	472,595
Other income and gains (net):		
Rental and property-related income	**33,426**	23,914
Miscellaneous		
- Currency exchange gain (net)	**1,107**	776
- Interest income	**540**	1,021
- Net gain on disposal of property, plant and equipment	**111**	7,265
- Loss on liquidation of an associated company	**(1,862)**	-
- Others	**433**	261
	329	9,323
Other income and gains (net)	**33,755**	33,237
	514,852	505,832

5. LABOUR AND RELATED EXPENSES

	Group	
	2009 S$'000	2008 S$'000
Wages and salaries	**82,595**	80,094
Employer's contribution to defined contribution plans including Central Provident Fund	**8,548**	9,282
Share options granted to directors and employees (Note 29)	**769**	890
Other benefits	**4,524**	4,566
Temporary and contract staff cost	**33,572**	30,225
	130,008	125,057

6. VOLUME-RELATED EXPENSES

	Group	
	2009 S$'000	2008 S$'000
Traffic expenses	**99,565**	102,234
Mail outsourcing services and cost of sales	**24,174**	19,210
	123,739	121,444

7. ADMINISTRATIVE AND OTHER EXPENSES

	Group	
	2009 **S$'000**	2008 S$'000
Included in administrative and other expenses are the following:		
Other fees paid / payable to the auditors of the Company	**143**	76
Repair and maintenance expenses	**8,881**	8,087
Rental on operating leases	**6,467**	5,308

8. FINANCE EXPENSES

	Group	
	2009 **S$'000**	2008 S$'000
Interest expense:		
- Bank borrowings	**-**	133
- Bonds	**9,486**	9,488
Effect of hedging using interest rate swaps	**(1,732)**	(454)
Currency exchange losses – net	**(33)**	(150)
	7,721	9,017

9. ASSOCIATED COMPANIES AND JOINT VENTURES

	Group	
	2009 **S$'000**	2008 S$'000
Share of profit of associated companies	**3,579**	1,941
Share of profit of joint ventures	**4,270**	6,259
	7,849	8,200

10. INCOME TAXES

(a) Income tax expense

	Group	
	2009 **S$'000**	2008 S$'000
Tax expense attributable to profit is made up of:		
- Current income tax	**31,169**	32,797
- Deferred tax (Note 26)	**(198)**	(1,289)
	30,971	31,508
Withholding tax on dividend	**28**	-
	30,999	31,508
(Over)/under provision in preceding financial year:		
- Current income tax	**(385)**	(5,830)
- Deferred tax (Note 26)	**(1,016)**	80
	29,598	25,758

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	
	2009 **S$'000**	2008 S$'000
Profit before tax	**179,069**	175,532
Tax calculated at a tax rate of 17% (2008: 18%)	**30,441**	31,596
Effects of:		
Tax calculated on share of profit of associated companies and joint ventures	**(1,404)**	(2,032)
Withholding tax	**28**	-
Singapore statutory stepped income exemption	**(78)**	(61)
Income not subject to tax	**(347)**	(1,316)
Expenses not deductible for tax purposes	**2,250**	3,198
Deferred tax assets not recognised	**109**	123
Tax charge	**30,999**	31,508

On 22 January 2009, the Singapore Minister for Finance announced a reduction in corporate tax rate from 18% to 17% with effect from the year of assessment 2010. The effect of the reduction in corporate tax rate has been reflected in the current year's tax charge (refer to Note 26).

(b) Movement in current income tax liabilities

	Group		Company	
	2009 **S$'000**	2008 S$'000	**2009** **S$'000**	2008 S$'000
Beginning of financial year	**36,955**	41,135	**36,238**	40,352
Income tax paid	**(32,725)**	(31,147)	**(32,444)**	(30,874)
Tax expense	**31,169**	32,797	**30,830**	32,590
Over provision in prior financial years	**(385)**	(5,830)	**-**	(5,830)
End of financial year	**35,014**	36,955	**34,624**	36,238

11. 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	
	2009	2008
Net profit attributable to equity holders of the Company (S$'000)	**148,805**	149,277
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**1,925,955**	1,922,263
Basic earnings per share (cents per share)	**7.73**	7.77

(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	
	2009	2008
Net profit attributable to equity holders of the Company (S$'000)	**148,805**	149,277
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**1,925,955**	1,922,263
Adjustment for share options ('000)	**141**	1,312
Weighted average number of ordinary shares for diluted earnings per share ('000)	**1,926,096**	1,923,575
Diluted earnings per share (cents per share)	**7.73**	7.76

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2009 S$'000	2008 S$'000	**2009 S$'000**	2008 S$'000
Cash at bank and on hand	**42,548**	33,222	**35,255**	30,525
Deposits with financial institutions	**97,000**	70,920	**96,000**	69,920
	139,548	104,142	**131,255**	100,445

13. TRADE AND OTHER RECEIVABLES - CURRENT

	Group		Company	
	2009 S$'000	2008 S$'000	**2009 S$'000**	2008 S$'000
Trade receivables				
- Subsidiaries	**-**	-	**8,511**	9,207
- Joint ventures	**2,689**	3,370	**2,666**	3,288
- Companies related by a substantial shareholder	**3,277**	1,020	**2,774**	602
- Third parties	**65,020**	66,147	**39,669**	37,732
Less: Allowance for impairment of receivables – third parties	**(2,868)**	(503)	**(2,460)**	(491)
Trade receivables – net	**68,118**	70,034	**51,160**	50,338
Other receivables	**329**	837	**227**	1,114
Interest receivable	**15**	12	**15**	11
Accrued interest receivable on interest rate swap contracts	**690**	136	**690**	136
Staff loans (Note 17)	**151**	164	**151**	164
	69,303	71,183	**52,243**	51,763

