Issuer & Securities

Issuer/ Manager

SINGAPORE POST LIMITED

Securities

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Jonathan Ooi Wei Hsin (Mr)

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Company Secretary

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Please refer to the attachments.

Additional Details

Period Ended

31/03/2022

Attachments

AR_2022.pdf

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DELIVERING FOR OUR PEOPLE AND PLANET

SP0123456789SG

ANNUAL REPORT 2021/22


Singapore POST
DELIVERING
FOR OUR PEOPLE
AND PLANET
SP0123456789SG
ANNUAL REPORT 2021/22

ADDING VALUE, EVERY STEP OF THE WAY

OUR PURPOSE

Making Every Delivery Count for People and Planet

CONTENTS

ELEVATE

URBAN LOGISTICS

Invest in new technologies, drive efficiencies, and build best-in-breed customer experience for urban logistics

Net profit up

▲ 74.5% to S$83.1 million

Underlying net profit up

▲ 35.2% to S$81.3 million

Revenue rose
▲ 18.6% to S$1.67 billion

PROPEL

OUR BUSINESS GLOBALLY

RE-ENGINEER ASSETS
to connect globally

SingPost is a global leader in eCommerce logistics, providing innovative solutions in Singapore and around the world with a purpose of Making Every Delivery Count for People and Planet

ADOPT DIGITAL INNOVATION
to enhance customer experience and build resilience

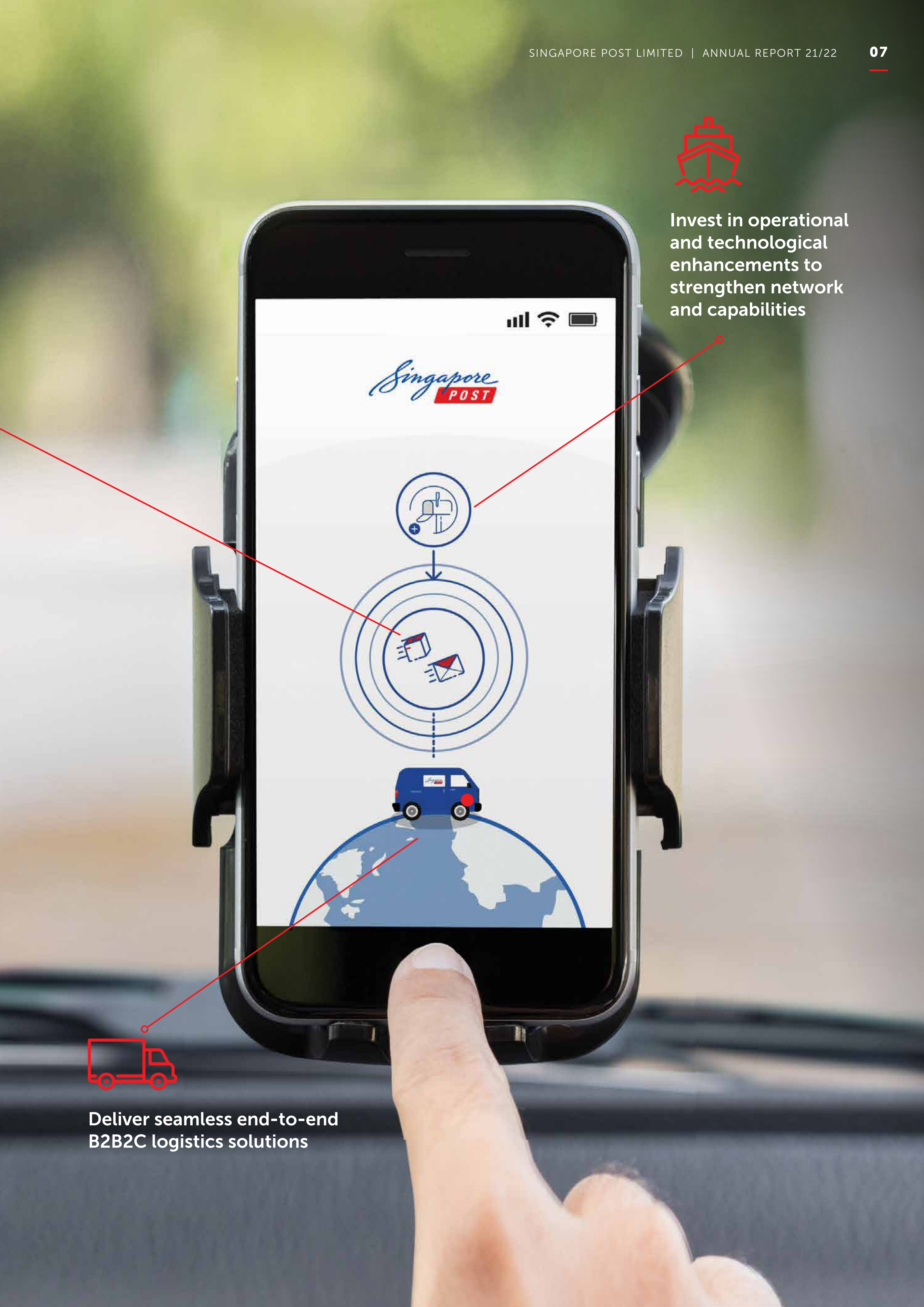
INTEGRATE OPERATIONS
and build end-to-end capabilities to capitalise on the growing logistics market

Build robust logistics platform differentiated by technology

FOCUSED

ON BUILDING OUR BUSINESS IN AUSTRALIA

Derive synergies and build scale to capitalise on the accelerated growth of eCommerce in Australia



Invest in operational and technological enhancements to strengthen network and capabilities

Deliver seamless end-to-end B2B2C logistics solutions

Pledged to achieve net zero carbon emissions for domestic operations by 2030, and global businesses by 2050 to reduce impact on the environment

GO THE

Continually review asset portfolio for strategic fit and recycle capital to fuel transformation for long-term growth

Simplify the way business is conducted, integrate resources, and streamline operations to build resilience

DISTANCE

Committed to transformation into a leading logistics solutions provider in Asia Pacific

LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

In what was an extremely challenging year, SingPost demonstrated resilience in business performance, with underlying net profit growing by 35.2 per cent.

The Logistics segment contributed significantly to the Group's revenue, offsetting declines in the Post and Parcel segment that suffered from COVID-19 impact on airfreight capacity which resulted in lower International Post and Parcel volumes. Logistics growth reflects the Group's progress in executing business transformation.

We will continue to invest in transformation to ensure sustainable growth and the creation of long term value for our shareholders and stakeholders.

COMMITMENT TO OUR HOME MARKET

Through the second year of COVID-19, we continued to maintain our focus on service quality in Singapore, and we kept to our commitments to the Quality of Service as regulated by IMDA. We are pleased to have supported the nation through various national deliveries, including ART kits. Through the last year, our eCommerce logistics revenues continued to grow and we are now seeing domestic eCommerce logistics revenue accounting for more than 40 per cent of our domestic business.

We will accelerate investments in infrastructure development projects to provide better customer experience, as well as in productivity and sustainability practices to reduce our carbon footprint and in meeting our commitment towards a greener Singapore.

SingPost conducted a materiality assessment in FY2021/22 to re-evaluate our Environmental, Social, and Governance priorities to ensure that stakeholder concerns and needs continue to be recognised and addressed.

In March this year, SingPost launched its Purpose: ***Making Every Delivery Count for People and Planet***, to emphasise our commitment towards sustainability. Sustainability has been incorporated in our strategy, business decisions, performance measures and is linked to senior management compensation. The Board has established a Sustainability Committee to provide oversight and guidance to management.

TRANSFORMATION

Last year, we announced our intention to further invest in Australia, expanding our operations beyond Singapore. Our strategic investment in Freight Management Holdings (FMH), along with our parcel delivery business CouriersPlease (CP), will allow us to capitalise on the growing eCommerce logistics market there. Our Logistics segment revenue has been boosted considerably since we increased our stake in FMH last November. We are looking forward to greater synergies from our businesses in Australia and to have this as a strong business driver for SingPost beyond Singapore.

As part of our strategy, SingPost will focus on our core strategic capability of providing seamless eCommerce logistics solutions, elevating urban logistics, and working towards creating best-in-breed customer experience. We will also integrate with the Group's international businesses to provide better cross-border solutions for customers. With this, SingPost will be well positioned to tap into the rapid eCommerce growth brought on by the COVID-19 pandemic, which will in turn shape our customer supply chains.

STAYING PRUDENT

With the COVID-19 pandemic easing, your Board remains prudent and focused on maintaining adequate liquidity to manage further uncertainty that may arise. Notwithstanding, we press on with transformation efforts to ensure that the business remains relevant, progressive, and resilient. These considerations are reflected in this year's dividend recommendation.

For the first half of FY2021/22, we declared an interim dividend of 0.5 cent per share. For the final dividend, the Board is proposing 1.3 cents per ordinary share for your approval at the upcoming Annual General Meeting. This would bring the annual dividend for the financial year to 1.8 cents per share.

LEADERSHIP TRANSITION

During this financial year, we had appointed a new Group Chief Executive Officer, Vincent Phang Heng Wee. Vincent was previously CEO Postal and Singapore Operations and brings continuity as well as drive in executing and building further on our transformation.

GOVERNANCE

Your Board remains committed to upholding and improving the highest standards of governance. During the financial year, the Group moved up five places to rank 7th in the Singapore Governance and Transparency Index 2021. SingPost was also an ASEAN Corporate Governance Scorecard Award Winner.

APPRECIATION

I am grateful to the men and women working across our enterprise frontline for their dedication to making every delivery count for our customers through the year. Their efforts have been the reason for our performance in FY2021/22.

I would like to express appreciation to my fellow Directors for regularly meeting through hybrid working models, guiding, and supporting the Management team in navigating through these difficult times together.

The Board and I would like to express our gratitude to the union, our partners, and customers for their unwavering support.

On behalf of the Board, I extend our thanks to all shareholders for their continued support and we look forward to meeting with you at this year's annual general meeting.

SIMON ISRAEL
Chairman

GCEO REVIEW

I am honoured and excited for this opportunity to lead SingPost as Group CEO since 1 September 2021 and to continue the transformation journey of the company.

The past year marked the second year in the world's fight against COVID-19. As a company, we are challenged by the profound impact the pandemic has had on our business, both operationally and strategically. While we have responded and adapted to the immediate challenges, the operating environment has irrevocably changed. SingPost's efforts to overcome these challenges as one team have shown our collective resilience as we continue to navigate and transform for the future.

While our traditional postal business has been severely impacted by the pandemic, our logistics operations have performed well. As a result, I'm pleased to share that SingPost recorded a 18.6 per cent rise in Group revenue for the financial year, with a corresponding increase of 35.2 per cent in underlying net profit. Customer satisfaction scores have also improved through the year, reflecting our commitment to serving our customers even through the difficult operating environment. This affirms our transformation strategy in diversifying our earnings base and delivering our commitment.

DELIVERING OUR STRATEGY WITH A NEW PURPOSE

In March 2022, we launched our new Purpose: ***Making Every Delivery Count for People and Planet***.

Our Purpose defines our work and impact on our customers and stakeholders. Our focus on People and Planet–considering our impact on customers, stakeholders, as well as commitment to sustainability–will shape our growth moving forward.

With this in mind, we have restructured our operating model into the three key strategic geographical pillars of Singapore, Australia, and International businesses.

In Singapore, our home market, we will focus on growing our leading position in eCommerce logistics while continuing to deliver on our core postal services obligation. This will be delivered mainly through building a smart and green urban logistics ecosystem and will enable us to deliver enhanced customer experience, better cost and carbon efficiencies.

In Australia, we have recently increased our investment in the FMH Group to a majority (51%) stake. Together with CouriersPlease, we will be looking at building an omni-channel network tapping on the strengths of these assets to build scale and provide a comprehensive suite of logistics solutions for our customers.

In our International business, we will be re-engineering our assets to deliver a best-in-class customer experience in global cross-border eCommerce logistics. We have strategic assets and capabilities in 13 markets other than Singapore and Australia as well as alliances under the Universal Postal Union, putting us in good stead to deliver seamless cross-border solutions.

STRONGER THROUGH ADVERSITY

COVID-19 has had a big impact on our business. In Singapore, while the postal service remained undisrupted with minimal impact, it is clear that we have to hasten the pace of re-engineering our operations with automation and improving productivity as part of our Future of Post plans.

Internationally, the air freight capacity remains stretched in meeting demands, with connectivity to some countries still limited, resulting in sustained higher conveyance costs. That said, we continue to manage margins carefully, innovate and keep to our service obligations.

In Australia, we delivered a record number of eCommerce packages and parcels through a very long period of COVID-19 lockdowns. Our new subsidiary FMH had increased our revenue base, delivering value to our customers across Australia and helping them meet their supply chain challenges.

COMMITMENT TO SUSTAINABILITY

Earlier this year, we announced our target of net zero carbon emissions (Scopes 1 and 2) for our domestic operations by 2030, and for our international businesses by 2050 (Scopes 1, 2 and 3). We will also adopt the recommendations of the Taskforce on Climate-related Financial Disclosures. This will enable us to gain visibility on opportunities and financial impacts of climate-related risks, so we can adapt and be more resilient against these risks. To demonstrate our commitment, the compensation of my management team and other key team members will include a link to the performance against sustainability targets placed in their Balanced Score Cards.

In 2021, we commenced trials with electric vehicles in Singapore, with a plan to operate a 100 per cent electric fleet by 2026. We have also reintroduced our postage-paid packaging smartpac which is recyclable and made from recycled materials.

GOING FORWARD

The business environment continues to be challenging with disruptions to supply chains due to periodic lockdowns, geopolitical tensions as well as inflation.

Notwithstanding the challenges we faced, we believe our journey to reposition the Group as a leading logistics solutions provider in the Asia Pacific remains a strong proposition. We will tap into the accelerated eCommerce growth to re-organise the value chains of logistics for our customers. Moving forward, we will focus on investing in sustainability, integrating our business assets, simplifying the way we do business, driving customer centricity, and building a digitally pervasive future.

THANK YOU

I would like to extend my heartfelt appreciation to all our team members around the world for playing their part through the past year to achieve the results we had in FY2021/22.

Also, I would also like to thank the Board of Directors, shareholders, customers, and union partners for the continued support to the management.

PHANG HENG WEE, VINCENT
Group Chief Executive Officer

OUR GLOBAL FOOTPRINT

LOCATED IN 15 MARKETS WORLDWIDE

7,991
POPSTATION LOCKERS ACROSS 112 LOCATIONS

56
POST OFFICES

805
POSTING BOXES

274
SAM KIOSKS

MORE THAN
20
NATIONALITIES ACROSS WORKFORCE

As of 31 March 2022

BOARD OF DIRECTORS

SIMON ISRAEL
Chairman, Non-Executive,
Non-Independent Director

PHANG HENG WEE, VINCENT
Group Chief Executive Officer
Executive, Non-Independent Director

CHEN JUN
Non-Executive,
Non-Independent Director

CHU SWEE YEOK
Non-Executive, Independent Director

FANG AI LIAN
Non-Executive,
Lead Independent Director

ELIZABETH KONG SAU WAI
Non-Executive, Independent Director

STEVEN ROBERT LEONARD
Non-Executive, Independent Director

LIM CHENG CHENG
Non-Executive,
Non-Independent Director

BOB TAN BENG HAI
Non-Executive, Independent Director

SIMON ISRAEL, 69
Chairman
Non-Executive,
Non-Independent Director

Date of appointment as Chairman
11 May 2016

Date of first appointment as a director
11 May 2016

Date of last re-election as a director
16 July 2020

Board committee(s) served on
Board Sustainability Committee (Chairman)
Finance and Investment Committee (Chairman)
Compensation Committee (Member)
Nominations and Corporate Governance Committee (Member)

Academic & Professional Qualification(s)
Diploma in Business Studies, The University of the South Pacific

Present Directorships in other listed companies (as at 31 March 2022)
Nil

Present Principal Commitments (as at 31 March 2022)
Nil

Past Directorships in listed companies held over the preceding five years (from 1 April 2017 to 31 March 2022)
CapitaLand Limited
Fonterra Co-operative Group Limited
Singapore Telecommunications Limited (Chairman)

Past Principal Commitments held over the preceding five years (from 1 April 2017 to 31 March 2022)
Fonterra Co-operative Group Limited (Director)
Singapore Telecommunications Limited (Chairman)

PHANG HENG WEE, VINCENT, 48
Group Chief Executive Officer
Executive, Non-Independent Director

Date of first appointment as a director
1 September 2021

Date of last re-election as a director
N.A.

Board committee(s) served on
Nil

Academic & Professional Qualification(s)
Master of Engineering (1st Class Hons) Aeronautic, Imperial College, United Kingdom
Post Graduate Diploma (Distinction) in Flight Test Engineering, International Test Pilots School, United Kingdom
Advanced Management Programme, Harvard Business School, United States

Present Directorships in other listed companies (as at 31 March 2022)
Nil

Present Principal Commitments (as at 31 March 2022)
Nil

Past Directorships in listed companies held over the preceding five years (from 1 April 2017 to 31 March 2022)
Nil

Past Principal Commitments held over the preceding five years (from 1 April 2017 to 31 March 2022)
Singapore Post Limited (CEO, Postal Services and CEO Singapore)
Toll Group (CEO, ST Logistics & Executive Vice President, Global Logistics)

CHEN JUN, 48
Non-Executive, Non-Independent Director

Date of first appointment as a director
31 July 2014

Date of last re-election as a director
15 July 2021

Board committee(s) served on
Finance and Investment Committee (Member)

Academic & Professional Qualification(s)
Bachelor of International Finance and Accounting, Shanghai University
EMBA degree, INSEAD, France

Present Directorships in other listed companies (as at 31 March 2022)
Nil

Present Principal Commitments (as at 31 March 2022)
Alibaba Group Holding Limited (Senior Vice President)*

Past Directorships in listed companies held over the preceding five years (from 1 April 2017 to 31 March 2022)
Sun Art Retail Group Limited
BEST Inc.
XPeng Inc.

Past Principal Commitments held over the preceding five years (from 1 April 2017 to 31 March 2022)
Nil

* Mr Chen Jun has retired as Senior Vice President of Alibaba Group Holding Limited with effect from 1 April 2022.

BOARD OF DIRECTORS

CHU SWEE YEOK, 59
Non-Executive, Independent Director

Date of first appointment as a director
1 September 2018

Date of last re-election as a director
18 July 2019

Board committee(s) served on
Audit Committee (Member)
Board Risk and Technology Committee (Member)

Academic & Professional Qualification(s)
International Directors Programme, INSEAD
Advanced Management Programme, Harvard University
Bachelor of Science (Biochemistry, 2nd Upper), National University of Singapore

Present Directorships in other listed companies (as at 31 March 2022)
Pegasus Asia

Present Principal Commitments (as at 31 March 2022)
EDBI Pte Ltd (Chief Executive Officer & President)

Past Directorships in listed companies held over the preceding five years (from 1 April 2017 to 31 March 2022)
Nil

Past Principal Commitments held over the preceding five years (from 1 April 2017 to 31 March 2022)
Nil

FANG AI LIAN, 72
Non-Executive, Lead Independent Director

Date of first appointment as a director
10 October 2016

Date of last re-election as a director
16 July 2020

Board committee(s) served on
Audit Committee (Chairman)
Nominations and Corporate Governance Committee (Chairman)
Compensation Committee (Member)

Academic & Professional Qualification(s)
Fellow, Institute of Chartered Accountants in England and Wales
Fellow, Institute of Singapore Chartered Accountants

Present Directorships in other listed companies (as at 31 March 2022)
Cromwell EREIT Management Pte. Ltd. (Manager of Cromwell European REIT)
Metro Holdings Ltd

Present Principal Commitments (as at 31 March 2022)
MediShield Life Council (Chairman)
Board of Trustees of the Singapore Business Federation (Chairman)
Tote Board (Board Member)*

Past Directorships in listed companies held over the preceding five years (from 1 April 2017 to 31 March 2022)
Banyan Tree Holdings Limited

Past Principal Commitments held over the preceding five years (from 1 April 2017 to 31 March 2022)
Board of Trustees of Singapore University of Technology & Design (Board Member)
Far East Organization Group (Advisor)

* Mrs Fang Ai Lian has retired as a member of the Tote Board with effect from 31 May 2022.

