Pushing the Envelope

SINGAPORE POST LIMITED

ANNUAL REPORT 2011/12

The cover design features a QR (Quick Response) code which reflects SingPost's drive to stay relevant and connected to its customers through innovation and new technologies. The image of the multi-purpose sorting machine embedded in the QR code signifies SingPost's commitment towards its service obligations while transforming itself to stay ahead in a dynamic postal landscape.

SingPost constantly pushes the envelope to offer customers greater convenience and choices. The internet and new technologies present fresh opportunities for SingPost, enabling us to strengthen our core competencies and expand into new business areas like digital services, e-commerce and e-fulfilment.

1. Install a QR Reader App onto your mobile device.
2. Turn on the application and point your device's camera towards the QR code. The programme will automatically recognise the URL pattern.

Since our listing in 2003, we have been diversifying our revenue base while innovating to remain relevant to our customers. In recent years, SingPost with presence in 12 Asia Pacific countries has been accelerating its regional and diversification efforts while pursuing excellence in its Singapore mail business.

Supported by its strong brand and extensive distribution network, SingPost builds its business structure on five key pillars: mail, digital services, logistics, e-commerce and retail & financial services, thus cementing solid foundations for sustainable growth.

As we invest in growth to transform and strengthen SingPost in the years ahead, we remain committed to our service obligations to provide affordable and high quality service. For more than 150 years, SingPost has been delivering trusted and reliable service to individuals and businesses in Singapore while adapting to the changing times.

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Singapore POST
DATAPOST
Efficient

From Ideas to Reality

The postal landscape is undergoing rapid change and becoming increasingly challenging. Shifts by consumers to digital communications and transactions have eroded mail volumes. As Singapore's designated Public Postal Licensee, SingPost remains committed to its service obligations and giving its best in serving Singaporeans and the public at large while ensuring sustainable growth. To stay relevant, it is vital for SingPost to reinvent itself and adapt to the emerging needs and trends. From innovative mailing solutions and direct mail initiatives to digital mailbox and mobile applications, we transform ideas into reality to better meet the needs of customers in this digital age. SingPost will continue to invest in productivity and innovation to create value and contribute to the well being of all stakeholders including employees, shareholders and the community it operates.


Singapore POST
Speedpost by Singapore Post
Quantium SOLUTIONS
4PX 递四方速递
YTL CORPORATION
GDEX

From Singapore to Asia Pacific

From Singapore to Asia Pacific, SingPost is constantly innovating to expand its logistics offerings and deliver service excellence. As international economies become more integrated, our customers increasingly look for global reach - for both documents and a diverse range of parcels and packages - which we offer by leveraging our domestic and global networks. Embedded in every aspect of our operations is a deep commitment to bring added value to our customers. Our strong brand and infrastructure provide us with a good vantage point to further grow the full-value chain in logistics and e-commerce businesses in Asia Pacific. SingPost is continually strengthening its logistics network in the region through acquisitions and partnerships, better serving the needs of its customers.

From Bricks to Clicks

vPOST CLOUT SHOPPE shop@post SAM THE EZ suite

Be it fulfilling the basic task of paying bills or making luxury online purchases, SingPost leverages its multi-channel network, which encompasses post offices, SAM, and internet portals, to enlarge its offering of value-added products and services, satisfying the evolving needs of its customers. In addition, we are developing mobile applications to bring greater convenience and product access to our customers. Through transformation and reinvention of our products and services, we strive to create value for customers while enhancing their experiences with SingPost. From bricks to clicks, we make it simple and easy for customers to transact with us.

Letter to Shareholders

Dear Shareholders,

FY2011/12 was a milestone in our transformation journey to build a better future for SingPost. In the face of deepening challenges from structural mail volume declines mail as well as an economic slowdown and inflationary pressures, it was no longer an option for SingPost to conduct business as usual. We had to sharply accelerate the pace of our transformation.

FINANCIAL PERFORMANCE

Despite these challenges in the external environment, the Group recorded revenue of S$578.5 million, a 2.2 per cent growth. Underlying net profit was lower at S$135.4 million as the Group invested in people, technology and operations to support its transformation efforts.

It became increasingly evident that our strategic direction is on the right track, as Mail revenue started declining while contributions from the non-postal businesses of Logistics, Retail and e-Commerce increased. Efforts to grow in the region resulted in a 14.4 per cent growth from overseas revenue.

The Group's financial position remained robust, earning us an AA- credit rating by Standard and Poor's. The Group continues to be financially well-equipped to take advantage of strategic opportunities that may arise.

DIVIDEND

Free cash flow remained healthy at S$150.5 million.

We are proposing a final dividend of 2.5 cents per share. With the three interim dividends of 1.25 cents each in the first three quarters, the total dividend for FY2011/12 would be 6.25 cents per share.

Total shareholder returns since the IPO amounted to 176.5 per cent.

BUILDING ON A STRONG FOUNDATION

The Group embarked on its transformation path in 2003 when it became a listed commercial entity. In the first phase of the transformation, we set the right structures and reaped the fruits of "quick wins". Increasing product offerings, introducing new services and driving growth in the mail business enabled us to turn in good growth and build our financial and cash position. This has put us on a strong foundation and enabled us to move on to the next stage of growth.

We see a difficult period ahead. Economic growth is slowing while the operating environment remains challenging with rising business costs from inflationary pressures and a tight labour market in Singapore.

Globally, postal peers are struggling as the industry is confronted with rapid declines in mail volumes, a structural change brought about by the advent of the digital era. Over the past decade, we have experienced volume declines in segments of our mail business including cross-border mail and particularly in public mail. However, this was offset by proactive efforts to grow other mail volumes such as direct mail, enabling us to register volume growth even as the structural changes are taking effect. Still, we are beginning to see an overall reduction in our core mail business, and we anticipate further declines in the future. We face the challenge of maintaining a declining postal business while seeking to grow non-postal business for sustainability.

Over the year, we have quickened the pace of transformation, with significant investments and changes put in place to address critical needs in the organisation. We are investing in key areas – in people, technology and operations.

Key appointments were made to strengthen the management team and to introduce relevant and new talents to drive new businesses. The Group also focused on talent development, training and staff upskilling as it steps up its performance management.

As we expand and move into new business areas, technology is not just an enabler but also a driver of the businesses. The IT backbone of the organisation is being refreshed and enhanced to enable us to move ahead of the market and to meet the changing demands of customers. During the year, we implemented *PostMarque*, a next-generation track and trace system for our parcel delivery, and *ezyparcels*, a web-based solution for the distribution needs of e-commerce businesses in Asia.

With the changing profile of mail and parcel volumes, we are continually reviewing and investing into our operations in order to improve processes and reap greater productivity and efficiency. During the year, we invested in a multi-sorting facility for the processing of the increasing volume of e-commerce parcels, as well as three-wheeler vehicles that optimise the delivery of the heavier e-commerce items. To enhance the efficiency in handling international traffic, we opened a second airfreight hub at Changi Airport.

GETTING READY FOR THE FUTURE

As we make these investments for the future and execute our growth strategy, we are confident that SingPost will emerge a stronger entity. SingPost's management team is focused on systematically building five business pillars across the Group – Mail, Digital Services, Logistics, e-Commerce and Retail & Financial Services – as we rebalance our revenue and profit mix to reduce reliance on mail. We are also going regional to broaden the revenue base and reduce dependence on the Singapore market.

In Mail, we envision an integrated mail and parcel network nationwide that is technology-driven and efficient. It is a priority for SingPost to maintain its highly efficient operations so as to fulfil its Public Postal Licensee responsibilities and provide Singaporeans, customers and the public with high quality of service at an affordable rate.

To link us to the digital generation and protect our core business, SingPost is developing a new business pillar in Digital Services. In the year, we acquired the remaining stake in DataPost and made it our digital services vehicle in Singapore and the region. We acquired a 20.81 per cent stake in KLSE-listed Efficient E-Solutions and are in the process of acquiring Novation Solutions in Hong Kong. In the pipeline is our digital mail service which will bring our postal intermediary role into the digital space.

The strong growth in e-commerce trade in Asia has presented fresh opportunities to the Logistics business. We are putting in place a complete e-fulfilment network throughout Asia through our subsidiary Quantium Solutions and leveraging our regional associates, GD Express in Malaysia, Indo Trans Logistics Corporation in Vietnam and Shenzhen 4PX Express in China. In transforming Quantium Solutions, we have been investing and will continue to invest in building up capabilities.

From a single shipping and shopping portal *vPOST*, we have extended more initiatives to build our new business pillar in e-Commerce. During the year, we launched an online luxury store *Clout Shoppe* and an e-enabler for the SME market called *EZsuite*. Leveraging our strong brand and providing a traffic link-in to our e-fulfilment business, we are extending our service offerings beyond Singapore into the fast-growing markets in Asia Pacific.

The Retail & Financial Services business remains a steady pillar for the Group. We are looking to expand our distribution channels, with mobile application services in the pipeline. New services are being explored and piloted to reach new segments of customers while we enhance our social obligations to the public.

In developing and building our five business pillars, we are investing in strategic opportunities including M&As. During the year, we took strategic stakes in associated companies in the region that enhanced our network and capabilities. We will continue to explore further opportunities in logistics, e-commerce and digital services.

COMMITMENT TO STAKEHOLDERS

We are cognizant of our commitments and obligations to all our stakeholders.

The Group is committed to growing shareholder value. We expect that we can maintain regular dividend payouts which are supported by healthy cash flows, as the Group invests for a profitable future.

Our customers are at the centre of all we do. We are mindful of our social obligations, and this is a driver in our investments in people, technology and processes to achieve better service level to serve our customers and the public. We will continue to provide value in innovative solutions to stay relevant and close to all our customers.

As an organisation with an inclusive hiring policy, SingPost appreciates the unflagging support of its workforce, including its postal workforce about half of which comprises rehired retirees and housewives. We are committed to staff development to create a stable, well-trained and competitive workforce as we transform and step out into the region. We regularly review our remuneration and recognition schemes as well as staff welfare and benefits and have introduced a new postman grade, enhanced the salary range and increased postman driving allowance, among other initiatives. We are fully committed to the Government's drive to increase productivity and to reduce income disparity.

We believe in giving back to the community. The long-running initiatives that we have in our corporate social responsibility programme, can only be driven by passionate staff with the heart to serve. Besides food collection and distribution for our adopted charity, our staff also expended personal time and money to distribute food items to the elderly. These, along with our other corporate social responsibility initiatives to give back to the community at large, are gratifying to all in SingPost.

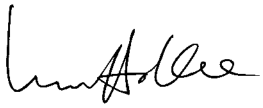
WELCOME AND THANKS

We are thankful to our staff and the union for their support over the years and would like to express our deepest gratitude for their commitment particularly during this challenging period of transformation.

I would like to thank the Board of Directors for their support and invaluable counsel to the Group.

We welcome Dr Wolfgang Baier, who joined us in February 2011 and was appointed Group CEO and director in October 2011. With his international logistics experience, we are confident that he will lead SingPost to new heights in its transformation.

Last but not least, to our shareholders, we thank you for your faith in and support of SingPost. It is our commitment to work hard and build an enduring company for all.



LIM HO KEE
CHAIRMAN

Board of Directors

From left to right:

LIM HO KEE
DR WOLFGANG BAIER
KEITH TAY AH KEE
KENNETH MICHAEL TAN WEE KHENG

LIM HO KEE, 67
NON-EXECUTIVE,
INDEPENDENT DIRECTOR

Date of first appointment as a director:
25 April 1998

Date of last re-election as a director:
30 June 2010

Board Committee(s) served on:

Executive Committee (Chairman)
Nominations Committee (Member)
Compensation Committee (Member)

Academic & Professional Qualification(s):

Bachelor of Science (Economics),
London School of Economics,
United Kingdom

Present Directorships in other listed companies *(as at 31 March 2012)***:**

Jardine Cycle & Carriage Limited
Keppel Land Limited

Major Appointments (other than Directorships):

Nil

Past Directorships in listed companies held over the preceding three years *(from 31 March 2009 to 30 March 2012)***:**

CWT Limited
Transcu Group Limited
MCL Land Limited

DR WOLFGANG BAIER, 38
GROUP CHIEF EXECUTIVE OFFICER
EXECUTIVE, NON-INDEPENDENT
DIRECTOR

Date of first appointment as a director:
5 October 2011

Date of last re-election as a director:
NA

Board Committee(s) served on:

Executive Committee (Member)

Academic & Professional Qualification(s):

Ph.D in Laws (Distinction),
University of Vienna
Master of Laws, University of Vienna
(Austria)
Master of Business Economics,
Universities of Exeter (UK) and
Graz (Austria)

Present Directorships in other listed companies *(as at 31 March 2012)***:**

Nil

Major Appointments (other than Directorships):

Nil

Past Directorships in listed companies held over the preceding three years *(from 31 March 2009 to 30 March 2012)***:**

Nil

KEITH TAY AH KEE, 67
NON-EXECUTIVE,
LEAD INDEPENDENT DIRECTOR

Date of first appointment as a director:
25 April 1998

Date of last re-election as a director:
30 June 2011

Board Committee(s) served on:

Audit Committee (Chairman)
Nominations Committee (Member)
Executive Committee (Member)
Board Risk Committee (Member)

Academic & Professional Qualification(s):

Chartered Accountant, The Institute of Chartered Accountants in England and Wales
Honorary Fellow, The Institute of Certified Public Accountants of Singapore

Present Directorships in other listed companies *(as at 31 March 2012)***:**

Singapore Reinsurance Corporation Limited
Rotary Engineering Limited
FJ Benjamin Holdings Ltd
SATS Limited

Major Appointments (other than Directorships):

Singapore Institute of Directors (Council Member)
Singapore International Chamber of Commerce (Board Member and Past Chairman)

Past Directorships in listed companies held over the preceding three years *(from 31 March 2009 to 30 March 2012)***:**

Pokka Corporation (Singapore) Limited
Aviva Ltd

KENNETH MICHAEL TAN WEE KHENG, 53
NON-EXECUTIVE,
INDEPENDENT DIRECTOR

Date of first appointment as a director:
20 March 2003

Date of last re-election as a director:
30 June 2010

Board Committee(s) served on:

Nominations Committee (Chairman)
Executive Committee (Member)
Audit Committee (Member)
Board Risk Committee (Member)

Academic & Professional Qualification(s):

LL. B. (First Class Honours), National University of Singapore
Academy of Law (Fellow)
Law Society of Singapore (Member)

Present Directorships in other listed companies *(as at 31 March 2012)***:**

Nil

Major Appointments (other than Directorships):

Kenneth Tan Partnership (Senior Partner)
Law Society Disciplinary Tribunal (President)
Singapore International Arbitration Centre (Accredited Arbitrator)
Regional Centre for Arbitration, Kuala Lumpur (Accredited Arbitrator)
Singapore Mediation Centre (Accredited Mediator and Evaluator)

Past Directorships in listed companies held over the preceding three years *(from 31 March 2009 to 30 March 2012)***:**

Nil

TAN YAM PIN, 71
NON-EXECUTIVE,
INDEPENDENT DIRECTOR

Date of first appointment as a director:
25 February 2005

Date of last re-appointment as a director:
30 June 2011

Board Committee(s) served on:

Board Risk Committee (Chairman)
Executive Committee (Member)
Audit Committee (Member)

Academic & Professional Qualification(s):

Bachelor of Arts (Economics),
University of Singapore
Master of Business Administration,
University of British Columbia
Canadian Institute of Chartered
Accountants, Canada (Fellow)

Present Directorships in other listed companies *(as at 31 March 2012)***:**

BlueScope Steel Limited (Australia)
Keppel Land Limited
Great Eastern Holdings Limited

Major Appointments (other than Directorships):

Singapore Public Service Commission
(Deputy Chairman)

Past Directorships in listed companies held over the preceding three years *(from 31 March 2009 to 30 March 2012)***:**

PowerSeraya Limited (Chairman)
Singapore Food Industries Limited
(Chairman)

ZULKIFLI BIN BAHARUDIN, 52
NON-EXECUTIVE,
INDEPENDENT DIRECTOR

Date of first appointment as a director:
11 November 2009

Date of last re-election as a director:
30 June 2010

Board Committee(s) served on:

Compensation Committee (Chairman)
Nominations Committee (Member)

Academic & Professional Qualification(s):

Bachelor of Science (Estate Management),
National University of Singapore

Present Directorships in other listed companies *(as at 31 March 2012)***:**

Hup Soon Global Corporation Limited

Major Appointments (other than Directorships):

People's Democratic Republic of Algeria
and Uzbekistan
(Non-Resident Ambassador)
Mentor Media Ltd (Vice Chairman)
Indo Trans Logistics Corporation
(Chairman)
Civil Aviation Authority of Singapore
(Member)
Singapore Management University
(Member, Board of Trustees)

Past Directorships in listed companies held over the preceding three years *(from 31 March 2009 to 30 March 2012)***:**

Nil

PROFESSOR LOW TECK SENG, 57
NON-EXECUTIVE,
INDEPENDENT DIRECTOR

Date of first appointment as a director:
8 October 2010

Date of last re-election as a director:
30 June 2011

Board Committee(s) served on:

Technology Committee (Chairman)

Academic & Professional Qualification(s):

Bachelor of Science (First Class Honours)
and Ph.D, Southampton University
Institute of Electrical and Electronics
Engineer (Fellow)

Present Directorships in other listed companies *(as at 31 March 2012)***:**

Innotek Limited
Excelpoint Technology Ltd

Major Appointments (other than Directorships):

Agency for Science, Technology
and Research (A*STAR) (Managing Director)
Nanyang Technological University
(Tenured Professor)

Past Directorships in listed companies held over the preceding three years *(from 31 March 2009 to 30 March 2012)***:**

Frencken Group Limited
Select Group Limited

From left to right:

TAN YAM PIN
ZULKIFLI BIN BAHARUDIN
PROFESSOR LOW TECK SENG
MICHAEL JAMES MURPHY
BILL CHANG YORK CHYE

MICHAEL JAMES MURPHY, 58
NON-EXECUTIVE,
NON-INDEPENDENT DIRECTOR

Date of first appointment as a director:
7 August 2009

Date of last re-election as a director:
30 June 2010

Board Committee(s) served on:

Technology Committee (Member)

Academic & Professional Qualification(s):

Bachelor of Science (Nuclear Engineering and Industrial Technology),
University of Massachusetts

Present Directorships in other listed companies *(as at 31 March 2012)***:**

Nil

Major Appointments (other than Directorships):

Postea, Inc.
(Founder and Chief Executive Officer)

Past Directorships in listed companies held over the preceding three years *(from 31 March 2009 to 30 March 2012)***:**

Nil

BILL CHANG YORK CHYE, 46
NON-EXECUTIVE,
NON-INDEPENDENT DIRECTOR

Date of first appointment as a director:
15 Nov 2010

Date of last re-election as a director:
30 June 2011

Board Committee(s) served on:

Compensation Committee (Member)
Technology Committee (Member)

Academic & Professional Qualification(s):

Bachelor of Engineering (Electrical and Computer Systems Engineering) (Honours),
Monash University

Present Directorships in other listed companies *(as at 31 March 2012)***:**

Nil

Major Appointments (other than Directorships):

Singapore Telecommunications Limited
(Executive Vice President, Business Group)
Singapore Polytechnic
(Chairman of Board of Governors)
Singapore Management University –
School of Information System
(Advisory Member)

Past Directorships in listed companies held over the preceding three years *(from 31 March 2009 to 30 March 2012)***:**

Nil

Mail

Equipped with optical character reader capability, the multi-purpose sorting machine can sort packets to the postmen beats, enhancing productivity and customer service.

REMAINING RELEVANT IN THE DIGITAL AGE

In FY2011/12, SingPost started developing the digital services business pillar as an extension of its core mail business as well as to better serve and connect to its next generation of customers.

We embarked on initiatives such as the digital mailbox solution, *vBOX* and *Say-Cheese*, to expand our suite of digital solutions. With the digital mailbox, SingPost will extend its trusted intermediary role between corporate mail senders and mail recipients from the physical form to the digital space. The digital mailbox solution will provide consolidated bill presentment, secured online payment and online storage while offering customers another option for receipt of their mail. *Say-Cheese*, an online portal that uses the latest digital printing technology, allows customers to design their own photo books online which are then printed and delivered by SingPost.

We are also developing mobile applications that will streamline processes and optimise the delivery network while making our solutions more convenient, easier to access and more responsive to customer preferences.

DMrocket, our direct mail business, introduced mobile phone scanning applications, such as Quick Response (QR) codes, in direct mail to help advertisers increase response rates and broaden the target base while linking physical mail to online content.

COMMITTED TO BETTER SERVICE

SingPost continued to invest in infrastructure to offer an even more efficient and reliable service as it adapts to the changing mail traffic profile. In November 2011, we invested in a multi-purpose sorting machine that can handle between 10,000 and 15,000 packages per hour – a processing rate tenfold faster than manual sorting – thereby raising productivity and improving service.

To enhance productivity and service quality, SingPost invested in three-wheelers for mail delivery. These vehicles can carry about 40 per cent more mail than regular two-wheelers, resulting in shorter delivery times as they reduce the number of return trips that a postman has to make to the delivery base or mail transit room. In addition, the three-wheeler is safer for our postmen as it balances the delivery load better than the two-wheeler.

SingPost also uses technology to enhance its processes and service level. Our next-generation track and trace system, *PostMarque*, improves efficiency with heightened visibility and raises the bar on service standards for our registered article service.

During the year, SingPost enlarged its capacity with a second airfreight hub, enhancing the efficiency in handling international mail, parcels and express mail (EMS) items.

Tapping the growth in e-commerce, SingPost partnered with eBay and United States Postal Service in January 2012 to launch *ePAC*, a new shipping service to the United States for eBay Singapore sellers. This follows the success of *SmartPac*, a local postage-paid delivery solution catering to local online retailers. The new *ePAC* service offers local eBay sellers a faster and more affordable shipping solution for lightweight goods up to 2kg that comes with additional online tracking features.

Our continuous efforts to enhance service quality have generated positive results. Customer satisfaction for the mail business increased from 69.2 to 72.0 points in the *Voice of Customers 2011* survey.

STRENGTHENING INTERNATIONAL POSTAL COLLABORATIONS

As the Public Postal Licensee of Singapore, SingPost continued to actively support international and regional collaborations in postal services through the Universal Postal

Mail Volumes

(million items)

PUBLIC (Stamped & Franked)		
FY11/12		**130.7**
FY10/11		134.3
BULK		
FY11/12		**829.0**
FY10/11		817.2
TOTAL		
FY11/12		**959.7**
FY10/11		951.5

Minister of Information, Communications and the Arts, Dr Yaacob Ibrahim with SingPost's Chairman Mr Lim Ho Kee during the Minister's visit to the Singapore Post Centre on 4 November 2011.

Union (UPU), Asian-Pacific Postal Union, ASEAN and other fora, forging closer alliances with other postal administrations.