14. OTHER CURRENT ASSETS

	Group		Company	
	2009	2008	**2009**	2008
	S$'000	S$'000	**S$'000**	S$'000
Deposits	**2,160**	2,248	**1,472**	1,223
Prepayments	**3,548**	4,209	**3,051**	3,809
	5,708	6,457	**4,523**	5,032

15. NON-CURRENT ASSET HELD FOR SALE AND EVENT OCCURRING AFTER BALANCE SHEET DATE

Following the recommendation of the Group's management to sell the Company's interest in an associated company, G3 Worldwide Mail N.V., the investment has been classified as a non-current asset held for sale on the balance sheet as at 31 March 2009 and is carried at the lower of its carrying amount and fair value less costs to sell.

Subsequent to 31 March 2009, on 24 April 2009, the Group announced that it was acquiring the remaining 50% stake in its joint venture, G3 Worldwide Aspac Pte Ltd (G3AP), in exchange for its 24.5% stake in G3 Worldwide Mail N.V. and a cash consideration of €7.5 million (approximately S$15 million) to its joint venture partners. The transaction is not expected to have any material impact on the net profit of the Group for the financial year ending 31 March 2010.

16. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2009	2008	**2009**	2008
	S$'000	S$'000	**S$'000**	S$'000
Loan to subsidiary	**-**	-	**9,500**	9,499
Staff loans (Note 17)	**359**	375	**359**	375
	359	375	**9,859**	9,874

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

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 2009.

17. STAFF LOANS

	Group and Company 2009 S$'000	Group and Company 2008 S$'000
Not later than one year (Note 13)	**151**	164
Later than one year (Note 16)	**359**	375
- Between one and five years	**351**	369
- Later than five years	**8**	6
	510	539

As at 31 March 2009 and 31 March 2008, no loan is made to the key management personnel of the Group.

18. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

		Group		Company	
	Notes	**2009 S$'000**	2008 S$'000	**2009 S$'000**	2008 S$'000
Investment in associated companies	(a)	**-**	81,149	**-**	80,922
Investment in joint ventures	(b)	**9,021**	10,437	**2,450**	2,450
		9,021	91,586	**2,450**	83,372

(a) Associated companies

	Group		Company	
	2009 S$'000	2008 S$'000	**2009 S$'000**	2008 S$'000
Equity investment at cost			**-**	80,922
Beginning of financial year	**81,149**	77,753		
Acquisition of an associated company during the year	**-**	412		
Share of profits	**3,579**	1,941		
Currency translation differences	**(778)**	1,043		
Liquidation of an associated company	**325**	-		
Transferred to non-current asset held for sale (Note 15)	**(84,275)**	-		
End of financial year	**-**	81,149		

The summarised financial information of associated companies are as follows:

	2009	2008
- Assets	**-**	133,580
- Liabilities	**-**	(94,934)
- Revenue	**-**	349,738
- Net profit	**-**	9,650

Details of associated companies are provided in Note 38.

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

(b) Joint ventures

	Group		Company	
	2009 S$'000	2008 S$'000	**2009 S$'000**	2008 S$'000
Equity investments at cost			**2,450**	2,450
Beginning of financial year	**10,437**	9,601		
Capital injection during the year	**-**	110		
Acquisition of a joint venture during the year	**-**	827		
Proceeds on winding down of a joint venture	**-**	(172)		
Share of profits	**4,270**	6,259		
Dividends received	**(5,689)**	(6,110)		
Share of cash flow hedge reserve	**185**	(24)		
Currency translation difference	**(182)**	(54)		
End of financial year	**9,021**	10,437		

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	
	2009 S$'000	2008 S$'000
Assets		
- Current assets	**18,006**	22,446
- Non-current assets	**3,491**	3,607
	21,497	26,053
Liabilities		
- Current liabilities	**12,215**	15,365
- Non-current liabilities	**261**	251
	12,476	15,616
Net assets	**9,021**	10,437
Sales	**66,057**	67,067
Expenses	**(60,596)**	(59,289)
Profit before tax	**5,461**	7,778
Income tax	**(1,191)**	(1,519)
Profit after tax	**4,270**	6,259

Details of the joint ventures are provided in Note 38.

19. INVESTMENTS IN SUBSIDIARIES

	Company	
	2009 S$'000	2008 S$'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 38.

20. INVESTMENT PROPERTY

	Group		Company	
	2009 S$'000	2008 S$'000	**2009 S$'000**	2008 S$'000
Cost				
Beginning of financial year	**272,635**	-	**278,515**	-
Effect of adopting new standard (Note 21)	**-**	272,635	**-**	278,515
Adjustments	**(3,291)**	-	**(3,541)**	-
Additions	**1,730**	-	**1,662**	-
End of financial year	**271,074**	272,635	**276,636**	278,515
Accumulated depreciation				
Beginning of financial year	**61,344**	-	**62,683**	-
Effect of adopting new standard (Note 21)	**-**	61,344	**-**	62,683
Adjustments	**(777)**	-	**(835)**	-
Depreciation charge	**5,566**	-	**5,657**	-
End of financial year	**66,133**	61,344	**67,505**	62,683
Net book value				
End of financial year	**204,941**	211,291	**209,131**	215,832

The fair values of the investment property based on an independent professional valuer are S$418.0 million (2008: S$621.8 million) and S$429.0 million (2008: S$633.2 million) respectively for the Group and the Company at the balance sheet date. For the current financial year, valuation was based on the property's highest-and-best-use using the Discounted Cash Flow method.