ELIZABETH KONG SAU WAI, 40
Non-Executive, Independent Director

Date of first appointment as a director
10 October 2016

Date of last re-election as a director
15 July 2021

Board committee(s) served on
Board Sustainability Committee (Member)
Finance and Investment Committee (Member)
Nominations and Corporate Governance Committee (Member)

Academic & Professional Qualification(s)
Double First in Law, Cambridge University

Present Directorships in other listed companies (as at 31 March 2022)
Nil

Present Principal Commitments (as at 31 March 2022)
3M Innovation Singapore (Asia General Counsel, Enterprise Operations)*

Past Directorships in listed companies held over the preceding five years (from 1 April 2017 to 31 March 2022)
Nil

Past Principal Commitments held over the preceding five years (from 1 April 2017 to 31 March 2022)
Morgan Lewis Stamford LLC (Director)
Clifford Chance Pte Ltd (Counsel)

* Ms Elizabeth Kong Sau Wai is currently the Asia General Counsel (Transportation and Electronics Business Group) at 3M Innovation Singapore with effect from 1 June 2022.

STEVEN ROBERT LEONARD, 60
Non-Executive, Independent Director

Date of first appointment as a director
1 June 2017

Date of last re-election as a director
16 July 2020

Board committee(s) served on
Board Risk and Technology Committee (Chairman)
Board Sustainability Committee (Member)
Finance and Investment Committee (Member)

Academic & Professional Qualification(s)
Degree in Business, Southern Methodist University, Dallas, Texas

Present Directorships in other listed companies (as at 31 March 2022)
Maxeon Solar Technologies, Ltd.

Present Principal Commitments (as at 31 March 2022)
Singularity University (Chief Executive Officer)
Maxeon Solar Technologies, Ltd. (Director)

Past Directorships in listed companies held over the preceding five years (from 1 April 2017 to 31 March 2022)
Nil

Past Principal Commitments held over the preceding five years (from 1 April 2017 to 31 March 2022)
SGInnovate (Founding Chief Executive Officer)

LIM CHENG CHENG, 50
Non-Executive, Non-Independent Director

Date of first appointment as a director
1 April 2017

Date of last re-election as a director
16 July 2020

Board committee(s) served on
Finance and Investment Committee (Member)

Academic & Professional Qualification(s)
Chartered Accountant, Institute of Singapore Chartered Accountants
Master of Business Administration, University of Chicago Booth School of Business Bachelor of Accountancy, Nanyang Technological University

Present Directorships in other listed companies (as at 31 March 2022)
Nil

Present Principal Commitments (as at 31 March 2022)
Singapore Telecommunications Limited (Group Chief Corporate Officer)

Past Directorships in listed companies held over the preceding five years (from 1 April 2017 to 31 March 2022)
Nil

Past Principal Commitments held over the preceding five years (from 1 April 2017 to 31 March 2022)
Board of Governors of Raffles Girls' School (Member)

BOB TAN BENG HAI, 70
Non-Executive, Independent Director

Date of first appointment as a director
10 October 2016

Date of last re-election as a director
15 July 2021

Board committee(s) served on
Compensation Committee (Chairman)
Audit Committee (Member)
Board Risk and Technology Committee (Member)

Academic & Professional Qualification(s)
Fellow, Institute of Chartered Accountants in England and Wales
Fellow, Singapore Institute of Directors

Present Directorships in other listed companies (as at 31 March 2022)
Sembcorp Marine Ltd
Managers of Ascott Residence Trust (Chairman)*
SBS Transit Ltd (Chairman)

Present Principal Commitments (as at 31 March 2022)
Jurong Engineering Ltd (Chairman)
NTUC Club Management Council (Member)
Ong Teng Cheong Labour Leadership Institute (Board Member)
Sentosa Development Corporation (Chairman)
Sembcorp Marine Ltd (Director)
Managers of Ascott Residence Trust (Chairman)*

Past Directorships in listed companies held over the preceding five years (from 1 April 2017 to 31 March 2022)
SMRT Corporation Ltd

Past Principal Commitments held over the preceding five years (from 1 April 2017 to 31 March 2022)
Singapore Manufacturing Federation (Member of Board of Governors)
Singapore LNG Corporation Pte Ltd (Chairman)
SMRT Trains Ltd (Director)
SMRT Corporation Ltd (Director)
Institute of Technical Education (Chairman and Board Member)
Inland Revenue Authority of Singapore (Board Member)
SINGEX Holdings Pte Ltd (Chairman)

* Managers of Ascott Residence Trust comprising Ascott Residence Trust Management Limited (Manager of Ascott Real Estate Investment Trust, or "Ascott Reit") and Ascott Business Trust Management Pte. Ltd. (Trustee-Manager of Ascott Business Trust, or "Ascott BT"). Ascott Residence Trust is a stapled group comprising Ascott Reit and Ascott BT with effect from 31 December 2019.

EXECUTIVE TEAM

From left seated:
NEO SU YIN, Chief Executive Officer, Singapore
KOH JIN KIAT, Senior Vice President, Customer Engagement and Commercial
MICHELLE LEE, Head, Group Sustainability and Corporate Services
CYNTHIA LEE, Group Chief Human Resources Officer
VINCENT YIK, Group Chief Financial Officer
JONATHAN OOI, General Counsel & Head, Group Legal, Compliance and Corporate Secretariat

From left standing:
SIMON SLAGTER, Group Chief Executive Officer, FMH Group
VINCENT PHANG, Group Chief Executive Officer
RICHARD THAME, Chief Executive Officer, CouriersPlease

FY2021/22 KEY HIGHLIGHTS

APRIL 2021
Unveiled vision for Future of Post through a public campaign, “Redefine”

AUGUST 2021
Piloted first three electric vehicles in the postal operations team, with a view to convert entire fleet by 2026

20
21

JULY 2021
Extended trial of PostPal, Singapore’s next generation smart letterbox, to Punggol, bringing total number of PostPal units in operations to four

OCTOBER 2021
Launch of Re:Post, an upcycling initiative transforming old postman uniforms into well-loved everyday items, with proceeds of sale going to charity

NOVEMBER 2021
Increased shareholding in Australia's FMH Group to 51%, with FMH Group becoming a SingPost subsidiary

2022

MARCH 2022
Unveiled new Purpose statement, Making Every Delivery Count for People and Planet, and refreshed set of Values

A NEW PURPOSE

SINGPOST LAUNCHED ITS NEW PURPOSE STATEMENT IN MARCH 2022, IN THE FIRST EVER EMPLOYEE IN-PERSON EVENT SINCE THE PANDEMIC HELD AT THE FULLERTON HOTEL. THE EVENT WAS ALSO ATTENDED VIRTUALLY BY MORE THAN 1,000 EMPLOYEES AROUND THE WORLD, INCLUDING AUSTRALIA, HONG KONG, MALAYSIA, AND JAPAN.

Launch event of SingPost's new purpose – Making Every Delivery Count for People and Planet

The event saw the launch of SingPost's brand-new purpose – Making Every Delivery Count for People and Planet – as well as a refreshed set of six values: Top Execution, Trust, Transformation, One Team, Total Customer, and Safety.

Beyond launching with a video to showcase the new Purpose and Values, the Management team also shared their personal views through an active discussion on how SingPosters can live these values through their work.

PURPOSE: MAKING EVERY DELIVERY COUNT FOR PEOPLE AND PLANET

TRUST	We are trusted by our customers, partners, as well as stakeholders and we deliver on this trust. As one integrated team across subsidiaries and regions, we work with integrity, trust, as well as respect each other.
TOTAL CUSTOMER	We are fully committed to our customers. We listen to them, understand their needs, as well as provide them with our full range of value adding and innovative services. We are empowered to achieve customer excellence.
SAFETY	We have a right to work in a safe environment. This means having both a safe physical space to work at and a protected psychological space for employees to voice their workplace concerns, challenges, conflicts, and also ideas for improvement. We give employees a trusted channel to be heard and have their ideas to be acted upon. We will do this inclusively as well as respect diversity.
ONE TEAM	We ensure that everyone in our team is empowered to perform at their best. We commit ourselves to drive performance in whatever we do. We hold one another accountable to do what is in the best interest of the Group.
TOP EXECUTION	We make execution our strength. We follow lean processes, be accountable to our stakeholders, and ensure that everything is transparent. We strive to be proactive and respond quickly. We follow up until it is done. We adopt practices that ensure sustainability, minimising waste.
TRANSFORMATION	Continuous change is in our DNA. We need to constantly innovate, think out of the box, and take calculated risks. We leverage technology to leapfrog and stay relevant.

POST & PARCEL

AS THE NATION BATTLED COVID-19 THROUGH THE LAST YEAR, SINGPOST PRESSED ON WITH THE FULFILMENT OF ITS DUTIES AS THE NATION'S PUBLIC POSTAL LICENSEE, MAKING EVERY DELIVERY COUNT FOR SINGAPOREANS AND RESIDENTS.

FY2021/22 proved to be yet another challenging year for the Post & Parcel business, as new COVID-19 variants – Delta and Omicron – emerged across the world. With this, many countries implemented new measures quickly to contain the spread. These measures stretched on for a good part of the year, which had an adverse impact on the global economy.

eCommerce volumes continue to be on the rise, accounting for 40 per cent of all domestic revenue in the financial year. Domestically, COVID-19 continues to accelerate the decline in letter mail volumes within Singapore, as companies reduced printed letter volumes and adopted online correspondences with electronic substitution.

Global connectivity remained severely disrupted for many months and only gradually eased towards the end of the financial year, as border controls around the world began to relax. Despite this, the International Post and Parcel business remained greatly impacted due to a continued state of reduced airfreight capacities since 2020, leading to higher airfreight rates.

PRESSING ON TOWARDS THE FUTURE OF POST

SingPost commenced a trial in December 2020 for its next generation letterboxes, PostPal, with two units installed in Clementi, which saw positive reception from residents. Riding on the success of the first trials, the trial was extended to Punggol in 2021, with another two units installed.

With the insights gathered from the trial, SingPost has also started working with industry partners to further refine the design of the next-generation smart letterbox as well as other smart innovations.

SingPost acquired Parcel Santa, with a network of lockers located in over 300 condominium developments in Singapore in FY2022/23 to widen its locker network. The acquisition is aimed at improving delivery experiences for customers, especially those living in private apartments, in a secure and convenient way. Coupled with greater productivity, the Parcel Santa network will enable a more sustainable resource growth to match the rising demand of eCommerce deliveries. In the coming year, SingPost will work on providing the customers with a more seamless customer experience across the various lockers in its network.

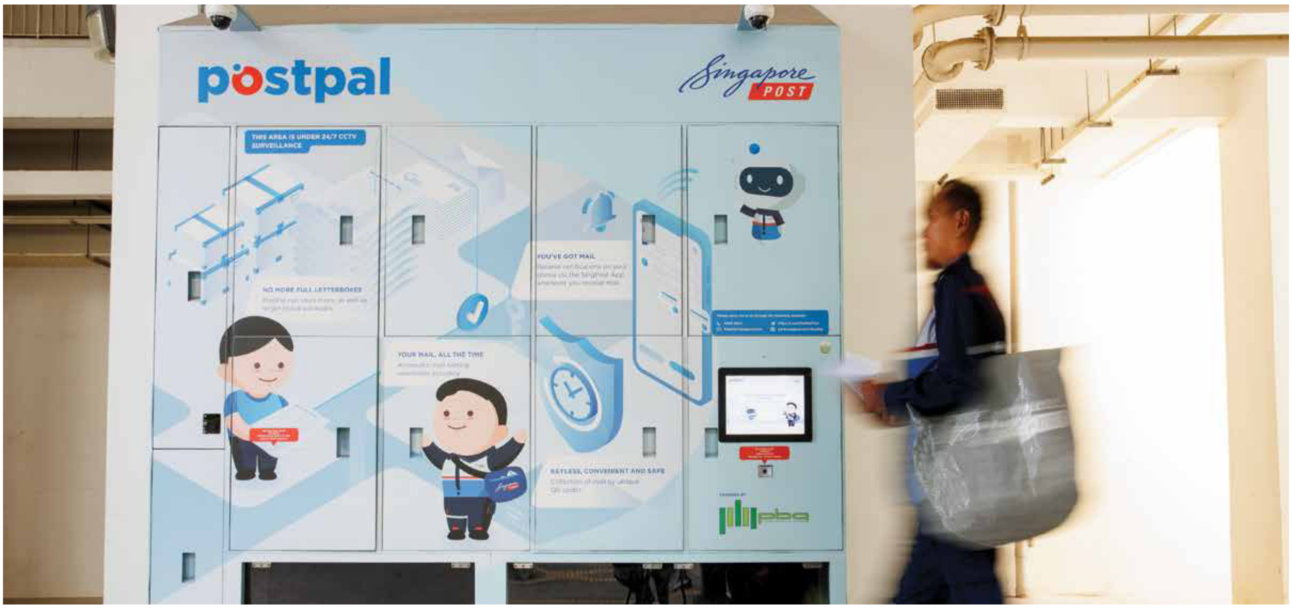
COMMITMENT TO GREENING ITS FLEET

In line with global efforts in building a carbon neutral future, SingPost is also stepping up efforts in its commitment to environmental sustainability. The key to which is a commitment to electrify its delivery fleet fully by 2026, to reduce carbon footprint of its deliveries.

In a first step towards this goal, SingPost commenced a trial with four vehicles, comprising two three-wheel scooters and two vans based at Kallang Regional Base, to understand the operating concept as part of change management process. The trial was a success and achieved significant reductions in carbon emissions. Preliminary findings saw a 50 per cent

SingPost acquired Parcel Santa, with a network of lockers located in over 300 condominium developments in Singapore

POST & PARCEL



PostPal trial extended to Punggol in 2021, with another two units installed

reduction in carbon emissions for the goods vans while the three-wheel scooters saw an astounding 75 per cent reduction in emissions.

Following the successful trial, SingPost placed an additional order for 100 three-wheel scooters and 10 goods vans, which will progressively be delivered by end Q1 FY2022/23, paving the way for its target in 2026.

ENHANCING CUSTOMER'S DIGITAL EXPERIENCE

One key challenge arising from the pandemic was how brands could continue to serve customers seamlessly without any physical interactions. As SingPost relies on connecting communities and people through deliveries, it is imperative to keep customers and employees safe while navigating through the pandemic.

Through the year, SingPost increased focus on upgrading its physical footprint and infrastructure to serve customers better, and also explored connecting with its customers more seamlessly through digital means. On this end, SingPost revamped its mobile app, uplifting the user interface and experience on the app before a relaunch of the app in November 2021.

The revamped app has several key features, including tracking, personalised tracking notifications as well as bill payment functions.

The mobile app also enhanced the online security and to better protect customers. With scams at an all-time high in 2021 and many of these cases masquerading as SingPost to phish for customers' personal and financial information, SingPost took the unprecedented step to minimise SMS communications with customers.

Customers were encouraged to download the SingPost app to receive personalised notifications, including prompts to make GST payments, as well as tracking notifications. The use of mobile app notifications makes

*Presentation of Skyrise Greenery Commemorative Stamps at the President*s Design Award 2020 Award Ceremony*

transactions and communications more secure, giving customers a greater peace of mind.

INTERNATIONAL POST & PARCEL

On the international front, SingPost was met with significant challenges arising from COVID-19 in the past two years, mainly due to a drop in international air connectivity to and from Singapore during the pandemic. SingPost continued to serve customers through alternative modes of transport, including chartering freighters and sending less time-sensitive shipments via land and sea, developing its multi-modal capabilities.

Singapore also saw a gradual pick-up for air connectivity towards the tail end of FY2021/22, as air travel resumed with the relaxation of border measures. However, this had only a modest impact on SingPost's International business, as freight capacity to and from several key markets are still under constraint. SingPost is observing the further recovery in Singapore's air connectivity and preparing itself for when full recovery returns.

In the same year, SingPost also made volume gains in several emerging shipping lanes, particularly around the Middle East. This new traffic also helped diversify SingPost's international trading position, making it more resilient against future disruptions in the global supply chain.

ANOTHER YEAR IN STAMPS

This year, SingPost launched a bumper crop of 15 stamp issues marking key events in Singapore and around the world, in a continued effort to keep stamp collectors excited even as the pandemic persisted. 2021 was a milestone year for several key agencies in Singapore, including the Central Narcotics Bureau and Singapore Prisons Service, both of which were both celebrating their 50th anniversary, as well as symbolic diplomatic relations including the golden jubilee of formal relations with Sri Lanka and Portugal.

The Tokyo Olympics 2020 stamps were a key highlight of the year. The set of six illustrated stamps featured the sports Singapore team participated in at the Olympics: badminton, diving, sailing, shotting, swimming, and table tennis.

In FY2021/22, SingPost also released the world's tallest stamps on 1 July 2021: the Skyrise Greenery stamp issue. This set of commemorative stamps featuring prominent buildings with skyrise greenery in Singapore and stands at 81.6mm tall.

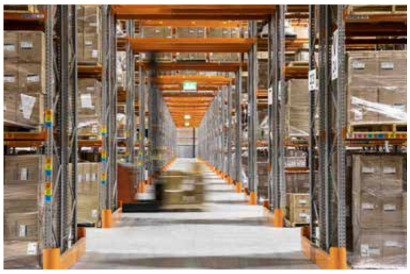
The Skyrise Greenery stamp issue celebrates the skyrise greenery projects built by both public and private developers in the last 10 years that have inspired new possibilities and frontiers in shaping Singapore as a City in Nature. The six developments featured were: Khoo Teck Puat Hospital (completed in 2010); Lee Kong Chian National History Museum (2015); SkyTerrace@Dawson (2015); Oasia Hotel Downtown (2016); Kampung Admiralty (2017); and Jewel Changi Airport (2018).

The Skyrise Greenery stamps, like many other stamp issues, garnered significant attention from both the media and the public, with extensive coverage and online conversations. In the coming financial year, SingPost will continue to innovate in its stamps programme, through exploring new printing techniques and new design concepts which will continue to appeal to both current and new collectors.

LOGISTICS

DESPITE CHALLENGING CONDITIONS FACED ON THE LOCAL AND INTERNATIONAL FRONTS, SINGPOST'S LOGISTICS SEGMENT PERFORMED STRONGLY AND CLOCKED SIGNIFICANT GAINS LAST YEAR.

FMH's 4PL division, efm, the largest fourth party logistics provider in Australia



SingPost expanded its footprints, grew its cross-border volumes, and revenues even as external factors such as COVID-19 as well as geopolitical conflicts continue to impact the logistics sector and supply chains worldwide.

The robust performance of the Logistics segment boosted SingPost's revenue for the full year, which rose by 18.6 per cent. The growth in the Logistics segment's revenue reflected contributions from Freight Management Holdings (FMH), a leading 4th party logistics service company in Australia, since SingPost increased its stake to 51 per cent in November 2021. The Logistics segment operating profit grew to S$44.3 million for the full year, up from S$11.3 million last year.

SingPost's acquisition of a majority stake in FMH paves the way for a phased pathway to a full acquisition, that will boost SingPost's investments in Australia. FMH's consistently strong performance will enable SingPost to provide an end-to-end B2B2C logistics solution for customers serving both B2B and B2C channels and provide a seamless logistics service within Australia. By deriving synergies and building scale through FMH, SingPost will be better able to capitalise on the accelerated growth in eCommerce in Australia.

SingPost's eCommerce Logistics' subsidiary CouriersPlease (CP) in Australia saw continued strong growth buoyed by an eCommerce boom during the second year of the COVID-19 outbreak. CP recorded revenue growth of 7.5 per cent for the full year but incurred higher costs due to COVID-19 related disruptions, as well as extreme weather events in eastern Australia. Consumer online buying habits solidified which played to CP's strengths of B2C pick up and deliveries. In response to the higher shipment volumes, CP continued to invest in people and capacity by upgrading to three new larger warehouse sites in Victoria, Queensland, and NSW, adding approximately 14,000 square metres of additional warehouse space prior to the 2021 Peak period. CP added an additional 100 drivers to support customer demand as well as considerably expanding the sortation team to improve processing capabilities and support business continuity planning.

In addition, technologies were enhanced to minimise potential delays and improve the delivery experience. All of these initiatives, implemented under strict safety controls and social restrictions mandates, culminated in the delivery of more than 28 million consignments annualised across Australia, with the company registering significant revenue growth for the year. Going forward, CP will continue to invest in operational and technological enhancements as well as service initiatives to strengthen its network and capability.

With the acquisition of a majority interest in FMH, SingPost will continue to integrate its operations, build end-to-end capabilities, and be well positioned to capitalise on the growing logistics market in Australia. The Group will focus on driving synergies among its Australian businesses, particularly CP and FMH, as well as explore opportunities to build scale and a comprehensive logistics platform.