Being a member of the Postal Operations Council of UPU, SingPost is involved in helping international postal services modernise and improve postal products with the changing times. Our active participation includes the chair of the Quality Improvement Group of Committee 1 (Letters) and Global Monitoring System Implementation Group, the vice chair of the Global Monitoring System Quality Link User Group and member of the Steering Committee of the Terminal Dues Working Group. SingPost also represents Asia Pacific in the World Customs Organisation/UPU Joint Contact Committee.

In Asia Pacific and ASEAN, SingPost continues to play an active role in discussions on terminal dues and parcels to facilitate the growth of the postal sector. We also host and actively participate in the Asia Pacific Post Cooperative, which conducts research and develops projects to enhance the competitiveness of postal services in the region.

GROWING DIGITAL SERVICES AND EXTENDING INTO THE REGION

In establishing and growing the digital services business pillar for the Group, SingPost undertook several strategic moves on this front during the year. In May 2011, we acquired the remaining 30 per cent stake in DataPost, making it a wholly owned subsidiary. With its base as a hybrid mail business with operations in five markets in Asia, DataPost is being transformed into a regional business process outsourcing player. The same year, we acquired a 20.81 per cents stake in KLSE-listed Efficient E-Solutions which has its core business in Business Process Outsourcing. We are in the process of acquiring Novation Solutions, a security printing and transactional mail provider in Hong Kong which has presence in the China market. These developments are an integral part of our strategy to grow the digital business locally and in the region.

Philately & Stamps

During the year, SingPost released 13 stamp issues with diverse themes covering significant national and regional events like the 20th World Orchid Conference hosted by Singapore, and the Golden Jubilee Anniversary of Singapore Economic Board of Development.

To generate interest and excitement in stamp-collecting among the young, SingPost appointed a popular local performing artiste, Mr Edmund Chen Zhi Cai, as its stamp ambassador in June 2011.

In October 2011, SingPost released Singapore's longest stamp featuring both the Nile River and the Singapore River in commemoration of Singapore's 45th Anniversary of Diplomatic Relations with the Arab Republic of Egypt.

Evolving to be a lifestyle product, a variety of *MyStamp* sheets was made available during the year which included *Marvel Comics MyStamp, Spiderman Ultimate 50 MyStamp, Babies MyStamp and Harry Potter MyStamp* collections.

SingPost also launched the *Enveloopy* Series collection – a series of postal-inspired gift ideas. Quirky, fun and reflecting the lifestyle of today's young, this collection features products like passport holders, luggage tags, laptop bags, name card holders and pencil cases adapted from SingPost's own airmail and datestamp visuals as well as postal inspired items.

Logistics

From warehousing to pick and pack to delivery, Quantium Solutions provides a one-stop, full-service e-fulfilment service to e-merchants.

OPTIMISING THE SINGAPORE NETWORK AND IMPROVING SERVICE

The market for parcels in Singapore has been driven by the unabated growth in domestic and international e-commerce. Logistics is becoming a key pillar for SingPost. As a leading player in delivery solutions in Singapore under its courier brand *Speedpost*, SingPost is in a strong position to benefit from the growth in e-commerce, especially in the business-to-consumer and consumer-to-consumer parcels arena.

In FY2011/12, SingPost continued to strengthen its *Speedpost Islandwide* and *Worldwide* services in Singapore by improving operational efficiency with the aim of providing a high level of service while maintaining competitive rates.

We invested in a new track and trace system, *PostMarque*, to provide greater visibility and boost service level at the same time. We also constantly reviewed our operations to achieve optimal process, cost management and service efficiency, which included the implementation of key performance indicators that encourage continuous process improvements and better quality of service for customers.

To provide a better level of service, we restructured our customer service team and enhanced processes for greater efficiency in handling customer bookings and enquiries. Outsourcing part of the booking and enquiry hotlines enabled us to tap the scalable resource support and efficiency to meet seasonal demand, particularly the year-end peak period.

For greater customer convenience, SingPost expanded its network of service points in January 2012 through a strategic collaboration with 7-Eleven. Customers can now drop off their *Speedpost EMS* items weighing not more than 3kg at their convenience. This initiative increases our customer touch-points from 115 to over 300 and offers our customers more convenient channels that accommodate their busy lifestyles.

SingPost's relentless efforts have not gone unnoticed. We were awarded the Express Mail Service (EMS) Gold Certification Level Award by the Universal Postal Union (UPU), making it our 11th consecutive win since 2001. Locally, we have also improved our customer satisfaction score for the logistics business from 67.2 to 68.2 points in the *Voice of Customers 2011* survey.

PROVIDING SMES WITH VALUE SOLUTIONS

During the year, SingPost strengthened its suite of solutions for small- and medium-sized enterprises (SMEs) to enable them to better manage distribution costs while expanding their business. Value solutions introduced include *Speedpost Customised Import Service* and *Speedpost SaverPac Prepaid*.

Speedpost Customised Import Service offers SMEs a quick import service from China, Hong Kong, Malaysia, Thailand and South Korea to their doorstep within two to three working days upon collection. We are working to expand our reach to more countries.

The simplified prepaid shipping solution, *Speedpost SaverPac Prepaid*, effectively addresses the needs of SMEs and retail customers whose top priorities in shipping are reliability and cost efficiency. With *Speedpost SaverPac Prepaid*, SMEs and retail customers who send packages up to 3kg to 10 listed countries can save up to 33 per cent in shipping costs. Additionally, this service provides the same reliability as *Speedpost EMS* service, with the same one-to-four-day transit time and at a lower cost.

SMEs who are members of the Association of Small & Medium Enterprises (ASME) also enjoy SingPost's special pricing discounts for worldwide express delivery and transportation services, as do eBay PowerSellers in Singapore.

QUANTIUM SOLUTIONS EXPANDS IN THE REGION

SingPost continues to accelerate its regional and diversification efforts through its wholly owned subsidiary, Quantium Solutions, focusing on e-commerce and e-fulfilment.

The strong growth in e-commerce trade saw *ezyparcels* – a distribution solution for packets and parcels to local and overseas destinations introduced last year – gaining traction, especially in North Asia. This enabled Quantium Solutions to grow its fulfilment orders at an encouraging pace.

Leveraging its capabilities and infrastructure in customised logistics solutions to offer a one-stop e-fulfilment solution to e-merchants from warehousing to pick and pack to delivery, Quantium Solutions successfully acquired new customers during the year while continually improving processes and strengthening its warehousing operations. In Australia, due to strong local demand, 70 per cent of our new warehouse in New South Wales was taken up in less than a year.

Quantium Solutions is increasingly harnessing technology to enhance efficiency and service level. During the year, we standardised our warehouse and mailroom management systems across all the countries of operations, boosting productivity and improving service to customers. Our new document management solution has the capacity to scan and enter data up to 10,000 documents per day in addition to processing payments on behalf of our clients. We will continue to invest in technology and capabilities to streamline our processes and improve the efficiency and flexibility of our network while making our solutions more convenient, easier to access and more responsive to customer preferences across Asia.

STRENGTHENING OUR REGIONAL REACH

During the year, SingPost stepped up its efforts towards becoming an Asian logistics operator.

Building on Quantium Solution's presence in 10 markets in Asia Pacific, SingPost undertook several strategic investments in established logistics operators in the region to strengthen its network. In June 2011, we acquired a 30 per cent stake in Vietnam-based Indo Trans Logistics Corporation, extending our reach into the Indo-China region. A month later, Quantium Solutions acquired a 20 per cent interest stake in Shenzhen 4PX Express, giving us a foothold in the e-fulfilment space in the China market. All these added to our regional portfolio of strategic logistics investments, which include a 27.08 per cent holding in Malaysian courier player, GD Express, acquired in March 2011.

Our track and trace system, *PostMarque*, improves efficiency with heightened visibility and raises the bar on service standards.

SMEs and retail customers can save up to 33 per cent in shipping with *Speedpost SaverPac Prepaid*.

Retail

SingPost constantly refreshes its post offices to enhance customers' in-store retail experience.

OFFERING GREATER CONVENIENCE

During the year, SingPost leveraged its extensive distribution network to better meet evolving customer needs, by collaborating with business partners and government agencies to offer more value-added services and products to customers.

SingPost has been a trusted partner of the Immigration and Checkpoints Authority of Singapore (ICA), providing passport, visa and identification card applications since April 2008. Following the success of the passport collection service, SingPost extended its ICA e-services to include Long Term Visit Pass applications at 30 selected post offices in March 2012. This latest initiative expands the suite of government services offered at the post offices, and takes advantage of the latter's strategic locations in the heartlands and commercial centres to bring customers greater convenience and accessibility.

We partnered M1 Limited to add new telecommunication services at the post offices including the application for new postpaid mobile and broadband services, as well as re-contracting services. With the expanded offerings, we set up new telecommunication counters with dedicated staff at three post offices, namely Yishun, Woodlands and Marine Parade post offices, to better serve our customers.

PROVIDING MORE QUALITY FINANCIAL SERVICES

In a landmark partnership with DBS, SingPost started offering basic banking services at all its post offices from January 2012. This initiative allows our customers who bank with DBS the convenience of making cash deposits and withdrawals as well as applying for the *POSB Everyday* savings account at any post office. Our tie-up with the bank to provide new notes exchange service before the Chinese New Year at some post offices for the second consecutive year also received good response.

In October 2011, we distributed *PRUfracture care*, a personal accident policy in partnership with Prudential Singapore, under the financial planning service, *Care for Life*. This gives consumers protection against minor accidental injuries.

For the unsecured personal loan services with our new business partner, Standard Chartered Bank which acquired GE Money's personal loan portfolio in November 2011, *ezyCash* introduced added features like loan tenures of up to 60 months while allowing customers to choose a suitable repayment period. In addition, customers can also make *ezyCash* loan enquiries through the self-help phone booths at 24 selected post offices.

CASHOME, our remittance business, expanded in the year. In June 2011, SingPost forged a partnership with the State Bank of India (SBI), enabling customers to remit funds securely through the *CASHOME-SBI* platform to over 13,000 SBI branches in India. This service was subsequently made available at 69 strategically located in-branch self-service automated machines (*SAM*). In December 2011, *CASHOME* also expanded its Philippines remittance corridor for the *CASHOME-Banco De Oro* (BDO Remit) service to include new services like cash pickup service at 4,500 payout locations, *BDO Remit cash* card reload and top-up services, bills payment and food remittance services. In March 2012, we started *CASHOME Telegraphic Transfer* service with selected banks in nine countries, namely China, Bangladesh, Taiwan, Vietnam, South Korea, Nepal, Cambodia, Philippines and Thailand, extending our reach to a wider segment of customers.

CREATING POSITIVE INTERACTIONS

During the year in review, we injected a more modern look and feel to two post offices, namely Geylang East and Chinatown Point branches, with the latter housing a *Shop@Post* corner to enhance customers' in-store retail experience and better serve their lifestyle needs. We also installed customer feedback terminals at all post offices to gather instant feedback and measure customer satisfaction levels.

To complement our strategy of transforming the retail network into a lifestyle hub, we tied up with established food and beverage (F&B) partners to offer special treats every month through our *SAM*. This innovative service, *Treats@SAM*, provides a channel for customers to enjoy a discount of up to 50 per cent from SingPost's F&B partners, making us one of the first, if not the first, in Singapore to cross-sell F&B treats through a self-service kiosk. We also launched a *Sweet-Moments* programme at the post offices, offering customers a quick pickup of FMCG offerings at good value.

GROWING OUR E-COMMERCE BUSINESS PILLAR

SingPost continues its drive towards establishing a significant global e-marketplace, building on *vPOST* and *Clout Shoppe* to expand its suite of e-commerce services.

During the year, *vPOST* continued to enhance its service offerings, extending greater choices and convenience to online shoppers in Singapore. In addition to the USA, Europe and Japan sites that are already enjoying good patronage, *vPOST* launched a new online shopping service for China in August 2011, giving its customers a wider platform to shop online. A new service, *vPayChina* was also launched to make payments on behalf of Singapore shoppers buying from China websites that did not accept international credit cards.

In November 2011, *vPOST* introduced added features like *vEzy* and *vFlex*, and repacking service to *vPOSTUSA*, giving customers more flexibility in managing their packages. Customers will find that with *vEzy*, online shopping is made easier as v*POST* handles customs declaration on their behalf. Alternatively, customers can self-declare their packages at their convenience via *vFlex*. We also launched a repacking service to optimise packaging, helping customers save on shipping charges.

vPOST continued to extend its reach into the region backed by strategic partnerships with MasterCard in countries like Singapore, Malaysia and Thailand, and HDFC Bank in India. These tie-ups enabled their customers to enjoy the benefits of online shopping via *vPOST*.

Clout Shoppe, SingPost's new online luxury retail destination where avid shoppers can enjoy premium designer brands at value prices, expanded its product range to cater to growing demand in its first year of operations. From a premier ladies' fashion apparel and accessories provider, *Clout Shoppe* has grown its offerings to encompass junior merchandise, beauty and skin care as well as products catering to men and households.

Riding on the rapid growth of online shopping in the region, *Clout Shoppe* launched its international service in November 2011. It plans to leverage its customer-centric approach, brand assurance, strong logistics and fulfilment, and growing product mix to further expand regionally.

In the year, SingPost also collaborated with Paypal to launch *EZsuite*, an integrated platform from web hosting to e-fulfilment, making it easier for SMEs to seize e-commerce opportunities and grow their business.

Clout Shoppe, a luxury e-retailer, carries a curated range of the hottest elite brands and fashion labels at value prices.

Corporate Social Responsibility & Human Resources

Under its staff volunteerism programme, SingPost staff donate, pack and deliver food essentials for beneficiaries staying in one-room flats in Kolam Ayer.

As a responsible corporate citizen, SingPost remains committed to sustainable development by investing in the community, its people and practices that help to preserve the environment.

INVESTING IN THE COMMUNITY

SingPost is active in the community, supporting the initiatives to improve people's lives. Since 2008, SingPost staff have been expending both personal time and money to donate, pack and deliver food items to a group of senior citizens in Kolam Ayer on a quarterly basis under its adopted charity programme, Food from the Heart.

As an extension of its support to the *Food Goodie Bag* programme, SingPost continued to sponsor a group of underprivileged primary school students with a monthly supply of food essentials for the third consecutive year. SingPost also deploys its postmen and couriers on six distribution routes four days a week to collect unsold bread and pastries from bakeries and hotels, delivering more than 400,000 bread and pastries since 2008.

During the year, SingPost matched its staff's contribution to the Community Chest's *Care and Share* programme dollar-for-dollar. We also leveraged our core competencies to support worthwhile causes, delivering over 5,000kg of items to selected charitable organisations in Australia, Cambodia, China, Hong Kong, Japan, Philippines, Thailand, the United States of America and Singapore. We continued to waive postage for the mailing of literature for the blind.

In addition, we supported our business partners in their community outreach programmes including the Singapore Cancer Society Charity Run, National Crime Prevention Council 30th Anniversary Gala Dinner, Standard Chartered Charity Football Fiesta and SingTel Touching Lives Fund.

To engage the youth, we continued our Schools' Visit programme where students were brought on an eye-opening journey of SingPost's operations and given insight into the company's transformation. We also enthused the young community with stamp stories and worked with a Chinese daily to organise a letter-writing contest for the young ones. SingPost also engaged the young through the Singapore Philatelic Museum. During the year, SingPost contributed S$300,000 to the museum for the upkeep and presentation of its philatelic materials and exhibits, as well as museum activities.

INVESTING IN OUR FUTURE

SingPost believes in the value of investing in human capital to support its drive to deliver solutions that satisfy people's lifestyle needs. The leadership bench strength was enhanced with managerial hires for strategic areas of business development and operational excellence, human resources and information systems.

As an employer with an inclusive hiring policy, SingPost is committed to people development. During the year, we formed a new strategic unit, Talent & Organisation Development, which will adopt a proactive approach to attract, develop and retain people with the right aptitude and abilities to meet current and future organisational needs. Deepening the employees' skills and expertise not only helps to raise productivity and income, but also helps the company to innovate and create value in new ways.

Development initiatives in FY2011/12 included advanced computer software skills, problem-solving techniques, coaching for performance, and enhanced leadership training. We continued to focus on job-specific and soft skills training for our frontline staff such as customer service training. Our neighbourhood postmen and mail sorters underwent

SingPost's sports and recreational committee, Zest.O, successfully organised a series of social and recreational activities throughout the year.

Under the new Collective Agreement, our staff can benefit from the introduction of a new postman grade, the enhanced salary range, the increase in driving allowance, among others.

a basic English literacy course under the *Workfare Skill-Up* training programme. To ensure a safe and healthy work environment, staff were also enrolled in *Workplace Safety & Health* and *Risk Management bizSAFE Level 2*.

The re-employment law in Singapore took effect in January 2012. SingPost, which is ahead of the curve as it has been re-employing retired staff since 1994, continued to tap on the wealth of expertise and experience of the mature workers. We also collaborated with NTUC Women's Development Secretariat and Employment and Employability Institute to hire and train employees of all age groups.

The three-yearly collective agreement with the Union was renewed in January 2012. Among other things, the new agreement saw improved salary ranges, extended career paths for postal staff, enhanced quantum for almost all categories of the Long Service Awards as well as increased shift and driving allowances. We also improved the performance-based incentive plans for the postmen and couriers to recognise the increased demands on staff productivity and service excellence.

ENGAGING THE STAFF

We believe in improving our own people's lives by creating a fulfilling and exciting work environment. To help our staff stay connected and enable the organisation to move as one, we actively engaged our staff via communication and engagement activities throughout the year, and organised special dialogues with Union leaders. A one-day event for all 270 managers including those from subsidiary companies was held in November 2011 to launch the transformation programme – *Ready for the Future*. This significant event also saw the launch of the People Engagement vision of EPO - Empowerment, Pro-activeness and One Team. This initiative was disseminated to junior staff.

To continue to foster the "One SingPost" culture and interaction, SingPost's sports and recreational committee, Zest.O, with its motto "Play Hard, Work Hard", successfully organised a series of social and recreational activities throughout the year including nature walks, movie nights, futsal games, fun runs and tournaments like badminton, golf and bowling.

REWARDING EXCELLENCE

Recognising contributions is a tangible way for SingPost to show our appreciation to staff. In September 2011, we launched the "Thumbs Up!" initiative to encourage customers to express their appreciation to frontline staff. We saw a whopping 1,300 compliments pour in during the three-month campaign. In addition, we also saw an improved annual Voice of Customer survey score of 72.0 points, up from 69.6 points in 2010.

In October 2011, 377 employees were honoured at our annual Best Employee cum Commendation Awards Presentation ceremony. Nationally, at the Excellent Service Awards (EXSA) 2011 ceremony, a total of 120 SingPost employees were commended for service excellence, up from 79 in the previous year. One of our Customer Service Officers, Ms Alina Binte Yusof was a Superstar finalist in the retail category.

PRESERVING OUR ENVIRONMENT

We are keenly aware of the effects of our operations and the role we play in preserving our environment. We continually seek ways to make our operations more fuel and cost-efficient. Route optimisation and investing in three wheelers help to reduce the number of return trips to the base or mail transit rooms which in turn help to reduce carbon emission. SingPost also uses about 350 bicycle routes to provide mail service. Some 120 postmen deliver mail on foot. Other initiatives implemented to encourage a more environmentally responsible culture include paper recycling and reducing electricity consumption.

Investor Relations

EXTENDING OUR REACH TO THE INVESTOR COMMUNITY

We are guided by our commitment of transparency and accountability to our shareholders. As such, we adopt a proactive approach in our investor communications by providing clear, regular and timely information.

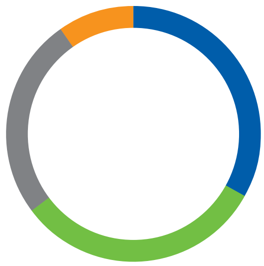
As the Group's transformational initiatives created more announcements and news on the corporate development front, the management increased communication efforts to reach out to and update the investor community. Multiple channels, including results briefings, webcasts, teleconferences, roadshows, investor conferences, the corporate website and email alerts, were leveraged to provide investors with up-to-date information and a better understanding of our business.

Our Group CEO and Group CFO conducted combined media and analysts briefings upon the release of the half-year and full-year results while teleconference briefings were held for the first and third quarters. Audio webcasts of the results presentations were made available to the public simultaneously.

In FY2011/12, the management met a total of 59 fund managers comprising existing and potential investors. We also participated in the UBS ASEAN & India Conference 2011 where we conducted one-on-one and small group meetings with local and overseas fund managers. Since 2005, SingPost has partnered with the Securities Investors Association of Singapore (SIAS) to organise annual presentations and site tours for their members and SingPost shareholders.

Once again, SingPost was recognised for its proactive investor relations and high corporate transparency standards. At the SIAS Investors' Choice Awards, SingPost was awarded runner-up for the "Most Transparent Company Award 2011" in the Services/ Utilities/Agriculture category. SingPost was also short-listed for Best Investor Relations Award 2011 and Best CFO of the Year Award 2011 under the Singapore Corporate Awards.

SHARE OWNERSHIP BY INVESTOR GROUPS



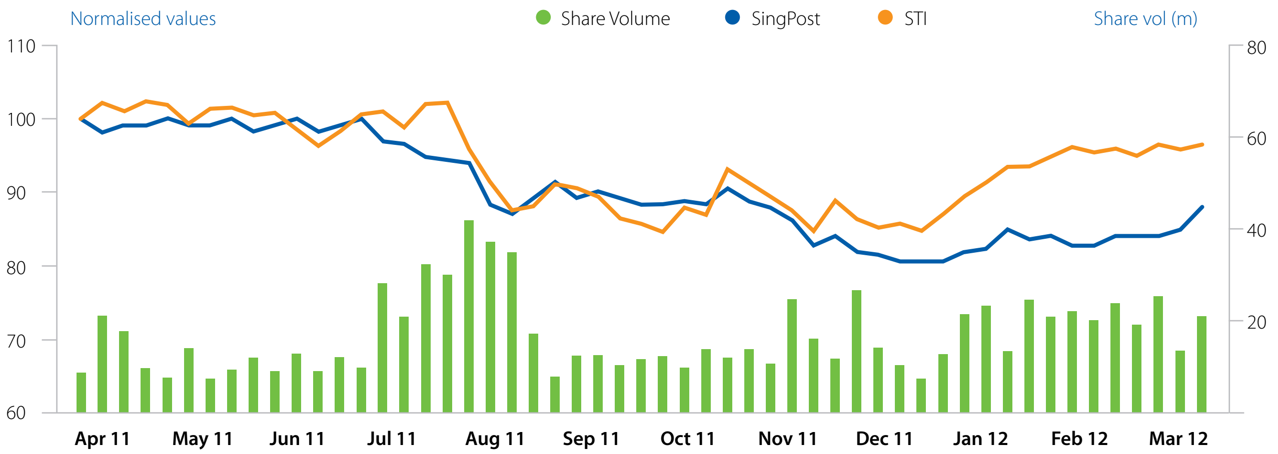
Retail	33.3%
Institutional	31.6%
SingTel	25.6%
Others	9.5%

INSTITUTIONAL HOLDINGS BY GEOGRAPHIC DISTRIBUTION

Europe	35.2%
North America	24.2%
Singapore	21.1%
Asia	19.5%

SINGPOST SHARE PRICE AND TRADING VOLUME VS FS STI (FY2011/12)

Volume (million)



Source: Bloomberg

Property

We will continue to focus on yield enhancement of our properties.