The following amount are recognised in the income statement:

	Group		Company	
	2009 S$'000	2008 S$'000	**2009 S$'000**	2008 S$'000
Rental income	**28,644**	22,091	**29,845**	23,235
Direct operating expenses arising from investment property that generated rental income	**9,953**	10,493	**10,248**	10,798
Property tax and other direct operating expenses arising from investment property that did not generate rental income	**1,665**	1,517	**1,727**	1,575

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						
2009						
Cost						
Beginning of financial year	83,559	175,066	94,772	140,250	4,709	498,356
Adjustments	(219)	1,780	-	-	-	1,561
Additions	-	-	-	2,330	10,955	13,285
Disposals	-	-	-	(7,299)	-	(7,299)
Transfers	-	13	44	8,609	(8,666)	-
Currency translation differences	-	-	-	38	-	38
End of financial year	83,340	176,859	94,816	143,928	6,998	505,941
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	15,023	55,396	71,832	96,642	-	238,893
Adjustments	-	777	-	-	-	777
Depreciation charge	1,102	3,882	4,283	11,575	-	20,842
Disposals	-	-	-	(6,977)	-	(6,977)
Currency translation differences	-	-	-	(2)	-	(2)
End of financial year	16,125	60,055	76,115	101,238	-	253,533
Net book value						
End of financial year	**67,215**	**116,804**	**18,701**	**42,690**	**6,998**	**252,408**
2008						
Cost						
Beginning of financial year	128,437	407,383	97,132	137,618	2,134	772,704
Effect of adopting new standard (Note 20)	(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 20)	(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**

21. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Company						
2009						
Cost						
Beginning of financial year	82,835	169,910	94,772	121,852	4,541	473,910
Adjustments	(210)	2,089	-	-	-	1,879
Additions	-	-	-	843	10,955	11,798
Disposals	-	-	-	(7,207)	-	(7,207)
Transfers	-	13	44	8,542	(8,599)	-
End of financial year	82,625	172,012	94,816	124,030	6,897	480,380
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	14,900	54,180	71,832	82,576	-	223,488
Adjustments	-	835	-	-	-	835
Depreciation charge	1,096	3,797	4,283	10,210	-	19,386
Disposals	-	-	-	(6,913)	-	(6,913)
End of financial year	15,996	58,812	76,115	85,873	-	236,796
Net book value						
End of financial year	**66,629**	**113,200**	**18,701**	**38,157**	**6,897**	**243,584**
2008						
Cost						
Beginning of financial year	128,437	407,383	97,132	120,961	1,983	755,896
Effect of adopting new standard (Note 20)	(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 20)	(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**

The Group and Company recorded no impairment charge (2008: S$4,879,000) for the year ended 31 March 2009 after performing the impairment assessment for buildings as the recoverable amounts were higher than carrying values.

22. INTANGIBLE ASSET

	Group and Company	
	2009 S$'000	2008 S$'000
Licence fee at cost	**900**	900
Accumulated amortisation	**(648)**	(612)
Net book value	**252**	288
Beginning of financial year	**288**	324
Amortisation	**(36)**	(36)
End of financial year	**252**	288

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. TRADE AND OTHER PAYABLES - CURRENT

	Group		Company	
	2009 S$'000	2008 S$'000	**2009 S$'000**	2008 S$'000
Trade payables				
- Subsidiaries	**-**	-	**4,557**	5,135
- Joint ventures	**2,146**	3,644	**2,146**	3,644
- Companies related by a substantial shareholder	**409**	978	**409**	978
- Third parties	**52,976**	50,264	**50,947**	47,867
	55,531	54,886	**58,059**	57,624
Advance billings	**10,505**	10,801	**10,502**	10,801
Accrual for other operating expenses	**35,160**	34,355	**34,109**	33,329
Interest payable	**4,449**	4,451	**4,449**	4,451
Other creditors	**11,491**	12,262	**11,221**	11,982
Customers' deposits	**2,612**	2,443	**2,605**	2,440
Collections on behalf of third parties	**31,087**	38,826	**30,641**	38,826
Tender deposits	**8,523**	6,894	**8,505**	6,876
	159,358	164,918	**160,091**	166,329

24. BORROWINGS

	Group and Company	
	2009	2008
	S$'000	S$'000
Non-current		
Bonds (unsecured)	**302,969**	302,077

(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% (2008: 3.13%) per annum.

(b) Fair value of non-current borrowings

	Group and Company	
	2009	2008
	S$'000	S$'000
Bonds (unsecured)	**305,784**	303,429

The fair value above is determined based on independent market quotation from a reputable financial institution.

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

25. DERIVATIVE FINANCIAL INSTRUMENTS

	Group and Company		
	Contract/ Notional Amount	Fair values	
		Assets	Liabilities
	S$'000	S$'000	S$'000
2009			
Fair-value hedges			
- Interest-rate swaps (non-current)	510,000	3,258	-
2008			
Fair-value hedges			
- Interest-rate swaps (non-current)	425,000	2,438	-

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.