SingPost is taking measures to strengthen its capabilities as well as to improve cost efficiency with the integration of the Group's various international businesses to provide better cross-border solutions for its customers.

QS continued to operate in a challenging business environment, as business development opportunities were reduced with customers putting off major supply chain decisions amidst lockdowns in some countries and territories around the region. A major obstacle QS faced was airfreight connectivity issues through Singapore. This was addressed by working with alternate routings and multimodal solutions to circumvent the limited airfreight options.

Despite the challenges, QS progressed with major inroads as a trusted and reliable provider of eCommerce and logistics solutions in the Asia Pacific region. Over the past 12 months, QS delivered more than 12 million COVID-19 test kits for the Hong Kong Government to households across Hong Kong. Being able to utilise its strengths in logistics fulfillment to help the people of Hong Kong is a testament to its capabilities in fulfilling its customers' needs even during these challenging times, and a vouch to its status as a reliable and responsible logistics partner.

Pandemic lockdowns and geopolitical tensions have caused further disruptions in global supply chain logistics, and inflationary cost pressures have increased across its markets.

SingPost's freight forwarding subsidiary Famous Holdings also delivered strong results in the face of an unprecedented supply chain environment. Famous Holdings benefited from higher sea freight volume and rates on the back of global supply chain disruptions, leading to strong revenue growth of 74.8 per cent and 69.6 per cent in the second half year and the full year respectively.

Massive reductions to capacity, a global equipment shortage, record-high freight rates and port congestions constituted major challenges to Famous throughout the year. In response, Famous teams across the global network took an entrepreneurial approach to secure capacity and equipment, capture opportunities, and steer the company through the choppy waters.

As more countries including Singapore relaxed border restrictions, international air freight out of Changi Airport will gradually increase and this will support recovery of the Group's International business. Also, any improvement in the global supply chain logistics bottleneck situation is expected to lower sea freight rates in the freight-forwarding business as well.

SingPost's Logistics segment has weathered the vagaries of the global COVID-19 pandemic over the past two years and is well positioned to capitalise on the expected upswing in the global economy as the world gradually opens up post-pandemic. SingPost will continue with its transformation initiatives to reposition the Group as a leading logistics solutions provider in the Asia Pacific region, tapping on accelerated eCommerce growth brought on by the pandemic.

CP added an additional 100 drivers to support customer demand

PROPERTY

SINGPOST'S PROPERTY SEGMENT REMAINS RESILIENT AMID CHALLENGES BROUGHT ABOUT BY THE COVID-19 PANDEMIC.

Mask distribution exercise at SingPost Centre Mall

DIVESTMENT OF NON-CORE ASSETS

SingPost continuously reviews its asset portfolio to assess strategic fit, returns and to recycle capital into investments in strategic initiatives that support transformation and long-term growth. In line with this strategy, SingPost sold its self-storage business General Storage Company (GSC) in December 2021. The divestment of GSC contributed to a slight fall of 8.2 per cent in the Property segment's revenue for H2. However, owing to lower rental rebates for eligible tenants, higher receipts from the carpark and other service charges, operating profit for the full year grew by 5.7 per cent.

STRONG TENANT OCCUPANCY RATES

Despite a slowdown in the easing of Singapore's COVID-19 safe management measures, tenant occupancy at the SingPost Centre (SPC) stayed high as of 31 March 2022, with committed occupancy rates for the mall and offices at 100 per cent and 93.5 per cent respectively.

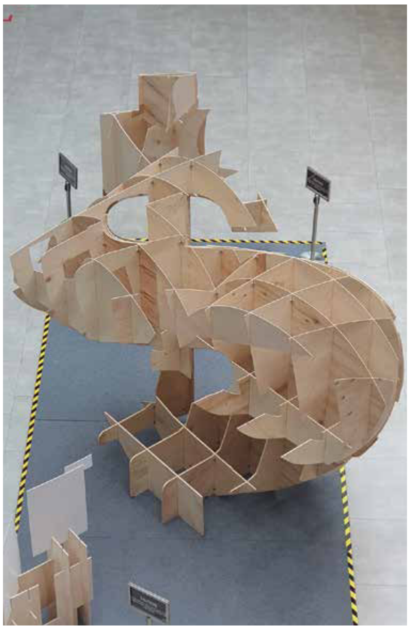
Tenant profiles were also refreshed progressively with a wider mix of tenants offering different products and services over the year.

Apart from an influx of new food and beverage tenants, the SPC Mall welcomed tenants offering aesthetic services, as well as a pre- and post-natal healthcare specialist. A fresh concept will also be unveiled at the mall in June 2022 as the NTUC Club partners with an established local F&B operator to provide affordable recreational activities and experiences in the Paya Lebar precinct.

SUPPORT FOR THE COMMUNITY DURING COVID-19

SingPost has provided support in many ways for community initiatives related to the COVID-19 pandemic during the year as well. The SPC Mall held two mask distribution exercises for Temasek Foundation within its premises in the second and fourth

Private Test Centres (p-QTCs) at the SingPost Centre Mall



URA-REDAS Spark Challenge design submission showcase at the SingPost Centre Mall

quarter of the financial year, allowing for the public to collect free N95 and surgical masks.

In June 2021, the SPC Mall had proactively surprised essential workers by handing out tokens of appreciation to frontline workers such as delivery riders to show support for the community during challenging times.

Separately, SingPost supported the Ministry of Health (MOH) and the Health Promotion Board's (HPB) initiative to set up Private Quick Test Centres (p-QTCs) at the SPC Mall together with partner MiniMed. SingPost was the venue sponsor for a six-month period while MiniMed aided in establishing the testing booths at the mall.

SUSTAINABILITY EFFORTS

As part of SingPost's focus on sustainability efforts, installation of the photovoltaic (PV) system at its Regional eCommerce Logistics Hub has been completed in this year and operational as of February 2022. This solar panel is expected to supply about 19 per cent of the Regional eCommerce Logistics Hub's power consumption, which is approximately 1,128,000 kWh per annum.

Works to replace the Heat Ventilation and Air Conditioning (HVAC) equipment at the SingPost Centre is also underway to improve energy efficiencies within the building. With this replacement, SingPost will be eligible to apply for the Green Mark (GM) certification that is in line with the government's sustainability initiatives. SingPost had installed a chiller, four air handling units (AHU) and four cooling towers during the year which is projected to save 200,000 kWh energy for each year post installation.

SingPost continually explores green energy initiatives for its property assets – it is currently exploring the progressive installation of more PV system for its other properties such as SingPost Centre, Toh Guan and Tampines Delivery Bases. When operational, the PV system is expected to provide an estimate 1,614,000 kWh of energy within the first year and this is equivalent to a reduction of approximately 658 tons in carbon emissions per year.

Moving forward, the SPC Mall will be installing private electrical and water meters to ensure the accuracy of resource consumption for the building. Corridor and lobby lights will be progressively replaced with LED lights that have higher energy efficiencies that will translate into further energy savings.

SUPPORTING EFFORTS IN ENLIVENING THE PAYA LEBAR PRECINCT

In March 2022, SingPost supported an initiative driven by the Urban Redevelopment Authority (URA) and Real Estate Developers' Association of Singapore (REDAS) at the SingPost Centre Mall by sponsoring a venue to showcase a design submission for the Spark Challenge. The URA-REDAS Spark Challenge is a competition that encourages innovation aimed at raising the quality of the built environment, encourages members of the public to have meaningful interactions with the installations placed in mixed-use developments or malls. This is part of a wider push by URA and BID partners in enlivening the Paya Lebar precinct, enhancing the vibrancy of spaces, and driving footfall to businesses in the area.

PROPERTY

NAME	ADDRESS	TITLE	YEARS	WITH EFFECT FROM	LAND (SQM)	BUILDING GFA (SQM)
Airmail Transit Centre	21 North Perimeter Road	Leasehold	30	25.09.00	2,890	8,862
Alexandra Post Office	110 Alexandra Road	Leasehold	99	31.03.92	2,305	897
Ang Mo Kio Central Post Office	Blk 727 Ang Mo Kio Ave 6 #01-4246	Leasehold	86	01.10.93	–	218
Bedok Central Post Office	Blk 218 Bedok North St 1 #01-49	Leasehold	86	01.10.92	–	284
Bukit Merah Central Post Office	Blk 165 Bukit Merah Central #01-3689	Leasehold	83	01.03.96	–	232
Bukit Panjang Post Office	10 Choa Chu Kang Road	Leasehold	99	31.03.92	3,264	2,015
Clementi West Post Office	Blk 727 Clementi West Street 2 #01-286	Leasehold	85	01.11.95	–	153
Geylang Post Office	447 Geylang Road	Leasehold	99	31.03.92	449	804
Ghim Moh Estate Post Office	Blk 21 Ghim Moh Road #01-225	Leasehold	82	01.04.94	–	213
Jurong Delivery Base	2 Kian Teck Way	Leasehold	30	16.10.95	4,008	3,574
Jurong West Post Office	Blk 492 Jurong West Street 41 #01-42/44	Leasehold	91	01.01.94	–	120
Kallang Delivery Base	18 Jalan Lembah Kallang	Leasehold	30	16.09.98	2,761	6,872
Katong Post Office	373 Tanjong Katong Road	Leasehold	99	31.03.92	772	616
Killiney Road Post Office	1 Killiney Road	Leasehold	99	31.03.92	1,029	555
Lim Ah Pin Road Post Office	1 Lim Ah Pin Road	Leasehold	99	31.03.92	669	243
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
5 Mandai Road	5 Mandai Road	Leasehold	99	31.03.92	2,124	468
Pasir Panjang Post Office	396 Pasir Panjang Road	Leasehold	99	31.03.92	1,726	318
Paya Lebar Delivery Base	755 Upper Serangoon Road	Leasehold	99	31.03.92	1,353	3,012
Serangoon Central Post Office	Blk 261 Serangoon Central Drive #01- 05/07	Leasehold	99	01.07.89	–	120
Serangoon Garden Post Office	54 Serangoon Garden Way	Leasehold	99	31.03.92	1,215	341
Siglap Post Office	10 Palm Ave	Leasehold	99	31.03.92	986	270
Simpang Bedok Post Office	350 Bedok Road	Leasehold	99	31.03.92	1,129	378
Singapore Post Centre	10 Eunos Road 8	Leasehold	99	30.08.82	32,738	137,134
SingPost Regional eCommerce Logistics Hub	37/39 Greenwich Drive	Leasehold	30	16.11.14	32,494	51,358
160 Still Road	160 Still Road	Leasehold	99	31.03.92	506	201
Tampines Delivery Base	29 Tampines Street 92	Leasehold	30	01.01.92	5,000	12,358
Tanglin Post Office	56 Tanglin Road	Leasehold	99	31.03.92	2,643	2,678
Tanjong Pagar Post Office	Blk 1 Tanjong Pagar Plaza #01-25	Leasehold	82	01.01.94	–	151
Teban Garden Post Office	Blk 38 Teban Garden Road #01-316/317	Leasehold	71	01.10.94	–	134
3B Toh Guan Road East	3B Toh Guan Road East	Leasehold	30	01.09.19	10,064	18,126
Towner Road Post Office	Blk 101 Towner Road #01-204/206	Leasehold	89	01.01.93	–	337
Woodlands Delivery Base	9 Woodlands Walk	Leasehold	30	16.10.95	3,040	2,393

COMMUNITY SUPPORT FOR COVID-19

AS SINGAPORE'S NATIONAL POSTAL SERVICE PROVIDER FOR MORE THAN 160 YEARS, SINGPOST REMAINED COMMITTED TO SUPPORTING THE NATION DURING THE COVID-19 PANDEMIC.

As an essential service with the most pervasive delivery infrastructure and network in Singapore, SingPost recognised its potential in contributing to the national fight against COVID-19. To this effect, it partnered with several organisations and government agencies, providing its delivery services in nationwide distributions of health supplies and resources.

SingPost supported Temasek Foundation in its nationwide distribution of redemption leaflets for oximeters to 1.48 million households. It also assisted Temasek in delivering mouth gargle bottles to over 770,000 1-4 room HDB flats across Singapore. For those with green thumbs, SingPost partnered with the National Parks Board to distribute seed packets nationwide during the pandemic.

During festive periods throughout the year, SingPost organised Silver Giftings fund-raising initiatives where meals, care packs, and necessities such as groceries and walking sticks were distributed to the elderly in the community. Over 100 staff volunteers hand-delivered these items to the senior beneficiaries, a commendable number considering safe management measures in place during the time. Employees gave about S$20,000 during the year, which benefited over 300 elderly beneficiaries.

SingPost also supported Penpals in the Community, a ground-up initiative promoting intergenerational bonds through letter writing between seniors and the younger generation. SingPost sponsored specially designed letter-writing kits, including postage, postcards, and envelopes, and the movement has grown to 370 penpal volunteers to date.

Postmen sorting out old uniforms for SingPost's upcycling initiative, Re:Post

In Australia, CouriersPlease contributed to the Movember initiative which supports men's mental health and suicide prevention, prostate cancer, and testicular cancer, raising about AUD$5,000 in 2021. CouriersPlease also participated in the Vinnies CEO Sleepout to raise funds and awareness of the issues of homelessness.

In FY2021/22, SingPost also launched its Re:Post initiative where old postal uniforms replaced during a company-wide uniform redesign in 2020 would be upcycled into practical lifestyle products, with sales proceeds of these items going to South West Community Development Council in support of its South West Caregiver Support Fund and Meals Service @ South West. Three social enterprises were engaged to design and produce the products from various uniforms, and they in turn brought on 138 crafters and volunteers in the community such as stay-home caregivers and seniors in active ageing centres.

SingPost's donations and sponsorships totalled over S$300,000 during the financial year. These included nationwide distributions of necessities, contributions to Community Chest's employee payroll donation matching programme (SHARE) and fund-raising initiatives by partners (SGX Bull Charge, NTUC-U Care fund and charity golf event), as well as its support for the annual UTES – U Care Bursary awards. SingPost also placed donation tins from AMKFSC Community Services in Post Offices to enable them to raise funds for their programmes and beneficiaries.

SUSTAINABILITY HIGHLIGHTS

SINGPOST BELIEVES THAT HAVING A CLEAR PURPOSE AND STRONG VALUES ARE FUNDAMENTAL. THE PURPOSE OF MAKING EVERY DELIVERY COUNT FOR PEOPLE AND PLANET GUIDES SINGPOST IN EVERY DECISION IT MAKES.

In the past year, SingPost revisited its approach to sustainability engaging with its key stakeholders in view of the dynamic environment it operates in, and not only does SingPost look through the lens of managing risks, but it is also focusing its attention on capturing greater opportunities and implementing long-term sustainability strategies to build resilience and thrive in an evolving market.

In FY2021/22, SingPost refreshed its sustainability framework underpinned by three pillars – Cherishing Our Planet, Collaborative Partnerships, and Culture of Trust, with 10 material matters that are embedded throughout the Group.

As it looks to intensify its efforts on climate action, SingPost also announced its new Net Zero targets – Net Zero scope 1 & 2 carbon emissions by 2030 for Singapore operations[1] and Net Zero scope 1, 2 & 3 carbon emissions by 2050 for its operations globally. SingPost will take on an ecosystem approach to achieve that target. Singapore operations has the

New smartpac made of recycled materials

Solar panels installed at the Regional eCommerce Logistics Hub in Singapore

1 Net-zero is the point at which an organisation has first achieved its 1.5˚C science-based target, of which a 45-50% reduction in emissions by 2030 is required in the case of SingPost from the baseline of FY2018/19, followed by a removal of residual emissions (e.g. by carbon offsets). This reduction of 45-50% for SingPost was derived from the Science Based Target initiative ("SBTi") Absolute Contraction Approach ("ACA") to ensure that targets for absolute emissions reductions are in line with global decarbonisation pathways.

The journey to fully electrify our owned delivery fleet by 2026 has begun

largest footprint currently and it is tracking with a carbon reduction of 25 per cent from baseline year FY2018/19 as at 31 Mar 2022. Some reduction initiatives SingPost has embarked in the year include chiller replacements, Light-Emitting Diode ("LED") lighting replacements, sustainable packaging, installation of solar panels and fleet electrification.

The Taskforce for Climate-related Financial Disclosures ("TCFD") was established by the Financial Stability Board in 2017 to standardise and encourage the disclosure of climate-related financial information and has been widely adopted globally to increase transparency and clarity of organisations' climate-related risks, opportunities, and impact. During the year, SingPost has embarked on the TCFD journey with the completion of a maturity assessment informing subsequent steps. With the adoption of the TCFD framework recommendations will mean climate change opportunities, risks, adaptation measure and mitigating measures will be part of business considerations.

SingPost recognises that its success will not be possible without the trust of its stakeholders and people's commitment to excellence. SingPost continues to focus on engaging with and developing its people and looking after their health, safety, and wellbeing. In Singapore, the operations achieved a 23.7 per cent improvement year-on-year in Total Recordable Injury Frequency Rate ("TRIFR") and SingPost remains committed to improving TRIFR by taking a preventive approach.

Underpinned by the highest standards of corporate governance, SingPost adopts best-in-class practices that reflect its obligation towards accountability, transparency, and safeguarding its stakeholders' interest. Protecting the interest of its customers, the use of Short Messaging System ("SMS") alerts and embedded links in SMS have been migrated to Push Notifications directly in the SingPost App.

SingPost's global operational footprint in 15 markets has made its presence in the postal and eCommerce logistics industry ever more pervasive, helping it maintain a sustainable and internationally competitive supply chain. SingPost continues to engage its business partners in the adoption of Environmental, Social and Governance ("ESG") principles and commitment to responsible practices, developing resilience to emerging ESG expectations. Work is underway for all new suppliers to be screened with ESG criteria. Through this approach, SingPost can influence the ecosystem that benefits multiple stakeholders for an industry uplift.

More on Sustainability is shared in SingPost's Sustainability Report FY2021/22 available on www.singpost.com and page 80 of this Report.

SingPost staff at the Safety Pledge Event

RE:POST

IN LINE WITH ITS FOCUS ON ENVIRONMENT SUSTAINABILITY, SINGPOST EMBARKED ON AN UPCYCLING INITIATIVE TO REDUCE THE AMOUNT OF WASTE GENERATED FROM ITS POSTAL UNIFORM REPLACEMENT AND TO INVOLVE THE COMMUNITY IN THIS EFFORT. THIS INITIATIVE, NAMED RE:POST, ENABLED SINGPOST TO MINIMISE THE AMOUNT OF WASTE BY REUSING THE MATERIALS INSTEAD OF JUST DISPOSING OF THEM, AND TO CREATE WORK OPPORTUNITIES FOR SOCIAL ENTERPRISES AND THE COMMUNITIES THEY SUPPORT.

Re:Post campaign lifestyle products made by recycled iconic blue uniforms previously worn by Postal staff

Nearly 33,000 old postal uniforms weighing 12 tonnes were replaced in SingPost's uniform redesign in 2020. To reduce waste, SingPost embarked on its Re:Post initiative in FY2021/22 to upcycle the uniforms, and also donated 4,000 pieces of non-marked cargo pants to migrant workers in six worker dormitories.

For its Re:Post initiative, SingPost partnered with three social enterprises to design and create practical lifestyle products from the uniforms. The design and production of the upcycled products took about three months, with 138 crafters and volunteers in the community contributing to the collaboration. This initiative provided work and income opportunities to crafters such as stay-home caregivers, and engagement opportunities for seniors in Lion's Befrienders active ageing centres who helped to unpick, sew, and iron the materials.

The upcycled products included water repellent tote bags made from postman windbreakers and raincoats. Products such as tissue holders, toilet roll holders, cushion covers, and coin pouches were made from the postman shirts, T-shirts and cargo pants. Leftover scrap materials were also sewn together to form patchwork picnic mats.