In FY2011/12, we continued to focus on yield enhancement of our properties. The Group's flagship building, Singapore Post Centre, continued to enjoy a high occupancy rate of 98.6 per cent as at 31 March 2012.

LIST OF MAJOR PROPERTIES

NAME	ADDRESS	TITLE	YEARS	WITH EFFECT FROM	LAND Area (SQ M)	BUILDING Gross Floor Area (SQ M)
Airmail Transit Centre	21 North Perimeter Road	Leasehold	30	25.09.00	2,903	8,862
Alexandra Post Office	110 Alexandra Road	Leasehold	99	31.03.92	2,305	923
Ayer Rajah Delivery Base	6 Ayer Rajah Crescent	Leasehold	30	01.02.96	4,401	10,274
Bukit Panjang Post Office	10 Choa Chu Kang	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	1,918	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	137,134
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 Financial Highlights/ Business Review

Income Statement

REVENUE

	(S$m)
FY11/12	**578.5**
FY10/11	565.8
FY09/10	525.5
FY08/09	481.1
FY07/08	472.6

OPERATING PROFIT

	(S$m)
FY11/12	**182.9**
FY10/11	206.6
FY09/10	201.5
FY08/09	178.4
FY07/08	175.3

NET PROFIT

	(S$m)
FY11/12	**142.0**
FY10/11	161.0
FY09/10	165.0
FY08/09	148.8
FY07/08	149.3

UNDERLYING NET PROFIT

	(S$m)
FY11/12	**135.4**
FY10/11	149.6
FY09/10	147.7
FY08/09	147.2
FY07/08	140.0

RETURN ON AVERAGE INVESTED CAPITAL

	(%)
FY11/12	**14.2**
FY10/11	19.8
FY09/10	24.5
FY08/09	27.6
FY07/08	29.1

FREE CASH FLOW

	(S$m)
FY11/12	**150.5**
FY10/11	174.6
FY09/10	196.1
FY08/09	155.9
FY07/08	160.9

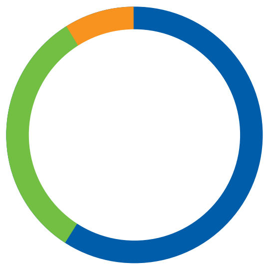
DIVIDEND

	(cents per share)
FY11/12	**6.25***
FY10/11	6.25
FY09/10	6.25
FY08/09	6.25
FY07/08	6.25

* Including proposed final dividend of 2.5 cents per share to be approved by shareholders at the AGM in June 2012.

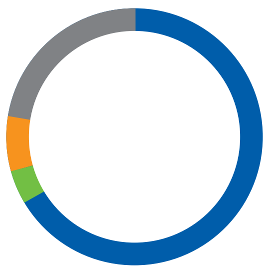
The SingPost Group has three main operating divisions: Mail, Logistics and Retail. For the financial year ended 31 March 2012, the Group recorded revenue of S$578.5 million, of which 57.5 per cent was contributed by the core business of Mail. Logistics comprised 32.1 per cent of Group revenue, while Retail contributed the remaining 10.4 per cent. The Mail Division accounted for the bulk of the Group operating profit, at 72.8 per cent, compared to 4.8 per cent by Logistics and 5.4 per cent by Retail.

REVENUE BREAKDOWN



57.5%
32.1%
10.4%

OPERATING PROFIT BREAKDOWN



72.8%
4.8%
5.4%
17.0%

LEGEND

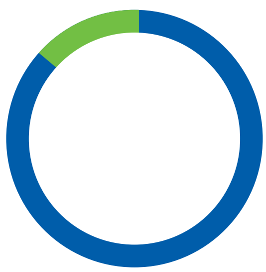
MAIL
- Domestic
- International
- Hybrid
- Philatelic

LOGISTICS
- Quantium Solutions
- *Speedpost*
- Warehousing, Fulfilment & Distribution
- *vPOST* (Shop & Ship)

RETAIL
- Agency Services
- Financial Services
- *vPOST* (Bill Presentment/ Payment)
- *Clout Shoppe*

OTHERS
- Property

GEOGRAPHICAL REVENUE BREAKDOWN



Local	**87.1**
Overseas	**12.9**

Group Five-Year Financial Summary

	FINANCIAL YEAR ENDED 31 MARCH				
	2012	**2011**	**2010**	**2009**	**2008**
INCOME STATEMENT (S$ MILLION)					
Revenue	**578.5**	565.8	525.5	481.1	472.6
Operating profit [1]	**182.9**	206.6	201.5	178.4	175.3
EBITDA [2]	**214.8**	232.6	232.2	212.7	214.8
Net profit [3]	**142.0**	161.0	165.0	148.8	149.3
Underlying net profit [4]	**135.4**	149.6	147.7	147.2	140.0
BALANCE SHEET (S$ MILLION)					
Total assets	**1,430.2**	1,092.9	1,074.9	770.2	747.4
Ordinary shareholders' equity	**313.0**	326.1	292.9	251.4	221.4
Cash and cash equivalents	**617.4**	338.7	390.2	139.5	104.1
Net (cash) / net debt	**(111.6)**	164.3	112.8	163.4	197.9
Perpetual securities	**346.8**	-	-	-	-
Net debt plus perpetual securities [5]	**235.2**	164.3	112.8	163.4	197.9
CASH FLOW (S$ MILLION)					
Net cash inflow from operating activities	**176.6**	186.9	208.5	170.3	173.7
Capital expenditure (cash)	**26.1**	12.3	12.4	14.5	12.8
Free cash flow [6]	**150.5**	174.6	196.1	155.9	160.9
KEY RATIOS					
EBITDA margin (%)	**37.1**	41.1	44.2	44.2	45.5
Net profit margin (%)	**24.5**	28.5	31.4	30.9	31.6
Return on average invested capital (%)	**14.2**	19.8	24.5	27.6	29.1
Return on average ordinary shareholders equity (%)	**44.4**	52.0	60.6	62.9	73.4
Net debt to ordinary shareholders equity (%)	**N.M.**	50.4	38.5	65.0	89.4
Net debt plus perpetual securities to ordinary shareholders equity (%) [5]	**75.1**	50.4	38.5	65.0	89.4
EBITDA to interest expense (number of times)	**17.2**	16.3	29.9	27.4	23.4
PER SHARE INFORMATION (S CENTS)					
Earnings per share - basic	**7.41**	8.37	8.56	7.73	7.77
Earnings per share - underlying net profit [4]	**7.06**	7.78	7.67	7.64	7.27
Net assets per share	**34.9**	17.3	15.5	13.3	11.7
Dividend per share - ordinary	**6.25**	6.25	6.25	6.25	6.25

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) Net debt plus perpetual securities and its ratio to ordinary shareholders equity are presented for comparative purposes.
(6) Free cash flow refers to net cash inflow from operating activities less cash capital expenditure.
(7) Certain comparative figures have been adjusted to conform to current year's presentation.
(8) N.M. Not meaningful.

Financial Review and Outlook

GROUP	FINANCIAL YEAR ENDED 31 MARCH 2012 S$'000	2011 S$'000	CHANGE %
Revenue	578,518	565,847	2.2
Operating profit	182,924	206,550	(11.4)
Share of profit of associated companies and joint ventures	664	(549)	N.M.
Net profit	141,974	160,966	(11.8)
Underlying net profit[1]	135,403	149,556	(9.5)
Basic earnings per share (S cents)	7.41	8.37	(11.5)
Underlying earnings per share (S cents)	7.06	7.78	(9.3)

Notes

[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.

[2] N.M. Not meaningful.

In FY2011/12, the Group was impacted by industry challenges, a weaker business environment and increased cost pressures. The postal world has been changing and peers are struggling all over the world. SingPost had managed to delay the inevitable impact of declining mail profits till now. At the same time, the Group has to invest into people, IT and operations to stay ahead of the competition. For the full year, Group revenue rose 2.2 per cent, with growth from Logistics and Retail business segments coupled with a steady performance from Mail. Net profit for the Group was S$142.0 million, a decline of 11.8 per cent. Excluding exceptional items, underlying net profit was S$135.4 million, a decline of 11.5 per cent due to rising business costs and the Group's investment in its operating capabilities, people, IT and operations.

REVENUE	FINANCIAL YEAR ENDED 31 MARCH 2012 S$'000	2011 S$'000	CHANGE %
Mail	385,433	385,599	(0.0)
Logistics	215,295	198,278	8.6
Retail	69,372	66,829	3.8
Inter-segment eliminations	(91,582)	(84,859)	7.9
	578,518	565,847	2.2

In Mail, revenue held steady at S$385.4 million. Within Mail, domestic mail revenue, accounting for 61.7 per cent of Mail revenue, decreased slightly by 0.5 per cent to S$237.7 million. International mail revenue, accounting for 32.1 per cent of Mail revenue, increased 0.5 per cent to S$123.5 million. Hybrid mail revenue improved slightly, rising 0.8 per cent to S$19.2 million. Revenue from philately and stamps increased 3.5 per cent to S$5.0 million.

In Logistics, revenue increased 8.6 per cent to S$215.3 million on the back of higher contributions from Quantium Solutions, *Speedpost*, transhipment and *vPOST* shipping businesses. Revenue contributions from Quantium Solutions made up 65.7 per cent of Logistics revenue and registered a growth of 8.7 per cent to S$141.4 million. *Speedpost*, transhipment and other revenue, accounting for 29.9 per cent of Logistics revenue, improved 6.9 per cent to S$64.4 million. Contributions from *vPOST* shipping activities increased 19.7 per cent to S$9.4 million.

Financial Review and Outlook

Retail revenue rose 3.8 per cent to S$69.4 million mainly due to contributions from *Clout Shoppe*, an online store. Agency services, retail products and others, accounting for 26.6 per cent of Retail revenue, decreased 2.1 per cent to S$18.5 million. Financial services revenue, accounting for 31.4 per cent of Retail revenue, was steady at S$21.8 million as growth from financial services offset the impact following the sale of *Speedcash* business in March 2011. Inter-segment revenue, which arose from the provision of post office services to Mail and Logistics segments, rose 2.4 per cent to S$26.6 million.

The Group's rental and property-related income grew 1.9 per cent to S$42.3 million, as a result of higher rental income from Singapore Post Centre.

Miscellaneous income amounted to S$11.5 million, a decline of 19.8 per cent from S$14.3 million last year. This was mainly attributable to lower foreign-exchange gains from trade liabilities and lower recognition of deferred gain on intellectual property rights as a result of the write-down in March last year.

To support its regionalisation and diversification efforts, the Group invested in capabilities and resources in areas such as people, IT and operations during the year. Total expenses increased 7.8 per cent to S$459.3 million. Approximately S$9.7 million was attributable to costs for upgrading of talent, IT systems and processes. Total expenses last year was also lower due to a reversal of impairment charge for properties totalling S$2.5 million. Excluding these, total expenses would have increased at a lower rate of 4.9 per cent.

	FINANCIAL YEAR ENDED 31 MARCH		
OPERATING PROFIT	**2012 S$'000**	**2011 S$'000**	**CHANGE %**
Mail	133,117	141,683	(6.0)
Logistics	8,854	13,654	(35.2)
Retail	9,797	9,480	3.3
Others	31,156	41,733	(25.3)
	182,924	206,550	(11.4)

The Group's operating profit fell 11.4 per cent to S$182.9 million on account of increased business costs and investments in capabilities and resources during the year.

Mail operating profit was down 6.0 per cent to S$133.1 million in the face of higher operating costs and a restrained business environment. Logistics operating profit declined 35.2 percent to S$8.9 million largely due to a significant step up in investments in people, IT and operations as the Group transforms Quantium Solutions from a cross-border mail service provider to a total logistics solutions and e-fulfilment provider. Profit margins were also lower due to stronger growth in lower-margin businesses such as transhipment. Retail operating profit improved 3.3 per cent to S$9.8 million with higher contributions from financial services. Operating profit from "Others" segment decreased 25.3 per cent to S$31.2 million due to lower foreign-exchange gains from trade liabilities, lower recognition of deferred gain on intellectual property rights, higher property related expenses and the reversal of impairment charge for properties recorded last year.

Contributions from associated companies and joint ventures amounted to S$0.7 million, compared to a loss of S$0.5 million last year. The improvement was mainly due to the contributions from new associated companies.

Net profit for the Group was S$142.0 million, a decline of 11.8 per cent. Excluding exceptional items, the Group's underlying net profit amounted to S$135.4 million, a reduction of 9.5 per cent.

Financial Review and Outlook

CASH FLOW	FINANCIAL YEAR ENDED 31 MARCH 2012 S$'000	2011 S$'000	CHANGE %
Net cash inflow from operating activities	176,629	186,883	(5.5)
Net cash used in investing activities	(77,398)	(98,109)	(21.1)
Net cash provided by / (used in) financing activities	179,392	(140,260)	N.M.
Net increase / (decrease) in cash and cash equivalents	278,623	(51,486)	N.M.
Cash and cash equivalents at beginning of year	338,734	390,220	(13.2)
Cash and cash equivalents at end of year	617,357	338,734	82.3
Free cash flow	150,483	174,562	(13.8)
Cash capital expenditure as a percentage of revenue	4.5%	2.2%	

Operating Activities

Net cash from operating activities was at S$176.6 million, compared to S$186.9 million last year on lower profits.

Investing activities

Net cash used in investing activities was S$77.4 million, compared to S$98.1 million previously. Additions to property, plant and equipment were higher at S$26.1 million as the Group invested in resources to support its growth efforts. During the year, the Group acquired the remaining 30 per cent stake in DataPost for S$6.0 million and invested S$38.0 million in associated companies, Efficient, 4PX and ITL. Financial assets purchased during the year amounted to S$80.1 million. These were partly offset by financial assets that matured during the year amounting to S$67.6 million and interest received totalling S$3.4 million.

Financing activities

Net cash provided by financing activities was S$179.4 million, compared to net cash used in financing activities of S$140.3 million previously. The inflow was due to proceeds from the issue of Senior Perpetual Cumulative Securities on 2 March 2012. Outflows included dividend payments of S$119.1 million, purchase of treasury shares of S$36.4 million and interest payments of S$12.5 million.

Free cash flow

Free cash flow (net cash from operating activities less capital expenditure) amounted to S$150.5 million, compared to S$174.6 million recorded last year.

CAPITAL MANAGEMENT

The Group is committed to an optimal capital structure and constantly reviews its capital structure to balance capital efficiency and financial flexibility.

GROUP DEBT AND PERPETUAL SECURITIES	FINANCIAL YEAR ENDED 31 MARCH 2012 S$'000	2011 S$'000	CHANGE %
Total debt	505,719	503,009	0.5
Net (cash) / debt	(111,638)	164,309	N.M.
Net debt to ordinary shareholders equity (%)	N.M.	50.4%	
Total debt plus perpetual securities*	852,545	503,009	69.5
Net debt plus perpetual securities*	235,188	164,309	43.1
Net debt plus perpetual securities to ordinary shareholders equity (%)*	75.1%	50.4%	
EBITDA to interest expense (number of times)	17.2	16.3	

* Presented for comparative purposes.

Financial Review and Outlook

Total debt remained at the same level as the previous year. Total debt plus perpetual securities comprised S$200 million 10-year Fixed Rate Notes issued in March 2010, S$300 million 10-year bond issued in April 2003 and S$350 million senior perpetual cumulative securities issued in March 2012. Net debt plus perpetual securities to ordinary shareholders equity ratio increased to 75.1 per cent as at 31 March 2012 from 50.4 per cent a year ago. Interest coverage for the Group remained robust, with EBITDA to interest expense cover increasing to 17.2 times.

DIVIDEND

Given the Group's healthy cash flows, the Board of Directors is recommending a final dividend of 2.5 cents per share for the financial year ended 31 March 2012. Together with the interim dividend payments of 1.25 cents per share for each of the first three quarters, the annual dividend in respect of the current financial year would amount to 6.25 cents per share.

	CENTS PER SHARE
Interim Q1	1.25 cents
Interim Q2	1.25 cents
Interim Q3	1.25 cents
Proposed final	2.50 cents
Total dividends paid and proposed in relation to FY2011/12	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 difficult postal landscape and weaker business environment, coupled with increasing cost pressures, continue to pose challenges to the Group. SingPost continues to execute its transformation programme to drive growth organically and inorganically, and in the regional markets. It is building new revenue contributors in the digital services and e-commerce businesses, and pursuing growth in regional logistics and e-fulfilment. It has been leveraging its investments in companies in the region to strengthen its digital services and logistics networks in Asia Pacific.

The Group raised S$350 million from the issue of Senior Perpetual Cumulative Securities in March 2012 to finance new investments as part of its growth strategy. It will also use the proceeds to fund anticipated capital expenditure and working capital requirements.

The Singapore market remains an important focus for the Group. It is committed to its social obligations and quality of service standards, and is continually investing in process improvements, additional resources as well as product and service innovations.

Over the next few quarters, the Group will continue to invest in the necessary competencies and enhanced technology and information systems to drive new businesses and support the growth efforts. To manage inflationary cost increases, the Group will continue to explore new technologies and resources to further enhance productivity. With the weakening global economy, the Group is implementing cost management and optimisation measures, even as it makes the investments in necessary resources for future growth.

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, the Board Risk Committee and the Technology 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 2012, a total of seven Board meetings were held. The attendance of the directors at Board meetings and Board Committee meetings, as well as the frequency of such meetings, are disclosed in this report.

Newly appointed directors are 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.

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 currently comprises nine directors of whom six are independent and three are non-independent.

The Nominations Committee reviews and determines the independence of each director on an annual basis 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 Dr Wolfgang Baier, Group Chief Executive Officer (Group CEO), Mr Bill Chang York Chye and Mr Michael James Murphy. Mr Lim Ho Kee is deemed to be non-independent until end of June 2011 when his management oversight role ended. Mr Bill Chang York Chye is the Executive Vice President (Business) of SingTel, which is a substantial shareholder of SingPost. Mr Michael James Murphy is deemed non-independent as a result of various agreements entered into between SingPost and Singapore Post Enterprise Private Limited, a wholly-owned subsidiary of SingPost, on the one hand, and Postea, Inc., Proiam, Inc. and Proiam Asia Pacific Pte Ltd on the other hand, of which the latter two are related corporations of Postea, Inc.. Information on payments made by SingPost and Singapore Post Enterprise Private Limited to Postea, Inc. and the aforementioned entities under various agreements during the financial year is reflected in the Statutory Reports and Financial Statements for the financial year ended 31 March 2012. Mr Michael James Murphy is the Chief Executive Officer, a director and substantial shareholder of Postea, Inc..

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 Nominations 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 diverse areas including accounting, finance, law, business and management, strategic planning, logistics, postal technology, information and communication technology and customer service. The diversity of the directors' experience allows for the useful exchange of ideas and views. The directors communicate regularly without the presence of Management to review matters of a confidential nature. Key information of each Board member is set out in the Board of Directors section on pages 10 to 13.

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 Group Chief Executive Officer (Group CEO) of SingPost. Different individuals assume the Chairman and the Group CEO 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. As Chairman, he 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. Dr Wolfgang Baier, 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 Management Committee. The function 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 Group CEO of SingPost require the prior written approval of the Infocomm Development Authority of Singapore (IDA).

In line with corporate governance best practices, Mr Keith Tay Ah Kee remained as the Lead Independent Director of the Board even after Mr Lim Ho Kee relinquished the additional role of management oversight. The role of the Lead Independent Director is to lead and coordinate the activities of the non-executive directors in circumstances where it would be inappropriate for the Chairman to serve in such capacity, and to assist the Chairman and the Board to ensure effective corporate governance in managing the affairs of the Board and the Company. The Lead Independent Director will also be available to shareholders where they have concerns for which contact through the normal channels of the Chairman, Group CEO or Group CFO has failed to resolve or for which such contact is inappropriate.

Corporate Governance Report

Principle 4: Board Membership
There should be a formal and transparent process for the appointment of new directors to the Board.

Recommendations for nominations of new directors and retirement of directors are made by the Nominations Committee and considered by the Board as a whole. The appointment of directors to the Board requires the prior written approval of the IDA.

The Nominations Committee at all times comprises at least three directors, the majority of whom including its chairman are independent. It is chaired by Mr Kenneth Michael Tan Wee Kheng, an independent director who is not associated with a substantial shareholder.

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 Nominations Committee then defines a profile for the new director to serve as a brief for recruitment. The Nominations 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 Nominations Committee is responsible for references, which are considered prior to its endorsement of the candidate. Where a candidate has been endorsed by the Nominations Committee, it will then make a recommendation to the Board for the approval of the 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, the duties of a director of the Company. The Nominations Committee has determined that all the directors have adequately carried out their duties, based on their attendance, preparedness, participation and candour.

At each Annual General Meeting (AGM) of the Company, not less than one third of the directors for the time being (being those who have been longest in office since their appointment or re-election) are required to retire from office by rotation. In addition, a director is required to retire at the AGM if, were he not to retire, he would at the next AGM have held office for more than three years. In accordance with the guidelines set out in the Code, the Company's Articles of Association provide that the Group CEO, if 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.

Directors who are above the age of 70 are also statutorily required to seek re-appointment at each AGM.

The Nominations Committee assesses the independence of directors as described under 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 performance criteria for the Board evaluation are based on both 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, 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. The results of the evaluation are used by the Nominations Committee to discuss improvements with the Board and to provide constructive feedback to individual directors. 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 adequate analysis by Management pertaining to matters for the Board's discussion and decision. Management also ensures that the Board receives regular reports on industry-specific knowledge, changing commercial risks, 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 as a whole.

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.

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, the Board Risk Committee and the Technology Committee, each of which is empowered to make decisions on matters within its terms of reference and applicable limits of authority. The Board Committees may also make decisions by way of circulating resolutions.

Membership in the different Board 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.

Executive Committee
The members of the Executive Committee are Mr Lim Ho Kee (chairman of the Executive Committee), Mr Keith Tay Ah Kee, Mr Kenneth Michael Tan Wee Kheng, Mr Tan Yam Pin and Dr Wolfgang Baier, all of whom are non-executive independent directors, except for Dr Wolfgang Baier who is an executive non-independent director.

Mr Timothy Chia Chee Ming ceased to be a member of the Executive Committee following his retirement from the Board of Directors of SingPost at the conclusion of the AGM held on 30 June 2011. Dr Wolfgang Baier was appointed member of the Executive Committee on 14 November 2011.

The Executive 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.

Nominations Committee
The members of the Nominations Committee are Mr Kenneth Michael Tan Wee Kheng (chairman of the Nominations Committee), Mr Lim Ho Kee, Mr Keith Tay Ah Kee and Mr Zulkifli Bin Baharudin, all of whom are non-executive independent directors.

Mr Timothy Chia Chee Ming ceased to be a member of the Nominations Committee following his retirement from the Board of Directors of SingPost at the conclusion of the AGM held on 30 June 2011.