26. DEFERRED INCOME TAXES

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

	Group		Company	
	2009 S$'000	2008 S$'000	**2009 S$'000**	2008 S$'000
Deferred income tax liabilities				
- to be settled within one year	**1,558**	2,673	**1,508**	2,536
- to be settled after one year	**14,642**	14,741	**14,303**	14,380
	16,200	17,414	**15,811**	16,916

Movement in the deferred income tax account is as follows:

	Group		Company	
	2009 S$'000	2008 S$'000	**2009 S$'000**	2008 S$'000
Beginning of financial year	**17,414**	18,623	**16,916**	18,127
Effects of change in Singapore tax rate	**(968)**	-	**(940)**	-
Tax credited to income statement	**(246)**	(1,209)	**(165)**	(1,211)
End of financial year	**16,200**	17,414	**15,811**	16,916

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$3,032,000 (2008: S$2,858,000) and capital allowances of S$486,000 (2008: S$408,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry dates.

26. DEFERRED INCOME TAXES (continued)

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
2009			
Beginning of financial year	**17,389**	**318**	**17,707**
Credited to income statement	**(274)**	**(2)**	**(276)**
Effect of change in Singapore tax rate	**(967)**	**(18)**	**(985)**
End of financial year	**16,148**	**298**	**16,446**
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

Deferred income tax assets

	Provisions S$'000	Total S$'000
2009		
Beginning of financial year	**(293)**	**(293)**
Charged to income statement	**30**	**30**
Effect of change in Singapore tax rate	**17**	**17**
End of financial year	**(246)**	**(246)**
2008		
Beginning of financial year	(286)	(286)
Credited to income statement	(7)	(7)
End of financial year	(293)	(293)

26. DEFERRED INCOME TAXES (continued)

Company

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Others S$'000	Total S$'000
2009			
Beginning of financial year	**16,970**	**228**	**17,198**
(Credited) / charged to income statement	**(277)**	**83**	**(194)**
Effect of change in Singapore tax rate	**(943)**	**(13)**	**(956)**
End of financial year	**15,750**	**298**	**16,048**
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

Deferred income tax assets

	Provisions S$'000	Total S$'000
2009		
Beginning of financial year	**(282)**	**(282)**
Charged to income statement	**29**	**29**
Effect of change in Singapore tax rate	**16**	**16**
End of financial year	**(237)**	**(237)**
2008		
Beginning of financial year	(274)	(274)
Credited to income statement	(8)	(8)
End of financial year	(282)	(282)

27. 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 for the Group and the Company at the balance sheet date is S$70,000 (2008: S$70,000).

28. SHARE CAPITAL

	Number of ordinary shares	
	Issued share capital '000	Share capital S$'000
2009		
Beginning of financial year	**1,924,510**	**113,053**
Employee share option scheme		
- Value of employee services	**-**	**154**
- Proceeds from shares issued	**1,751**	**1,466**
End of financial year	**1,926,261**	**114,673**
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

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

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.

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.

28. SHARE CAPITAL (continued)

Share Options (continued)

- 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

- 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 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

28. SHARE CAPITAL (continued)

Share Options (continued)

- For the 24 October 2007 grant, share options were granted to an executive director, 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.

28. SHARE CAPITAL (continued)

Share Options (continued)

During the financial year ended 31 March 2009, 5,320,000 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 1.4.08 ('000)	Granted during financial year ('000)	Options exercised ('000)	Options forfeited ('000)	Balance At 31.3.09[4] ('000)
For employees (including executive directors)							
13.05.03	14.05.04 to 13.05.13	S$0.547	2	-	-	-	2
28.07.03	29.07.04 to 28.07.13	S$0.615	26	-	-	-	26
19.07.04	20.07.05 to 19.07.14	S$0.731	190	-	(69)	-	121
16.05.05[3]	17.05.08 to 16.05.11	S$0.811	2,240	-	(1,347)	-	893
01.07.05	02.07.06 to 01.07.15	S$0.923	1,596	-	(225)	-	1,371
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	2,719	-	(110)	(81)	2,528
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	4,096	-	-	(958)	3,138
24.10.07[3]	25.10.10 to 24.10.13	S$1.216	2,795	-	-	-	2,795
24.10.07	25.10.08 to 24.10.11	S$1.216	2,100	-	-	-	2,100
02.06.08	03.06.09 to 02.06.18	S$1.100	-	100	-	-	100
30.06.08	01.07.09 to 30.06.18	S$1.100	-	5,120	-	(100)	5,020
21.07.08	22.07.09 to 21.07.18	S$1.040	-	100	-	-	100
Total Share Options			**16,664**	**5,320**	**(1,751)**	**(1,139)**	**19,094**

(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 19,094,079 (2008: 16,664,079) shares, 5,603,079 (2008: 2,505,079) options are exercisable as at 31 March 2009. Options exercised in the financial year ended 31 March 2009 resulted in 1,751,000 shares (2008: 6,381,916) being issued at an average price of S$0.882 (2008: S$0.791). Options were exercised throughout the year. The weighted average share price during the financial year was S$0.92 (2008: S$1.18).

28. SHARE CAPITAL (continued)

Share Options (continued)

The weighted average fair value of options granted during the financial year ended 31 March 2009, determined using the Trinomial option pricing model, was S$605,059 (2008: S$446,681). The significant inputs into the model were:

- Weighted average share price of S$1.10 (2008: S$1.22) at the grant date.
- Weighted average exercise price of S$1.099 (2008: S$1.241).
- Expected volatility of 22% (2008: 22%).
- Expected option life of 5 years (2008: 5 years).
- The annual risk-free interest rate of 2.5% (2008: 2.5%) per annum.