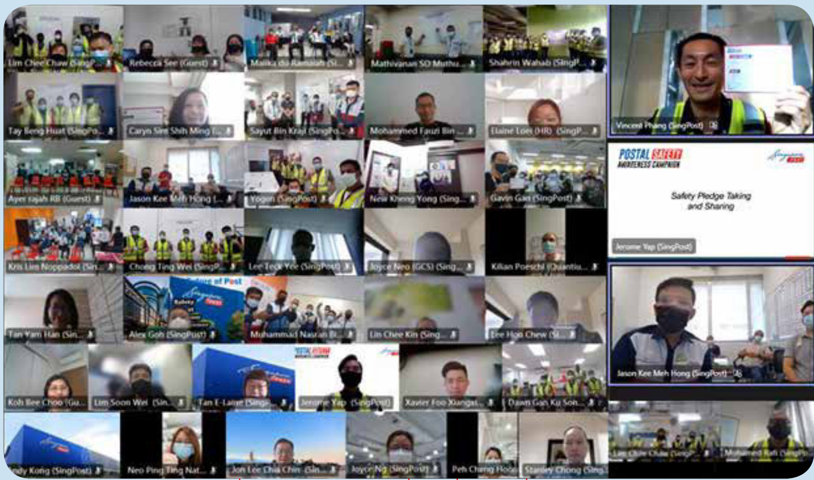
The Re:Post products were sold through post offices, philatelic stores and SingPost's online store shop.singpost.com, as part of a charity campaign. About S$13,000 was raised and donated to Southwest Community Development Council in support of its South West Caregiver Support Fund and Meals Service @ South West.

The Mayor of South West District, Ms Low Yen Ling, together with SingPost's GCEO, Mr Vincent Phang, at the launch of SingPost's Re:Post charity campaign and upcycling event

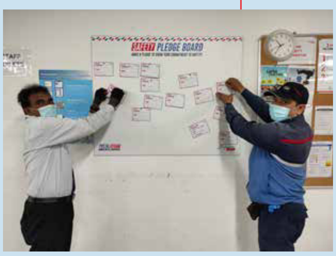
Sortation and cleaning of old uniforms for upcycling

EMPLOYEE INITIATIVES

POSTAL SAFETY AWARENESS CAMPAIGN



In line with the introduction of SingPost's sixth core Value of Safety, the Postal Safety Awareness Campaign was launched to all working with and within SingPost. The campaign saw SingPosters pen their commitment to Safety on pledge cards which was then displayed at the pledge boards installed at all workplaces. This served as a reminder to all that the pledges made held significance which were in accordance with one of the core values at SingPost. Demarcated personal protective equipment (PPE) zones were also introduced at loading bays across all relevant workplaces to visually emphasise the requirement of donning the appropriate PPEs at higher risk work zones. The Postal Safety Awareness Campaign video exemplified SingPosters commitment to Safety as they voiced their individual pledges. Participants in the video included members from the Management Committee, BU Managers and Frontline Staff.



BEST AMBASSADOR OF THE YEAR 2021

BEST AMBASSADOR OF THE YEAR AWARDS 2021

With people being SingPost's biggest asset, it is important to recognise the efforts of team members who have shown exemplary character in their everyday duties. The 2021 Best Ambassador Of The Year (BAOY) Awards was held on 11 October 2021 (which also coincides with World Post Day which falls on 9 October every year), virtually across the organisation as SingPost celebrates staff who took pride in their work by exemplifying the six Core Values of Trust, Total Customer, One Team, Top Execution, Transformation and Safety. 21 winners across the SingPost group, both local and overseas, were lauded in a virtual event where global team members, together with representatives from UTES, joined in to show support and appreciation for their outstanding achievements.

SingPost celebrated BAOY virtually with its staff and representatives from UTES on World Post Day 2021

INVESTOR RELATIONS

WE ARE COMMITTED TO CONSISTENT, OPEN, AND TIMELY COMMUNICATION WITH THE INVESTMENT COMMUNITY.

SingPost treats all shareholders fairly and equitably and is committed to upholding a practice of fair, transparent and timely disclosure.

In FY2021/22, SingPost ranked 7th in The Singapore Governance and Transparency Index (SGTI) and was an ASEAN Corporate Governance Scorecard (ACGS) Award Winner.

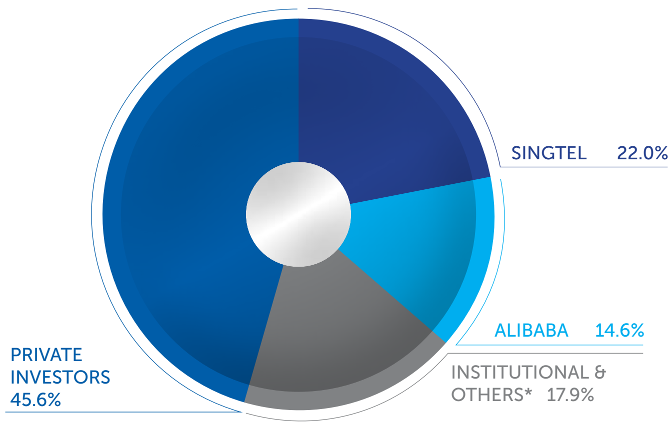
Despite constraints due to the COVID-19 pandemic, Management continued to proactively engage the investment community to keep them updated on matters ranging from business strategies, ESG initiatives, operational and financial performance, as well as material corporate developments. These took the form of one-on-one and group meetings, conference calls, site visits as well as participation in virtual conferences and non-deal roadshows.

In FY2021/22, SingPost engaged over 100 investors through virtual and face-to-face meetings, and participated in three virtual investor conferences, including events co-organised by the SGX and investment banks, such as the SGX-Credit Suisse Singapore Corporate Virtual Access Day in June 2021.

Retail shareholders were invited to the annual SingPost-SIAS dialogue session in July 2021 where Management updated on SingPost's financial and operational performance and engaged in a question-and-answer session with the attendees. Another session was conducted in November 2021 where Management engaged attendees on SingPost's proposed acquisition of Freight Management Holdings Pty Ltd.

HOLDINGS BY INVESTOR GROUPS

As at 31 March 2022



* Include shares held by brokers, custodians and nominees

SingPost believes in developing and fostering strong relationships with research analysts, who play an important role in communicating key messages to the investing community, media and general public. Six research firms covered SingPost during the year. Analysts' briefings are conducted for each financial results announcement. The public may also access an audio webcast or playback of each results briefing, with the transcript published under the IR section of SingPost's website as soon as practicable.

To ensure timely and accurate dissemination of information, the IR section on SingPost's website is regularly updated and contains all SGXNet announcements, periodic financial statements, investor presentations and AGM-related materials, including minutes of the AGM and the full voting results.

More details on SingPost's shareholder engagement can be found in the Shareholder Rights and Engagement section of the Corporate Governance report.

GROUP FINANCIALS

INCOME STATEMENT

Revenue ($M)[1]

S$1,665.6m

FY2021/22	**1,665.6**
FY2020/21	1,404.7
FY2019/20	1,313.8
FY2018/19	1,323.3
FY2017/18	1,513.4

Return on Average Invested Capital (%)

4.6%

FY2021/22	**4.6**
FY2020/21	2.4
FY2019/20	4.6
FY2018/19	1.0
FY2017/18	6.7

Operating Profit ($M)[1]

S$112.1m

FY2021/22	**112.1**
FY2020/21	79.3
FY2019/20	143.6
FY2018/19	182.5
FY2017/18	146.9

Operating Cash Flow ($M)

S$89.5m

FY2021/22	**89.5**
FY2020/21	215.4
FY2019/20	183.2
FY2018/19	152.2
FY2017/18	198.2

Net Profit ($M)

S$83.1m

FY2021/22	**83.1**
FY2020/21	47.6
FY2019/20	91.1
FY2018/19	19.0
FY2017/18	135.5

Dividend (cents)

1.80cents

FY2021/22[2]	**1.80**
FY2020/21	1.10
FY2019/20	2.70
FY2018/19	3.50
FY2017/18	3.50

Underlying Net Profit ($M)

S$81.3m

FY2021/22	**81.3**
FY2020/21	60.1
FY2019/20	100.2
FY2018/19	100.1
FY2017/18	106.3

1 *For FY2019/20 and FY2018/19, the consolidated income statement of the Group is presented as "Continuing Operations", which excludes the U.S. Subsidiaries. Discontinued operations arise from U.S. subsidiaries (as defined in announcement dated 19 September 2019).*

2 *Including proposed final dividend which is subject to shareholders' approval at the AGM.*

GROUP FIVE-YEAR FINANCIAL SUMMARY

	Financial Year ended 31 March				
	2022	2021	2020	2019	2018
Income Statement (S$ million)					
Revenue [1]	**1,665.6**	1,404.7	1,313.8	1,323.3	1,513.4
Operating profit [1]	**112.1**	79.3	143.6	182.5	146.9
EBITDA [1] [2]	**193.2**	136.6	202.3	251.9	225.3
Net profit [3]	**83.1**	47.6	91.1	19.0	135.5
Exceptional items, net of tax (income / (loss)) [1] [4]	**1.9**	(12.5)	(9.1)	37.9	29.2
Underlying net profit [5]	**81.3**	60.1	100.2	100.1	106.3
Balance Sheet (S$ million)					
Total assets	**2,679.4**	2,721.8	2,751.6	2,619.2	2,684.1
Ordinary shareholders' equity	**1,307.4**	1,276.8	1,252.6	1,266.2	1,359.1
Total shareholders' equity	**1,142.1**	1,671.4	1,642.3	1,660.5	1,746.2
Cash and cash equivalents	**280.4**	501.2	493.0	392.2	314.1
Net debt / (cash)	**236.6**	(178.9)	(128.6)	(101.3)	(70.1)
Perpetual securities	**–**	346.8	346.8	346.8	346.8
Net debt / (cash) plus perpetual securities [6]	**236.6**	167.9	218.3	245.5	276.8
Cash Flow (S$ million)					
Net cash inflow from operating activities	**89.5**	215.4	183.2	152.2	198.2
Capital expenditure (cash)	**24.3**	21.9	27.1	31.3	62.1
Free cash flow [7]	**65.3**	193.6	156.0	120.9	136.1
Key Ratios					
EBITDA margin (%) [1]	**11.6**	9.7	15.4	19.0	14.9
Net profit margin (%) [1]	**5.0**	3.4	6.9	1.4	9.0
Return on average invested capital (%)	**4.6**	2.4	4.6	1.0	6.7
Return on average ordinary shareholders' equity (%)	**6.4**	3.8	7.2	1.4	10.2
Net debt to ordinary shareholders' equity (%)	**18.1**	N.M.[8]	N.M.[8]	N.M.[8]	N.M.[8]
Net debt / (cash) plus perpetual securities to total shareholders' equity (%) [6]	**20.7**	10.0	13.3	14.8	15.8
EBITDA to finance expense (number of times) [1]	**13.1**	12.4	16.0	30.5	21.3
Per Share Information (S cents)					
Earnings per share – basic	**3.09**	1.46	3.39	0.18	5.32
Earnings per share - underlying net profit [5]	**3.01**	2.01	3.79	3.78	4.03
Net assets per share	**58.1**	72.2	71.1	71.7	75.4
Dividend per share – ordinary	**1.80**	1.10	2.70	3.50	3.50

Notes:

(1) For financial years ended 31 March 2020 and 2019, the consolidated income statement of the Group is presented as "Continuing Operations", which excludes the U.S. Subsidiaries. Discontinued operations arise from U.S. subsidiaries (as defined in announcement dated 19 September 2019).

(2) EBITDA is defined as profit before tax, adding back interest and depreciation and amortisation expenses.

(3) Net profit is defined as profit attributable to equity holders of the Company.

(4) Exceptional items comprised one-off items such as asset impairment, fair value changes on investment properties, fair value gain upon gaining control of an investment, gains or losses on sale of investments and property, plant and equipment, M & A related expenses and others.

(5) Underlying net profit is defined as net profit before exceptional items, net of tax. Earnings per share – underlying net profit has been re-presented to exclude the underlying net profit attributable to perpetual securities holders of the Company.

(6) Net debt / (cash) plus perpetual securities and its ratio to ordinary shareholders' equity are presented for comparative purposes.

(7) Free cash flow refers to net cash inflow from operating activities less cash capital expenditure.

(8) N.M. Not meaningful.

FINANCIAL REVIEW AND OUTLOOK

GROUP	Financial Year ended 31 March 2022 S$'000	2021 S$'000	Change %
Revenue	**1,665,579**	1,404,681	18.6
Operating profit	**112,074**	79,332	41.3
Share of profit of associated companies and joint venture	**4,847**	989	@
Profit after tax	**87,743**	47,010	86.6
Exceptional items, net of tax [(1)]	**1,858**	(12,491)	N.M.
Net profit attributable to equity holders	**83,112**	47,620	74.5
Underlying net profit [(2)]	**81,254**	60,111	35.2
Basic earnings per share (S cents)	**3.09**	1.46	111.6
Underlying earnings per share (S cents) [(2)]	**3.01**	2.01	49.8

Note:

(1) Exceptional items comprised one-off items such as asset impairment, fair value changes on investment properties, fair value gain upon gaining control of an investment, gains or losses on sale of investments and property, plant and equipment, M&A related expenses and others.

(2) Underlying net profit is defined as net profit before exceptional items, net of tax. Underlying earnings per share has been re-presented to exclude the underlying net profit attributable to perpetual securities holders of the Company.

@ Denotes variance more than 300%.

N.M. Not meaningful.

REVENUE	Financial Year ended 31 March 2022 S$'000	2021 S$'000	Change %
Post and Parcel	**622,334**	743,882	(16.3)
Logistics	**998,530**	618,075	61.6
Property	**114,906**	115,428	(0.5)
Inter-segment eliminations	**(70,191)**	(72,704)	3.5
	1,665,579	1,404,681	18.6

OPERATING PROFIT	Financial Year ended 31 March 2022 S$'000	2021 S$'000	Change %
Post and Parcel	**24,851**	43,502	(42.9)
Logistics	**44,295**	11,256	293.5
Property	**52,867**	50,013	5.7
Others [#]	**(9,939)**	(25,439)	60.9
Operating profit	**112,074**	79,332	41.3

[#] Others refer to unallocated corporate overhead items

FINANCIAL REVIEW AND OUTLOOK

Group

Group revenue rose 18.6% for the full year ended 31 March 2022. This was largely driven by higher revenue from the Logistics segment, including Freight Management Holdings ("FMH") which became a subsidiary after we increased our stake to 51% in November 2021, offsetting a decline in revenue from the Post and Parcel segment.

Group operating profit increased 41.3% for the full year, despite the absence of approximately S$24.5 million in Jobs Support Scheme ("JSS") reliefs recognised in the last year. This was mainly due to higher contributions from the Logistics segment and lower corporate overhead expenses.

Post & Parcel

In the Post and Parcel segment, revenue declined 16.3% for the full year, due to the continued impact of COVID-19 on air freight capacity which resulted in lower International Post and Parcel volumes.

In Domestic Post and Parcel, eCommerce logistics volume grew 24% for the full year, which largely offset the continued decline in volumes of letters and printed papers. As a result, Domestic revenue was relatively stable.

With the lower International revenue and the absence of significant JSS relief recognised by Post and Parcel last year, operating profit declined 42.9% for the full year.

Logistics

In the Logistics segment, revenue rose 61.6% for the full year, mainly driven by strong international freight forwarding volume growth and the first-time consolidation of FMH with effect from December 2021. FMH has continued to perform well since our acquisition in November 2021 and was less affected by these disruptions given its focus on B2B and interstate deliveries.

Famous Holdings continued to benefit from higher sea freight volume and rates on the back of global supply chain logistics disruptions, leading to revenue growth of 69.6% for the full year.

In Australia, CouriersPlease recorded revenue growth of 7.5% for the full year, but incurred higher costs due to COVID-19 related disruptions, as well as extreme weather events in eastern Australia.

With higher freight forwarding revenue and significant new contributions from FMH, Logistics operating profit grew to S$44.3 million for the full year, up from S$11.3 million last year.

Property

Despite a challenging leasing market due to the economic environment and COVID-19 related restrictions, occupancy in the SingPost Centre retail mall and office remained high at 100% and 93.5% respectively as at 31 March 2022.

For the full year, Property revenue was stable due to lower rental rebates provided for eligible tenants as well as higher receipts from carpark and other service charges, offsetting the divestment of General Storage Company ("GSC"). Correspondingly, operating profit grew 5.7% for the full year.

Others

Expenses under this segment were lower by 60.9% for the full year, mainly due to stringent control of corporate costs, lower leave provisions as well as reversal of share option costs.

FINANCIAL REVIEW AND OUTLOOK

Operating Expenses

Total operating expenses rose 16.9% for the full year, on the back of higher international freight forwarding volume and higher delivery volume in Singapore and Australia.

Volume-related expenses, which include conveyancing costs and outpayments for international postal terminal dues, rose 24.8% for the full year. This was in line with the higher volumes as described above, partly offset by lower International Post and Parcel volume.

Labour and related expenses rose 1.9% for the full year. This was mainly due to the absence of JSS reliefs, the consolidation of FMH and higher costs incurred by CouriersPlease due to COVID-19 related disruptions, partly offset by the reversal of share option costs.

Administrative expenses rose 6.1% for the full year mainly due to higher utilities expenses and the consolidation of FMH.

Depreciation and amortisation expenses rose 8.3% for the full year with the consolidation of FMH.

Selling-related expenses fell 21.6% for the full year. The higher expenses last year were due to increased compensation for delayed deliveries caused by COVID-19 disruptions.

Other Income

Other income fell 31.2% for the full year, mainly because the prior year had included settlement of a late payment interest from a customer.

Share of Results of Associated Companies and Joint Venture

The share of profit from associated companies and joint venture rose to S$4.8 million for the full year compared to S$1.0 million last year, largely due to higher contribution from FMH as an associate from April to November 2021.

Exceptional items

The Group recorded an exceptional gain of S$1.9 million for the full year, largely due to fair value gain upon gaining control of FMH when we increased our stake from 28% to 51%, offset by impairment charges, provisions and loss on disposal/liquidation of subsidiaries.

Interest Income and Finance Expense

For the full year, interest income and investment income fell 3% to S$3.4 million as a result of lower interest income.

Finance expenses rose 34.0% for the full year due to higher interest expenses and higher borrowing costs.

Income Tax Expense

Income tax expense increased 48.0% for the full year largely due to higher profit before tax in line with higher revenue as well as higher tax expenses from income generated by foreign subsidiaries.

Non-controlling Interest

Non-controlling interest increased to S$4.6 million for the full year largely attributable to FMH.

FINANCIAL REVIEW AND OUTLOOK

Net Profit and Underlying Net Profit

Net profit attributable to equity holders of the Company rose 74.5% to S$83.1 million for the full year, despite the absence of JSS reliefs that were recognised last year. This was predominantly driven by higher contribution from the Logistics segment, including new contributions from the consolidation of FMH.

Excluding exceptional items, underlying net profit rose 35.2% to S$81.3 million for the full year.

	Financial Year ended 31 March		
CASH FLOW	**2022** **S$'000**	2021 S$'000	Change %
Net cash inflow from operating activities	**89,526**	215,433	(58.4)
Net cash used in investing activities	**(53,303)**	(67,517)	21.1
Net cash used in financing activities	**(255,767)**	(139,701)	(83.1)
Net (decrease) / increase in cash and cash equivalents	**(219,544)**	8,215	N.M.
Cash and cash equivalents at beginning of year	**501,212**	492,997	1.7
Changes in cash and cash equivalents transferred to assets held for sale	**(1,230)**	-	N.M.
Cash and cash equivalents at end of year	**280,438**	501,212	(44.0)
Free cash flow	**65,268**	193,572	(66.3)
Cash capital expenditure as a percentage of revenue	**1.5%**	1.6%	

N.M. Not meaningful.

Operating activities

For the year ended 31 March 2022, operating cash flow before working capital changes was S$169.1 million, compared to S$141.5 million last year, mainly due to higher profit.

Changes in net working capital of S$55.5 million was mainly due to movements in trade receivables and trade payables, resulting in net cash inflow of S$89.5 million from operating activities for the full year. Cash generated from operating activities was lower compared against S$215.4 million last year, due to movement in trade receivables for eCommerce deliveries from China in the prior year.

Investing activities

Net cash outflow for investing activities was S$53.3 million for the full year, mainly due to capital expenditure and the acquisition of FMH, partly offset by the divestment of GSC. This was lower than the outflow of S$67.5 million last year which was mainly due to the initial investment in FMH in December 2020.

Financing activities

Net cash outflow from financing activities amounted to S$255.8 million, compared to outflow of S$139.7 million last year. This was mainly due to the redemption of S$350 million in perpetual securities, offset by net proceeds from bank loans and the issuance of S$100 million in senior notes.

Free cash flow

For the financial year ended 31 March 2022, the Group's free cash flow (operating cash flow less capital expenditure) amounted to S$65.3 million, compared to S$193.6 million in the previous financial year.