The responsibilities of the Nominations Committee include the following:
- 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.

Compensation Committee
The Compensation Committee comprises Mr Zulkifli Bin Baharudin (chairman of the Compensation Committee), Mr Lim Ho Kee and Mr Bill Chang York Chye, all of whom are non-executive independent directors, except for Mr Bill Chang York Chye, who is a non-independent director.

Mr Keith Tay Ah Kee ceased to be member of the Compensation Committee on 22 June 2011. Mr Lee Chong Kwee ceased to be member of the Compensation Committee following his retirement from the Board of Directors of SingPost at the conclusion of the AGM held on 30 June 2011.

Mr Bill Chang York Chye was appointed member of the Compensation Committee on 1 July 2011.

The responsibilities of the Compensation Committee include:
- recommending to the Board for endorsement the policies and guidelines for setting remuneration for directors and key executives including directors' fees, salaries, allowances, bonuses, stock options and benefits in kind;
- approving performance targets for assessing the performance of the executive director and Group CEO;
- recommending the specific remuneration package for the executive director and Group CEO; and
- administering the Singapore Post Share Option Scheme.

Corporate Governance Report

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

The responsibilities of the Audit 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.

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

The responsibilities of the Board Risk 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.

Technology Committee
The members of the Technology Committee are Professor Low Teck Seng (chairman of the Technology Committee), Mr Michael James Murphy and Mr Bill Chang York Chye, all of whom are non-executive directors. The members of the Technology Committee are non-independent except for the chairman, Professor Low Teck Seng who is an independent director.

The responsibilities of the Technology Committee include the following:
- advising on the Group's strategy for acquisitions, investments and capital expenditure in the area of technology and IT; and
- reviewing and evaluating plans, policies and proposals relating to matters pertaining to technology and IT, progress of major technology and IT investments and making recommendations to the Board accordingly.

Executive Management Committee
The Group CEO is supported by the Executive Management Committee comprising the key executives of the Company. The Committee is responsible for shaping the Group's strategic direction, making key strategic decisions and executing the strategic plans and investment plans. The Executive Management Committee is the highest management decision body in SingPost.

Management Committee
The Group CEO is also supported by the Management Committee which comprises the heads of departments of the Company. The Management Committee reviews and evaluates the business and operational policies and activities.

Corporate Governance Report

Attendance at Board and Board Committee Meetings

The attendance of each director at Board meetings and Board Committee meetings for the financial year ended 31 March 2012 is as follows:

	BOARD	EXECUTIVE COMMITTEE	NOMINATIONS COMMITTEE	COMPENSATION COMMITTEE	AUDIT COMMITTEE	BOARD RISK COMMITTEE	TECHNOLOGY COMMITTEE
Number Of Meetings Held	7	2	1	2	4	4	3
Name							
Lim Ho Kee	7	2	1	2	-	-	-
Dr Wolfgang Baier (1)	4	1	-	-	-	-	-
Keith Tay Ah Kee	7	2	-	-	4	4	-
Kenneth Michael Tan Wee Kheng	6	1	1	-	3	3	-
Tan Yam Pin	6	1	-	-	4	4	-
Zulkifli Bin Baharudin	7	-	1	2	-	-	-
Professor Low Teck Seng	7	-	-	-	-	-	3
Michael James Murphy	6	-	-	-	-	-	3
Bill Chang York Chye	5	-	-	2	-	-	2
Timothy Chia Chee Ming(2)	1	-	1	-	-	-	-
Lee Chong Kwee(3)	1	-	-	-	-	-	-

Notes

(1) Dr Wolfgang Baier was appointed as a director on 5 October 2011 and a member of the Executive Committee on 14 November 2011.

(2) Mr Timothy Chia Chee Ming retired following the conclusion of the AGM held on 30 June 2011. Consequently, he ceased to be a member of the Executive Committee and Nominations Committee. He attended 1 out of 1 Board meeting that was held between 1 April 2011 and 30 June 2011.

(3) Mr Lee Chong Kwee retired following the conclusion of the AGM held on 30 June 2011. Consequently, he ceased to be a member of the Compensation Committee. He attended 1 out of 1 Board meeting that was held between 1 April 2011 and 30 June 2011.

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 targets and recommend the specific remuneration packages for the executive director and Group CEO, and these recommendations are submitted to the Board for approval. The Compensation Committee also reviews and approves the remuneration of key executives, as well as the annual increment and variable bonus for employees.

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

All the members of the Compensation Committee are non-executive independent directors except for Mr Bill Chang York Chye, who is a non-independent director. No director is involved in deciding his own remuneration.

The Compensation Committee has access to both internal and external expert advice on human resource matters whenever there is a need to consult.

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. These directors receive a basic retainer fee, additional fees for appointment to Board Committees and attendance fees for Board and Board Committee meetings as well as for participation in pro tem committee meetings, special projects and assignments. The directors' remuneration is reviewed yearly to ensure its competitiveness and the quantum of the fees is approved by shareholders during the AGM.

For the year ended 31 March 2012, special recognition is proposed for Mr Lim Ho Kee for his additional role of management oversight performed during the period of leadership change as well as for his protracted guidance prior to Dr Wolfgang Baier's appointment as the Group CEO. The assumption of the management oversight role, which is outside the scope of the ordinary duties of a non-executive director, ended in June 2011.

The Group CEO, who is an executive director, is not paid directors' fees. The employment contract of the Group CEO is on a fixed appointment period and 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 2012 is as listed below:

NAME OF DIRECTOR	FIXED COMPONENT[1] (S$'000)	VARIABLE COMPONENT[2] (S$'000)	DIRECTORS' FEES (S$'000)	BENEFITS [3] (S$'000)	TOTAL COMPENSATION[4] (S$'000)	SINGPOST SHARE OPTION SCHEME[5] NO. AWARDED & ACCEPTED ('000)	SINGPOST SHARE OPTION SCHEME[5] VALUE (S$'000)
S$750,000 to below S$1,000,000							
Dr Wolfgang Baier [6]	719.6	60.0	-	73.0	852.6	200	21.1
S$250,000 to below S$500,000							
Lim Ho Kee [7] Chairman	-	-	450.2	1.1	451.3	817	99.9
Below S$250,000							
Keith Tay Ah Kee	-	-	103.8	1.1	104.9	-	-
Kenneth Michael Tan Wee Kheng	-	-	100.3	0.6	100.9	-	-
Tan Yam Pin	-	-	92.0	1.1	93.1	-	-
Zulkifli Bin Baharudin	-	-	71.7	1.1	72.8	-	-
Professor Low Teck Seng	-	-	71.7	-	71.7	-	-
Michael James Murphy	-	-	57.9	-	57.9	-	-
Bill Chang York Chye	-	-	60.1	-	60.1	-	-
Timothy Chia Chee Ming [8]	-	-	15.4	0.1	15.5	-	-
Lee Chong Kwee [8]	-	-	12.7	0.3	13.0	-	-

Notes

(1) Fixed Component refers to base salary and Annual Wage Supplement for the financial year ended 31 March 2012.

(2) Variable Component refers to variable bonus paid in the financial year ended 31 March 2012.

(3) Benefits are stated on the basis of direct costs to the Company. These include medical benefits, flexible benefits, car allowance and housing benefits, where applicable.

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

(5) The option valuation adopted simulation methodologies consistent with assumptions that apply under the Trinomial Option Pricing Model.

(6) Dr Wolfgang Baier was appointed as a director on 5 October 2011.

(7) A special payment of S$324,140 is included in the directors' fees for Mr Lim Ho Kee for the financial year ended 31 March 2012. Of the S$324,140 proposed, it is intended that (a) S$224,140 (for his management oversight role for the period from 1 April 2011 to 30 June 2011) be paid in cash, and (b) S$100,000 (for his protracted guidance for the period from 1 July 2011 to 30 September 2011, prior to the appointment of the Group CEO on 5 October 2011) be paid in the form of the grant of share options under the existing Singapore Post Share Option Scheme or any share option scheme which may be adopted in place thereof. The number of share options to be granted will be determined by reference to the fair value of the share options prevailing as at the date of grant. The option valuation will adopt the simulation methodologies consistent with assumptions that apply under the Trinomial Option Pricing Model. Payment of the directors' fees is subject to shareholders' approval at the 20th Annual General Meeting to be held on 29 June 2012.

(8) Mr Lee Chong Kwee and Mr Timothy Chia Chee Ming retired as directors following the conclusion of the AGM held on 30 June 2011.

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 2012.

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.

The following information relates to the remuneration of the Company's key executives (not being directors) for the financial year ended 31 March 2012.

	FIXED COMPONENT[1]	VARIABLE COMPONENT[2]	PROVIDENT' FUND[3]	BENEFITS[4]	TOTAL COMPENSATION[5]	SINGPOST SHARE OPTION SCHEME[6]	
NAME OF EXECUTIVE	%	%	%	%	%	NO. AWARDED & ACCEPTED ('000)	VALUE (S$'000)
S$750,000 to below S$1,000,000							
Ng Hin Lee Group Chief Financial Officer	58	36	1	5	100	1,000	105.5
S$500,000 to below S$750,000							
Woo Keng Leong Executive Vice President (Postal)	60	31	1	8	100	450	47.5
S$250,000 to below S$500,000							
Loh Choo Beng Executive Vice President (Retail & Financial Services)	65	23	2	10	100	350	36.9
Wong Hok Siong[7] Executive Vice President (Sales & Marketing)	67	21	3	9	100	250	26.4
Below S$250,000							
Dr Sascha Hower[8] Chief Operations Officer	81	-	-	19	100	400	31.4

Notes

(1) Fixed Component refers to base salary earned and Annual Wage Supplement, if applicable, for the year ended 31 March 2012.

(2) Variable Component refers to variable bonus paid in the financial year ended 31 March 2012.

(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 housing benefits.

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

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

(7) Mr Wong Hok Siong resigned from the Company with effect from 1 June 2012.

(8) Dr Sascha Hower joined the Company on 3 January 2012.

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 Audit 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 the full cooperation of Management. In addition, the Audit Committee has direct access to the external auditors. If required, the Audit Committee has authority to seek external resources to enable it to discharge its functions properly, including obtaining legal or other professional advice and services.

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. If any material internal control weaknesses are noted by the auditors, these weaknesses and the auditors' recommendations are reported to the Audit Committee.

The Audit Committee reviews the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. It meets 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 Audit Committee also meets with the internal and external auditors, without the presence of Management, at least annually.

The Audit Committee has reviewed the quarterly and annual financial statements of the Company and the Group for the financial year ended 31 March 2012 as well as the auditors' reports thereon. Interested person transactions of the Group in the financial year have been reviewed by the Audit Committee.

The Audit 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 2012. The Audit 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 Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. The Group 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 received must be sent to the Group's internal audit function. The Audit Committee is informed of all whistle-blowing reports received. Details of the whistle-blowing policies and arrangements are posted on the Company's intranet for staff's easy reference. New staff are briefed on these during the staff 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. 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. Various measures are implemented to manage the Group's risks and these include safety and security measures, internal control procedures, business continuity plans and appropriate insurance coverage. Risk awareness and ownership of risk treatments are continuously fostered across the Group.

Supporting the Board Risk Committee is the Management Risk Committee which is currently chaired by the Group CEO. The Management Risk Committee comprises the key executives and representatives from relevant departments. The role of the Management Risk Committee is to provide further assurance that the material risk exposures of the Group have been identified and evaluated at the group level, the risk management 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 by 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. These risk assessment and management measures 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 Board Risk Committee to review the risk.

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

Principle 13: Internal Audit
The company should establish an internal audit function that is independent of the activities it audits.

The internal audit function's primary line of reporting is to the chairman of the Audit Committee, although it would also report 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.

SingPost is committed to a high level of transparency and accountability to our shareholders and to achieving this via effective investor communications. We believe in engaging in regular, effective and fair communication with shareholders to keep them updated on the Group's developments and align them to the corporate goals. By providing clear and effective channels of communication in a responsible and professional manner, we aim to foster good relationships so as to safeguard and build shareholders return in the long term.

We have in place a framework to communicate all pertinent information to shareholders in an accurate and timely manner to enable them to assess the company's prospects for their investment decisions.

The company is forthcoming in disclosing and sharing information through various platforms such as SGXNET announcements, news releases and email alerts. Shareholders and potential investors are able to gain insights into the company's latest corporate developments, initiatives and financial performances on a non-selective basis through one-on-one meetings, investor conferences and road shows.

The investor relations section of the company's corporate website at http://www.singpost.com/investor-centre.html also provides investors with comprehensive and useful information including recent and past announcements, webcast archives and dividend history. Investors can also email the investor relations team at investor@singpost.com where their queries will be promptly addressed.

The Group's quarterly results briefings held at SingPost's premises are conducted personally by the Group CEO and Group CFO to participating analysts and media. The results presentations are concurrently broadcast via audio webcast to allow investors located anywhere to receive first-hand information on the company's performance in a timely manner. Management also make efforts to address concerns and queries both on site and post results announcements.

During the year, SingPost received the runner-up award for "Most Transparent Company Awards 2011" in the Securities/Utilities/Agriculture Category at the SIAS 12th Investors Choice Awards. The Company was also ranked joint 17th out of 600 listed-companies in the Governance and Transparency Index 2011 published in The Business Times.

In line with the Group's vision towards best practices in corporate governance, SingPost joined SIAS and 78 other public-listed companies to pledge a Statement of Support to uphold high standards of corporate governance. The participation underscores our commitment to achieve a high standard of corporate governance and putting in place effective self-regulatory corporate practices to protect the interests of our shareholders.

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 shareholder participation at AGMs and Extraordinary General Meetings, which serve as a good platform for them to meet with Management and the Board to clarify issues relating to the Company's performance and directions. By being personally present at the AGM, shareholders may obtain actual knowledge of the Company in the areas of performance and prospects, and of the directors and Management. Shareholders can also articulate their views on matters relating to the Company or question the Board on issues pertaining to the resolutions proposed at the event.

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 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. Directors are to consult with the Group CFO and Company Secretary before trading in SingPost shares to ensure compliance with securities law.

Information on Key Management

PROFILE OF KEY EXECUTIVES

NG HIN LEE, 55
GROUP 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 2011, he was appointed as Group Chief Financial Officer overseeing SingPost's strategic acquisitions, finance and property management functions. 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 Singapore Post Enterprise Private Limited and director of several boards of SingPost's subsidiaries which include Quantium Solutions International Pte Ltd and DataPost Pte Ltd. He is also a director of Proiam, Inc., GD Express Carrier Berhad, Shenzhen 4PX Express Co., Limited, Efficient E-Solutions Berhad and Indo Trans Logistics Corporation. Mr Ng obtained his Bachelor of Accountancy degree from the University of Singapore and is a Fellow Member of the Institute of Certified Public Accountants of Singapore.

WOO KENG LEONG, 56
EXECUTIVE VICE PRESIDENT (POSTAL)

A Public Service 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 is the Chairman of DataPost Pte Ltd and and DataPost (HK) Private Limited. He also sits on the boards of Singapore Post Enterprise Private Limited, ePDS, Inc, Thai British DPost Company Limited and Singapore Philatelic Museum. He is a board member of Kahala Posts Group (KPG) and is also a member of the Stamp Advisory Committee and 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.

Information on Key Management

PROFILE OF KEY EXECUTIVES

LOH CHOO BENG, 51
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 since 2009 and is a member of its Audit Committee. Mr Loh graduated from the National University of Singapore with a Bachelor of Business Administration degree.

DR SASCHA HOWER, 33
CHIEF OPERATIONS OFFICER

Dr Hower joined SingPost in 2012 to oversee the optimisation and synergies across all operations within the SingPost group of companies. Prior to joining SingPost, he was a Junior Partner (Associate Principal) with McKinsey & Company in Düsseldorf, Germany. He was a core member of its Global Postal Leadership Group as well as the Transport & Logistics practice. His main focus during his 7 years with McKinsey & Company was on operational transformations and performance turnarounds of several postal operators both in Europe and Asia. He was also involved in multiple key projects with SingPost during that time. Dr Hower obtained his Doctorate degree in Corporate Finance and Taxation from the University of Bayreuth (Germany).

Statutory Reports and Financial Statements

CONTENTS

Directors' Report

For the Financial Year Ended 31 March 2012

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 March 2012 and the balance sheet of the Company as at 31 March 2012.

DIRECTORS

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

Mr Lim Ho Kee (Chairman)
Dr Wolfgang Baier (appointed on 5 October 2011)
Mr Keith Tay Ah Kee
Mr Kenneth Michael Tan Wee Kheng
Mr Tan Yam Pin
Mr Zulkifli Bin Baharudin
Professor Low Teck Seng
Mr Michael James Murphy
Mr Bill Chang York Chye

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 49 to 52 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 DIRECTOR IS DEEMED TO HAVE AN INTEREST	
	AT 31.3.2012	AT 1.4.2011	AT 31.3.2012	AT 1.4.2011
Company **Singapore Post Limited** **(No. of ordinary shares)**				
Lim Ho Kee	**428,350**	428,350	**1,300,000**	1,300,000[1]
Keith Tay Ah Kee	**128,350**	128,350	**-**	-
Kenneth Michael Tan Wee Kheng	**230,000**	230,000	**60,000[2]**	60,000[2]
Tan Yam Pin	**500,000**	500,000	**-**	-
Professor Low Teck Seng	**-**	-	**60,000[3]**	40,000[3]

[1] Deemed interests through a trust arrangement where Mr Lim is a beneficiary of the trust
[2] Deemed interests through spouse
[3] Deemed interests through spouse

(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 49 to 52 of this report.

	NUMBER OF UNISSUED ORDINARY SHARES UNDER OPTION HELD BY DIRECTOR	
	AT 31.3.2012	AT 1.4.2011 OR DATE OF APPOINTMENT, IF LATER
Lim Ho Kee	**817,000**	-
Dr Wolfgang Baier	**2,200,000**	2,200,000

(c) The directors' interests in the shares and convertible securities of the Company as at 21 April 2012 were the same as those as at 31 March 2012.

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 except that during the financial year, payments were made to Postea, Inc., Proiam, Inc. and Proiam Asia Pacific Pte Ltd, under various agreements entered into between the Company and SPE, a wholly-owned subsidiary of the Company, on the one hand, and the aforementioned entities on the other hand. Mr Michael James Murphy is the Chief Executive Officer, a director and substantial shareholder of Postea, Inc., an associated company of the Company. Proiam, Inc. and Proiam Asia Pacific Pte Ltd are related corporations of Postea, Inc..

SHARE OPTIONS

The Singapore Post Share Option Scheme (the "Scheme") was adopted on 21 March 2003 and administered by the Compensation Committee comprising Mr Zulkifli Bin Baharudin (Chairman), Mr Lim Ho Kee and Mr Bill Chang York Chye during the financial year ended 31 March 2012.

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.

- Other than the share options granted on 16 May 2005 which had 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, 13 January 2010 and 25 February 2011, 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

- On 24 October 2007, share options were granted to Mr Wilson Tan Wee Yan (former Group Chief Executive Officer), as well as other eligible employees. With the exception of the share options granted to Mr Tan, 100% of the share options had vested after the third anniversary of the date of grant and will lapse on the sixth anniversary. Share options granted to Mr Tan have a three-year vesting schedule. Only vested options remain exercisable for a period of one year following his resignation, and these options had since lapsed on 3 April 2011.

  100% of the share options granted on 13 January 2011 will vest after the third anniversary and lapse on the sixth anniversary.

- Share options granted on 25 February 2011 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 tenth anniversary of date of grant	Balance **OR** 100.0 per cent of grant if share options were not exercised after the first and second vesting years

- Share options 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 2011, a total of 69,248,936 share options were granted. Particulars of the options were set out in the Directors' Report for the respective financial years.

During the financial year ended 31 March 2012, 10,312,000 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 [1]	NUMBER OF ORDINARY SHARES UNDER OPTIONS OUTSTANDING				
			BALANCE AT 1.4.11 ('000)	GRANTED DURING FINANCIAL YEAR ('000)	OPTIONS EXERCISED ('000)	OPTION FORFEITED ('000)	BALANCE AT 31.3.12 ('000)
For employees (including executive directors)							
13.05.03	14.05.04 to 13.05.13	S$0.547	1	-	-	-	1
19.07.04	20.07.05 to 19.07.14	S$0.731	18	-	10	-	8
16.05.05 [2][3]	17.05.08 to 16.05.11	S$0.811	40	-	40	-	-
01.07.05	02.07.06 to 01.07.15	S$0.923	713	-	130	-	583
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	1,552	-	151	108	1,293
26.06.07	27.06.08 to 26.06.17	S$1.278	2,642	-	-	212	2,430
24.10.07 [2]	25.10.10 to 24.10.13	S$1.216	2,165	-	-	140	2,025
24.10.07	25.10.08 to 24.10.11	S$1.216	1,260	-	-	1,260	-
30.06.08	01.07.09 to 30.06.18	S$1.100	3,625	-	268	290	3,067
29.06.09	30.06.10 to 29.06.19	S$0.890	4,735	-	791	243	3,701
13.01.10 [2]	14.01.13 to 13.01.16	S$1.020	800	-	-	-	800
29.06.10	30.06.11 to 29.06.20	S$1.140	5,965	-	-	330	5,635
30.06.10	01.07.11 to 30.06.20	S$1.140	500	-	-	500	-
11.08.10	12.08.11 to 11.08.20	S$1.140	100	-	-	-	100
25.02.11	26.02.12 to 25.02.15	S$1.150	2,000	-	-	-	2,000
01.04.11	02.04.12 to 01.04.21	S$1.160	-	100	-	-	100
11.04.11	12.04.12 to 11.04.21	S$1.160	-	150	-	-	150
26.07.11	27.07.12 to 26.07.21	S$1.100	-	8,595	-	310	8,285
03.01.12	04.01.13 to 03.01.22	S$0.940	-	450	-	-	450
19.03.12	20.03.13 to 19.03.22	S$0.980	-	200	-	-	200
			26,716	9,495	1,390	3,393	31,428
For non-executive directors							
15.07.11	16.07.12 to 15.07.16	S$1.130	-	817	-	-	817
			-	817	-	-	817
Total Share Options			26,716	10,312	1,390	3,393	32,245

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

(2) Options, with a 3-year lock-in period, were granted on 16 May 2005, 24 October 2007 and 13 January 2011 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.

(3) All outstanding share options granted on 16 May 2005 had been exercised prior to the expiry date of 16 May 2011.

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 independent audits and the assistance given by the Company's officers to the auditors. It has met with the Company's internal and independent auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls.

Based on the internal controls established and maintained 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 Audit Committee and the Board are of the opinion that the Group's internal controls, addressing financing, operational and compliance risks, were adequate as at 31 March 2012.