The model factored in discrete dividends based on expected yield of 6.8% (2008: 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.

29. OTHER RESERVES

	Group 2009 S$'000	Group 2008 S$'000	Company 2009 S$'000	Company 2008 S$'000
(a) Composition:				
Share option reserve	**2,597**	1,982	**2,597**	1,982
Cash flow hedge reserve	**32**	(153)	**-**	-
Currency translation reserve	**1,475**	2,375	**-**	-
Other capital reserve	**1,596**	1,596	**-**	-
	5,700	5,800	**2,597**	1,982
(b) Movements:				
(i) Share option reserve				
Beginning of financial year	**1,982**	1,678	**1,982**	1,678
Employee share option scheme:				
- Value of employee services (Note 5)	**769**	890	**769**	890
- Issue of shares (Note 28)	**(154)**	(586)	**(154)**	(586)
End of financial year	**2,597**	1,982	**2,597**	1,982
(ii) Cash flow hedge reserve				
Beginning of financial year	**(153)**	(129)	**-**	-
Share of joint venture cash flow hedge reserve	**185**	(24)	**-**	-
End of financial year	**32**	(153)	**-**	-
(iii) Currency translation reserve				
Beginning of financial year	**2,375**	1,426	**-**	-
Net currency translation differences of financial statements of foreign subsidiaries, associated companies and joint ventures	**(900)**	949	**-**	-
End of financial year	**1,475**	2,375	-	-
(iv) Other capital reserve				
Beginning and end of financial year	**1,596**	1,596	**-**	-

Other reserves are non-distributable.

30. RETAINED EARNINGS

(a) Retained earnings of the Group are distributable except for accumulated retained earnings of associated companies and joint ventures amounting to S$14,949,000 (2008: S$12,789,000). Retained earnings of the Company are distributable.

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

	Company	
	2009 S$'000	2008 S$'000
Beginning of financial year	**94,698**	68,444
Net profit	**145,166**	146,385
Dividends paid (Note 31)	**(120,382)**	(120,131)
End of financial year	**119,482**	94,698

31. DIVIDENDS

	Group and Company	
	2009 S$'000	2008 S$'000
Ordinary dividends paid		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 2.5 cents (2008: 2.5 cents) per share	**48,147**	48,021
Interim exempt (one-tier) dividend paid in respect of the first quarter of current financial year of 1.25 cents (2008: 1.25 cents) per share	**24,078**	24,018
Interim exempt (one-tier) dividend paid in respect of the second quarter of current financial year of 1.25 cents (2008: 1.25 cents) per share	**24,079**	24,039
Interim exempt (one-tier) dividend paid in respect of the third quarter of current financial year of 1.25 cents (2008: 1.25 cents) per share	**24,078**	24,053
	120,382	120,131

At the Annual General Meeting on 30 June 2009, a final exempt (one-tier) dividend of 2.5 cents per share amounting to a total of S$48.2 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 2010.

32. COMMITMENTS

(a) Capital commitments

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

	Group		Company	
	2009 S$'000	2008 S$'000	**2009 S$'000**	2008 S$'000
Property, plant and equipment	**4,493**	1,904	**3,873**	1,770

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

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

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

	Group		Company	
	2009 S$'000	2008 S$'000	**2009 S$'000**	2008 S$'000
Not later than one year	**6,290**	5,775	**6,218**	5,553
Between one and five years	**4,963**	7,049	**4,893**	7,016
Later than five years	**3,792**	3,907	**3,792**	3,907
	15,045	16,731	**14,903**	16,476

(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	
	2009 S$'000	2008 S$'000	**2009 S$'000**	2008 S$'000
Not later than one year	**34,270**	24,996	**36,719**	25,662
Between one and five years	**51,010**	67,683	**56,669**	67,893
Later than five years	**-**	-	**-**	-
	85,280	92,679	**93,388**	93,555

33. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the 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) <u>Market risk</u>

(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.

33. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

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

	SGD S$'000	SDR S$'000	Others S$'000	Total S$'000
As at 31 March 2009				
Financial assets				
Cash and cash equivalents	138,685	-	863	139,548
Trade and other receivables	66,783	2,154	725	69,662
Other financial assets	2,096	-	64	2,160
	207,564	2,154	1,652	211,370
Financial liabilities				
Borrowings	(302,969)	-	-	(302,969)
Trade and other payables	(119,372)	(39,048)	(938)	(159,358)
	(422,341)	(39,048)	(938)	(462,327)
Net financial (liabilities)/assets	**(214,777)**	**(36,894)**	**714**	**(250,957)**
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	214,777	-	(96)	
Currency exposure	**-**	**(36,894)**	**618**	

	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	68,548	2,294	716	71,558
Other financial assets	2,248	-	-	2,248
	174,709	2,294	945	177,948
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	**(256,694)**	**(32,608)**	**255**	**(289,047)**
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	256,694	-	(227)	
Currency exposure	**-**	**(32,608)**	**28**	

33. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

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

	SGD S$'000	SDR S$'000	Others S$'000	Total S$'000
As at 31 March 2009				
Financial assets				
Cash and cash equivalents	130,637	-	618	131,255
Trade and other receivables	59,948	2,154	-	62,102
Other financial assets	1,472	-	-	1,472
	192,057	2,154	618	194,829
Financial liabilities				
Borrowings	(302,969)	-	-	(302,969)
Trade and other payables	(121,043)	(39,048)	-	(160,091)
	(424,012)	(39,048)	-	(463,060)
Net financial (liabilities)/assets	**(231,955)**	**(36,894)**	**618**	**(268,231)**
Less: Net financial liabilities denominated in the respective entities' functional currencies	231,955	-	-	
Currency exposure	**-**	**(36,894)**	**618**	

	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
Other financial assets	1,223	-	-	1,223
	160,983	2,294	28	163,305
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	**(272,521)**	**(32,608)**	**28**	**(305,101)**
Less: Net financial liabilities denominated in the respective entities' functional currencies	272,521	-	-	
Currency exposure	**-**	**(32,608)**	**28**	

33. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

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.