FINANCIAL REVIEW AND OUTLOOK

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 2022 S$'000	2021 S$'000	Change %
Total debt	**517,008**	322,312	60.4
Cash	**280,438**	501,212	(44.0)
Net debt / (cash)	**236,570**	(178,900)	N.M.
Total shareholders' equity	**1,142,101**	1,671,423	(31.7)
Perpetual securities	**-**	346,826	N.M.
Net debt / (cash) plus perpetual securities to total shareholders' equity (%)*	**20.7%**	10.0%	
EBITDA to finance expense (number of times)	**13.1**	12.4	

* Presented for comparative purposes.
N.M. Not meaningful.

Total borrowings increased from S$322.3 million as at 31 March 2021 to S$517.0 million as at 31 March 2022. EBITDA to interest expense stood at 13.1 times, compared to 12.4 times in the previous year.

The Group was in a net debt position of S$236.6 million as at 31 March 2022, compared to a net cash position of S$178.9 million as at 31 March 2021, mainly due to the redemption of perpetual securities and issuance of senior notes in March 2022.

Subsequent to the financial year end, S$250 million of new perpetual securities were issued in April 2022 which would bring the Group back to a net cash position on a pro forma basis based on the Group's balance sheet as at 31 March 2022.

The restructuring of the Group's debt and equity profile was undertaken to manage overall financing costs and optimise the balance sheet to support future growth and investment.

Total shareholders' equity stood at S$1.1 billion as at 31 March 2022, lower compared to S$1.7 billion as at 31 March 2021, mainly due to the redemption of perpetual securities in March 2022. Following the issuance of new perpetual securities, total shareholders' equity increased in April 2022.

FINANCIAL REVIEW AND OUTLOOK

DIVIDEND

The Board of Directors is recommending a final dividend of 1.3 cents per ordinary share for the financial year ended 31 March 2022. Including the interim dividend of 0.5 cents, total dividends for the financial year would be 1.8 cents, which represents a payout ratio of about 50% of underlying net profit.

	cents per share
Interim	0.50
Proposed final	1.30
Total dividends paid and proposed in relation to FY 2021/22	**1.80**

OUTLOOK

The COVID-19 pandemic situation has shown improvements as safe management measures have been eased and more borders reopened. However, disruptions in global supply chain logistics persist due to the pandemic as well as geopolitical tensions around the world. Inflationary cost pressures have also increased across our markets.

Notwithstanding, we continue with our transformation initiatives to reposition the Group as a leading logistics solutions provider in the Asia Pacific region, tapping on the accelerated eCommerce growth brought on by the pandemic. We are committed to our Purpose - Making Every Delivery Count for People and Planet.

Given the developments in sustainability trends globally, we are enhancing our approach to sustainability guided by material factors identified in consultation with our stakeholders. This includes a net zero carbon emissions target for Singapore operations by 2030 for scopes 1 and 2, and for our global operations by 2050 for scopes 1, 2 and 3.

In Singapore, while the pace of eCommerce growth may moderate post pandemic, the long-term market outlook remains positive. However, the eCommerce logistics market is highly competitive. We continue to invest in enhancing service quality and customer experience to offer higher value delivery solutions. This is part of our transformation initiative to develop a smart and environmentally sustainable urban logistics ecosystem that will create value for businesses, customers and residents in Singapore. The property business is expected to remain resilient despite a challenging leasing market.

With the acquisition of a majority interest in FMH in November 2021, we are well positioned to capitalise on the growing logistics market in Australia. The Group will focus on driving synergies among its Australian businesses, particularly CouriersPlease and FMH, as well as explore opportunities to build scale and a comprehensive logistics platform.

We are taking measures to strengthen our capabilities as well as to improve cost efficiency with the integration of the Group's various international businesses to provide better cross-border solutions for our customers.

With the relaxation of Singapore's travel restrictions from 1 April 2022 and as more borders reopen globally, increased international air freight out of Changi Airport over the year is expected to support a recovery in the Group's International business. On the other hand, any improvement in the global supply chain logistics bottleneck situation is expected to lower sea freight rates in our freight-forwarding business.

The Group remains prudent in managing its costs and liquidity. Capital expenditure is expected to be higher with the investment into the electrification of its delivery fleet in Singapore over the next five years and infrastructure investment in both Singapore and Australia. We continually review our asset portfolio to assess strategic fit with core business, and invest in strategic initiatives that support long-term growth.

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Corporate governance in SingPost is a journey and a continual work in progress. The Company recognises that a good corporate governance framework is essential in protecting its shareholders' interests by delivering good corporate performance, underpinned by sustainable benefits for the economy, the environment and society. Both the Board and Management of the Company are committed to achieving the highest standards of corporate governance and promoting effective stewardship in its practices and governance oversight.

This report outlines the Company's corporate governance practices for the financial year ended 31 March 2022 with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (2018 Code). For the financial year ended 31 March 2022, the Company has complied with all the principles of the 2018 Code and substantially all the provisions set out thereunder. Variations in practice from any provision of the 2018 Code are explained in this report. A summary of the Company's compliance with the 2018 Code is also provided on page 79.

BOARD MATTERS
Principle 1: The Board's Conduct of Affairs

Role of the Board

The principal role of the Board is to set the Company's vision and purpose, and to regularly review its strategic direction, which includes appropriate focus on value creation, innovation and sustainability. The Board's key functions include:

- ensuring the necessary resources are in place for the Company to meet its strategic objectives as well as overseeing the corporate governance of the Company and Management's control and accountability framework
- setting the tone for the Company to ensure that its affairs are conducted with the highest standards of probity and in compliance with the law
- providing entrepreneurial leadership and guidance to Management on the Company's overall strategy, constructively challenging Management and reviewing Management's performance
- overseeing the Company's overall performance objectives, key operational initiatives and corporate governance practices
- approving financial plans, annual budgets, major funding proposals, and major investment and divestment proposals
- establishing and maintaining a sound risk management framework to monitor and manage risks, and to achieve an appropriate balance between risks and the Company's performance
- instilling an ethical corporate culture and ensuring that the Company's values, standards, policies and practices are consistent with its culture as well as to ensure transparency and accountability to key stakeholder groups
- approving the financial results for release to the Singapore Exchange (SGX), the appointment of Directors and key Management personnel, and changes in the composition and terms of reference of Board Committees

In carrying out its duties, the Board is ultimately accountable to shareholders for the performance of the Company.

The role of the Board, as described above, is clearly defined in a document adopted by the Board titled Success Profiles and Role Profiles for an Effective Board.

This is complemented by the Schedule of Matters Reserved for the Board's Decision which sets out a comprehensive list of matters which require Board approval. Matters requiring Board approval are clearly communicated to Management in writing and include the following:

- setting and reviewing financial targets
- entering new business sectors and geographies
- annual business plan and budget
- changes to share capital structure, corporate structure, operational structure
- results, dividend policy and dividend payout
- significant change in accounting policies
- major capital projects and contracts not in the ordinary course of business
- SGXNet announcements
- appointments to Board and Board Committees
- approval of terms of reference of Board Committees and changes thereto

CORPORATE GOVERNANCE REPORT

- appointment, remuneration and removal of senior Management including the Group Chief Executive Officer (Group CEO)
- succession planning for the Board and Management
- appointment and removal of the Company Secretary
- delegation of authority

Additionally, to optimise operational efficiencies, financial authorisation and approval limits have been established and are reviewed periodically for operating and capital expenditure and the procurement of goods and services. The Board approves transactions exceeding certain threshold amounts while delegating authority to Management for transactions below those limits.

Under the Code of Business Conduct and Ethics, Directors must avoid any actual or potential conflicts of interest with the Company, including (as far as possible) situations which could result in an appearance of impropriety. Where a Director's personal or business interest or relationship interferes, or even appears to interfere, in any way with the interests of the Company, such Director must promptly disclose such interest at a meeting of the Directors or by sending a written notice to the Company Secretary containing details on the nature, character and extent of the conflict of the interest and recuse himself/herself from participating in any discussion and decision on the matter, at all levels within the Group including, but not limited to, the Company's subsidiaries and any committees and sub-committees that are involved in the proposed transaction in which the Director has an interest or in respect of which the Director is conflicted.

Board Committees

The Board without abdication of responsibility has delegated authority to the following six Board Committees to assist the Board in discharging its responsibilities:

- Audit Committee (AC)
- Board Risk and Technology Committee (BRTC)
- Board Sustainability Committee (BSC)
- Compensation Committee (CC)
- Finance and Investment Committee (FIC)
- Nominations and Corporate Governance Committee (NCGC)

Each Board Committee has written terms of reference which clearly set out the composition, authority and duties delegated by the Board to make decisions (including reporting back to the Board). The terms of reference are reviewed from time to time to ensure relevance. Any changes to the terms of reference for any Board Committee require Board approval. To ensure clarity of roles, the role of each Board Committee chairman is also documented in the Success Profiles and Role Profiles for an Effective Board.

The terms of reference of each Board Committee are available on the Company's corporate website at https://www.singpost.com/about-us/corporate-information/corporate-governance.

The appointment of Board Committee members is carried out carefully to ensure that the Board Committees comprise Directors with the appropriate qualifications and skills, to maximise the effectiveness of the relevant Board Committee. A Board Composition Matrix is used to assess whether the core competencies, skills and experiences of a potential candidate complements those of the existing Directors to ensure that as a group, the Board Committees will have the appropriate balance to support the long-term success of the Company. Board Committee appointments require the approval of the Board.

Audit Committee

The AC comprises three members, all of whom (including the chairman) are non-executive independent Directors. The members of the AC are Mrs Fang Ai Lian (chairman), Mr Bob Tan Beng Hai and Ms Chu Swee Yeok. All members of the AC have recent and relevant accounting or related financial management expertise or experience.

CORPORATE GOVERNANCE REPORT

The AC assists the Board in fulfilling its oversight responsibilities on internal controls, financial reporting, compliance and risk management. During the financial year, the activities carried out by the AC included the following:

(a) review and reporting to the Board on the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology (IT) controls, and risk management systems
(b) review of the assurance from Group CEO and Group Chief Financial Officer (Group CFO) on the financial records and financial statements
(c) oversight and monitoring of whistleblowing, including review of the policies and arrangements by which staff and any other persons may, in confidence, raise concerns about possible improprieties in financial reporting or other matters and by which such matters may be independently investigated and appropriately followed up on
(d) review of the half-year and annual financial statements, voluntary interim business updates for the first and third quarters of the financial year, announcements relating to the Group's financial performance, and the significant financial reporting issues and judgments to ensure the integrity of the financial statements
(e) review of the scope, plans and results of the internal auditors and considering the effectiveness of the responses and actions taken by Management on the auditor's recommendations and observations
(f) review of the adequacy, effectiveness and independence of the external audit and internal audit functions
(g) recommendation to the Board on the proposals to the shareholders on the re-appointment of the external auditor, and approval of the remuneration and terms of engagement of the external auditor, taking into consideration the performance of the external auditor against industry and regulatory standards, which included review of the following:
    (i) the performance, objectivity and independence of the external auditor taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority (ACRA)
    (ii) the scope of audit plans and areas of focus, including the effectiveness of the responses and actions taken by Management on the external auditor's recommendations and observations
    (iii) the nature and extent of the non-audit services provided by the external auditor
(h) review of "interested persons transactions" as defined in Chapter 9 of the Listing Manual of the SGX and approval of those transactions requiring the AC's approval as specified in any Shareholders Mandate established for this purpose

Board Risk and Technology Committee

The BRTC comprises three members, all of whom (including the chairman) are non-executive independent Directors. The members of the BRTC are Mr Steven Leonard (chairman), Mr Bob Tan Beng Hai and Ms Chu Swee Yeok.

The BRTC assists the Board in ensuring that Management maintains a sound system of risk management and material controls to safeguard shareholders' interest and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives. During the financial year, the activities carried out by the BRTC included the following:

(a) recommendation to the Board on the Group's levels of risk appetite and risk tolerance for different categories of risk
(b) review and recommendation to the Board for approval of the risk strategy and policies for the management of material risks over a longer time horizon
(c) review of the risks inherent in the Group's business model and strategy, including risks from external factors
(d) monitoring of the Group's current material risk exposures against the risk tolerance levels approved by the Board
(e) review of the Group's overall risk assessment process that supports informed Board decision making
(f) overseeing of Management in the design, implementation and monitoring of the risk management system
(g) review of policies, Management's processes and reports concerning the adequacy and effectiveness of the Group's risk management framework including strategic, operational, compliance, IT and material environmental, social and governance (ESG) / sustainability risks (but excluding the review of financial risks and compliance risks with financial impact, and the adequacy and effectiveness of the Group's internal controls, which are under the oversight of the AC and the review of the Group's material ESG / sustainability implementation efforts which are under the oversight of the BSC)
(h) review of the Group's framework, processes and resources to identify and manage new and emerging risks as a result of changes in country, technology, social or business conditions
(i) monitoring of the implementation of the Group's risk mitigation plans
(j) review of the robustness of the business contingency planning process within the Group for material risks

CORPORATE GOVERNANCE REPORT

(k) review of the adequacy of the insurance and other risk transfer arrangements
(l) review of reports on material risk events together with adequacy of actions taken by Management
(m) consideration of the adequacy, effectiveness and security of the technology infrastructure and data management framework to support the Group's vision and purpose
(n) advising on the Group's strategy for acquisitions, investments and capital expenditure in the area of technology and IT
(o) review and recommendation to the Board of plans, policies and proposals relating to matters pertaining to technology and IT, progress of major technology and IT investments

Board Sustainability Committee

Recognising the growing importance of environmental, social and governance (ESG) factors which are integral to the overall long-term viability of the Company, the Company seeks to incorporate ESG considerations into its strategies that provide long term benefits to all stakeholders, including shareholders. Toward this end, the BSC, reporting to the Board of Directors, was established in February 2021 to oversee and provide guidance to Management in helping to accelerate the Company's ESG transformation and journey. The Board approves the overall direction for the Company's ESG strategy which is executed by the Group CEO, who is in turn supported by a dedicated Sustainability team responsible for recommending ESG initiatives, collecting data, reporting and communication. The ESG programme is embedded in the Group's business operations across various functions to form a holistic and integrated framework for the organisation.

The BSC comprises three members, the majority of whom are independent Directors. The members of the BSC are Mr Simon Israel (chairman), Mr Steven Leonard and Ms Elizabeth Kong Sau Wai.

The BSC assists the Board in the oversight of sustainability matters and the implementation of the SingPost Purpose Statement, which is approved by the Board and which serves to guide the Company's actions and behaviours towards the sustainability of the business. The BSC also assists the Board in providing counsel, guidance and governance of the Company's strategies, frameworks and initiatives related to ESG factors. It reports to the Board in respect of ESG material matters with a view towards integrating the opportunities that ESG factors present for business growth and managing risk factors that may erode or challenge the sustainability of SingPost's business.

Compensation Committee

The CC comprises three members, the majority of whom (including the chairman) are independent Directors. All members of the CC are non-executive Directors. The members of the CC are Mr Bob Tan Beng Hai (chairman), Mrs Fang Ai Lian and Mr Simon Israel.

The CC assists the Board in fulfilling its responsibilities for developing an appropriate compensation and remuneration framework to attract, motivate and retain talent. The CC considers all aspects of remuneration, including termination provisions in service contracts, to ensure they are fair. During the financial year, key responsibilities of the CC included the following:

(a) exercising supervisory oversight of the overall principles, parameters and governance of the Company's remuneration framework to ensure continued relevance, competitiveness, long-term success of the Company and alignment to shareholders' interests
(b) overseeing and recommending to the Board the remuneration of each non-executive Director and key Management personnel of the Company
(c) review of the Company's obligations arising in the event of termination of executive Directors' and key Management personnel's contracts of service
(d) approval of the design of long-term incentive (LTI) plans and providing broad oversight of the rules, regulations, eligibility, targets to be set, and terms and conditions relating to such plans and administration of LTI plans, taking into account ESG / sustainability metrics for long term value creation
(e) exercising oversight on management development and succession planning for key Management personnel (including the Group CEO), key senior executives as well as high potential talent of the Company

CORPORATE GOVERNANCE REPORT

Finance and Investment Committee

The FIC comprises five members, all of whom (including the chairman) are non-executive Directors. The composition of members of the AC and the FIC is mutually exclusive. The members of the FIC are Mr Simon Israel (chairman), Mr Chen Jun, Ms Elizabeth Kong Sau Wai, Ms Lim Cheng Cheng and Mr Steven Leonard.

The FIC provides advisory support to the Board on the overall strategy of the Group's business, investments, divestments, liabilities and treasury policies. During the financial year, the FIC reviewed and provided advisory support to the Board on the following:

(a) mergers and acquisition transactions
(b) financial offers, treasury and banking facilities
(c) long-term strategic plan for the Group
(d) redemption of S$350,000,000 4.25% Senior Perpetual Cumulative Securities
(e) issuance of S$100,000,000 Senior Unsecured Fixed Rate Notes due 2027 and S$250,000,000 Subordinated Fixed Rate Perpetual Securities
(f) review of material litigation
(g) operational transformation programme

Nominations and Corporate Governance Committee

The NCGC comprises three members, the majority of whom (including the chairman) are independent Directors. The members of the NCGC are Mrs Fang Ai Lian (chairman), Mr Simon Israel and Ms Elizabeth Kong Sau Wai. Mrs Fang is also the Lead Independent Director.

The NCGC assists the Board in fulfilling its responsibilities on Board succession planning, Board evaluation, training and professional development programmes of Board members, and the selection, nomination, appointment and re-appointment of Directors to the Board. The NCGC also has the responsibility to recommend enhancements to the corporate governance principles applicable to the Company and to uphold the same. During the financial year, the activities carried out by the NCGC included the following:

(a) review of the composition of the Board and Board Committees and recommendation of the retirement and re-election of Directors to the Board taking into consideration the benefits of all aspects of diversity, including diversity of skills, sectoral experience, age, gender and cultural ethnicity
(b) determination of the independence of Directors and providing its views to the Board
(c) discussion of the succession plans for Directors, in particular, the appointment and/or replacement of the Chairman and providing its views to the Board
(d) review and recommendation to the Board of the training and professional development programmes for Directors
(e) conduct the evaluation of the Board's and Board Committees' performance including the appraisal of the Chairman
(f) review of relevant policies of the Board covering the corporate governance principles applicable to the Board (including review of the existing policy and guidelines on dealings in the Company's securities)
(g) development of a New Director Critical Scorecard for future enrolment of new Directors on the Board
(h) review and nomination of Management staff to the boards of significant entities within the Group
(i) review of the process of managing conflict of interests for directors on the boards of entities within the Group

Under Provision 4.1(a) of the 2018 Code, one of the responsibilities of the NCGC is to make recommendations to the Board on relevant matters relating to the review of succession plans for Directors, including the Group CEO and other key Management personnel. Succession planning for the Group CEO is, however, under the purview of the CC (which also reviews succession plans for key Management personnel) instead of the NCGC. Such an arrangement allows the CC to consider succession planning holistically with other human resource related issues such as remuneration and talent retention and recruitment. The undertaking of the review of succession plans for the Group CEO and key Management personnel by the CC instead of the NCGC does not detract from the underlying principle that there should be a formal and transparent process for the appointment of the Group CEO and the key Management personnel, as both the NCGC and CC consist of a majority of independent Directors.

CORPORATE GOVERNANCE REPORT

Board and Board Committee Meetings

The Board meets regularly. Board and Board Committee meetings are scheduled well in advance of each year in consultation with the Directors to ensure optimal attendance rates. Ad hoc Board and Board Committee meetings are convened as and when warranted by particular circumstances between these scheduled meetings. The Board is invited to participate in strategy workshops with Management to plan the Group's long-term strategy. When exigencies prevent Directors from attending in person, Directors participate by telephone or video conference. Directors who are unable to attend a Board meeting can discuss related issues with the Chairman and the Group CEO and have the opportunity to provide their feedback on the materials and proposed resolutions. For the financial year ended 31 March 2022, seven Board meetings were held. The Board and Board Committee meetings have been conducted via video conference and other audio-visual means in view of the COVID-19 situation.

The agenda of each Board and Board Committee meeting is set by the respective chairmen in consultation with the Group CEO. A specific amount of time is pre-allocated to each agenda item to ensure sufficient attention is given to every agenda item. The agenda of every Board meeting includes an update from the chairman of each Board Committee on significant matters relating to the scope of the respective Board Committees. Directors are provided with relevant information prior to each meeting by way of timely upload of the meeting materials via a secure portal accessible on tablet devices issued to every Director.