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 2012 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

Dr Wolfgang Baier
Director

Singapore
3 May 2012

Statement by Directors

For the Financial Year Ended 31 March 2012

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 56 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 2012, 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

Dr Wolfgang Baier
Director

Singapore
3 May 2012

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 56 to 128, which comprise the balance sheet of the Group and the balance sheet of the Company as at 31 March 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2012, and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditor, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 3 May 2012

Consolidated Income Statement

For the Financial Year Ended 31 March 2012

	NOTE	GROUP 2012 S$'000	GROUP 2011 S$'000
Revenue	4	**578,518**	565,847
Other income and gains (net)			
- Rental and property-related income	4	**42,343**	41,552
- Miscellaneous	4	**11,487**	14,330
Labour and related expenses	5	**(182,458)**	(163,326)
Volume-related expenses	6	**(157,709)**	(152,246)
Administrative and other expenses	7	**(66,249)**	(61,006)
Depreciation and write-back of impairment		**(30,214)**	(25,655)
Selling expenses		**(9,449)**	(9,524)
Finance expenses	8	**(13,255)**	(14,382)
Total expenses		**(459,334)**	(426,139)
Share of profit/(losses) of associated companies and joint ventures		**664**	(549)
Profit before income tax		**173,678**	195,041
Income tax expense	9	**(31,645)**	(33,476)
Total profit		**142,033**	161,565
Profit attributable to:			
Equity holders of the Company		**141,974**	160,966
Non-controlling interests		**59**	599
		142,033	161,565
Earnings per share	10		
- Basic		**7.41 cents**	8.37 cents
- Diluted		**7.40 cents**	8.36 cents

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

Consolidated Statement of Comprehensive Income

For the Financial Year Ended 31 March 2012

	GROUP	
	2012 **S$'000**	**2011** **S$'000**
Total profit	**142,033**	161,565
Other comprehensive loss (net of tax):		
- Available for sale financial assets – fair value gains	**81**	-
- Currency translation differences arising from consolidation	**(621)**	(1,520)
- Reclassification of currency translation reserves on additional share purchase of a subsidiary	**77**	-
Other comprehensive loss for the year (net of tax)	**(463)**	(1,520)
Total comprehensive income for the year	**141,570**	160,045
Total comprehensive income attributable to:		
Equity holders of the Company	**141,434**	159,475
Non-controlling interests	**136**	570
	141,570	160,045

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

Balance Sheets

As at 31 March 2012

	NOTE	GROUP 2012 S$'000	GROUP 2011 S$'000	COMPANY 2012 S$'000	COMPANY 2011 S$'000
ASSETS					
Current assets					
Cash and cash equivalents	11	**617,357**	338,734	**599,285**	308,087
Trade and other receivables	12	**95,481**	84,430	**101,385**	61,559
Financial assets	13	**74,793**	56,290	**74,793**	56,290
Inventories		**1,976**	919	**1,062**	919
Other current assets	14	**9,672**	8,348	**3,919**	3,920
		799,279	488,721	**780,444**	430,775
Non-current assets					
Trade and other receivables	16	**1,928**	2,203	**190**	199
Financial assets	13	**14,316**	19,285	**14,316**	19,285
Investments in associated companies and joint ventures	18	**90,699**	53,888	**23,670**	23,422
Investments in subsidiaries	19	**-**	-	**147,111**	141,111
Investment property	20	**191,777**	195,425	**202,026**	203,720
Property, plant and equipment	21	**237,953**	240,684	**212,389**	216,673
Intangible assets	22	**87,677**	88,625	**144**	180
Derivative financial instruments	15	**6,031**	3,423	**6,031**	3,423
Deferred income tax assets		**402**	377	**-**	-
Other non-current asset		**126**	222	**126**	222
		630,909	604,132	**606,003**	608,235
Total assets		**1,430,188**	1,092,853	**1,386,447**	1,039,010

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

Balance Sheets

As at 31 March 2012

	NOTE	GROUP 2012 S$'000	GROUP 2011 S$'000	COMPANY 2012 S$'000	COMPANY 2011 S$'000
LIABILITIES					
Current liabilities					
Trade and other payables	23	**211,461**	195,915	**203,436**	182,663
Deferred gain on intellectual property rights	24	**1,564**	6,252	**1,564**	6,252
Deferred income	25	**162**	168	**162**	168
Current income tax liabilities	9	**32,691**	35,944	**29,845**	32,950
		245,878	238,279	**235,007**	222,033
Non-current liabilities					
Borrowings	26	**505,719**	503,009	**505,719**	503,009
Deferred gain on intellectual property rights	24	**-**	1,564	**-**	1,564
Deferred income	25	**777**	896	**777**	896
Deferred income tax liabilities	27	**18,012**	16,793	**16,097**	14,909
		524,508	522,262	**522,593**	520,378
Total liabilities		**770,386**	760,541	**757,600**	742,411
NET ASSETS		**659,802**	332,312	**628,847**	296,599

	NOTE	GROUP 2012 S$'000	GROUP 2011 S$'000	COMPANY 2012 S$'000	COMPANY 2011 S$'000
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	28	**120,256**	118,789	**120,256**	118,789
Treasury shares	28	**(46,058)**	(9,695)	**(46,058)**	(9,695)
Retained earnings		**237,815**	216,171	**203,665**	184,056
Other reserves	30	**971**	883	**4,158**	3,449
		312,984	326,148	**282,021**	296,599
Perpetual securities*	29	**346,826**	-	**346,826**	-
		659,810	326,148	**628,847**	296,599
Non-controlling interests		**(8)**	6,164	**-**	-
Total equity		**659,802**	332,312	**628,847**	296,599

* Perpetual securities amounting to S$350 million were issued by the Company on 2 March 2012. The perpetual securities are cumulative and distributions are at the option of the Company, subject to terms and conditions of the securities issue. Based on accounting rules in FRS32 "Financial Instruments: Disclosure and Presentation", the perpetual securities are presented within equity.

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

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 March 2012

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY								
	NOTE	SHARE CAPITAL S$'000	TREASURY SHARES S$'000	RETAINED EARNINGS S$'000	OTHER RESERVES S$'000	ORDINARY EQUITY S$'000	PERPETUAL SECURITIES S$'000	TOTAL	NON-CONTROLLING INTERESTS S$'000	TOTAL EQUITY S$'000
2012										
Beginning of financial year		118,789	(9,695)	216,171	883	326,148	-	326,148	6,164	332,312
Additional investment in a subsidiary		-	-	-	-	-	-	-	(6,308)	(6,308)
Issue of perpetual securities	29	-	-	-	-	-	345,603	345,603	-	345,603
Dividends	32	-	-	(119,107)	-	(119,107)	-	(119,107)	-	(119,107)
Total comprehensive income/(loss) for the year		-	-	140,751	(540)	140,211	1,223	141,434	136	141,570
Employee share option scheme:										
- Value of employee services	30(b)(i)	-	-	-	779	779	-	779	-	779
- Proceeds from shares issued	30(b)(i)	1,467	-	-	(151)	1,316	-	1,316	-	1,316
Purchase of treasury shares	28	-	(36,363)	-	-	(36,363)	-	(36,363)	-	(36,363)
End of financial year		**120,256**	**(46,058)**	**237,815**	**971**	**312,984**	**346,826**	**659,810**	**(8)**	**659,802**
2011										
Beginning of financial year		115,238	-	175,551	2,132	292,921	-	292,921	5,594	298,515
Re-classification to other reserves		-	-	(7)	7	-	-	-	-	-
Dividends	32	-	-	(120,339)	-	(120,339)	-	(120,339)	-	(120,339)
Total comprehensive income/(loss) for the year		-	-	160.966	(1,491)	159,475	-	159,475	570	160,045
Employee share option scheme:										
- Value of employee services	30(b)(i)	-	-	-	607	607	-	607	-	607
- Proceeds from shares issued	30(b)(i)	3,551	-	-	(372)	3,179	-	3,179	-	3,179
Purchase of treasury shares	28	-	(9,695)	-	-	(9,695)	-	(9,695)	-	(9,695)
End of financial year		**118,789**	**(9,695)**	**216,171**	**883**	**326,148**	**-**	**326,148**	**6,164**	**332,312**

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

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 March 2012

		GROUP	
	NOTE	2012 S$'000	2011 S$'000
Cash flows from operating activities			
Total profit		**142,033**	161,565
Adjustments for:			
Income tax expense		**31,645**	33,476
Amortisation of deferred gain on intellectual property rights		**(6,251)**	(8,310)
Depreciation, amortisation and write-back of impairment		**30,553**	26,480
Gains on disposals of investments, property, plant and equipment		**(613)**	(100)
Share-based staff costs		**779**	607
Interest expense		**12,509**	14,258
Interest income		**(3,345)**	(3,422)
Share of (profit)/loss of associated companies and joint ventures		**(664)**	549
		64,613	63,538
Operating cash flow before working capital changes		**206,646**	225,103
Changes in working capital, net of effects from acquisition and disposal of subsidiaries			
Inventories		**(1,057)**	(123)
Trade and other receivables		**(12,519)**	(10,608)
Trade and other payables		**17,039**	4,632
Cash generated from operations		**210,109**	219,004
Income tax paid		**(33,480)**	(32,121)
Net cash provided by operating activities		**176,629**	186,883

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

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 March 2012

	NOTE	GROUP 2012 S$'000	GROUP 2011 S$'000
Cash flows from investing activities			
Acquisition of a subsidiary, net of cash acquired	11,37	**-**	(175)
Additional investment in a subsidiary		**(6,000)**	-
Additions to property, plant and equipment		**(26,146)**	(12,321)
Disposal of a subsidiary, net of cash disposal of	11	**-**	10,518
Dividend received from associated companies		**448**	-
Dividend received from a joint venture		**947**	447
Interest received		**3,374**	3,146
Loan to an associated company		**(375)**	-
Investment in associated companies		**(37,999)**	(22,937)
Investment in a joint venture		**(248)**	-
Instalment payment for investment in an associated company		**-**	(2,960)
Proceeds from disposal of property, plant and equipment		**1,138**	199
Proceeds from maturity of financial assets, held-to-maturity		**68,611**	16,000
Purchase of financial assets, held-to-maturity		**(81,148)**	(90,456)
Repayment of loans by an associated company		**-**	430
Net cash used in investing activities		**(77,398)**	(98,109)
Cash flows from financing activities			
Dividends paid to shareholders		**(119,107)**	(120,339)
Interest paid		**(12,541)**	(14,241)
Proceeds from issuance of ordinary shares		**1,316**	3,179
Proceeds from grants		**484**	836
Proceeds from issuance of perpetual securities		**345,603**	-
Purchase of treasury shares		**(36,363)**	(9,695)
Net cash provided by/(used in) financing activities		**179,392**	(140,260)
Net increase/(decrease) in cash and cash equivalents		**278,623**	(51,486)
Cash and cash equivalents at beginning of financial year	11	**338,734**	390,220
Cash and cash equivalents at end of financial year	11	**617,357**	338,734

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2012

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 provision of business mail solutions and distribution of mail, electronic printing and despatching services, investment holding and provision of electronic platform and recyclable lockers for merchandise distribution.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2012

On 1 April 2011, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

2.2 Revenue recognition

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Revenue recognition (continued)

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

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a 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. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

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

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(a) *Subsidiaries* (continued)

(ii) Acquisitions (continued)

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

(iii) Disposals of subsidiaries or businesses

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

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

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

(b) *Transactions with non-controlling interests*

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

(c) *Associated companies and joint ventures*

Associated companies are entities over which the Group has significant influence, but not control, 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, if any.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

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

In applying the equity method of accounting, the Group's share of its associated companies' and joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from associated companies and joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals or exceeds its interest in the associated company or joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations 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 adopted by the Group.

Investments in associated companies and joint ventures are derecognised when the Group loses significant influence and joint control respectively. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in associated companies and joint ventures are recognised in profit or loss.

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

2.4 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Property, plant and equipment (continued)

(b) *Depreciation* (continued)

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

(c) *Subsequent expenditure*

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

(d) *Disposal*

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

2.5 Intangible assets

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

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

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

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

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

(b) *Customer relationships*

Customer relationships acquired in a business combination is recognised at fair value at the acquisition date. The customer relationships has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method over 7 years, which is the expected life of the customer relationships.

(c) *Acquired licence*

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Intangible assets (continued)

(d) Intellectual property right

Intellectual property right represents a right to use the resultant intellectual property arising from the collaboration with an associated company. It is initially recognised at cost and is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost over the useful life of the resultant intellectual property of 3 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 profit or loss 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 profit or loss 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 recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

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 profit or loss.

2.8 Impairment of non-financial assets

(a) Goodwill

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of non-financial assets (continued)

(a) *Goodwill* (continued)

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

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

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

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

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash 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 profit and loss.

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 profit or loss.

2.9 Loans and receivables

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

Trade and other receivables are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Other financial assets

(a) Classification

The Group classifies its financial assets other than loans and receivables as held-to-maturity. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets, held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets.

Accounting policies for available-for-sale financial assets are not disclosed as the balance at current year enclosed is immaterial (2011: Nil).

(b) Recognition and derecognition

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

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

(c) Initial measurement

Financial assets, held-to-maturity are initially recognised at fair value plus transaction costs, except for financial assets at fair value through profit or loss, which are recognised at fair value.

(d) Subsequent measurement

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

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Borrowings

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

Borrowings which are due to be settled within twelve months after the balance sheet date are included in current borrowings in the balance sheet. Other borrowings with an unconditional right to defer settlement for at least twelve months after the balance sheet date are included in non-current borrowings in the balance sheet.

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

2.13 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

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

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

Fair value hedge

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

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 profit or loss over the period to maturity.

2.14 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and make assumptions that are based on market conditions existing at each 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.

2.15 Operating leases

(a) *When the Group is the lessee:*

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

Leases of assets where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

(b) *When the Group is the lessor:*

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

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

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

Contingent rents are recognised as income in profit or loss when earned.

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

2.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method for the retail goods at post offices. The cost of trading goods comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Accounting policies of trading goods for e-commerce are not disclosed as the balance at 31 March 2012 is insignificant (2011: Nil).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Income taxes

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

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

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

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

Deferred income tax is measured:

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

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

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

2.18 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.

2.19 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Employee compensation (continued)

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

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

2.20 Currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency 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 profit or loss. However, in the consolidated financial statements, currency translation differences arising from net investment in foreign operations are recognised in other comprehensive income and accumulated in the currency translation reserve.

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

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Currency translation (continued)

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

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

Incremental costs directly attributable to the issuance of perpetual securities are deducted against the perpetual securities proceeds.

2.21 Segment reporting

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

2.22 Cash and cash equivalents

For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents include cash at bank and on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.23 Share capital and treasury shares

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

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2.24 Perpetual securities

The perpetual securities do not have a maturity date and the Company is able to elect to defer making a distribution, subject to the terms and conditions of the securities issue. Accordingly, the Company is not considered to have a contractual obligation to make principal repayments or distributions in respect of its perpetual securities issue and the perpetual securities are presented within equity. Distributions are treated as dividends which will be directly debited from equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

2.25 Dividends to Company's shareholders

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income or cost recovery over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as offset against the related expenses.

Government grants relating to assets are deducted against the carrying amount of the assets.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) Estimated impairment of non-financial assets

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

The recoverable amounts of these assets and where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 22(a)).

Management performed impairment tests on the above mentioned assets and concluded that no impairment is required for the financial year ended 31 March 2012 (2011: Nil).

Management recognised a write-back of impairment of NIL (2011: S$2.5 million) for certain property, plant and equipment (refer to Note 21 for details).

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

The Group reviews the residual values and useful lives of property, plant and equipment at each balance sheet date based on factors such as business plans and strategies, expected level of usage and future technological developments. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the carrying value of property, plant and equipment. The net book value of property, plant and equipment at 31 March 2012 was S$238.0 million (2011: S$240.7 million). There were no significant revision to the estimated residual values and useful lives as at 31 March 2012 and 2011.

(c) Fair value estimation on unquoted financial assets

As at 31 March 2012, the carrying amount of the Group's portfolio of equity-linked notes and credit-linked notes that are not traded in an active market was S$8.5 million (2011: S$44.4 million). The Group has developed a valuation model for fair valuing embedded derivatives related to such investments as at balance sheet date. The fair value determined by the valuation model is based on a number of key assumptions including the discount rate and issuer's credit risks.

Any reasonable change of the key assumptions used in the valuation model would not result in any significant impact to the financial statements as at 31 March 2012.

4. REVENUE AND OTHER INCOME AND GAINS (NET)

	GROUP	
	2012 S$'000	**2011 S$'000**
Revenue from services rendered	**570,272**	559,069
Sale of products	**8,246**	4,846
Interest income from secured personal finance services	**-**	1,932
Revenue	**578,518**	565,847
Other income and gains (net):		
Rental and property-related income	**42,343**	41,552
Interest income		
- Bank deposits	**985**	913
- Financial assets, held-to-maturity	**2,344**	2,489
- Others	**16**	20
	3,345	3,422
Miscellaneous		
- Currency exchange gain (net)	**1,688**	2,843
- Net gain on disposal of investment, property, plant, and equipment	**613**	100
- Amortisation of deferred gain on intellectual property	**6,251**	8,310
- Others	**(410)**	(345)
	8,142	10,908
Other income and gains (net)	**53,830**	55,882
	632,348	621,729

5. LABOUR AND RELATED EXPENSES

	GROUP	
	2012 S$'000	**2011 S$'000**
Wages and salaries	**108,674**	100,362
Employer's contribution to defined contribution plans including Central Provident Fund	**13,807**	11,914
Share options expense (Note 30)	**779**	607
Other benefits	**6,025**	5,696
Temporary and contract staff cost	**53,173**	45,217
Government Grant - Jobs Credit Scheme	**-**	(470)
	182,458	163,326

5. LABOUR AND RELATED EXPENSES (continued)

The Jobs Credit Scheme is a cash grant introduced in the Singapore Budget 2009 to help businesses preserve jobs in the economic downturn. The amount an employer can receive would depend on the fulfilment of the conditions as stated in the scheme. The scheme ended in June 2011.

6. VOLUME-RELATED EXPENSES

	GROUP	
	2012 S$'000	2011 S$'000
Traffic expenses	**103,865**	100,115
Mail outsourcing services and cost of sales	**53,844**	52,131
	157,709	152,246

7. ADMINISTRATIVE AND OTHER EXPENSES

	GROUP	
	2012 S$'000	2011 S$'000
Included in administrative and other expenses are the following:		
Repair and maintenance expenses	**12,586**	10,506
Rental on operating leases	**10,880**	9,059

8. FINANCE EXPENSES

	GROUP	
	2012 S$'000	2011 S$'000
Interest expense:		
- Bonds	**9,519**	9,530
- Fixed rate notes	**7,019**	7,000
Effect of hedging using interest rate swaps	**(4,029)**	(2,272)
Currency exchange gains – net	**746**	124
	13,255	14,382

9. INCOME TAXES

(a) Income tax expense

	GROUP	
	2012 S$'000	**2011 S$'000**
Tax expense attributable to profit is made up of:		
- Current income tax	**30,757**	33,963
- Deferred tax (Note 27)	**1,208**	(417)
	31,965	33,546
Withholding tax	**235**	134
	32,200	33,680
(Over)/under-provision in preceding financial year:		
- Current income tax	**(572)**	(193)
- Deferred tax (Note 27)	**17**	(11)
	31,645	33,476

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	
	2012 S$'000	**2011 S$'000**
Profit before tax	**173,678**	195,041
Tax calculated at a tax rate of 17% (2011: 17%)	**29,525**	33,157
Effects of:		
Different tax rates in other countries	**(850)**	(104)
Tax calculated on share of results of associated companies and joint ventures	**(112)**	93
Withholding tax	**235**	134
Singapore statutory stepped income exemption	**(83)**	(171)
Income not subject to tax	**(168)**	(278)
Expenses not deductible for tax purposes	**2,117**	806
Utilisation of tax losses and capital allowance	**(9)**	-
Deferred tax assets not recognised	**1,545**	43
Tax charge	**32,200**	33,680

9. INCOME TAXES (continued)

(b) Movement in current income tax liabilities

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Beginning of financial year	**35,944**	34,177	**32,950**	31,700
Currency translation difference	**(193)**	-	**-**	-
Income tax paid	**(33,245)**	(31,987)	**(31,844)**	(30,507)
Tax expense	**30,757**	33,963	**28,739**	31,757
Over provision in prior financial years	**(572)**	(193)	**-**	-
Disposal of subsidiary (Note 11)	**-**	(16)	**-**	-
End of financial year	**32,691**	35,944	**29,845**	32,950

10. EARNINGS PER SHARE

(a) Basic earnings per share

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

	GROUP	
	2012 S$'000	2011 S$'000
Net profit attributable to equity holders of the Company (S$'000)	**141,974**	160,966
Less: Net profit attributable to perpetual securities holders of the Company (S$'000)	**(1,223)**	-
Net profit attributable to ordinary equity holders of the Company	**140,751**	160,966
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**1,900,207**	1,923,299
Basic earnings per share (cents per share)	**7.41**	8.37

(b) Diluted earnings per share

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

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.

10. EARNINGS PER SHARE (continued)

(b) Diluted earnings per share (continued)

Diluted earnings per share is calculated as follows:

	GROUP 2012 S$'000	GROUP 2011 S$'000
Net profit attributable to equity holders of the Company (S$'000)	**141,974**	160,966
Less: Net profit attributable to perpetual securities holders of the Company (S$'000)	**(1,223)**	-
Net profit attributable to ordinary equity holders of the Company	**140,751**	160,966
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**1,900,207**	1,923,299
Adjustment for share options ('000)	**642**	1,462
Weighted average number of ordinary shares for diluted	**1,900,849**	1,924,761
Diluted earnings per share (cents per share)	**7.40**	8.36

11. CASH AND CASH EQUIVALENTS

	GROUP 2012 S$'000	GROUP 2011 S$'000	COMPANY 2012 S$'000	COMPANY 2011 S$'000
Cash at bank and on hand	**292,406**	49,692	**276,682**	37,887
Deposits with financial institutions	**324,951**	289,042	**322,603**	270,200
	617,357	338,734	**599,285**	308,087

11. CASH AND CASH EQUIVALENTS (continued)

Acquisition and disposal of subsidiaries

On 16 May 2011, the Company acquired an additional 30% of stake in DataPost Pte Ltd, making DataPost Pte Ltd its wholly-owned subsidiary for a cash consideration of S$6,000,000. There is no significant difference between the change in the carrying amount of the non-controlling interest and the consideration paid.

On 15 February 2011, the Company acquired 95% of the issued share capital of Clout Shoppe Pte. Ltd. (previously known as Supertoken Pte. Ltd.) for a cash consideration of S$204,000. Please refer to Note 37 for the effects of acquisition of subsidiary on the cash flows of the Group.