If the SDR changes against the SGD by 2% (2008: 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:

	2009		2008	
	Increase/(decrease)			
	Profit after tax S$'000	**Equity S$'000**	Profit after tax S$'000	Equity S$'000
Group				
SDR against SGD				
- strengthened	**(612)**	**(612)**	(483)	(483)
- weakened	**612**	**612**	483	483
Company				
SDR against SGD				
- strengthened	**(612)**	**(612)**	(483)	(483)
- weakened	**612**	**612**	483	483

(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 0.60% (2008: 0.50%) with all other variables including tax rate being held constant, the profit after tax will be lower/higher by S$660,000 (2008: S$513,000).

33. FINANCIAL RISK MANAGEMENT (continued)

(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 collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

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

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.

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	
	2009 S$'000	2008 S$'000	**2009 S$'000**	2008 S$'000
By geographical areas				
Singapore	**64,031**	64,874	**47,697**	46,339
Other countries	**4,087**	5,160	**3,463**	3,999
	68,118	70,034	**51,160**	50,338
By types of customers				
Related parties	**5,966**	4,390	**13,951**	13,097
Non-related parties:				
- Government bodies	**7,619**	5,925	**6,099**	4,870
- Banks	**12,312**	11,413	**5,952**	6,386
- Overseas postal administrations	**2,102**	2,294	**2,102**	2,294
- Other companies	**40,119**	46,012	**23,056**	23,691
	68,118	70,034	**51,160**	50,338

33. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

(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	
	2009 S$'000	2008 S$'000	**2009 S$'000**	2008 S$'000
Past due 0 to 3 months	**19,052**	17,194	**16,364**	14,914
Past due over 3 months	**1,568**	2,503	**1,525**	1,389
	20,620	19,697	**17,889**	16,303

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	
	2009 S$'000	2008 S$'000	**2009 S$'000**	2008 S$'000
Gross amount	**6,578**	4,695	**5,449**	4,682
Less: Allowance for impairment	**(2,868)**	(503)	**(2,460)**	(491)
	3,710	4,192	**2,989**	4,191
Beginning of financial year	**503**	451	**491**	448
Allowance made	**2,506**	168	**2,106**	150
Allowance reversed	**(21)**	(48)	**(17)**	(39)
Allowance utilised	**(120)**	(68)	**(120)**	(68)
End of financial year	**2,868**	503	**2,460**	491

33. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

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

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

	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 2009				
Favourable interest rate swaps	**3,492**	**2,847**	**7,118**	**-**
Unfavourable interest rate swaps	**(2,221)**	**(1,769)**	**(4,423)**	**-**
Trade and other payables	**(159,358)**	**-**	**-**	**-**
Borrowings	**(9,390)**	**(9,390)**	**(28,170)**	**(300,257)**
	(167,477)	**(8,312)**	**(25,475)**	**(300,257)**
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)
Company				
At 31 March 2009				
Favourable interest rate swaps	**3,492**	**2,847**	**7,118**	**-**
Unfavourable interest rate swaps	**(2,221)**	**(1,769)**	**(4,423)**	**-**
Trade and other payables	**(160,091)**	**-**	**-**	**-**
Borrowings	**(9,390)**	**(9,390)**	**(28,170)**	**(300,257)**
	(168,210)	**(8,312)**	**(25,475)**	**(300,257)**
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)

33. FINANCIAL RISK MANAGEMENT (continued)

(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 2008, 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	
	2009 S$'000	2008 S$'000	**2009 S$'000**	2008 S$'000
Net debt	**163,421**	197,935	**171,714**	201,632
Total equity	**256,201**	225,584	**236,752**	209,733
Gearing ratio	**64%**	88%	**73%**	96%

The Group and Company have no externally imposed capital requirements for the financial years ended 31 March 2008 and 2009.

34. RELATED PARTY TRANSACTIONS

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

(a) Sales and purchases of goods and services

	Group	
	2009 S$'000	2008 S$'000
Services rendered to companies related by a substantial shareholder	**19,827**	19,386
Services received from companies related by a substantial shareholder	**2,656**	2,077
Services received from a joint venture company	**17,183**	19,926

During the financial year ended 31 March 2009, the Company made payments on behalf of subsidiaries totalling S$6.3 million (2008: S$6.1 million) which were subsequently reimbursed.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2009 S$'000	2008 S$'000
Salaries and other short-term employee benefits	**3,673**	3,665
Post-employment benefits – contribution to CPF	**59**	53
Termination benefits	**-**	161
Share-based staff costs	**335**	480
	4,067	4,359

Included in the above is total compensation to non-executive directors of the Company amounting to S$644,562 (2008: S$639,094).