At every Board meeting, the Board sets aside time for discussion without the presence of Management (except the executive Director). Where necessary, the non-executive Directors also meet without any executives present, and the chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate. For the financial year ended 31 March 2022, the non-executive Directors met three times, which included the Lead Independent Director meeting with the other independent directors. If there are situations of conflict of interest, the Director in question will recuse himself/ herself from the discussion and abstain from participating in any Board decision. No materials involving the issues of conflict are provided to such Director.

Between Board meetings, Board approvals for matters in the ordinary course of business are obtained through the circulation of Directors' resolutions in writing. Management will, upon request by any of the Directors, schedule a meeting to discuss and provide further information to Directors either in a group or on a one-on-one basis concerning the matter. For parity of information, comments received from any of the Directors are shared with all the other Directors. Additionally, to avoid any wrongful perception of undue influence, the Chairman will not be the first to sign on any resolution.

The attendance of each Director at Board meetings, Board Committee meetings, the Annual General Meeting (AGM) held in respect of the financial year ended 31 March 2021, and the Extraordinary General Meeting (EGM) held on held on 26 November 2021 in relation to the proposed acquisition of Freight Management Holdings Pty Ltd is as follows:

			Board Committees							
Name of Directors	**Board**	**Non-Executive Directors**	**AC**	**BRTC**	**BSC**	**CC**	**FIC**	**NCGC**	**AGM**	**EGM**
Number of Meetings held	**7**	**3**	**6**	**4**	**4**	**5**	**8**	**4**	**1**	**1**
Directors in service as at 31 March 2022										
Simon Israel	7/7	3/3	–	–	4/4	5/5	8/8	4/4	✓	✓
Phang Heng Wee, Vincent[(1)]	3/3	–	–	–	–	–	–	–	–	✓
Chen Jun	5/7	2/3	–	–	–	–	7/8	–	✓	✓
Chu Swee Yeok	7/7	3/3	5/6	4/4	–	–	–	–	✓	✓
Fang Ai Lian	7/7	3/3	6/6	–	–	5/5	–	4/4	✓	✓
Elizabeth Kong Sau Wai	7/7	3/3	–	–	3/4	–	8/8	4/4	✓	✓
Steven Leonard	7/7	3/3	–	4/4	4/4	–	8/8	–	✓	✓
Lim Cheng Cheng	7/7	3/3	–	–	–	–	8/8	–	✓	✓
Bob Tan Beng Hai	7/7	3/3	6/6	4/4	–	5/5	–	–	✓	✓
Director who left service as at 31 March 2022										
Paul William Coutts[(2)]	2/2	–	–	–	1/1	–	–	–	–	–

Notes:
(1) Mr Phang Heng Wee, Vincent was appointed as a Director and Group CEO with effect from 1 September 2021, and attended meetings of the Board Committees as appropriate, although he is not a member of the Board Committees.
(2) Mr Paul William Coutts resigned as a Director on 31 May 2021 and ceased to be Group CEO with effect from 31 August 2021.

CORPORATE GOVERNANCE REPORT

Access to Information

Board members require timely access to complete and adequate information to be effective. Meeting materials are provided to Directors via a secure portal accessible on tablet devices prior to each meeting. In general, the materials are provided a week in advance of meetings and the Directors can access Board and Board Committee papers prior to, at and post meetings. Minutes of Board Committee meetings are also circulated to the Board to keep all Directors updated on the activities of each Board Committee.

Management attends Board and Board Committee meetings to respond to any queries that Directors may have. The Board is briefed and updated on the execution of the Company's strategic plan, performance of its investments, financing plan and variance in budgets, amongst other matters. Directors are encouraged to and do seek additional information from Management as and when needed to make informed decisions. Management responds to such requests in a timely manner. The Group CEO and Management provide the Board with updates on significant events relating to the Company, analyst reports on the Company and information concerning industry-related developments.

Directors have separate and independent access to Management and the Company Secretary. Procedures are in place for Directors and Board Committees to seek independent professional advice, if necessary, at the Company's expense.

Role of the Company Secretary

The Company Secretary has a direct reporting line to the Chairman and serves as a focal point for communication with the Board, Group CEO, Management and the Company's various stakeholders. The role is clearly defined in the Success Profiles and Role Profiles for an Effective Board.

The Company Secretary is the primary point of contact between the Company and the SGX. The Company Secretary is also responsible for ensuring the Company's compliance with its Constitution and applicable rules and requirements under the Companies Act 1967 and the SGX listing rules. The appointment and removal of the Company Secretary is a matter requiring the approval of the Board.

The Board relies on the Company Secretary to advise them not only on Directors' statutory duties under the law, disclosure obligations and listing rules requirements, but also in respect of corporate governance requirements and practices and effective board processes. The chairmen of the various Board Committees and individual Directors look to the Company Secretary to provide specialist skills and technical knowledge in these areas. The specialised role of the Company Secretary has therefore become interwoven with the corporate governance landscape of the Company.

Board Induction, Training and Development

The NCGC ensures that new Directors are made aware of their duties and obligations. All Directors receive a formal letter upon appointment informing them of their role and duties as Directors and advising on disclosure obligations under the Companies Act 1967 and the SGX listing rules. Together with the appointment letters, newly-appointed Directors also receive a manual containing, inter alia, the terms of references of the Board Committees, Code of Business Conduct and, Policies on Board Renewal and Tenure, and Proper Handling of Disclosure of Directors' Interest, Company's Constitution, Success Profiles and Role Profiles for an Effective Board, Schedule of Matters Reserved for the Board's Decision, Market Disclosure Policy and Policy on Diversity and Inclusivity. These documents are uploaded to a tablet device issued to every Director for easy reference.

Newly-appointed Directors will undergo an in-house induction programme organised by Management. The programme familiarises incoming Directors with the Group's businesses and strategic objectives. The programme includes presentations on the Company's strategic plans and financial performance by the Group CEO and the Group CFO, and presentations by Management on their respective businesses, directions and corporate governance practices. If required, facility visits are arranged for Directors to better understand the Group's business operations. The induction programme not only serves its objective of thoroughly acquainting the incoming Directors with the nature and workings of the Group's business, but also serves as a platform for the new Directors to get to know members of Management and to ask questions.

The Board recognises the importance of ongoing professional development for the Directors and has a Policy on Professional Development. The NCGC is tasked to review and decide on training and professional development programmes for the Board. Depending on the individual Director's background and development needs, Directors are

CORPORATE GOVERNANCE REPORT

provided with opportunities to attend relevant courses and seminars to develop and maintain their skills and knowledge at the Company's expense. If required, briefings by external consultants or counsels will be organised for the Board. Unless the NCGC is of the view that training is not required because he/she has other relevant experience, a new Director who has no prior experience as a director of an issuer listed on the SGX will be required to undergo training in his/her roles and responsibilities as prescribed by the SGX.

During the financial year, the development/training programmes, courses and seminars attended by the Directors included the following:

- Board training on SingPost Sustainability by Management
- Business Integrity Series: Managing Corporate Investigations While Securing Stakeholders' Trust 2021 by Singapore Institute of Directors (SID)
- Temasek webinar on Sustainable Flying: A Paradox
- ESG Leadership in the Boardroom by SID
- Nominating Committee Essentials by SID
- Remuneration Committee Essentials by SID
- Board Training on Sustainability Trends by Ernst & Young Singapore
- Temasek Ecosperity week 2021, which covered the following topics:
  - Managing Climate Risks and Opportunities: A Growing Reality for Future Businesses and Investments
  - Scaling voluntary carbon markets
  - Future Fuels for Transportation (Virtual)
- Singapore Sustainable Investing Financing Conference by BlackRock, International Finance Corporation and Temasek
- Board Governance of SPACs by SID
- ACRA-SGX-SID Audit Committee Seminar 2022
- Board training on Internal Carbon Pricing by Ernst & Young Singapore

BOARD MATTERS
Principle 2: Board Composition and Guidance

Board Composition

The Board consists of nine members who collectively have a wealth of experience and a broad range of expertise relevant to the Group's businesses and transformation strategy, including eCommerce, logistics, accounting, finance, legal, business and management, strategic planning and investments, digital and information technology, and global business experience. All are non-executives except for the Group CEO. The Board believes that the present size and composition of the Board and Board Committees are appropriate for the foreseeable requirements of the Group's businesses.

Review of Directors' Independence

The Board, taking into account the views of the NCGC, determines the independence of each Director on an annual basis or as and when circumstances require, based on the requirements under the SGX listing rules and the 2018 Code. Each Director is required to complete an independence checklist and declare whether he/she considers himself/herself independent based on the criteria under the SGX listing rules and the 2018 Code. Such declarations are put before the NCGC which then determines the Directors' independence. Such great importance is placed on Directors' independence that it is also incorporated in the Board evaluation.

Based on the recommendations of the NCGC, the Board considers the Chairman Mr Simon Israel as non-independent and considers Ms Lim Cheng Cheng, Mr Chen Jun and Mr Phang Heng Wee, Vincent (who is the Group CEO) as non-independent. The other five Directors are considered independent and make up a majority of the Board. In accordance with the Board's Code of Business Conduct and Ethics, each member of the NCGC and of the Board recused himself/herself from the deliberations on his/her independence.

Mr Simon Israel is the former Chairman of the Board of Singapore Telecommunications Limited (Singtel), which is a substantial shareholder of the Company. Mr Simon Israel stepped down as the Chairman of Singtel in July 2020. Mr Simon Israel was not appointed as a nominee Director of Singtel to the SingPost Board. Mr Simon Israel was also not directly associated with Singtel in that he was not accustomed or under an obligation whether formal or informal, to act

CORPORATE GOVERNANCE REPORT

in accordance with the directions, instructions or wishes of Singtel in relation to the corporate affairs of the Company. Nevertheless, to provide added assurance to the Company's stakeholders, Mr Simon Israel is treated by the Company as a non-independent Director.

Ms Lim Cheng Cheng is the Group Chief Corporate Officer of Singtel. Prior to that, she was the Group Chief Financial Officer of Singtel till 31 March 2021. Ms Lim Cheng Cheng is a nominee of Singtel to the SingPost Board.

Prior to Mr Chen Jun's retirement from Alibaba Group Holdings Limited (Alibaba), a substantial shareholder of the Company, with effect on 1 April 2022, Mr Chen Jun was a Senior Vice President of Alibaba, and a nominee of Alibaba to the SingPost Board. Following his retirement, Mr Chen Jun is no longer a nominee of Alibaba to the SingPost Board. He remains as a non-independent Director in his personal capacity.

The Board Renewal and Tenure Policy provides that no Director should serve more than six years, though an additional term of up to a maximum of three years may be permitted to accommodate the transition or the retention of critical skill sets. The Board recognises that board renewal is a continuous process. None of the Directors on the Board has served for more than nine years as at 31 March 2022.

Save for the Group CEO who is an executive Director, the other eight members of the Board are non-executive Directors. The strong proportion of non-executive Directors avoids undue influence of Management over the Board and ensures that appropriate checks and balances are in place.

Non-executive Directors are neither Management nor employees of the Company. Nevertheless, non-executive Directors are expected to be familiar with the Company's business and stay informed of its activities so that they may constructively challenge Management. They also review and assess Management's performance against pre-set goals as well as participate in deliberations relating to the appointment, reward and compensation of the Group CEO and key Management personnel.

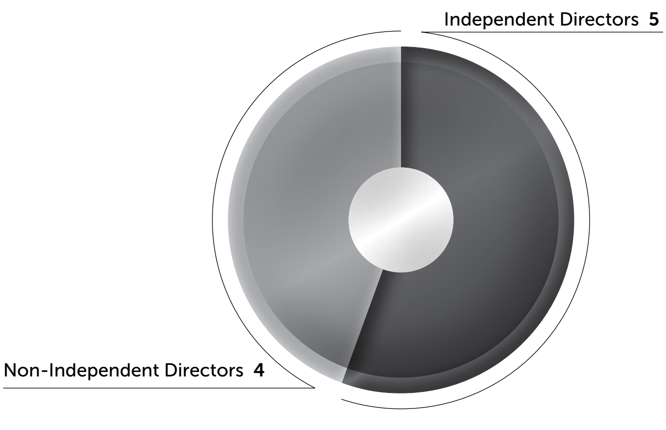
In addition to the role and duties of the non-executive Directors, the independent Directors provide an independent and objective check on Management as well as safeguard the interests of minority shareholders. In certain cases, the independent Directors are required to make certain decisions and determinations under the SGX listing rules. For the financial year ended 31 March 2022, five of the nine Directors of the Company are independent.

The independent Directors and their immediate family members have no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

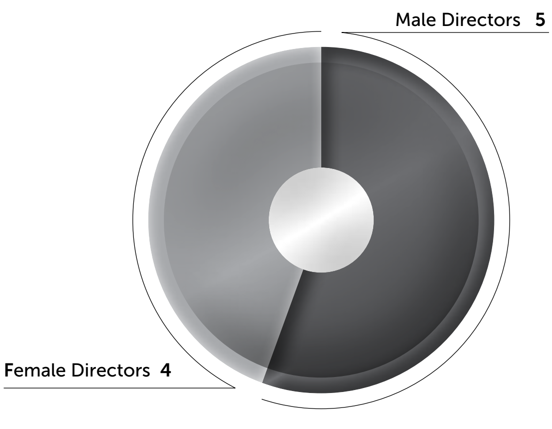
Board Diversity

The Board recognises the benefit of diversity in fostering robust discussions and guarding against groupthink which in turn leads to better decision-making. The Board seeks to achieve and maintain a culture of diversity and inclusivity. In terms of gender diversity, female representation on the Board (four out of nine Directors) is one of the highest on the boards of companies publicly listed on the SGX. The Board is ethnically diverse and their ages range from 40 to 72.

BOARD INDEPENDENCE



BOARD GENDER DIVERSITY



CORPORATE GOVERNANCE REPORT

The Company has put in place a Policy on Diversity and Inclusivity since May 2018 which commits to giving due consideration to the benefits of diversity when seeking to appoint candidates to the Board and to senior Management. The Policy defines "diversity" to refer not only to gender but also to skill sets, sectoral experience, cultural ethnicity, age, background and other relevant personal attributes important in providing a range of perspectives, insights and challenge needed to support good decision-making. The Policy also requires that any professional bodies engaged to assist with the search process will be required to be given explicit instructions of the Company's commitment to diversity to ensure the search for talent is conducted accordingly. In furtherance of this commitment, the Board will exercise best endeavours to appoint at least one female Director to the NCGC and to the CC to safeguard against gender bias in the nomination process, and to advance the interest of female employees and support mentoring and development opportunities for female executives, ensuring unbiased career progression. The Board has maintained its target for the financial year ended 31 March 2022 as female Directors are represented on both the NCGC and CC.

BOARD MATTERS
Principle 3: Chairman and Chief Executive Officer

Separation of the Role of Chairman and Group CEO

The Chairman and the Group CEO are separate persons. Mr Simon Israel's appointment as Chairman is a non-executive appointment totally separate from the office of the Group CEO, which is held by Mr Phang Heng Wee, Vincent. The roles of Chairman and the Group CEO are deliberately kept distinct through a clear division of responsibilities to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. There is no family relationship between the two.

The respective roles of the Chairman and the Group CEO are clearly defined in the Success Profiles and Role Profiles for an Effective Board.

The Board and Management are mindful of the division of responsibilities between leadership of the Board and the executives responsible for managing the Company's business.

Role of the Chairman

The Chairman leads the Board to ensure its effective and comprehensive deliberations on matters brought to the Board, including strategic issues, talent management and succession planning. The Chairman sets the agenda for Board meetings and ensures complete and accurate information is provided to the Board to facilitate good decision-making in particular on strategic issues. He ensures appropriate relations within the Board, between the Board and Management, as well as between the Board and the Group CEO. At meetings, he promotes a culture of open dialogue and debate, facilitating the effective contribution of all Directors and promotes high standards of corporate governance. The Chairman also monitors the translation of the Board's decisions and directions into executive action, providing guidance on the transformation of the Group. The Chairman maintains effective communication with shareholders and fosters good relationships with stakeholders such as the staff union, SingPost staff, government, regulators, customers and other partners. At shareholder meetings, the Chairman ensures constructive dialogue between shareholders, Directors and Management.

The Chairman plays an important leadership role by providing clear oversight, advice and guidance to the Group CEO and Management and has a significant impact on Board performance. With such a broad range of responsibilities, a separate distinctive Chairman Skills Matrix has been developed to guide the succession planning of the role of the Chairman, taking into account the skills and experience of the Board as a whole.

Role of the Group CEO

The Group CEO, who is an executive Director, is responsible for making strategic proposals to the Board and implementing the Group's strategies and policies as well as the Board's decisions. He assumes the executive responsibility for the day-to-day management of the Group, with the support of Management. When working with the Board, the Group CEO is expected to forge a productive and synergistic relationship, where both the Board and the Group CEO work in partnership for the long term success of the Company.

CORPORATE GOVERNANCE REPORT

Regulatory Approvals

The appointments of the Chairman, the Directors and the Group CEO require the prior written approval of the Info-communications Media Development Authority of Singapore (IMDA). The Company duly sought and obtained the approval of IMDA in respect of all new appointments.

Role of the Lead Independent Director

As the Chairman, Mr Simon Israel, is a non-independent Director, Mrs Fang Ai Lian was elected by the independent Directors as the Lead Independent Director. The role of the Lead Independent Director is clearly defined in the Success Profiles and Role Profiles for an Effective Board. The responsibilities of the Lead Independent Director set out therein include carrying out the functions of the Chairman in relation to any matter where it would be inappropriate for the Chairman to serve in such capacity or if the Chairman is unable to do so, and playing an additional facilitative role within the Board. The Lead Independent Director ensures the affairs of the Board and the Company are managed in a manner that reflects effective corporate governance. The Lead Independent Director also meets with the non-executive Directors without the Chairman present at least annually and leads the appraisal on the Chairman's and the Group CEO's performance on such other occasions as are deemed appropriate, as well as helps the CC design and assess the Chairman's remuneration.

The Lead Independent Director serves on the NCGC, leading the independent Directors in meetings periodically without the presence of the other Directors, and provides feedback to the Chairman after such meetings. The Lead Independent Director is also available to the shareholders or other stakeholders of the Company to address any concerns relating to matters that would be inappropriate for the Chairman, the Group CEO or the Group CFO to resolve, or that such persons may not be able to resolve adequately. The Lead Independent Director also facilitates communication between the Board and shareholders or other stakeholders of the Company.

BOARD MATTERS
Principle 4: Board Membership

Succession Planning and Nomination Process

The NCGC has the responsibility of establishing a formal and transparent search and nomination process for the selection, appointment and re-appointment of Directors. The NCGC also evaluates and reviews the Board succession plans for Directors, in particular, the Chairman, to ensure progressive renewal of the Board. When tasked to search for a new Director, the NCGC will first review the Company's emerging strategic priorities, then review the experience and expertise of the current Board composition in order to identify critical competency gaps that need to be filled that are aligned to the emerging strategic priorities of the Company. Taking into account the commitment towards Board diversity, potential candidates are then identified through professional search agencies, and consultation with Directors and shareholders.

The NCGC also considers recommendations received from shareholders and members of the public. After a candidate has been identified by the NCGC, a Board Composition Matrix and New Director Critical Scorecard are used to assess whether the core competencies, skills and experiences of the candidate complements those of the existing Directors. The NCGC will also take into consideration whether a candidate had previously served on the boards of companies with adverse track records or a history of irregularities, and assess whether a candidate's resignation from the board of any such company would cast any doubt on his ability to act as a Director of the Company.

The NCGC will then make its recommendation to the Board and arrange to meet with the shortlisted candidates to (i) assess the suitability of each candidate; (ii) communicate to the candidates the level of commitment expected (including time commitment); and (iii) provide sufficient information for the candidates to make an informed decision on accepting the role. The Board will then deliberate on the recommendation of the NCGC. Upon the Board's approval, the Company will seek IMDA's approval, in accordance with the requirement set out in the Postal Services Act 1999.

The Board does not encourage the appointment of alternate Directors. No alternate Director has been or is currently appointed to the Board.

CORPORATE GOVERNANCE REPORT

The review of the succession plan for key Management personnel falls under the roles and responsibilities in the CC's terms of reference. On an annual basis, the CC conducts a succession planning review of the Group CEO and key Management positions taking into consideration the SingPost Purpose Statement and the values, strategic priorities and factors affecting the long-term success of SingPost. As part of the review, the CC will assess the readiness of potential successors, as well as their corresponding development plans, bearing in mind the Company's strategic priorities and the factors affecting the long-term success of the Company.