On 14 March 2011, the Company disposed of its entire interest in SingPost Retail Services Pte. Ltd. for a consideration of S$11,368,000, which comprised cash consideration of S$10,518,000 and future payments totalling S$850,000 payable in 17 instalments. The effects of the disposal on the cash flows of the Group were:

	GROUP
2011	**S$'000**
Carrying amounts of assets and liabilities disposed	
Trade and other receivables	(24,560)
Property, plant and equipment (Note 21)	(154)
Other current assets	(143)
Total assets	(24,857)
Trade and other payables	13,704
Current income tax liabilities (Note 9(b))	16
Deferred income tax liabilities (Note 27)	11
Total liabilities	13,731
Net assets derecognised and disposed	(11,126)

The aggregate cash inflows arising from the disposal of SingPost Retail Services Pte. Ltd. were:

	GROUP
2011	**S$'000**
Net assets disposed (as above)	11,126
Gain on disposal	242
Consideration from disposal	11,368
Less: Unpaid instalments	(850)
Net cash inflow on disposal	10,518

12. TRADE AND OTHER RECEIVABLES - CURRENT

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Trade receivables				
- Subsidiaries	-	-	**43,204**	12,794
- Joint ventures	**441**	63	-	-
- Associated company	**5,933**	-	**5,933**	-
- Companies related by a substantial shareholder	**4,737**	5,440	**4,215**	4,967
- Non-related parties	**81,861**	77,420	**45,462**	42,297
	92,972	82,923	**98,814**	60,058
Less: Allowance for impairment of receivables – non-related parties	**(2,730)**	(2,330)	**(1,339)**	(1,670)
Trade receivables – net	**90,242**	80,593	**97,475**	58,388
Loan to an indirect associated company	**2,612**	2,577	-	-
Less: Non-current portion (Note 16)	**(1,738)**	(2,004)	-	-
	874	573	-	-
Other receivables	**2,649**	1,706	**2,210**	1,640
Interest receivable	**387**	354	**371**	327
Accrued interest receivable on interest rate swap contracts	**1,276**	1,116	**1,276**	1,116
Staff loans (Note 17)	**53**	88	**53**	88
	95,481	84,430	**101,385**	61,559

The loan to an indirect associated company is unsecured and repayable in full by 31 May 2015. Interest is fixed at 1.5% (2011: 1.5%) per annum for the first three years and at 8.5% (2011: 8.5%) per annum thereafter.

13. FINANCIAL ASSETS – CURRENT AND NON-CURRENT

	GROUP AND COMPANY	
	2012 S$'000	2011 S$'000
Current financial assets, held to maturity		
Unquoted securities		
- Equity-linked notes	**8,502**	36,430
- Credit-linked notes	**-**	8,000
- Interest rate-linked notes	**50,000**	-
Quoted securities		
- Bonds	**15,822**	11,860
	74,324	56,290
Current available-for-sale financial assets	**469**	-
	74,793	56,290
Non-current financial assets, held to maturity		
Quoted securities		
- Bonds	**14,316**	19,285

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

	GROUP AND COMPANY	
	2012 S$'000	2011 S$'000
Current financial assets, held-to-maturity		
Unquoted securities		
- Equity-linked notes	**8,478**	36,431
- Credit-linked notes	**-**	8,003
- Interest rate-linked notes	**50,000**	-
Quoted securities		
- Bonds	**15,834**	11,858
Current available-for-sale financial assets	**469**	-
	74,781	56,292
Non-current financial assets, held-to-maturity		
Quoted securities		
- Bonds	**14,347**	19,420

The fair values of unquoted securities are determined by using a valuation model with adjusted market observable inputs at 31 March 2012. The adjusted market observable inputs include the Singapore Swap Offer Rate (SOR), the issuer's credit default swap (CDS) price, the reference entity's share price and dividend yield. The fair values of quoted securities are based on published price quotations at the balance sheet date.

14. OTHER CURRENT ASSETS

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Deposits	**3,269**	3,279	**1,435**	1,751
Prepayments	**6,403**	5,069	**2,484**	2,169
	9,672	8,348	**3,919**	3,920

15. DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP AND COMPANY		
	CONTRACT/NOTIONAL	FAIR VALUE	
	AMOUNT S$'000	ASSETS S$'000	ASSETS S$'000
2012			
Fair-value hedges			
- Interest-rate swaps (non-current)	**610,000**	**6,031**	-
2011			
Fair-value hedges			
- Interest-rate swaps (non-current)	**570,000**	**3,423**	-

Interest rate swaps are entered into to minimise the half-yearly interest payments on borrowings that will mature on 11 April 2013 and 30 March 2020. Changes in the fair values of interest rate swaps that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged item.

16. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Loan to an indirect associated company (Note 12)	**1,738**	2,004	**-**	-
Staff loans (Note 17)	**190**	199	**190**	199
	1,928	2,203	**190**	199

16. TRADE AND OTHER RECEIVABLES – NON-CURRENT (continued)

The fair values of trade and other receivables - non-current are computed based on cash flows discounted at market borrowing rates. The fair values and the market borrowing rates used are as follows:

	GROUP		COMPANY		BORROWING RATES	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000	2012 %	2011 %
Loan to an indirect associated company	**1,662**	1,589	**-**	-	**1.1**	1.9
Staff loans	**178**	177	**178**	177	**1.4**	1.9

17. STAFF LOANS

	GROUP AND COMPANY	
	2012 S$'000	2011 S$'000
Not later than one year (Note 12)	**53**	88
Later than one year (Note 16)	**190**	199
- Between one and five years	**189**	196
- Later than five years	**1**	3
	243	287

As at 31 March 2012 and 31 March 2011, no loan is made to the key management personnel of the Group.

18. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Investment in associated companies (Note (a))	**89,637**	52,183	**23,422**	23,422
Investment in joint ventures (Note (b))	**1,062**	1,705	**248**	-
	90,699	53,888	**23,670**	23,422

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

(a) Associated companies

	GROUP		COMPANY	
	2012 S$'000	**2011 S$'000**	**2012 S$'000**	**2011 S$'000**
Equity investment at cost			**23,422**	23,422
Beginning of financial year	**52,183**	41,468		
Acquisition of an associated company during the year (Note (i))	**37,999**	23,422		
Adjustment for non-cash contributions (Note (ii))	**-**	(10,291)		
Share of profit / (loss)	**577**	(1,277)		
Dividends received	**(448)**	-		
Currency translation differences	**(674)**	(1,139)		
End of financial year	**89,637**	52,183		
The summarised financial information of associated companies are as follows:				
- Assets	**259,671**	91,161		
- Liabilities	**(137,136)**	(30,968)		
- Revenue	**214,653**	33,835		
- Net profit	**2,547**	(3,046)		

(i) On 27 June 2011, the Company acquired a 20.81% equity interest at a cost of S$13,219,000 in Efficient E-Solutions Berhad ("Efficient"), a listed company, which provides data print, records management, data and document processing. As of the balance sheet date, the total fair value based on the published price quotation of Efficient is S$10,605,867.

On 5 July 2011, the Company also acquired a 20% equity interest at a cost of S$11,641,000 in Shenzhen 4PX Express Co. Ltd ("4PX"), a company, which provides international express delivery services, international freight forwarding, import and export of goods and import and export of technology.

On 16 August 2011, the Company also acquired a 30% equity interest at a cost of S$13,139,000 in Indo Trans Logistics Corporation ("ITL"), a company, which aims to be the premier regional solutions provider for integrated logistics, freight & transports management and aviation services.

(ii) During the financial year ended 31 March 2011, the Group recognised a S$10.3 million one-off downward valuation adjustment on the non-cash purchase consideration of Postea, Inc., an associated company which was purchased in the financial year ended 31 March 2010. The non-cash consideration comprised the Company's intellectual property rights in its Self-Service Automated Machine ("SAM") and SAMPLUS, retail system POST21 and vPOST online bill payment. The valuation adjustment resulted from an external valuation exercised undertaken by Postea, Inc.. The financial impact of this is a reduction of the Group's profit after tax of S$3.4 million, reduction of cost of investment in associated company of S$10.3 million and reduction of deferred gain of S$6.9 million.

Details of associated companies are provided in Note 40.

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

(b) Joint ventures

On 30 December 2011, the Company entered into a joint venture with 4PX Worldwide Express Co, Limited to set up vPOST Hong Kong Co. Limited ("vPOST HK") at a cost of S$248,000. vPOST HK principal activities are to provide internet shopping, shipping and logistics services.

	GROUP		COMPANY	
	2012 S$'000	**2011 S$'000**	**2012 S$'000**	**2011 S$'000**
Equity investments at cost			**248**	-
Beginning of financial year	**1,705**	1,521		
Acquisition of a joint venture during the year (Note (i))	**248**	-		
Share of profits	**87**	728		
Dividends received	**(947)**	(447)		
Currency translation difference	**(31)**	(97)		
End of financial year	**1,062**	1,705		

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	
	2012 S$'000	**2011 S$'000**
Assets		
- Current assets	**1,640**	2,141
- Non-current assets	**693**	581
	2,333	2,722
Liabilities		
- Current liabilities	**(932)**	(699)
- Non-current liabilities	**(339)**	(318)
	(1,271)	(1,017)
Net assets	**1,062**	1,705
Sales	**3,169**	3,737
Expenses	**(3,024)**	(2,710)
Profit before tax	**145**	1,027
Income tax	**(58)**	(299)
Profit after tax	**87**	728

Details of the joint ventures are provided in Note 40.

19. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2012	**2011**
	S$'000	**S$'000**
Equity investments at cost		
Beginning of financial year	**147,268**	152,064
Acquisition	**6,000**	204
Disposal	**-**	(5,000)
	153,268	147,268
Less: Allowance for impairment	**(6,157)**	(6,157)
	147,111	141,111

On 16 May 2011, the Company acquired an additional 30% stake in DataPost Pte Ltd, making DataPost Pte Ltd its wholly-owned subsidiary for a cash consideration of S$6,000,000.

On 15 February 2011, the Company acquired 95% equity interest at a cost of S$204,000 in Clout Shoppe Pte. Ltd. (previously known as Supertoken Pte. Ltd.). The fair value of 95% of identifiable net assets of the acquiree at the date of acquisition amounted to S$27,000, resulting in goodwill on acquisition of S$177,000. Details of identifiable net assets acquired are disclosed in Note 37.

On 14 March 2011, the Company disposed its wholly-owned subsidiary, SingPost Retail Services Pte. Ltd.. Details of net assets disposed are disclosed in Note 11.

Details of subsidiaries are provided in Note 40.

20. INVESTMENT PROPERTY

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Cost				
Beginning of financial year	**272,252**	270,123	**283,867**	277,875
Reclassifications (Note 21)	**2,216**	2,129	**5,355**	5,992
End of financial year	**274,468**	272,252	**289,222**	283,867
Accumulated depreciation				
Beginning of financial year	**76,827**	71,069	**80,147**	73,134
Depreciation charge	**5,864**	5,758	**7,049**	7,013
End of financial year	**82,691**	76,827	**87,196**	80,147
Net book value				
End of financial year	**191,777**	195,425	**202,026**	203,720

The fair values of the investment property based on an independent professional valuer are S$468.0 million (2011: S$429.0 million) and S$483.0 million (2011: S$446.0 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.

20. INVESTMENT PROPERTY (continued)

The following amounts are recognised in profit or loss:

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Rental income	**36,968**	38,098	**40,009**	40,546
Direct operating expenses arising from investment property that generated rental income	**(10,844)**	(10,037)	**(12,835)**	(10,553)
Property tax and other direct operating expenses arising from investment property that did not generate rental income	**(1,140)**	(3,518)	**(1,314)**	(4,946)

21. PROPERTY, PLANT AND EQUIPMENT

GROUP 2012	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
Cost						
Beginning of financial year	**83,065**	**182,620**	**91,103**	**154,874**	**4,824**	**516,486**
Reclassifications (Note 20)	**(337)**	**(1,879)**	**-**	**-**	**-**	**(2,216)**
Additions	**-**	**-**	**-**	**8,989**	**15,647**	**24,636**
Disposals	**-**	**(874)**	**(2,032)**	**(10,146)**	**-**	**(13,052)**
Transfers	**-**	**-**	**-**	**5,595**	**(5,595)**	**-**
Currency translation differences	**-**	**-**	**-**	**(250)**	**-**	**(250)**
End of financial year	**82,728**	**179,867**	**89,071**	**159,062**	**14,876**	**525,604**
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	**18,348**	**66,609**	**79,800**	**111,045**	**-**	**275,802**
Depreciation charge	**1,064**	**4,014**	**5,230**	**14,042**	**-**	**243,510**
Disposals	**-**	**(357)**	**(2,031)**	**(9,978)**	**-**	**(12,366)**
Currency translation differences	**-**	**-**	**-**	**(135)**	**-**	**(135)**
End of financial year	**19,412**	**70,266**	**82,999**	**114,974**	**-**	**287,651**
Net book value						
End of financial year	**63,316**	**109,601**	**6,072**	**44,088**	**14,876**	**237,953**

There is no write-back of impairment in the current financial year. Write-back of impairment amounting to S$2,530,000 for the Group and Company was recorded as a result of improved market values of certain buildings in the previous financial year.

21. PROPERTY, PLANT AND EQUIPMENT (continued)

GROUP 2011	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
Cost						
Beginning of financial year	83,358	184,366	91,156	152,379	2,186	513,445
Reclassifications (Note 20)	(293)	(1,836)	-	-	-	(2,129)
Acquisition of a subsidiary (Note 37)	-	-	-	3	-	3
Additions	-	11	-	5,176	6,801	11,988
Disposals	-	-	(60)	(4,682)	-	(4,742)
Disposal of subsidiary	-	-	-	(1,798)	-	(1,798)
Transfers	-	79	7	4,077	(4,163)	-
Currency translation differences	-	-	-	(281)	-	(281)
End of financial year	83,065	182,620	91,103	154,874	4,824	516,486
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	17,268	64,969	76,001	103,922	-	262,160
Depreciation charge	1,080	4,170	3,858	13,319	-	22,427
Write-back of impairment	-	(2,530)	-	-	-	(2,530)
Disposals	-	-	(59)	(4,342)	-	(4,401)
Disposal of subsidiary	-	-	-	(1,644)	-	(1,644)
Currency translation differences	-	-	-	(210)	-	(210)
End of financial year	18,348	66,609	79,800	111,045	-	275,802
Net book value						
End of financial year	64,717	116,011	11,303	43,829	4,824	240,684

21. PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY 2012	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
Cost						
Beginning of financial year	81,581	165,730	91,103	127,214	4,621	470,249
Reclassifications (Note 20)	(729)	(4,626)	-	-	-	(5,355)
Additions	-	-	-	5,901	15,468	21,369
Disposals	-	(874)	(2,032)	(5,750)	-	(8,656)
Transfers	-	-	-	5,595	(5,595)	-
End of financial year	80,852	160,230	89,071	132,960	14,494	477,607
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	18,046	62,652	79,800	93,078	-	253,576
Depreciation charge	963	2,467	5,230	10,983	-	19,643
Disposals	-	(357)	(2,031)	(5,613)	-	(8,001)
End of financial year	19,009	64,762	82,999	98,448	-	265,218
Net book value						
End of financial year	61,843	95,468	6,072	34,512	14,494	212,389

21. PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY 2011	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
Cost						
Beginning of financial year	82,366	170,858	91,156	129,198	1,931	475,509
Reclassifications (Note 20)	(785)	(5,207)	-	-	-	(5,992)
Additions	-	-	-	2,595	6,785	9,380
Disposals	-	-	(60)	(8,588)	-	(8,648)
Transfers	-	79	7	4,009	(4,095)	-
End of financial year	81,581	165,730	91,103	127,214	4,621	470,249
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	17,078	62,632	76,001	88,684	-	244,395
Depreciation charge	968	2,550	3,858	10,792	-	18,168
Write-back of impairment	-	(2,530)	-	-	-	(2,530)
Disposals	-	-	(59)	(6,398)	-	(6,457)
End of financial year	18,046	62,652	79,800	93,078	-	253,576
Net book value						
End of financial year	**63,535**	**103,078**	**11,303**	**34,136**	**4,621**	**216,673**

22. INTANGIBLE ASSETS

Composition:

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Goodwill on acquisitions (Note (a))	**78,035**	78,035	**-**	-
Customer relationships (Note (b))	**3,700**	4,612	**-**	-
Acquired licence (Note (c))	**144**	180	**144**	180
Intellectual property right (Note (d))	**5,798**	5,798	**-**	-
	87,677	88,625	**144**	180

22. INTANGIBLE ASSETS (continued)

(a) Goodwill on acquisitions

	GROUP	
	2012 S$'000	**2011 S$'000**
Cost		
Beginning of financial year	**78,035**	78,047
Adjustment	**-**	(189)
Acquisition of subsidiary (Notes 11 and 37)	**-**	177
End of financial year	**78,035**	78,035
Net book value		
Beginning and end of financial year	**78,035**	78,035

Impairment test for goodwill

Goodwill of S$77,858,000 is allocated to the Group's cash-generating unit ("CGU") identified as Quantium Solutions and its subsidiaries due to the integrated nature of its business operations. The CGU is expected to benefit from the synergies arising from goodwill acquired. The recoverable amount of the CGU was determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a three-year period.

Key assumptions used for value-in-use calculations:

Quantium Solutions and its subsidiaries	**2012**	**2011**
Cash flow growth rate	2.5%	11%
Terminal growth rate	0.0%	0.0%
Discount rate	7.3%	6.4%

The above assumptions were used for the analysis of the CGU. Management determined cash flow growth based on past performance and its expectations of the market development. The terminal growth rate of 0% that was used to extrapolate cash flows beyond the budget period did not exceed the long term average growth rate for the business.

The Group recorded no impairment charge for the year ended 31 March 2012 (2011: Nil) after performing the impairment test. As the recoverable amount was significantly higher than carrying amount of the investment, management believes that any reasonable change to the key assumptions of which the recoverable amount is based would not cause the carrying amount to exceed the recoverable amount.

22. INTANGIBLE ASSETS (continued)

(b) Customer relationships

	GROUP	
	2012 S$'000	2011 S$'000
Cost		
Beginning and end of financial year	**6,360**	6,360
Accumulated amortisation		
Beginning of financial year	**(1,748)**	(836)
Amortisation charge	**(912)**	(912)
End of financial year	**(2,660)**	(1,748)
Net book value	**3,700**	4,612

(c) Acquired licence

	GROUP	
	2012 S$'000	2011 S$'000
Cost		
Beginning and end of financial year	**900**	900
Accumulated amortisation		
Beginning of financial year	**(720)**	(684)
Amortisation charge	**(36)**	(36)
End of financial year	**(756)**	(720)
Net book value	**144**	180

22. INTANGIBLE ASSETS (continued)

(d) Intellectual property right

	GROUP	
	2012 S$'000	2011 S$'000
Cost		
Beginning and end of financial year	**5,798**	5,798
Net book value		
Beginning and end of financial year	**5,798**	5,798

Intellectual property right represents a right to use the resultant intellectual property arising from the collaboration with an associated company. It is initially recognised at cost and is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The benefits arising from the intellectual property right will be amortised when it is available for use.

23. TRADE AND OTHER PAYABLES - CURRENT

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Trade payables				
- Subsidiaries	**-**	-	**11,199**	1,830
- Joint ventures	**-**	299	**-**	299
- Companies related by a substantial shareholder	**646**	380	**563**	380
- Non-related parties	**71,806**	69,250	**65,248**	62,064
	72,452	69,929	**77,010**	64,573
Advance billings	**16,913**	14,483	**16,398**	14,213
Accrual for other operating expenses	**47,493**	44,853	**39,449**	39,224
Interest payable	**4,489**	4,463	**4,489**	4,463
Other creditors	**14,049**	10,879	**10,204**	9,026
Customers' deposits	**4,426**	4,410	**4,374**	4,358
Collections on behalf of third parties	**42,331**	37,595	**42,331**	37,595
Tender deposits	**9,308**	9,303	**9,181**	9,211
	211,461	195,915	**203,436**	182,663

24. DEFERRED GAIN ON INTELLECTUAL PROPERTY RIGHTS

	GROUP AND COMPANY	
	2012 S$'000	2011 S$'000
Current		
Balance as at beginning of financial year	**6,252**	11,741
Transfer from non-current	**1,564**	13,112
Adjustment of non-cash contributions (Note 18(a)(ii))	**-**	(10,291)
Amount recognised as income during the year	**(6,252)**	(8,310)
Balance as at end of financial year	**1,564**	6,252
Non-current		
Balance as at beginning of financial year	**1,564**	14,676
Transfer to current	**(1,564)**	(13,112)
Balance as at end of financial year	**-**	1,564

25. 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 profit or loss over the periods necessary to match the depreciation of the assets purchased.

The current and non-current portion of the deferred income for the Group and the Company at the balance sheet date is S$162,000 (2011: S$168,000) and S$777,000 (2011: S$896,000).

26. BORROWINGS

	GROUP AND COMPANY	
	2012 S$'000	2011 S$'000
Non-current		
Borrowings (unsecured)	**505,719**	503,009

Borrowings comprised S$300 million bonds issued in April 2003 (the "Bonds") and S$200 million Fixed Rate Notes (the "Notes") issued in March 2010. Both the Bonds and the Notes have a maturity period of 10 years, are listed on the SGX-ST and carry a fixed interest rate of 3.13% per annum and 3.5% per annum respectively.

26. BORROWINGS (continued)

Fair value of non-current borrowings

	GROUP AND COMPANY	
	2012 S$'000	2011 S$'000
Borrowings (unsecured)	**518,704**	514,390

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 34.

27. DEFERRED INCOME TAXES

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

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Deferred income tax liabilities				
- to be settled within one year	**1,713**	375	**1,578**	336
- to be settled after one year	**16,299**	16,418	**14,519**	14,573
	18,012	16,793	**16,097**	14,909

Movement in the deferred income tax account is as follows:

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Beginning of financial year	**16,793**	17,283	**14,909**	15,299
Currency translation differences	**(6)**	(51)	**-**	-
Tax charged / (credited) to profit or loss	**1,225**	(428)	**1,188**	(390)
Disposal of subsidiary (Note 11)	**-**	(11)	**-**	-
End of financial year	**18,012**	16,793	**16,097**	14,909

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of S$7,802,000 (2011: S$5,180,000) and capital allowances of S$752,000 (2011: S$768,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry dates.