35. 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
2009						
Revenue:						
- External	368,032	71,935	41,130	-	-	481,097
- Inter-segment	459	483	24,216	-	(25,158)	-
	368,491	72,418	65,346	-	(25,158)	481,097
Other income and gains (net)						
- Rental, property-related and miscellaneous income						
- External	210	73	766	32,166	-	33,215
- Inter-segment	-	-	-	36,916	(36,916)	-
	210	73	766	69,082	(36,916)	33,215
Segment results	139,605	7,862	11,505	19,429	-	178,401
Interest income						540
Finance expense						(7,721)
Share of profit of associated companies and joint ventures	8,296	-	-	(447)	-	7,849
Profit before income tax						179,069
Income tax expense						(29,598)
Total profit						149,471
Segment assets	167,037	13,935	53,043	423,254	-	657,269
Investment in net assets of associated companies and joint ventures	9,021	-	-	-	-	9,021
Unallocated assets						103,873
Consolidated total assets						770,163
Segment liabilities	68,459	13,905	42,661	27,113	-	152,138
Unallocated liabilities						361,824
Consolidated total liabilities						513,962
Capital expenditure	2,256	2,253	2,235	7,707	-	14,451
Depreciation	6,244	1,771	2,099	16,294	-	26,408
Amortisation	36	-	-	-	-	36
Impairment of receivables	2,016	253	102	103	-	2,474

35. SEGMENT INFORMATION (continued)

Primary reporting format – business segments (continued)

	Mail S$'000	Logistics S$'000	Retail S$'000	Others S$'000	Eliminations S$'000	Group S$'000
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 income and 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	141,477	8,603	12,011	13,237	-	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

35. SEGMENT INFORMATION (continued)

Primary reporting format – business segments (continued)

At 31 March 2009, 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 (“SAM”); 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.

36. 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's accounting periods beginning on or after 1 April 2009 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 1(R) Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009)

The revised standard requires:

- All changes in equity arising from transactions with owners in their capacity as owners to be presented separately from components of comprehensive income;
- Components of comprehensive income not to be included in statement of changes in equity;
- Items of income and expenses and components of other comprehensive income to be presented either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate statement of profit and loss followed by a statement of comprehensive income);
- Presentation of restated balance sheet as at the beginning of the comparative period when entities make restatements or reclassifications of comparative information.

The revisions also include changes in the titles of some of the financial statements primary statements.

The Group will apply the revised standard from 1 April 2009 and provide comparative information that conforms to the requirements of the revised standard. The key impact of the application of the revised standard is the presentation of an additional primary statement, that is, the statement of comprehensive income.

(b) 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 recognised 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.

(c) 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. As the Group has been capitalising the relevant borrowing costs, the revised standard is not expected to have any impact on the Group.

37. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 4 May 2009 in accordance with a resolution of the Board of Directors of Singapore Post Limited.

38. LISTING OF COMPANIES IN THE GROUP

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2009 %	2008 %	Cost of investment 2009 S$'000	2008 S$'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**	969
					1,015	1,015
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.[(4)]	Print-on-demand business	Singapore	**-**	20.00	**-**	412

38. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2009 %	2008 %	Cost of investment 2009 S$'000	2008 S$'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						
ePDS, Inc.[8]	Provision of electronic printing and despatching services	Philippines	**33.45**	33.45	**318**	318
Thai British DPost Company Limited[9]	Provision of laser printing and enveloping services	Thailand	**34.30**	34.30	**827**	827
					1,145	1,145

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) GPN Asia Pte. Ltd. is in the process of being wound up.

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

(5) Audited by Roger Yue, Tan & Associates, Malaysia
(6) Audited by Wing On CPA & Associates, Hong Kong
(7) Audited by PricewaterhouseCoopers Accountants 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 2009

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 2009, 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$100,000)	
	2009 S$'000	2008 S$'000	**2009 S$'000**	2008 S$'000
Sales				
Singapore Airlines Limited and its associates	**-**	-	**108**	2,562
Singapore Telecommunications Limited and its associates	**-**	-	**6,981***	5,011
Starhub Ltd and its associates	**-**	-	**1,668**	1,994
Temasek Holdings (Private) Limited and its associates	**-**	-	**2,645***	5,518*
	-	-	**11,402**	15,085
Purchases				
CapitaMall Trust and its associates#	**-**	-	**-**	314*
PowerSeraya Ltd and its associates	**-**	-	**7,250**	6,840
Singapore Airlines Limited and its associates	**-**	-	**2,300**	-
Singapore Telecommunications Limited and its associates	**-**	-	**1,800***	595*
SMRT Corporation Ltd and its associates	**-**	-	**983***	-
Temasek Holdings (Private) Limited and its associates	**-**	-	**540**	970*
	-	-	**12,873**	8,719
Total interested person transactions	**-**	-	**24,275**	23,804

Notes

All the transactions set out in the above table 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.

* Includes contracts of duration exceeding one year.

\# During the third quarter of last year, CapitaMall Trust ceased to be an associate of Temasek Holdings (Private) Limited as defined under the Listing Manual of SGX. As such, subsequent transactions with CapitaMall Trust and its associates are not defined as interested person transactions under the Listing Manual.