The Board recognises the importance of progressively renewing the Board to address the evolving needs of the Company and is committed to a process of orderly succession planning for Directors. Recognising that a board needs change over time, the Board reviews and approves a Board Composition Matrix of skill sets and capabilities, taking into account the objective of building a Board which embodies diversity and has an appropriate balance between functional skill sets, domain expertise, and specific skills and capabilities needed to support the Company's strategy and business.

At the end of each term, Directors who wish to seek reappointment for another term will be subject to a review by the NCGC. The review will take into account:

- the Director's fit with the Board Composition Matrix;
- the annual Board effectiveness review;
- the competencies, commitment, contribution and performance of the Director; and
- the Director's compliance with the Board's Code of Business Conduct and Ethics.

Where Directors step down from the Board, cessation announcements providing detailed reason(s) for the cessation are released on SGXNet in compliance with the requirements of the SGX listing rules.

Directors' Time Commitment

The NCGC is tasked with ensuring and determining that Directors who have multiple board representations and other principal commitments, have given sufficient time and attention to the affairs of SingPost and to decide if a Director has been adequately carrying out, and is able to continue carrying out the duties of a Director of the Company. In doing so, the NCGC considers the other directorships held by the Directors and their principal commitments. The NCGC also takes into account both the results of the assessment of the effectiveness of the individual Directors and their actual conduct during Board and Board Committee meetings and ad-hoc discussions when making this determination.

Accordingly, the Board has set, as a general guidance, that the maximum number of listed company board representation which any Director holds should not exceed five. The Board however recognises that depending on the Directors' other principal commitments, the capacity of each Director may differ greatly. Therefore under the terms of the Code of Business Conduct and Ethics, Directors are also to consult the Chairman of the Board and the chairman of the NCGC prior to accepting any appointments to the boards of directors or advisory boards of any public or privately held company or any other principal commitments so that such appointments may be considered by the Board in accordance with corporate governance guidelines. For the financial year ended 31 March 2022, the NCGC has determined that all the Directors have devoted a satisfactory amount of time and attention to the Company and have discharged their duties adequately. Inclusive of their appointment to the SingPost Board, none of the Directors hold more than five appointments on the boards of listed companies as at 31 March 2022.

Rotation and Re-election/Re-appointment of Directors

The Board subscribes to the principle that all Directors should stand for re-election at regular intervals and at least once every three years. The Company's Constitution requires new Directors to retire and stand for re-election at the AGM immediately following their appointment (new Directors re-election rule). The Constitution also requires a Director to retire and stand for re-election at the AGM if, were he/she not to do so, he/she would at the next AGM have held office for more than three years (over three years re-election rule). Finally, the Constitution requires one-third of the remaining Directors starting from those with the longest term in office since their appointment or re-election to retire from office by rotation at each AGM (1/3 rotation rule). Retiring Directors are eligible for re-election.

The NCGC deliberates the suitability of the Directors for re-election and takes into consideration their competencies, past contribution and performance. The NCGC's recommendations will then be made to the Board for their approval. Shareholders are provided with relevant information on the Directors who will be standing for re-election at each AGM.

CORPORATE GOVERNANCE REPORT

At the forthcoming AGM, the NCGC has nominated and recommended Mr Phang Heng Wee, Vincent to retire pursuant to the new Directors re-election rule, Ms Chu Swee Yeok to retire pursuant to the over three years re-election rule, and Mr Simon Israel, Ms Lim Cheng Cheng, and Mrs Fang Ai Lian to retire pursuant to the 1/3 rotation rule. All of them, being eligible for re-election, have offered themselves for re-election. The Board has endorsed the recommendations of the NCGC.

Name	Retiring and standing for re-election pursuant to:
Mr Phang Heng Wee, Vincent (appointed on 1 September 2021)	new Directors re-election rule (Article 104)
Ms Chu Swee Yeok (last re-elected on 18 July 2019)	over three years re-election rule (Article 98(a))
Mr Simon Israel (last re-elected on 16 July 2020)	1/3 rotation rule (Article 98(b))
Ms Lim Cheng Cheng (last re-elected on 16 July 2020)	1/3 rotation rule (Article 98(b))
Mrs Fang Ai Lian (last re-elected on 16 July 2020)	1/3 rotation rule (Article 98(b))

The profiles of the Directors are set out on pages 16 to 19 of this Annual Report. In addition, the Notice of AGM sets out information on the Directors proposed for re-election at the AGM. Detailed information on these Directors (including information as set out in Appendix 7.4.1 of the Listing Manual of the SGX) can be found in the "Additional Information on Directors Seeking Re-Election" section on pages 234 to 247 of this Annual Report.

BOARD MATTERS
Principle 5: Board Performance

Board Evaluation

The Board reviews its performance annually. Each year a process is undertaken by the NCGC to evaluate the effectiveness of the Board as a whole and its Board Committees and the contribution by each individual Director to the effectiveness of the Board.

As in previous years, an external facilitator was appointed to carry out the evaluation for the financial year ended 31 March 2022. Other than its role as assessor on Board effectiveness, Aon Hewitt, an international consulting firm, is an independent service provider with no connection with the Company or with any of its Directors. As Aon Hewitt had conducted the Board evaluation previously, a factor in appointing Aon Hewitt was consistency in having the same external facilitator to evaluate the performance for year on year comparison.

The external facilitator proposed the approach and evaluation criteria which was endorsed by the NCGC and approved by the Board. The approved evaluation methodology covered the same measures that the Singapore Governance and Transparency Index is based on, namely board size, board independence, CEO-chairman separation, board competencies, board duties and responsibilities, board and committee meetings (e.g. frequency and attendance), selection of Directors (e.g. transparency of the process), succession planning process, appraisal of Directors, remuneration and shareholders/investor relations, communications and transparency.

The process involved Directors first completing a comprehensive online questionnaire covering various aspects of board processes and effectiveness encompassing, amongst others, board and committee evaluation, board strategy and priorities, Directors self/peer evaluation, Chairman evaluation, risk management, board composition, information management, managing Company's performance, CEO performance and succession planning, director development and management and representation of shareholders and corporate social responsibility. The responses from the Directors were then collated and a gap analysis was conducted by Aon Hewitt to confirm that the Board had met its performance objectives. The Chairman will act on the results of the evaluation in consultation with the NCGC.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS
Principle 6: Procedures for Developing Remuneration Policies
Principle 7: Level and Mix of Remuneration
Principle 8: Disclosure on Remuneration

Remuneration Strategy, Principles and Framework

The objective of the Company's remuneration framework is to attract, reward, motivate and retain a talented and high performing workforce in order to achieve the Group's business objectives and to attract and motivate Directors to provide good stewardship of the Group.

The Group's remuneration framework is designed to incentivise the delivery of the Group's business priorities and shareholder value creation. It is structured to provide an appropriate balance between the fixed and performance related components.

A balanced scorecard approach is used to measure the Group's success in executing the long-term business strategy and the performance of the Management.

The following table sets out the guiding principles of the remuneration strategy and its implementation:

Guiding Principles	Details
Alignment with Shareholders' Interest	• Align interests between employees and shareholders • Design incentive payout structure to align incentive payments with the long-term performance of the Group
Provide Market Competitive Pay	• Offer competitive packages to attract and retain talented and experienced individuals • Align total compensation with the market, subject to affordability
Pay-for-Performance	• Instill and drive a pay-for-performance culture • Measure performance against a balanced scorecard, comprising financial and non-financial metrics

Remuneration Governance

In performing the duties as required under its terms of reference, the CC ensures that the remuneration practices are in line with the Group's long-term strategy, performance and corporate values.

The CC is responsible for reviewing and recommending to the Board a general framework of remuneration (including termination terms) and the specific remuneration packages for each Director (including the Group CEO) and key Management personnel. No individual Director is involved in deciding his/her own fees. Each year, the CC also approves the annual increment pool and variable bonus pool for distribution to all eligible employees.

The CC has access to both internal and external expert advice on human resource matters whenever there is a need to consult. During the financial year ended 31 March 2022, Mercer (Singapore) Pte Ltd and Willis Towers Watson Consulting (Singapore) Pte Ltd were engaged as remuneration consultants to provide advice on market practices and benchmark data. The Group does not have any relationship with the remuneration consultants which will affect their independence and objectivity.

The CC considers remuneration practices holistically with other human resource related issues such as succession planning, talent retention and recruitment. Succession planning and leadership development remain the key focus areas for the CC. On an annual basis, the CC conducts a succession planning review of the Group CEO and key management positions to assess readiness of potential successors, as well as their corresponding development plans with due consideration given to the Group's remuneration framework and practices.

CORPORATE GOVERNANCE REPORT

Level and Mix of Remuneration

The remuneration of non-executive Directors takes into account factors such as the effort and time spent, contributions and respective responsibilities of the Directors. The Directors receive a basic retainer fee, additional fees for appointment to Board Committees and attendance fees for attending Board and Board Committee meetings. The Directors' remuneration is reviewed annually against peer companies to ensure its competitiveness and the quantum of the fees will only be paid upon approval by the shareholders at the AGM.

The Group CEO, who is an executive Director, is not paid Directors' fees. The Group CEO's terms of employment and rewards, including long-term incentives in the form of SingPost shares, are reviewed by the CC and approved by the Board.

The level and structure of remuneration of the non-executive Directors, Group CEO and key Management personnel are disclosed in the respective tables below. The Group exercises clawback of certain incentive components of remuneration from the Group CEO and key Management personnel in situations such as the inaccurate assessment of financial targets and performance attained or misconduct resulting in financial loss to the Group.

Remuneration of Non-Executive Directors

The fees for non-executive Directors comprised a basic retainer fee, additional fees for appointment to Board Committees and attendance fees for attending Board and Board Committee meetings and the Board Strategy Workshop. Other than the fee framework for the BSC (which was established in February 2021), the framework for determining non-executive Directors' fees for the financial year ended 31 March 2022 is the same as the previous financial year and is set out below:

	S$ (per annum)
Basic Retainer Fee	
Chairman	165,000
Director	65,000
Fee for appointment to Audit Committee and Finance and Investment Committee	
Committee Chairman	40,000
Committee Member	25,000
Fee for appointment to Board Risk and Technology Committee	
Committee Chairman	30,000
Committee Member	20,000
Fee for appointment to Nominations and Corporate Governance Committee, Compensation Committee and Board Sustainability Committee*	
Committee Chairman	20,000
Committee Member	15,000
* The BSC Members have agreed to waive their fees for FY2021/22. The NCGC will review this for FY2022/23.	
Attendance fee for Board/Board Committee meeting (per meeting)	1,200
Attendance fee for Board Strategy Workshop	3,000

CORPORATE GOVERNANCE REPORT

The 10 per cent voluntary fee reduction applied in the previous two financial years ended 31 March 2020 and 31 March 2021 has ceased and the resultant aggregate fees payable to non-executive Directors for the financial year ended 31 March 2022 is S$1,222,800. Details are set out in the table below:

Name of Directors	Directors' Fees (S$'000)
Simon Israel	266.8[1]
Chen Jun	107.4[2]
Chu Swee Yeok	132.2
Fang Ai Lian	169.4
Elizabeth Kong Sau Wai	130.8
Steven Leonard	145.8
Lim Cheng Cheng	111.0[3]
Bob Tan Beng Hai	159.4
Total	1,222.8

Notes:
(1) The Board, in consultation with the Company's external consultant, had proposed an additional one-off ex-gratia fee of S$250,000 in recognition of the extra time and effort expended by Mr Simon Israel during the Company's leadership transition period, but this additional fee was waived by him.
(2) Director's fee payable to Mr Chen Jun will be paid fully in cash to Alibaba Investment Limited, a subsidiary of Alibaba Group Holding Limited.
(3) Director's fee payable to Ms Lim Cheng Cheng will be paid fully in cash to Singapore Telecommunications Limited.

There is no employee of the Company or its subsidiaries who is a substantial shareholder of the Company, or is an immediate family member of a Director, the Group CEO or a substantial shareholder of the Company, and whose remuneration exceeded S$100,000 during the financial year ended 31 March 2022.

Remuneration of Group CEO/Executive Director and Key Management Personnel

The Group adopts a remuneration strategy that supports a pay-for-performance philosophy. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders, and promotes the long-term success of the Company. 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 which include both financial and non-financial measures is a key factor determining their remuneration.

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

Fixed Component

Fixed pay comprises base salary, fixed allowances and annual wage supplement. Base salary is determined based on the individual's responsibilities, competencies and experience and is aligned to the median of the market. The CC proposes the compensation of the Group CEO and key Management personnel for the Board's approval on an annual basis.

Variable Component

Variable component refers to the performance bonus (PB) which links rewards to the achievement of organisational targets. The PB is structured to support the Group's business strategy and shareholder value creation through the delivery of corporate targets, namely, financial outcomes, strategic business imperatives, operational excellence and people. The overall PB pool is a function of the business units' relative performance against their respective balanced scorecard. Individual PB is determined based on a blended qualitative assessment of their performance which includes the demonstration of the SingPost values and competencies.

CORPORATE GOVERNANCE REPORT

Long-term Incentives

Long-term incentives (LTI) are designed to align employees' interests with that of shareholders. It is intended to drive longer term business priorities and shareholder value creation. The long-term incentives are granted in the form of restricted shares with reference to the desired remuneration structure target and valued based on the Monte Carlo Model and Cashflow Discounting Model. There are two types of LTI awards – the Restricted Share Award (RSA) and Performance Share Award (PSA). The RSA is granted to a broader group of executives and critical talents, whereas the PSA is granted to senior Management to reinforce the delivery of shareholder returns. A greater portion of the remuneration for the senior Management is delivered in long-term incentives to ensure alignment with shareholders' interests. Notably, accelerated vesting may be activated upon early achievement of performance levels in Year 3, to motivate the Management in attaining business priorities and shareholder value creation earlier.

Provident Fund

This component refers to statutory contributions to the Singapore Central Provident Fund, in line with local legislative requirements. It is not directly linked to performance.

Benefits

The Company strives to provide benefits that are comparable with market practice and these may include medical, flexible benefits, car allowance or group insurances.

The employment contracts of the Group CEO and key Management personnel do not contain any special or exceptional clauses providing for additional compensation payments in the event of termination. For the financial year ended 31 March 2022, there were no termination, retirement and post-employment benefits granted to Group CEO and key Management personnel.

Remuneration of Executive Director / Group CEO

The following information relates to the remuneration of the Group CEO for the financial year ended 31 March 2022:

						SingPost Restricted Share Plan(6)	
Name of Executive	**Fixed Component(1) (S$'000)**	**Variable Component(2) (S$'000)**	**Provident Fund(3) (S$'000)**	**Benefits(4) (S$'000)**	**Total Compensation(5) (S$'000)**	**No. Awarded & Accepted ('000)**	**Value (S$'000)**
Phang Heng Wee, Vincent# Group CEO	726.0	98.4	17.3	42.2	883.9	403.8	193.4

\# Mr Phang Heng Wee, Vincent served as CEO, Postal Services & Singapore until 31 August 2021 and was appointed as Group CEO with effect from 1 September 2021. Provision 8.1 of the 2018 Code provides that the amounts and breakdown of remuneration of (a) each individual director and the CEO, and (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 be disclosed. For transparency, the aggregate amount of Mr Phang's remuneration for serving in both his capacity as CEO, Postal Services & Singapore and as Group CEO during the financial year has been disclosed.

CORPORATE GOVERNANCE REPORT

Remuneration of Other Key Management Personnel

The following information relates to the remuneration of the Company's top five key Management positions (which are not Directors or the Group CEO) for the financial year ended 31 March 2022:

Name of Executive	Fixed Component[1] %	Variable Component[2] %	Provident Fund[3] %	Benefits[4] %	Total Compensation[5] %	SingPost Restricted Share Plan[6] No. Awarded & Accepted ('000)	Value (S$'000)
S$250,000 to below S$500,000							
Neo Su Yin[7] *CEO, Singapore*	85.8	5.7	4.8	3.7	100.0	70.5	42.2
Tang Cheng How, Ryan[7] *CEO, International*	85.3	5.9	4.6	4.2	100.0	78.5	47.0
Linda Hoon Siew Kin[8] *Chief Legal Officer & Group Company Secretary*	83.5	7.7	3.0	5.8	100.0	–	–
Puar Huan Kiap[9] *Group Chief Information Officer*	77.4	12.7	2.4	7.5	100.0	–	–
Below S$250,000							
Yik Yen Shan, Vincent[10] *Group CFO*	87.0	–	3.1	9.9	100.0	–	–

Aggregate compensation paid to the top five key Management positions above as at 31 March 2022 (which includes fixed and variable pay, benefits, provident fund contribution and fair value of long-term incentive grants) is approximately S$1.86 million. Aggregate compensation paid to the former Group CEO and two former key Management personnel[11] (which includes fixed and variable pay, benefits, provident fund contribution) during the financial year ended 31 March 2022 is approximately S$1.98 million. This excludes the accounting impact of the forfeiture of share options on the resignation of these key management personnel.

Notes:
(1) Fixed Component refers to base salary, fixed allowances and annual wage supplement, if applicable, for the financial year ended 31 March 2022.
(2) Variable Component refers to performance bonus paid in the financial year ended 31 March 2022.
(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, pension allowance, long service awards and housing benefits, where applicable.
(5) Total Compensation excludes the value of restricted shares.
(6) The SingPost Restricted Share Plan comprises two types of awards granted in the financial year ended 31 March 2022, i.e. Performance Share Awards and Restricted Share Awards. The restricted shares valuation adopted simulation methodologies consistent with assumptions that apply under the Monte Carlo Model.
(7) Ms Neo Su Yin and Mr Tang Cheng How, Ryan were appointed as CEO, Singapore and CEO, International, respectively on 1 November 2021. The amounts disclosed above are in respect of their respective remuneration for the entire financial year.
(8) Ms Linda Hoon Siew Kin ceased to be the Group Company Secretary on 23 March 2022 and left SingPost as Chief Legal Officer on 1 April 2022.
(9) Mr Puar Huan Kiap ceased to be the Group Chief Information Officer and left SingPost on 31 January 2022. The amount disclosed above is in respect of his remuneration from 1 April 2021 to 31 January 2022.
(10) Mr Yik Yen Shan, Vincent was appointed as the Group CFO on 11 February 2022. The amount disclosed above is in respect of his remuneration from 13 December 2021 to 31 March 2022.
(11) Mr Paul William Coutts (the former GCEO), and Mr Lai Tak Loi, Richard, and Mr Lim Jui-I (two former key Management personnel), left SingPost during the financial year ended 31 March 2022. Provision 8.1 of the 2018 Code provides that the amounts and breakdown of remuneration of (a) each individual director and the CEO, and (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 be disclosed. For transparency, their compensation is disclosed as an aggregate figure instead of individually and in bands as they did not serve SingPost for the full financial year.

ACCOUNTABILITY AND AUDIT
Principle 9: Risk Management and Internal Controls

The Board and Management ensure that the Group implements and maintains a sound system of risk management and internal controls. The Group's policy is to establish an organisational philosophy and culture that ensures that effective risk management is an integral part of its activities and a core management capability. The Board is responsible for the governance of risk across the Group. The BRTC assists the Board in the oversight of the Group's risk management framework and policies.

CORPORATE GOVERNANCE REPORT

The Group adopts an Enterprise Risk Management (ERM) Framework which sets out the components for managing risks in an integrated, systematic and consistent manner. The ERM Framework and related policies are reviewed annually.

The BRTC has scheduled meetings which are attended by the Group CEO, the Group CFO, CEO Singapore, CEO International, the Group Chief Information Officer, Group Chief Human Resources Officer, Chief Legal Officer, Head, Corporate Services & Sustainability and Senior Vice President (Group Internal Audit), as well as key Management personnel, all of whom are responsible for directing and monitoring the development, implementation and supervision of ERM practices across the Group.

Management Committee meetings were held on a weekly basis to discuss strategic, business, and operational matters. During these meetings, key projects and operational risks (including those arising out of the ongoing COVID-19 pandemic) were identified and discussed, along with proposed mitigating measures to address these risks to ensure residual risks were mitigated to an acceptable level. Follow-ups were then performed in subsequent meetings to ensure mitigating actions were executed. Any significant issues identified from these meetings were brought to the attention of the BRTC.