27. DEFERRED INCOME TAXES (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
2012			
Beginning of financial year	**15,071**	**1,892**	**16,963**
Currency translation differences	**(6)**	**-**	**(6)**
Charged to profit or loss	**1,163**	**30**	**1,193**
End of financial year	**16,228**	**1,922**	**18,150**
2011			
Beginning of financial year	15,705	1,743	17,448
Currency translation differences	(51)	-	(51)
(Credited)/charged to profit or loss	(572)	149	(423)
Disposal of subsidiary (Note 11)	(11)	-	(11)
End of financial year	15,071	1,892	16,963

GROUP Deferred income tax assests	PROVISIONS S$'000	TOTAL S$'000
2012		
Beginning of financial year	**(170)**	**(170)**
Charged to profit or loss	**32**	**32**
End of financial year	**(138)**	**(138)**
2011		
Beginning of financial year	(165)	(165)
Credited to profit or loss	(5)	(5)
End of financial year	(170)	(170)

27. DEFERRED INCOME TAXES (continued)

COMPANY Deferred income tax liabilities	ACCELERATED TAX DEPRECIATION S$'000	OTHERS S$'000	TOTAL S$'000
2012			
Beginning of financial year	**14,261**	**811**	**15,072**
Charged to profit or loss	**1,129**	**30**	**1,159**
End of financial year	**15,390**	**841**	**16,231**
2011			
Beginning of financial year	14,861	596	15,457
(Credited) / charged to profit or loss	(600)	215	(385)
End of financial year	14,261	811	15,072

COMPANY Deferred income tax assests	PROVISIONS S$'000	TOTAL S$'000
2012		
Beginning of financial year	**(163)**	**(163)**
Charged to profit or loss	**29**	**29**
End of financial year	**(134)**	**(134)**
2011		
Beginning of financial year	(158)	(158)
Credited to profit or loss	(5)	(5)
End of financial year	(163)	(163)

28. SHARE CAPITAL AND TREASURY SHARES

	NUMBER OF ORDINARY SHARES		AMOUNT	
	ISSUED SHARE CAPITAL S$'000	TREASURY SHARES S$'000	SHARE CAPITAL S$'000	TREASURY SHARES S$'000
2012				
Beginning of financial year	**1,930,264**	**(8,597)**	**118,789**	**(9,695)**
Treasury shares purchased	**-**	**(34,227)**	**-**	**(36,363)**
Employee share option scheme				
- Value of employee services	**-**	**-**	**151**	**-**
- Proceeds from shares issued	**1,390**	**-**	**1,316**	**-**
End of financial year	**1,931,654**	**(42,824)**	**120,256**	**(46,058)**
2011				
Beginning of financial year	1,926,881	-	115,238	-
Treasury shares purchased	-	(8,597)	-	(9,695)
Employee share option scheme				
- Value of employee services	-	-	372	-
- Proceeds from shares issued	3,383	-	3,179	-
End of financial year	1,930,264	(8,597)	118,789	(9,695)

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

(a) Treasury Shares

The Company acquired 34,227,000 (2011: 8,597,000) of its issued shares in the open market during the financial year. The total amount paid to acquire the shares was $36,363,000 (2011: $9,695,000) and this was presented as a component within shareholders' equity.

(b) Share Options

The Singapore Post Share Option Scheme (the "Scheme") was adopted on 21 March 2003 and administered by the Compensation Committee comprising Mr Zulkifli Bin Baharudin (Chairman), Mr Bill Chang York Chye and Mr Lim Ho Kee during the financial year ended 31 March 2012.

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).

28. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share Options (continued)

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

- Other than the share options granted on 16 May 2005 which had 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, 13 January 2011 and 25 February 2011, 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

28. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share Options (continued)

- On 24 October 2007, share options were granted to Mr Wilson Tan Wee Yan (former Group Chief Executive Officer), as well as other eligible employees. With the exception of the share options granted to Mr Tan, 100% of the share options had vested after the third anniversary of the date of grant and will lapse on the sixth anniversary. Share options granted to Mr Tan have a three-year vesting schedule. Only vested options remain exercisable for a period of one year following his resignation, and these options had since lapsed on 3 April 2010.

  100% of the share options granted on 13 January 2011 will vest after the third anniversary and lapse on the sixth anniversary.

  Share options granted on 25 February 2011 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.

Since the adoption of the Scheme to 31 March 2011, a total of 69,248,936 share options were granted. Particulars of the options were set out in the Directors' Report for the respective financial years.

28. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share Options (continued)

During the financial year ended 31 March 2012, 10,312,000 share options were granted. At the end of the financial year, details of the options granted and the number of unissued ordinary shares of the Company under options outstanding are as follows:

			NUMBER OF ORDINARY SHARES UNDER OPTIONS OUTSTANDING				
DATE OF GRANT	EXERCISE PERIOD	EXERCISE PRICE [1]	BALANCE AT 1.4.11 ('000)	GRANTED DURING FINANCIAL YEAR ('000)	OPTIONS EXERCISED ('000)	OPTIONS FORFEITED ('000)	BALANCE AT 31.3.12 ('000)
For employees (including executive directors)							
13.05.03	14.05.04 to 13.05.13	S$0.547	1	-	-	-	1
19.07.04	20.07.05 to 19.07.14	S$0.731	18	-	10	-	8
16.05.05 [2][3]	17.05.08 to 16.05.11	S$0.811	40	-	40	-	-
01.07.05	02.07.06 to 01.07.15	S$0.923	713	-	130	-	583
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	1,552	-	151	108	1,293
26.06.07	27.06.08 to 26.06.17	S$1.278	2,642	-	-	212	2,430
24.10.07 [2]	25.10.10 to 24.10.13	S$1.216	2,165	-	-	140	2,025
24.10.07	25.10.08 to 24.10.11	S$1.216	1,260	-	-	1,260	-
30.06.08	01.07.09 to 30.06.18	S$1.100	3,625	-	268	290	3,067
29.06.09	30.06.10 to 29.06.19	S$0.890	4,735	-	791	243	3,701
13.01.10 [2]	14.01.13 to 13.01.16	S$1.020	800	-	-	-	800
29.06.10	30.06.11 to 29.06.20	S$1.140	5,965	-	-	330	5,635
30.06.10	01.07.11 to 30.06.20	S$1.140	500	-	-	500	-
11.08.10	12.08.11 to 11.08.20	S$1.140	100	-	-	-	100
25.02.11	26.02.12 to 25.02.15	S$1.150	2,000	-	-	-	2,000
01.04.11	02.04.12 to 01.04.21	S$1.160	-	100	-	-	100
11.04.11	12.04.12 to 11.04.21	S$1.160	-	150	-	-	150
26.07.11	27.07.12 to 26.07.21	S$1.100	-	8,595	-	310	8,285
03.01.12	04.01.13 to 03.01.22	S$0.940	-	450	-	-	450
19.03.12	20.03.13 to 19.03.22	S$0.980	-	200	-	-	200
			26,716	9,495	1,390	3,393	31,428
For non-executive directors							
15.07.11	16.07.12 to 15.07.16	S$1.130	-	817	-	-	817
			-	817	-	-	817
Total Share Options			**26,716**	**10,312**	**1,390**	**3,393**	**32,245**

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

[2] Options, with a 3-year lock-in period, were granted on 16 May 2005, 24 October 2007 and 13 January 2011 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.

[3] All outstanding share options granted on 16 May 2005 had been exercised prior to the expiry date of 16 May 2011.

28. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share Options (continued)

Of the outstanding options for 32,244,977 (2011: 26,715,977) shares, 1,390,000 (2011: 3,383,429) options are exercisable as at 31 March 2012. Options exercised in the financial year ended 31 March 2012 resulted in 1,390,000 shares (2011: 3,383,000) being issued at an average price of S$0.947 (2011: S$0.942). Options were exercised throughout the year. The weighted average share price during the financial year was S$1.04 (2011: S$1.15).

The weighted average fair value of options granted during the financial year ended 31 March 2012, determined using the Trinomial option pricing model, was S$1,001,329 (2011: S$1,015,728). The significant inputs into the model were:

- Weighted average share price of S$1.089 (2011: S$1.141) at the grant date.
- Weighted average exercise price of S$1.095 (2011: S$1.142).
- Expected volatility of 22% (2011: 23%).
- Expected option life of 5 years (2011: 5 years).
- The annual risk-free interest rate of 0.9% (2011: 0.9%) per annum.

The model factored in discrete dividends based on expected yield of 6.4% (2011: 5.4%) 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. PERPETUAL SECURITIES

On 2 March 2012, the Company issued senior perpetual cumulative securities (the "perpetual securities") with an aggregate principal amount of S$350,000,000. Incremental cost incurred amounting to S$4,397,000 incurred were recognised in equity as a deduction from proceeds.

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

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

30. OTHER RESERVES

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
(a) Composition:				
Share option reserve	**4,077**	3,449	**4,077**	3,449
Fair value reserve	**81**	-	**81**	-
Currency translation reserve	**(3,194)**	(2,573)	**-**	-
Other capital reserve	**7**	7	**-**	-
	971	883	**4,158**	3,449
(b) Movements:				
(i) Share option reserve				
Beginning of financial year	**3,449**	3,214	**3,449**	3,214
Employee share option scheme:				
- Value of employee services (Note 5)	**779**	607	**779**	607
- Issue of shares (Note 28)	**(151)**	(372)	**(151)**	(372)
End of financial year	**4,077**	3,449	**4,077**	3,449
(ii) Fair value reserve				
Beginning of financial year	**-**	-	**-**	-
Fair value gain	**81**	-	**81**	-
End of financial year	**81**	-	**81**	-
(iii) Currency translation reserve				
Beginning of financial year	**(2,573)**	(1,082)	**-**	-
Net currency translation differences of financial statements of foreign subsidiaries, associated companies and joint ventures	**(621)**	(1,491)	**-**	-
End of financial year	**(3,194)**	(2,573)	**-**	-
(iv) Other capital reserve				
Beginning of financial year	**7**	-	**-**	-
Reclassification from retained earnings				
End of financial year	**-**	7	**-**	-
	7	7	**-**	-

Other reserves are non-distributable.

31. RETAINED EARNINGS

(a) Retained profits of the Group are distributable except for accumulated retained profits of associated companies and joint ventures amounting to S$198,000 (2011: Nil) and the amount of S$46,058,000 (2011: S$9,695,000) utilised to purchase of treasury shares. Retained profits of the Company are distributable except for the amount of S$46,058,000 (2011: S$9,695,000) utilised to purchase treasury shares.

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

	COMPANY	
	2012 S$'000	**2011 S$'000**
Beginning of financial year	**184,056**	153,564
Net profit	**139,939**	150,831
Dividends paid (Note 32)	**(119,107)**	(120,339)
End of financial year	**204,888**	184,056

32. DIVIDENDS

	GROUP AND COMPANY	
	2012 S$'000	**2011 S$'000**
Ordinary dividends paid		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 2.5 cents (2011: 2.5 cents) per share	**48,056**	48,194
Interim exempt (one-tier) dividend paid in respect of the first quarter of current financial year of 1.25 cents (2011: 1.25 cents) per share	**23,832**	24,107
Interim exempt (one-tier) dividend paid in respect of the second quarter of current financial year of 1.25 cents (2011: 1.25 cents) per share	**23,610**	24,017
Interim exempt (one-tier) dividend paid in respect of the third quarter of current financial year of 1.25 cents (2011: 1.25 cents) per share	**23,609**	24,021
	119,107	120,339

At the Annual General Meeting on 29 June 2012, a final exempt (one-tier) dividend of 2.5 cents per share amounting to a total of S$47.2 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 2013.

33 COMMITMENTS

(a) Capital commitments

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

	GROUP		COMPANY	
	2012 S$'000	**2011 S$'000**	**2012 S$'000**	**2011 S$'000**
Property, plant and equipment	**4,292**	10,549	**3,996**	10,428

33 COMMITMENTS (continued)

(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	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Not later than one year	**11,047**	4,945	**6,084**	5,799
Between one and five years	**14,883**	8,733	**7,903**	8,633
Later than five years	**3,482**	4,024	**3,482**	4,024
	29,412	17,702	**17,469**	18,456

(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	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Not later than one year	**31,391**	35,316	**35,670**	41,009
Between one and five years	**41,046**	47,917	**46,854**	51,730
Later than five years	**360**	-	**360**	-
	72,797	83,233	**82,884**	92,739

34. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Board Risk Committee then establishes the detailed policies such as oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

34. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk

(i) Currency risk

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

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

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

GROUP	SGD S$'000	SDR S$'000	EURO S$'000	USD S$'000	HKD S$'000	OTHERS S$'000	TOTAL S$'000
As at 31 March 2012							
Financial assets							
Cash and cash equivalents	578,901	-	7,859	18,600	7,793	4,204	617,357
Trade and other receivables	76,136	6,179	-	-	4,729	10,365	97,409
Other financial assets	2,385	-	-	-	82	802	3,269
Financial assets	89,109	-	-	-	-	-	89,109
Derivative financial instruments	6,031	-	-	-	-	-	6,031
	752,562	6,179	7,859	18,600	12,604	15,371	813,175
Financial liabilities							
Borrowings	(505,719)	-	-	-	-	-	(505,719)
Trade and other payables	(156,150)	(48,631)	-	-	(1,576)	(5,104)	(211,461)
	(661,869)	(48,631)	-	-	(1,576)	(5,104)	(717,180)
Net financial (liabilities)/ assets	**90,693**	**(42,452)**	**7,859**	**18,600**	**11,028**	**10,267**	**95,995**
Less: Net financial (liabilities)/assets denominated in the respective entities' functional currencies	90,693	-	-	-	3,986	8,781	
Currency exposure	**-**	**(42,452)**	**7,859**	**18,600**	**7,042**	**1,486**	

34. 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:

GROUP	SGD S$'000	SDR S$'000	OTHERS S$'000	TOTAL S$'000
As at 31 March 2011				
Financial assets				
Cash and cash equivalents	331,098	-	7,636	338,734
Trade and other receivables	69,267	3,562	13,804	86,633
Other financial assets	2,439	-	840	3,279
Financial assets	75,575	-	-	75,575
Derivative financial instruments	3,423	-	-	3,423
	481,802	3,562	22,280	507,644
Financial liabilities				
Borrowings	(503,009)	-	-	(503,009)
Trade and other payables	(142,645)	(45,729)	(7,541)	(195,915)
	(645,654)	(45,729)	(7,541)	(698,924)
Net financial (liabilities)/assets	**(163,852)**	**(42,167)**	**14,739**	**(191,280)**
Less: Net financial (liabilities)/assets denominated in the respective entities' functional currencies	(163,852)	-	12,119	
Currency exposure	**-**	**(42,167)**	**2,620**	

34. 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:

COMPANY	SGD S$'000	SDR S$'000	EURO S$'000	USD S$'000	TOTAL S$'000
As at 31 March 2012					
Financial assets					
Cash and cash equivalents	573,274	-	7,726	18,285	599,285
Trade and other receivables	95,396	6,179	-	-	101,575
Other financial assets	1,435	-	-	-	1,435
Financial assets	89,109	-	-	-	89,109
Derivative financial instruments	6,031	-	-	-	6,031
	765,245	6,179	7,726	18,285	797,435
Financial liabilities					
Borrowings	(505,719)	-	-	-	(505,719)
Trade and other payables	(154,805)	(45,631)	-	-	(203,436)
	(660,524)	(45,631)	-	-	(709,155)
Net financial (liabilities)/assets	**104,721**	**(42,452)**	**7,726**	**18,285**	**88,280**
Less: Net financial (liabilities)/ assets denominated in the respective entities' functional currencies	104,721	-	-	-	
Currency exposure	**-**	**(42,452)**	**7,726**	**18,285**	

34. 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:

COMPANY	SGD S$'000	SDR S$'000	OTHERS S$'000	TOTAL S$'000
As at 31 March 2011				
Financial assets				
Cash and cash equivalents	307,716	-	371	308,087
Trade and other receivables	58,196	3,562	-	61,758
Other financial assets	1,751	-	-	1,751
Financial assets	75,575	-	-	75,575
Derivative financial instruments	3,423	-	-	3,423
	446,661	3,562	371	450,594
Financial liabilities				
Borrowings	(503,009)	-	-	(503,009)
Trade and other payables	(136,934)	(45,729)	-	(182,663)
	(639,943)	(45,729)	-	(685,672)
Net financial (liabilities)/assets	**(193,282)**	**(42,167)**	**371**	**(235,078)**
Less: Net financial (liabilities)/assets denominated in the respective entities' functional currencies	(193,282)	-	-	
Currency exposure	**-**	**(42,167)**	**371**	

34. 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.

If the SDR changes against the SGD by 2% (2011: 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:

	2012		2011	
	INCREASE/(DECREASE)			
	PROFIT AFTER TAX S$'000	**EQUITY S$'000**	PROFIT AFTER TAX S$'000	EQUITY S$'000
Group				
SDR against SGD				
- strengthened	**(705)**	**(705)**	(700)	(700)
- weakened	**705**	**705**	700	700
Company				
SDR against SGD				
- strengthened	**(705)**	**(705)**	(700)	(700)
- weakened	**705**	**705**	700	700

If the EUR changes against the SGD by 4% (2011: Nil) with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	2012		2011	
	INCREASE/(DECREASE)			
	PROFIT AFTER TAX S$'000	**EQUITY S$'000**	PROFIT AFTER TAX S$'000	EQUITY S$'000
Group				
EUR against SGD				
- strengthened	**261**	**261**	-	-
- weakened	**(261)**	**(261)**	-	-
Company				
EUR against SGD				
- strengthened	**257**	**257**	-	-
- weakened	**(257)**	**(257)**	-	-

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34. FINANCIAL RISK MANAGEMENT (continued)

a) Market risk (continued)

(i) *Currency risk* (continued)

If the USD changes against the SGD by 5% (2011: Nil) with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	2012		2011	
	INCREASE/(DECREASE)			
	PROFIT AFTER TAX S$'000	EQUITY S$'000	PROFIT AFTER TAX S$'000	EQUITY S$'000
Group				
USD against SGD				
- strengthened	772	772	-	-
- weakened	(772)	(772)	-	-
Company				
USD against SGD				
- strengthened	759	759	-	-
- weakened	(759)	(759)	-	-

If the HKD changes against the SGD by 5% (2011: Nil) with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	2012		2011	
	INCREASE/(DECREASE)			
	PROFIT AFTER TAX S$'000	EQUITY S$'000	PROFIT AFTER TAX S$'000	EQUITY S$'000
Group				
HKD against SGD				
- strengthened	292	292	-	-
- weakened	(292)	(292)	-	-
Company				
HKD against SGD				
- strengthened	-	-	-	-
- weakened	-	-	-	-

34. FINANCIAL RISK MANAGEMENT (continued)

a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk

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 bonds and fixed rate notes. The Group has entered into interest rate swaps that are fair value hedges for the bonds and fixed rate notes. 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 0.5% (2011: 0.60%) with all other variables including tax rate being held constant, the profit after tax will be lower/higher by S$789,000 (2011: S$747,000).

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial asset of the Group and the Company are bank deposits, trade receivables, investments in financial assets and financial instruments used in hedging activities. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

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

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

34. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

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

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

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
By geographical areas				
Singapore	**61,498**	62,864	**83,820**	50,428
Other countries	**28,744**	17,729	**13,655**	7,960
	90,242	80,593	**97,475**	58,388
By types of customers				
Related parties	**13,811**	5,503	**53,352**	17,761
Non-related parties:				
- Government bodies	**5,567**	6,734	**3,754**	4,795
- Banks	**17,502**	17,968	**9,123**	5,873
- Overseas postal administrations	**6,070**	3,453	**6,070**	3,453
- Other companies	**47,292**	46,935	**25,176**	26,506
	90,242	80,593	**97,475**	58,388

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

Bank deposits, investments in financial assets and financial instruments used in hedging activities that are neither past due nor impaired are mainly deposited and transacted with high credit-ratings counterparties. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

34. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(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	
	2012 S$'000	**2011 S$'000**	**2012 S$'000**	**2011 S$'000**
Past due 0 to 3 months	**30,598**	28,379	**20,426**	18,548
Past due over 3 months	**7,931**	7,311	**2,434**	2,396
	38,529	35,690	**22,860**	20,944

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	
	2012 S$'000	**2011 S$'000**	**2012 S$'000**	**2011 S$'000**
Gross amount	**2,730**	2,330	**1,339**	1,670
Less: Allowance for impairment	**(2,730)**	(2,330)	**(1,339)**	(1,670)
	-	-	**-**	-
Beginning of financial year	**2,330**	2,792	**1,670**	2,195
Allowance made	**1,107**	308	**300**	146
Allowance reversed	**(306)**	(468)	**(255)**	(438)
Allowance utilised	**(401)**	(302)	**(376)**	(233)
End of financial year	**2,730**	2,330	**1,339**	1,670

(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.

34. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

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.

GROUP	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
As at 31 March 2012				
Favourable interest rate swaps	**9,553**	**2,374**	**5,402**	**5,402**
Unfavourable interest rate swaps	**(6,263)**	**(473)**	**-**	**-**
Trade and other payables	**(211,462)**	**-**	**-**	**-**
Borrowings	**(16,390)**	**(307,783)**	**(21,000)**	**(221,000)**
	(224,562)	**(305,882)**	**(15,598)**	**(215,598)**
At 31 March 2011				
Favourable interest rate swaps	8,572	8,656	7,724	5,434
Unfavourable interest rate swaps	(4,813)	(4,885)	(2,442)	-
Trade and other payables	(195,915)	-	-	-
Borrowings	(16,390)	(16,390)	(325,695)	(228,000)
	(208,546)	(12,619)	(320,413)	(222,566)

COMPANY	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
As at 31 March 2012				
Favourable interest rate swaps	**9,553**	**2,374**	**5,402**	**5,402**
Unfavourable interest rate swaps	**(6,263)**	**(473)**	**-**	**-**
Trade and other payables	**(203,436)**	**-**	**-**	**-**
Borrowings	**(16,390)**	**(307,783)**	**(21,000)**	**(221,000)**
	(216,536)	**(305,882)**	**(15,598)**	**(215,598)**
At 31 March 2011				
Favourable interest rate swaps	8,572	8,656	7,724	5,434
Unfavourable interest rate swaps	(4,813)	(4,885)	(2,442)	-
Trade and other payables	(182,663)	-	-	-
Borrowings	(16,390)	(16,390)	(325,695)	(228,000)
	(195,294)	(12,619)	(320,413)	(222,566)

34. 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 2011, 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	
	2012 S$'000	**2011 S$'000**	**2012 S$'000**	**2011 S$'000**
Net (cash)/debt	**(111,638)**	164,275	**(93,566)**	194,922
Total equity	**659,802**	332,312	**628,847**	296,599
Gearing ratio	**(17%)**	49%	**(15%)**	66%

The Group and Company have no externally imposed capital requirements for the financial years ended 31 March 2012 and 2011.

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices) (Level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the assets and liabilities measured at fair value:

2012 GROUP AND COMPANY	**LEVEL 1 S$'000**	**LEVEL 2 S$'000**	**LEVEL 3 S$'000**	**TOTAL S$'000**
Assets				
Available-for-sales financial assets	**469**	-	-	**469**
Derivatives used for hedging	-	**6,031**	-	**6,031**

2011 GROUP AND COMPANY	**LEVEL 1 S$'000**	**LEVEL 2 S$'000**	**LEVEL 3 S$'000**	**TOTAL S$'000**
Assets				
Derivatives used for hedging	-	3,423	-	3,423

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows and included in Level 2.

34. FINANCIAL RISK MANAGEMENT (continued)

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheets and in Notes 13 and 15 to the financial statements, except for the following:

	GROUP		COMPANY	
	2012 S$'000	**2011 S$'000**	**2012 S$'000**	**2011 S$'000**
Loans and receivables	**718,035**	428,646	702,295	371,596
Financial liabilities at amortised cost	**717,180**	698,924	709,155	685,672

35. RELATED PARTY TRANSACTIONS

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

(a) Sales and purchases of goods and services

	GROUP	
	2012 S$'000	**2011 S$'000**
Services rendered to related companies of a substantial shareholder	**17,992**	19,476
Services received from related companies of a substantial shareholder	**2,010**	3,865
Consultancy fees paid to a related corporation of an associated company	**4,371**	771

During the financial year ended 31 March 2012, the Company made payments on behalf of subsidiaries totalling S$8.9 million (2011: S$9.7 million) which were subsequently reimbursed.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	GROUP	
	2012 S$'000	**2011 S$'000**
Salaries and other short-term employee benefits	**4,237**	3,308
Post-employment benefits – contribution to CPF	**41**	37
Share-based staff costs	**135**	145
	4,413	3,490

Included in the above is total compensation to directors of the Company amounting to S$1,041,136 (2011: S$1,347,414).