Shareholding Statistics

As at 6 May 2009

NUMBER OF SHARES IN ISSUE

1,926,261,068

CLASS OF SHARES

Ordinary Shares

NUMBER OF SHAREHOLDERS

24,155

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.	-	211,880,400 (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., Development Bank of Singapore Ltd, HSBC (Singapore) Nominees Pte. 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	22	0.09	4,173	0.00
1,000 – 10,000	18,343	75.94	78,724,565	4.09
10,001 – 1,000,000	5,746	23.79	285,327,460	14.81
1,000,001 and above	44	0.18	1,562,204,870	81.10
	24,155	100.00	1,926,261,068	100.00

Shareholding Statistics

As at 6 May 2009

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	25.65
2	DBS Nominees Pte Ltd	351,454,460	18.25
3	DBSN Services Pte Ltd	222,533,552	11.55
4	HSBC (Singapore) Nominees Pte Ltd	181,699,950	9.43
5	Citibank Nominees Singapore Pte Ltd	135,891,203	7.06
6	United Overseas Bank Nominees Pte Ltd	59,718,716	3.10
7	Raffles Nominees Pte Ltd	30,423,509	1.58
8	DB Nominees (S) Pte Ltd	18,433,314	0.96
9	OCBC Nominees Singapore Pte Ltd	4,694,000	0.24
10	Merrill Lynch (Singapore) Pte Ltd	3,677,918	0.19
11	ING Nominees (Singapore) Pte Ltd	3,523,424	0.18
12	Teo Yew Hwa	3,282,099	0.17
13	BNP Paribas Nominees Singapore Pte Ltd	2,957,000	0.16
14	DBS Vickers Securities (S) Pte Ltd	2,755,000	0.14
15	OCBC Securities Private Ltd	2,519,800	0.13
16	Teo Chye Seng	2,318,000	0.12
17	Low Kim Hong	2,219,000	0.12
18	SHAW Investments (1988) Pte Ltd	2,000,000	0.10
19	Tang Wee Loke	2,000,000	0.10
20	The Shaw Foundation Pte	2,000,000	0.10
21	Yeo Seng Kia	2,000,000	0.10
		1,530,100,945	79.43

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 6 May 2009, approximately 62.92% 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 17TH 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 Tuesday, 30 June 2009 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 2009, 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 2009. (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(1):

   (a) Mr Timothy Chia Chee Ming(2) (Resolution 3)
   (b) Mr Lee Chong Kwee(2) (Resolution 4)
   (c) Mr Keith Tay Ah Kee(2) (Resolution 5)

   Mr Keith Tay will, upon his re-election as director of the Company, continue to serve as Chairman and member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

4. To approve directors' fees payable by the Company of S$641,090 for the financial year ended 31 March 2009 (2008: S$636,006). (Resolution 6)

5. To appoint Auditors and to authorise the directors to fix their remuneration. (Resolution 7)

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

NOTES

(1) In relation to the retirement of Directors by rotation at the 17th Annual General Meeting, Mr Ong Ah Heng is also due to retire by rotation, but has given notice to the Company that he does not wish to be re-elected to office thereat.

(2) Detailed information about these directors can be found in the "Corporate Governance Report" section of the Company's Annual Report 2008/09.

SPECIAL BUSINESS

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

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

(i) (1) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or
(2) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

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

(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 8)

b) That approval be and is hereby given to the directors to offer and grant options ("Options") in accordance with the provisions of the Singapore Post Share Option Scheme ("Share Option Scheme") and to allot and issue from time to time such number of shares as may be required to be issued pursuant to the exercise of the Options under the Share Option Scheme, provided that the aggregate number of shares to be issued pursuant to the Share Option Scheme shall not exceed 5 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time. (Resolution 9)

BY ORDER OF THE BOARD

Leong Chee Sian (Ms)
Company Secretary
Singapore
5 June 2009

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

Resolution 8 is to empower the directors to issue shares in the capital of the Company 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 8 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 8 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

Resolution 9 is to empower the directors to offer and grant options, and to issue shares in the capital of the Company, pursuant to the Singapore Post Share Option Scheme (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 9 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 2009 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 6 July 2009 will be registered to determine members' entitlements to the proposed final dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with Shares at 5 p.m. on 6 July 2009 will be entitled to the proposed final net dividend. Payment of the dividend, if approved by members at the 17th Annual General Meeting, will be made on 15 July 2009.

BY ORDER OF THE BOARD

Leong Chee Sian (Ms)
Company Secretary
Singapore
5 June 2009

SINGAPORE POST LIMITED

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

ANNUAL GENERAL MEETING PROXY FORM

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.

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 17th 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 Tuesday, 30 June 2009 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 Timothy Chia Chee Ming as director		
4.	To re-elect Mr Lee Chong Kwee as director		
5.	To re-elect Mr Keith Tay Ah Kee as director		
6.	To approve directors' fees payable by the Company		
7.	To appoint Auditors of the Company and to authorise the directors to fix their remuneration		
8.	To authorise directors to issue shares and to make or grant convertible instruments		
9.	To authorise directors to offer/grant options and allot/issue shares pursuant to the Singapore Post Share Option Scheme		
10.	Any other business		

Dated this __________ day of __________ 2009

Total Number of Shares Held	

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

Notes:

IMPORTANT
Please read Notes.

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Singapore Post Limited
(Co. Reg. No. 199201623M)
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Singapore Post Centre
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. The sending of a Proxy Form by a member does not preclude him from attending and voting in person at the Annual General Meeting if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

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

AUDITORS

PricewaterhouseCoopers LLP
8 Cross Street #17-00
PWC Building
Singapore 048424
Tel: +65 6236 3388
Fax: +65 6236 3300

Audit Partner

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

SINGAPORE POST LIMITED
Registered Office
Co. Reg. No.: 199201623M
10 Eunos Road 8
Singapore Post Centre
Singapore 408600