36. SEGMENT INFORMATION

In accordance with FRS 108 (Operating Segments), management has determined the operating segments based on the reports reviewed by the Group Chief Executive Officer and Group Chief Financial Officer ("Chief Operating Decision Maker" or "CODM") that are used to make strategic decisions.

The CODM considers the business from a business segment perspective. Management manages and monitors the business in the three primary business areas: Mail, Logistics and Retail:

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

- **Logistics** – Logistics segment provides diverse range of mail logistic services comprising domestic and international distribution and delivery services. The services include cross-border mail services and other value-added services (Quantium Solutions), express delivery services (Speedpost), shipping services at vPOST internet portal, warehousing, fulfilment and distribution services and self storage solutions (S^3).

- **Retail** – Retail segment provides a wide variety of products and services beyond the scope of traditional postal services, including agency and remittance services, financial services and business of e-commerce. The three principal distribution channels are: post offices, authorised postal agencies and stamp vendors; Self-service Automated Machines ("SAMs"); and vPOST internet portal for bill presentment / payment and online shopping platforms.

Other operations include the provision of commercial property rental and investment holding; but these are not included within the reportable operating segments, as they are not included in the reports provided to the CODM. The results of these operations are included in the "all other segments" column.

The segment information provided to the CODM for the reportable segments for the years ended 31 March 2012 and 31 March 2011 are as follows:

2012	MAIL S$'000	LOGISTICS S$'000	RETAIL S$'000	ALL OTHER SEGMENTS S$'000	ELIMINATIONS S$'000	TOTAL S$'000
Revenue:						
- External	368,412	167,360	42,746	-	-	578,518
- Inter-segment	17,021	47,935	26,626	-	(91,582)	-
	385,433	215,295	69,372	-	(91,582)	578,518
Other income and gains (net)						
- Rental, property-related and miscellaneous income						
- External	(528)	(663)	1,123	50,553	-	50,485
- Inter-segment	-	-	-	38,587	(38,587)	-
	(528)	(663)	1,123	89,140	(38,587)	50,485
Operating profit	133,117	8,854	9,797	31,156	-	182,924
Depreciation	8,178	3,883	1,949	16,204	-	30,214
Segment assets	80,585	185,862	17,323	455,046	-	738,816

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36. SEGMENT INFORMATION (continued)

2011	MAIL S$'000	LOGISTICS S$'000	RETAIL S$'000	ALL OTHER SEGMENTS S$'000	ELIMINATIONS S$'000	TOTAL S$'000
Revenue:						
- External	366,875	158,144	40,828	-	-	565,847
- Inter-segment	18,724	40,134	26,001	-	(84,859)	-
	385,599	198,278	66,829	-	(84,859)	565,847
Other income and gains (net)						
- Rental, property-related and miscellaneous income						
- External	89	112	967	51,292	-	52,460
- Inter-segment	-	-	-	39,078	(39,078)	-
	89	112	967	90,370	(39,078)	52,460
Operating profit	141,683	13,654	9,480	41,733	-	206,550
Depreciation	6,425	3,366	2,138	16,256	-	28,185
Segment assets	81,147	175,638	17,736	438,856	-	713,377

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

The CODM assesses the performance of the operating segments based on a measure of operating profit, which is profit before interest, tax and share of profit of associated companies and joint ventures. Interest income and finance expenses are not allocated to segments.

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

	2012 S$'000	2011 S$'000
Operating profit for reportable segments	**151,768**	164,817
Other segments operating profit	**31,156**	41,733
Finance expense	**(13,255)**	(14,382)
Interest income	**3,345**	3,422
Share of profit/(losses) of associated companies and joint ventures	**664**	(549)
Profit before tax	**173,678**	195,041

36. SEGMENT INFORMATION (continued)

Reportable segments' assets are reconciled to total assets as follows:

Segment assets are measured in a manner consistent with that of the financial statements. The CODM does not review balance sheet items by reportable segments, but rather monitors them at the Group level. All assets are allocated to reportable segments other than derivative financial instruments and financial assets, held-to-maturity. Cash and cash equivalents are allocated to reportable segments where applicable.

	2012 S$'000	2011 S$'000
Segment assets for reportable segments	**283,770**	274,521
Other segments assets	**455,046**	438,856
Unallocated:		
Cash and cash equivalents	**596,232**	300,478
Financial assets	**89,109**	75,575
Derivative financial instruments	**6,031**	3,423
Total assets	**1,430,188**	1,092,853

Revenue from major products and services

Revenue from external customers is derived from the provision of mail, distribution, agency and financial services, sale of products and interest income from secured personnel financial services.

	2012 S$'000	2011 S$'000
Domestic and International Mail services	**368,412**	366,875
Domestic and International distribution and delivery services	**167,360**	158,144
Retail sale of products and services	**42,746**	40,828
Revenue	**578,518**	565,847

Geographical information

The Group's three business segments operate principally in one geographical area, which is in Singapore. Hence, the revenues and non-current assets are principally generated from and located in Singapore respectively.

The Group does not rely on any major customers.

37. BUSINESS COMBINATIONS

On 15 February 2011, the Group acquired 95% equity interest of Clout Shoppe Pte Ltd ("Clout Shoppe") (formerly know as Supertoken Pte. Ltd.) The principal activity of Clout Shoppe is that of carrying on the business of e-commerce specialising in the provision of online shopping platforms and services. The acquisition of Clout Shoppe is in line with the Group's strategy of growing its e-commerce business.

2011		GROUP S$'000
(a)	Purchase consideration	
	Cash paid	163
	Deferred payment	41
	Total purchase consideration and consideration transferred for the business	**204**
(b)	Effect on cash flows of the Group	
	Cash paid (as above)	204
	Less: cash and cash equivalents in subsidiary acquired	(29)
	Cash outflow on acquisition	**175**

2011		AT FAIR VALUE S$'000
(c)	Identifiable assets acquired and liabilities assumed	
	Cash and cash equivalents	29
	Property, plant and equipment (Note 21)	3
	Total assets	**32**
	Trade and other payables	(3)
	Total liabilities	**(3)**
	Total identifiable net assets	**29**
	Less: Non-controlling interest at fair value (Note (d) below)	(2)
	Add: Goodwill (Note 22(a) and (e) below)	177
	Consideration transferred for the business	**204**

(d) Non-controlling interest

The group has chosen to recognise the 5% non-controlling interest at its fair value of S$2,000. The fair value represents the non-controlling interest's share of net identifiable assets.

(e) Goodwill

The goodwill of S$177,000 arising from the acquisition is attributable to the management capabilities in e-commerce and retail business.

37. BUSINESS COMBINATIONS (continued)

(f) Revenue and profit contribution

The acquired business contributed no revenue to the Group for the period from 15 February 2011 to 31 March 2011. Net loss of S$41,000 was contributed to the Group from this period.

Had Clout Shoppe been consolidated from the date of incorporation on 19 August 2010, consolidated revenue and consolidated profit for the year ended 31 March 2011 would have been S$565,847,000 and S$161,542,000 respectively.

38. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2012 or later periods and which the Group has not early adopted:

- Amendments to FRS 1 – Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after 1 July 2012)
- FRS 28 – Investments in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2013)
- FRS 110 – Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2013)
- FRS 112 – Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2013)
- FRS 113 – Fair Value Measurements (effective for annual periods beginning on or after 1 January 2013)

The management anticipates that adoption of the above FRSs, INT FRSs and amendments to FRS in the future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

39. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 3 May 2012 in accordance with a resolution of the Board of Directors of Singapore Post Limited.

40. LISTING OF COMPANIES IN THE GROUP

The following were subsidiaries, associated companies and joint ventures as at 31 March 2012 and 31 March 2011.

			PERCENTAGE OF EFFECTIVE EQUITY HELD BY THE GROUP		COST OF INVESTMENT	
NAME	**PRINCIPAL ACTIVITIES**	**COUNTRY OF INCORPORATION**	**2012 %**	**2011 %**	**2012 S$'000**	**2011 S$'000**
SUBSIDIARIES						
Held by the Company						
Clout Shoppe Pte. Ltd. (1)	e-commerce specialising in the provision of online shopping platforms and services	Singapore	**95.00**	95.00	**204**	204
DataPost Pte Ltd	Electronic printing and despatching services	Singapore	**100.00**	70.00	**8,100**	2,100
First Cube Pte Ltd	Provision of electronic platform and recyclable lockers for merchandise distribution	Singapore	**100.00**	100.00	**6,157**	6,157
Quantium Solutions International Pte. Ltd.	Investment holding, provision of business management and consultancy services to related corporations, provision of global business development services and the provision of international mail delivery services through appointed agents	Singapore	**100.00**	100.00	**98,579**	98,579
Singapore Post Enterprise Private Limited	Investment holding	Singapore	**100.00**	100.00	**40,228**	40,228
					153,268	147,268

40. LISTING OF COMPANIES IN THE GROUP (continued)

NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	PERCENTAGE OF EFFECTIVE EQUITY HELD BY THE GROUP 2012 %	2011 %	COST OF INVESTMENT 2012 S$'000	2011 S$'000
SUBSIDIARIES (continued)						
Held by the subsidiaries						
DataPost (HK) Pte Limited (2)	Electronic printing and enveloping services	Hong Kong	**100.00**	70.00	**969**	969
eP2M Services Sdn. Bhd.	Electronic printing and despatching services	Malaysia	**100.00**	70.00	**46**	46
Quantium Solutions (Singapore) Pte. Ltd.	Provision of business mail solutions and distribution of mail	Singapore	**100.00**	100.00	**4,699**	4,699
Quantium Solutions Distribution Pte. Ltd.	Provision of business mail solutions and distribution of mail	Singapore	**100.00**	100.00	**1,910**	1,910
Quantium Mail Logistics Solutions (India) Private Limited	Provision of business mail solutions	India	**100.00**	100.00	**4**	4
Quantium Solutions (Australia) Pty Limited	Provision of business mail solutions and distribution of mail	Australia	**100.00**	100.00	**5,404**	5,404
Quantium Solutions (Hong Kong) Limited	Provision of business mail solutions and distribution of mail	Hong Kong	**100.00**	100.00	**93**	93
Quantium Solutions (Japan) Inc.	Provision of business mail solutions	Japan	**100.00**	100.00	**1,479**	1,479
Quantium Solutions International (Malaysia) Sdn Bhd	Provision of business mail solutions	Malaysia	**100.00**	100.00	**6**	6
Quantium Solutions (New Zealand) Pty Limited	Provision of business mail solutions	New Zealand	**100.00**	100.00	**10**	10
Quantium Solutions (Philippines) Inc	Provision of business mail solutions	Philippines	**40.00†**	40.00†	**76**	76
Quantium Solutions (Taiwan) Co., Ltd	Provision of business mail solutions	Taiwan	**100.00**	100.00	**220**	220
Quantium Solutions (Thailand) Co., Ltd.	Provision of business mail solutions	Thailand	**100.00**	100.00	**82**	44
					14,998	14,960

40. LISTING OF COMPANIES IN THE GROUP (continued)

NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	PERCENTAGE OF EFFECTIVE EQUITY HELD BY THE GROUP 2012 %	2011 %	COST OF INVESTMENT 2012 S$'000	2011 S$'000
ASSOCIATED COMPANIES						
Held by the Company						
GD Express Carrier Berhad[3]	Provision of express delivery and customised logistics services	Malaysia	**27.08**	27.08	**23,422**	23,422
Held by a subsidiary						
Postea, Inc.	Provision of technology and support in postal, courier and other distribution markets	USA	**30.00**	30.00	**32,759**	32,759
Indo Trans Logistics Corporation[4]	Provision of integrated logistics, freight and transport management and aviation services	Vietnam	**30.00**	-	**13,139**	-
Shenzhen 4PX Express Co. Ltd.[5]	Provision of integrated express delivery services, international freight forwarding, import and export of goods and technology	China	**20.00**	-	**11,641**	-
Efficient E-Solutions Berhad [6]	Provision of data print, record management, data and document processing	Malaysia	**20.81**	-	**13,219**	-
					94,180	56,181
JOINT VENTURES						
Held by the Company						
vPOST Hong Kong Co., Limited	Provision of internet shopping, shipping and logistics services	Hong Kong	**50.0**	-	**248**	-
Held by subsidiaries						
ePDS, Inc.[7]	Provision of electronic printing and despatching services	Philippines	**50.0**	41.0	**318**	318
Thai British DPost Company Limited[8]	Provision of laser printing and enveloping services	Thailand	**49.0**	34.30	**827**	827
					1,393	1,145

Notes

(1) Formerly known as SupertokenPte. Ltd.

All companies as at 31 March 2012 are audited by member firms of PricewaterhouseCoopers International Limited, except for the following:

(2) Audited by Dominic K.F. Chan & Co. but work was performed by PricewaterhouseCoopers LLP, Singapore
(3) Audited by Deloitte KassimChan, Malaysia
(4) Audited by KPMG Limited, Vietnam
(5) Audited by Shenzhen ZhengYi Certified Public Accountants, China
(6) Audited by Poh & Co. Certified Accountant, Malaysia
(7) Audited by SyCip Gorres Velayo & Co, Philippines
(8) Audited by KPMG Phoomchai Audit Ltd, Thailand
† It is considered to be a subsidiary of the Company as the Company can exercise control over its financial and operating policies.

SGX Listing Manual Requirements

For the Financial Year Ended 31 March 2012

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. AUDITOR'S REMUNERATION

(a) Auditors' fees

	2012 S$'000	2011 S$'000
Fees on audit services/payable to:		
- Auditor of the Company	**602**	594
Fees on non-audit services/payable to:		
- Auditor of the Company	**850**	498
	1,452	1,092

(b) Appointment of auditors

The Group has complied with Rule 712 and Rule 715 or 716 of the Listing Manual issued by Singapore Exchange Securities Trading Limited in relation to its auditors.

(c) Review of the provision of non-audit services by the auditors

The Audit Committee has undertaken a review of non-audit services provided by the auditor and they would not, in the opinion of the Audit Committee's opinion, affect their independence.

(d) Internal controls

Please refer to information disclosed under Principle 12 of the Corporate Governance Report.

3. INTERESTED PERSON TRANSACTIONS

During the finanical year ended 31 March 2012, 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$100,000)	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Sales				
Singapore Airlines Limited and its associates	**-**	-	**109**	-
Singapore Telecommunications Limited and its associates	**-**	-	**7,834***	10,440*
Starhub Ltd and its associates	**-**	-	**1,209**	1,339
Temasek Holdings (Private) Limited and its associates	**-**	-	**1,734**	3,152*
	-	-	**10,886**	14,931
Purchases				
Postea, Inc. and its associates	**-**	-	**1,393***	20,168*#
Sembcorp Industries Limited and its associates	**-**	-	**13,844**	-
Singapore Airlines Limited and its associates	**-**	-	**4,250**	1,800
Singapore Airport Terminal Services Limited and its associates	**-**	-	**-**	417*
Singapore Telecommunications Limited and its associates	**-**	-	**1,900***	1,197*
SMRT Corporation Ltd and its associates	**-**	-	**1,320***	-
Temasek Holdings (Private) Limited and its associates	**-**	-	**784***	-
	-	-	**23,491**	23,582
Loan to associated company				
Postea, Inc. and its associates	**407**	-	**-**	-
	407	-	**-**	-
Total interested person transactions	**407**	-	**34,377**	38,513

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 vary from 3 months to 3 years) or annual values for open-ended contracts.

* Include contracts of duration exceeding one year.

[#] Include a 7-year usage based service contract valued at S$17.6 million estimated based on current volumes.

Shareholding Statistics

As at 10 May 2012

No. of Issued Ordinary Shares:	1,931,654,618
No. of Issued Ordinary Shares (excluding Treasury Shares):	1,888,830,618
No./Percentage of Treasury Shares:	42,824,000 (2.22%)
Class of Shares:	Ordinary Shares
Number of shareholders:	29,156

VOTING RIGHTS (EXCLUDING TREASURY SHARES)

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	-	498,977,497[1]
Singapore Telecommunications Limited	494,000,000	-

Notes

[1] Deemed through its subsidiaries, Singapore Telecommunications Limited and Fullerton Fund Management Company Limited; and its associated company, DBS Group Holdings Ltd.

ANALYSIS OF SHAREHOLDINGS

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%*	NO. OF SHARES (EXCLUDING TREASURY SHARES)	%*
1 - 999	27	0.09	3,555	0.00
1,000 - 10,000	20,745	71.15	97,281,941	5.15
10,001 - 1,000,000	8,328	28.57	423,723,835	22.43
1,000,001 and above	56	0.19	1,367,821,287	72.42
	29,156	100.00	1,888,830,618	100.00

* the percentage of issued ordinary shares is calculated based on the number of issued ordinary shares as at 10 May 2012, excluding any ordinary shares held in treasury as at that date.

Shareholding Statistics

As at 10 May 2012

MAJOR SHAREHOLDERS LIST – TOP 20

NO.	NAME	NO. OF SHARES HELD	%*
1	Singapore Telecommunications Limited	494,000,000	26.15
2	Citibank Nominees Singapore Pte Ltd	284,732,419	15.07
3	DBS Nominees Pte Ltd	173,182,407	9.17
4	HSBC (Singapore) Nominees Pte Ltd	124,809,579	6.61
5	United Overseas Bank Nominees Pte Ltd	39,460,045	2.09
6	Raffles Nominees (Pte) Ltd	39,077,562	2.07
7	DBSN Services Pte Ltd	38,678,697	2.05
8	BNP Paribas Securities Services Singapore	35,667,085	1.89
9	Bank of Singapore Nominees Pte Ltd	16,473,285	0.87
10	DB Nominees (S) Pte Ltd	16,116,167	0.85
11	OCBC Nominees Singapore Pte Ltd	7,869,000	0.42
12	Merrill Lynch (Singapore) Pte Ltd	6,791,959	0.36
13	HL Bank Nominees (S) Pte Ltd	5,090,000	0.27
14	Peh Kwee Chim	4,810,600	0.26
15	Low Kim Hong	4,603,000	0.24
16	DBS Vickers Securities (S) Pte Ltd	4,315,000	0.23
17	UOB Kay Hian Pte Ltd	3,450,510	0.18
18	Lim Boon Noi	3,400,000	0.18
19	Phillip Securities Pte Ltd	3,032,730	0.16
20	Robert Cornelis Van Paridon	3,030,000	0.16
		1,308,590,045	69.28

* the percentage of issued ordinary shares is calculated based on the number of issued ordinary shares as at 10 May 2012, excluding any ordinary shares held in treasury as at that date.

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 10 May 2012, approximately 73.44% of the issued ordinary shares (excluding ordinary shares held in treasury) are held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited 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 20TH 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 Friday, 29 June 2012 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 2012, and the Directors' Report and Independent Auditor's Report thereon. (Resolution 1)

2. To declare a final tax exempt one-tier dividend of 2.5 cents per ordinary share in respect of the financial year ended 31 March 2012. (Resolution 2)

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

   (a) Mr Lim Ho Kee[1] (Resolution 3)
   (b) Mr Michael James Murphy[1] (Resolution 4)
   (c) Mr Zulkifli Bin Baharudin[1] (Resolution 5)

4. To re-elect Dr Wolfgang Baier[1] who retires in accordance with Article 97 of the Company's Articles of Association and who, being eligible, offers himself for re-election. (Resolution 6)

5. To re-appoint Mr Tan Yam Pin[1] as a director of the Company, pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore, to hold such office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.

   Mr Tan Yam Pin will, upon re-appointment as a director of the Company, remain as a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). (Resolution 7)

6. To approve directors' fees payable by the Company of S$1,035,620[2] for the financial year ended 31 March 2012 (2011: S$1,342,375). (Resolution 8)

7. To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the directors to fix their remuneration. (Resolution 9)

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

Notes

[1] Detailed information about these directors can be found in the "Board of Directors" section of the Company's Annual Report 2011/12.

[2] Detailed information on directors' fees can be found under Directors' Remuneration in the "Corporate Governance Report" section of the Company's Annual Report 2011/12.

SPECIAL BUSINESS

9. 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

Notice of Annual General Meeting

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

(IV) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. (Resolution 10)

b) That approval be and is hereby given to the directors to offer and grant options ("Options") in accordance with the provisions of the Singapore Post Share Option Scheme ("Share Option Scheme") and to allot and issue from time to time such number of shares as may be required to be issued pursuant to the exercise of the Options under the Share Option Scheme, provided that the aggregate number of shares to be issued pursuant to the Share Option Scheme shall not exceed 5 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time. (Resolution 11)

BY ORDER OF THE BOARD

Genevieve Tan McCully (Mrs)
Company Secretary
Singapore
7 June 2012

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

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

Resolution 11 is to empower the directors to offer and grant options, and to issue shares in the capital of the Company, pursuant to the Singapore Post Share Option Scheme (the "Share Option Scheme") provided that the aggregate number of shares to be issued does not exceed 5 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company for the time being. Although the Rules of the Share Option Scheme provide that the maximum number of shares which may be issued under the Share Option Scheme is limited to 10 per cent of the total number of issued shares in the capital of the Company, Resolution 10 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 6 July 2012 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 5 July 2012 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 5 July 2012 will rank for the proposed final dividend. Payment of the dividend, if approved by members at the 20th Annual General Meeting, will be made on 16 July 2012.

BY ORDER OF THE BOARD

Genevieve Tan McCully (Mrs)
Company Secretary
Singapore
7 June 2012

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/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 20th 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 Friday, 29 June 2012 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 one-tier dividend of 2.5 cents per ordinary share		
3.	To re-elect Mr Lim Ho Kee as director		
4.	To re-elect Mr Michael James Murphy as director		
5.	To re-elect Mr Zulkifli Bin Baharudin as director		
6.	To re-elect Dr Wolfgang Baier as director		
7.	To re-appoint Mr Tan Yam Pin as director		
8.	To approve directors' fees payable by the Company		
9.	To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the directors to fix their remuneration		
10.	To authorise directors to issue shares and to make or grant convertible instruments		
11.	To authorise directors to offer/grant options and allot/issue shares pursuant to the Singapore Post Share Option Scheme		
12.	Any other business		

Dated this ______________ day of ______________ 2012

Total number of shares held	

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

____

Notes:
IMPORTANT
Please read Notes.

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Secretariat

Singapore Post Limited
(Co. Reg. No. 199201623M)
10 Eunos Road 8
Singapore Post Centre
Singapore 408600

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1st fold here

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 6845 6775
Email: investor@singpost.com
Web: www.singpost.com

COMPANY SECRETARY
Genevieve Tan McCully (Mrs)

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