The Group has in place a structured and systematic approach to risk management, and aims to mitigate the Group's risk exposures through appropriate risk management strategies and internal controls. Risk management in the Group is a continuous, iterative and integrated process which has been incorporated into various planning, approval, execution, monitoring, review and reporting systems. The Group adopts a top-down as well as bottom-up approach on risk management to ensure the strategic, business, operational, financial, reporting, compliance and IT risk exposures are identified and appropriately managed.

On a quarterly basis, the respective risk owners will review the adequacy and effectiveness of the mitigation controls of their respective top tier risks and present their respective risk alerts and updates on their mitigation plans to the BRTC. Critical technology matters such as IT (Cyber) security and risks associated with data strategy management will also be discussed in length between the BRTC and Management including Group Chief Information Officer.

The Board has oversight over the Group's key top tier risks and on an annual basis, the Group's Risk Heat Map containing the top tier risks and Group ERM initiatives are presented to the Board and updated on a half-yearly basis.

During the financial year ended 31 March 2022, the BRTC reviewed the ERM Framework to ensure it remains relevant to the Group's circumstances. The ERM framework consists of ERM Governance, ERM Process and ERM Monitoring. Both ERM Process (risk alerts reporting) and ERM Monitoring (quarterly reports circulated to BRTC) were performed on a quarterly basis.

The BRTC also assists the Board in fulfilling its oversight responsibilities on risk management by reviewing:
- the overall risk management system and process and providing comments on changes as and when appropriate for Management's consideration having regard to costs and benefits
- the Group's risk appetite statements, risk profiles, guidelines and limits
- the Group's material exposures and concurrence on Management's assessment on the adequacy and effectiveness of the mitigation measures implemented by risk owners

The Group's risk appetite statement (RAS) reflects the nature and extent of risks the Group is willing to take in pursuing its strategic objectives and addresses the management of material risks faced by the Group. Alignment of the Group's risk profile to the Group's RAS is achieved through various communication and monitoring mechanisms (including key performance indicators set for Management) put in place across the Group. During the financial year ended 31 March 2022, the Board reviewed the Group's RAS regarding the Group's perspectives on the risks surrounding strategy, sustainability and growth, financial, people and culture.

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
- having qualified and experienced persons to take charge of important functions

CORPORATE GOVERNANCE REPORT

The Company's approach to risk management is set out in the Sustainability section under ERM Approach of the Annual Report on pages 84 to 93.

The Board has received written assurance from the Group CEO and the Group CFO that, as at 31 March 2022, the Group's financial records have been properly maintained, and the financial statements give a true and fair view of the Group's operations and finances.

Written assurance has also been received by the Board from the Group CEO, the Group CFO and other relevant key Management personnel that the Group's internal controls (including financial, operational, compliance and IT controls) and risk management systems were adequate and effective as at 31 March 2022 to address the risks (including sanction-related risks) which the Group considers relevant and material to its operations and finances.

The Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance, and IT controls) and risk management systems were adequate and effective as at 31 March 2022 to address the risks (including sanction-related risks) which the Group considers relevant and material to its operations and finances. This opinion is arrived at based on the framework established and maintained by the Group, the work performed by the internal and external auditors, reviews carried out by Management, various Board Committees and the Board, and assurances received from the Group CEO, the Group CFO and other relevant key Management personnel. As at 31 March 2022, there has been no material change to the Group's risk of being subject to any sanctions-related law or regulation.

The Board notes that the internal controls and risk management systems provide reasonable but not absolute assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, fraud or other irregularities.

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 periodic 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.

ACCOUNTABILITY AND AUDIT
Principle 10: Audit Committee

The AC comprises three Directors, all of whom are non-executive independent Directors. All members of the AC, including the AC chairman, have recent and relevant accounting or related financial management expertise and experience. The AC does not comprise members who were partners or directors of the incumbent external auditor, Deloitte & Touche LLP within the past two years. The AC also does not comprise any member who has any financial interest in Deloitte & Touche LLP. The AC's key responsibilities are outlined in the "Board Committees" section of this Report.

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to and the full cooperation of Management. It also has full discretion to invite any Director or executive officer to attend its meetings. In addition, the AC has direct access to the external auditor. If required, the AC has authority to seek external resources to enable it to discharge its functions properly, including obtaining legal and other professional advice and services.

The Group's Internal Audit Department (IAD) performs detailed work to assist the AC in the evaluation of material internal controls of the Group. The external auditor, in the course of conducting its normal audit procedures on the statutory financial statements of the Group, also reviews 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 external auditor, these weaknesses and the external auditor's recommendations are reported to the AC.

The AC reviews the overall scope of both internal and external audits and the assistance given by the Group's officers to the auditors. It meets with the Group's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Group's system of internal controls. The AC also meets with the internal and external auditors, without the presence of Management, at least annually.

CORPORATE GOVERNANCE REPORT

The AC has reviewed the half-year and annual financial statements of SingPost and the Group, the voluntary interim business updates for the first and third quarters of the financial year, and the related SGXNet announcements for the financial year ended 31 March 2022, as well as the auditor's reports thereon. Interested person transactions of the Group in the financial year have been reviewed by the AC.

During the year, the AC has reviewed the performance of the external auditor using the Audit Quality Indicators Disclosure Framework published by ACRA as reference. The AC has also reviewed with Management all the non-audit services provided by the external auditor to SingPost and the Group in the financial year ended 31 March 2022. Based on the nature and extent of the services provided, the AC is of the opinion that the independence of the external auditor was not impaired by the provision of these non-audit services. The external auditor has also provided a confirmation of its independence to the AC. Accordingly, the AC has recommended the re-appointment of the external auditor at the forthcoming AGM.

During the financial year, the AC has reviewed with the Group CFO and the external auditor the changes to accounting standards and issues which are relevant to the Group and have a direct impact on the Group's financial statements.

The AC has reviewed the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2022, as well as the Independent Auditor's Report thereon before submitting them to the Board for its approval. The AC has discussed with Management the accounting principles that were applied and also considered the appropriateness of the critical accounting estimates and judgments made in preparing the financial statements.

The following significant matters impacting the financial statements were discussed with Management and the external auditor and were reviewed by the AC:

Key Audit Matters	Review of Key Audit Matters by the Audit Committee
Assessment of impairment of goodwill and other intangible assets	The Audit Committee considered the approach and methodology applied to the valuation models used in the goodwill impairment assessment as well as the assessment of indicators of impairment of intangible assets. The Audit Committee reviewed the recoverable amounts of the cash-generating units ("CGUs") which involves significant judgment about the future cash flow projections of the business with consideration of the potential financial impact of the geopolitical tensions and the ongoing and evolving COVID-19 pandemic, the appropriate terminal growth rates and discount rates applied to the future cash flow projections. The impairment review was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2022. Refer to page 107 of the Annual Report.

CORPORATE GOVERNANCE REPORT

Key Audit Matters	Review of Key Audit Matters by the Audit Committee
Acquisition of controlling interest in Freight Management Holdings Pty Ltd	The Audit Committee considered the approach and methodology applied in the purchase price allocation exercise as well as the key assumptions used in determining the fair values of the identifiable assets acquired and liabilities assumed, including the valuation of intangible assets, the fair value of the previously held interest, and assessment of the gross liability of the put options at acquisition date and end of the reporting period. In respect of the impairment assessment of goodwill and trademarked brands with indefinite life arising from the acquisition, the Audit Committee considered the equity value used in the measurement model for the gross liability for the put options as a proxy for the recoverable amount of the Freight Management Holdings CGU. The acquisition of controlling interest in Freight Management Holdings Pty Ltd was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2022. Refer to page 108 of the Annual Report.
Valuation of investment properties	The Audit Committee considered the approach and methodology applied to the valuation models used in assessing the valuation of investment properties. The Audit Committee reviewed the data, estimates and assumptions including the potential impact of the ongoing and evolving COVID-19 pandemic, used in each valuation model as well as the independence and competence of the valuer appointed to perform the valuations. The valuation of investment properties was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2022. Refer to page 109 of the Annual Report.

Whistleblowing Policy

The Group is committed to a high standard of ethical conduct and adopts a zero-tolerance approach to fraud, corruption and other forms of unethical behavior or conduct. The Group has put in place whistleblowing policies and arrangements by which staff and any other persons may, in confidence, raise concerns about possible improprieties including concerns about the Group's accounting, internal controls, auditing matters and the conduct of officers or staff including Management and Directors. The Group is also committed (and has disclosed its commitment under the SingPost Whistle-blowing Policy published on its corporate intranet and corporate website) to ensure protection of the whistleblower against reprisal, or detrimental or unfair treatment where such reports are filed in good faith (even if the feedback is later found to be unsubstantiated after investigation). The IAD has been designated as the independent function to maintain the dedicated whistle-blowing channels and investigate whistleblowing reports made in good faith. All whistleblowing reports received, including the identities of the whistleblowers and the persons implicated in the reports, are kept strictly confidential and only disclosed on a "need-to-know" basis. The AC is responsible for oversight and monitoring of whistleblowing and periodically reviews these policies and arrangements. All reportable incidents including allegations of fraudulent practices are brought to the attention of the chairman of the AC and the chairman of the Board, and are investigated promptly, independently, professionally, fairly and honestly. Details of the whistleblowing policies, and arrangements and procedures for raising such concerns are posted on the Company's corporate intranet and corporate website for easy reference by staff and any other persons. New staff are also briefed on these policies during the staff orientation programme.

CORPORATE GOVERNANCE REPORT

In respect of the Board, the Code of Business Conduct and Ethics requires Directors to communicate any suspected violations promptly to the Chairman of the Board and the chairman of the NCGC. If the suspected violations involve the Chairman of the Board or the chairman of the NCGC, communication should be made to the chairman of the AC whereupon suspected violations will be investigated by the Board or by a person or persons designated by the Board and appropriate action will be taken in the event it is determined that any violation has occurred.

In addition, the Group adopts a zero-tolerance approach to bribery and corruption and is committed to acting professionally, transparently and fairly with integrity in all of the Group's business dealings and relationships as well as implementing and enforcing effective systems to counter bribery and corruption. The Group's Anti-Bribery and Corruption Policy (ABC Policy) sets out guiding principles to conduct the businesses with honesty, fairness and high ethical standards. The ABC Policy applies to the Board members as well as employees of the Group. The Company also has a Code of Conduct that sets forth certain standards and rules of conduct that apply to all employees. The Code of Conduct describes the importance of protecting the interests of the Company, safeguarding sensitive and confidential information, preventing any conflict of interest, and not engaging in illegal, corrupt or fraudulent activities, as an employee of the Company. All employees are expected to strictly adhere to the rules of conduct contained in the staff manual including the code, as well as comply with Company policies, laws and regulations.

The Code of Business Conduct and Ethics and the ABC Policy are accessible from the Company's corporate website.

Internal Audit

The Group's IAD covers the audits of the Company and its subsidiaries. The IAD's objectives, scope of authority and responsibilities are defined in the Group's Internal Audit Charter, which has been approved by the AC. The IAD is independent of the activities it audits, and does not undertake any operational responsibility or authority over any of the activities within its audit scope.

The IAD is staffed by suitably qualified and experienced executives. Its primary line of reporting is to the chairman of the AC, although it would also report administratively to the Group CEO. The AC approves the hiring, removal, evaluation and compensation of the head of the internal audit function.

Under the Group's Internal Audit Charter, the IAD has unfettered access to all of the Group's documents, records, properties and personnel, including direct access to the AC.

Annually, the Group's internal audit plan is formulated based on a risk-based approach to review the adequacy and effectiveness of the Group's system of internal controls, including financial, operational, compliance and information technology controls, and risk management system. The plan is developed in consultation with, but independent of Management and is aligned with the Group's ERM Framework. This plan is reviewed and approved by the AC.

The AC reviews the adequacy and effectiveness of the internal audit function on an ongoing basis, and is of the view that the internal audit function is independent, effective and adequately resourced. The AC ensures that the IAD is adequately resourced, has appropriate standing within the Group and is able to perform its functions effectively and objectively.

The IAD adopts and complies with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors (IIA). The IAD has a Quality Assurance programme to ensure conformance to IIA Standards. Internal Quality Assurance reviews are conducted on an annual basis. External reviews are carried out once every 5 years by external qualified professionals. The last review was successfully completed in FY2018/2019. The quality assessment review conducted in FY2021/2022 concluded that the internal audit scope of activities conforms with the IIA Standards.

Training and development opportunities are provided for IAD staff to ensure their technical knowledge and skill sets remain current and relevant. Support is also given to IAD staff to achieve and maintain their certification and relevant professional accreditations (e.g., Certified Internal Auditor, Certified Fraud Examiner, Certified Information Systems Auditor, Chartered Accountant, etc.). IAD staff also attend external trainings and seminars conducted by reputable public accounting and auditing firms, and professional associations such as IIA, Association of Certified Fraud Examiners, and Singapore Accountancy Commission.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT
Principle 11: Shareholder Rights and Conduct of General Meetings
Principle 12: Engagement with Shareholders

The Company treats all shareholders fairly and equitably and is committed to upholding a practice of fair, transparent and timely disclosure. The Company publicly releases all price-sensitive and trade-sensitive information via SGXNet prior to any meetings with individual analysts or investors with the view to ensure parity of information. Such information is also posted on the Company's corporate website after each release.

Conduct of Shareholder Meetings

Due to the COVID-19 situation in Singapore in the past, the AGMs in respect of the financial years ended 31 March 2020 and 31 March 2021, and the EGM held on 26 November 2021 in relation to the proposed acquisition of Freight Management Holdings Pty Ltd, were convened and held fully by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (Order).

However, in view of the improving COVID-19 situation and progressive easing of community safe management measures in Singapore, and after due consideration of public health and other risks, the Company has decided to permit shareholders to, as an alternative to attending the AGM in respect of the financial year ended 31 March 2022 (2022 AGM) via electronic means (Virtual Meeting), attend the 2022 AGM in person (Physical Meeting). The Physical Meeting will be held at The SingPost Auditorium, Singapore Post Centre, 10 Eunos Road 8, #05-30 Singapore 408600 and the Virtual Meeting will be held by way of electronic means pursuant to the Order.

The Company will restrict the number of in-person attendees at the Physical Meeting to 170 persons. The limit for in-person attendees at the Physical Meeting is subject to change depending on any regulations, directives, measures or guidelines that may be issued by any government or regulatory agency in light of the COVID-19 situation in Singapore from time to time. In the event of excess demand, the in-person attendees for the Physical Meeting will be selected on a first-come-first-serve basis. Authenticated shareholders, duly appointed proxy(ies) and CPF and SRS investors who are unsuccessful in the pre-registration for the Physical Meeting, or who are successful but are subsequently unable to attend the Physical Meeting for any reason, may nevertheless participate in the 2022 AGM via electronic means at the Virtual Meeting instead.

For shareholders who still prefer to attend the 2022 AGM via electronic means, arrangements by which the Virtual Meeting can be electronically accessed via live audio-visual webcast or live audio-only stream, for the submission of questions to the Chairman of the Meeting in advance of, or live at, the 2022 AGM, for the addressing of substantial and relevant questions in advance of, or live at, the 2022 AGM and for voting at the 2022 AGM (a) live by the shareholder or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (b) by appointing the Chairman of the Meeting as proxy to vote on the shareholder's behalf at the 2022 AGM, will be put in place.

The Company's usual practice for the conduct of general meetings is otherwise set out below.

The Company encourages shareholder participation at general meetings, which serve as a platform for engagement with the Board and Management. The Company ensures that shareholders have the opportunity to participate effectively and vote at general meetings.

The Company disseminates information on its general meetings through notices sent to shareholders and published in the local press and via SGXNet. Annual Reports and Letters/Circulars are normally sent to shareholders at their written request and are posted on the Company's corporate website. The meetings are usually held in a central location in Singapore to ensure convenient access for shareholders.

Under the Company's Constitution and pursuant to the Companies Act 1967, the CPF Board and relevant intermediaries (as defined in Section 181 of the Companies Act 1967) may appoint more than two proxies to attend, speak and vote on their behalf. A registered shareholder who is unable to attend may appoint up to two proxies, who need not be shareholders of the Company, to attend and vote on his/her behalf.

CORPORATE GOVERNANCE REPORT

Shareholders are informed of the rules, including the voting procedures that govern general meetings. The Company has implemented electronic polling and the voting procedures are carefully explained to the shareholders by the independent scrutineer at the start of the meeting together with a test run to ensure familiarity with the electronic polling device and procedure. All resolutions are put to vote by poll.

Where a physical meeting is held, Board members and the respective chairman of all the Board Committees, together with Management, are present and available at general meetings to address shareholders' queries. The Company's external auditor is also present to address shareholders' queries relating to the conduct of audit and the preparation and content of the auditor's report. Shareholders also have the opportunity to communicate with the Directors and Management after the meeting.

At each AGM, Management presents an update to shareholders on the Company's progress, performance and prospects. Presentation materials are also released via SGXNet and posted on the Company's corporate website for the benefit of shareholders.

Separate resolutions are tabled on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. In the event that there are resolutions which are interdependent and linked, the Board will explain the reasons and material implications in the notice of the meeting. Shareholders present are given an opportunity to clarify or direct questions on issues pertaining to the proposed resolutions before the resolutions are voted on. To ensure transparency in the voting process, the detailed results of all resolutions put to vote, showing the number of votes cast for and against each resolution, and the respective percentages, are tallied and disclosed live on-screen to shareholders immediately after the vote has been cast. The results are also announced via SGXNet after the conclusion of the meeting.

Minutes of the general meetings are posted on the Company's corporate website as soon as practicable after such meetings. The minutes record substantial and relevant comments or queries from shareholders and responses from the Chairman, Board members and Management.

Provision 11.4 of the 2018 Code provides that a company's constitution should allow for absentia voting at general meetings of shareholders. Presently, absentia voting (such as by mail, email or fax) is not permitted under the Company's Constitution. The Company does not intend to amend its Constitution to provide for absentia voting until security, integrity and other pertinent issues relating to absentia voting are satisfactorily resolved. Nevertheless, the Company is of the view that notwithstanding its deviation from Provision 11.4 of the 2018 Code, shareholders are treated fairly and equitably and have the opportunity to communicate their views on matters affecting the Company. For instance, shareholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings if they are unable to attend.

Dividend Policy

The Company's dividend policy is based on a payout ratio ranging from 60% to 80% of underlying net profit for each financial year. The dividend policy is published on the investor relations (IR) section of the Company's corporate website at https://www.singpost.com/about-us/investor-relations/dividend-information. Other than the dividend policy, the Company also discloses its dividend payment history on its corporate website.

The Board has proposed a final dividend of 1.3 cents per ordinary share for the financial year ended 31 March 2022. This is subject to shareholders' approval at the Annual General Meeting of the Company to be convened. Including the interim dividend of 0.5 cents per ordinary share, total dividends for the financial year would be 1.8 cents which represents a payout ratio of about 50% of underlying net profit. This continues to be outside the dividend policy payout ratio range, but the Board has deemed it necessary to continue to take a prudent approach considering the ongoing challenges in the operating environment as well as the Group's transformation initiatives.

CORPORATE GOVERNANCE REPORT

Communication with Shareholders

The Company proactively engages its shareholders and strives to ensure effective communication with the investment community.

The Company's IR activities and conduct are guided by its Market Disclosure Policy, which contains the principles, guidelines and procedures governing market disclosure, as well as the IR Policy, which describes the principles and practices for the Company to provide current and prospective investors with information necessary to make well-informed investment decisions.

The Company makes timely disclosures of new material information to all shareholders on SGXNet in compliance with the requirements of the SGX listing rules. Where there is inadvertent disclosure made to a select group, the Company will make the same disclosure publicly to all others as promptly as possible via SGXNet.

In FY2021/2022, SingPost ranked 7th in The Singapore Governance and Transparency Index (SGTI) and was an ASEAN Corporate Governance Scorecard (ACGS) Award Winner.

Management and the IR team proactively engage analysts and investors to keep them updated on the business strategy, operational and financial performance, and material corporate developments. These take the form of one-on-one and group meetings, conference calls, site visits as well as participation in conferences and non-deal roadshows.

SingPost has always utilised both face-to-face and virtual means for such engagements. With safe management measures and travel restrictions in place during the year, Management shifted towards virtual platforms to maintain active engagement with the investment community.

In FY2021/2022, Management and IR engaged over 100 investors through face-to-face meetings, video and audio conferences, and virtual briefings or webcasts. While Management would typically conduct overseas non-deal roadshows on top of local meetings and conferences, these were held off due to travel restrictions.

Over the course of the year, SingPost participated in 3 virtual investor conferences. This included events co-organised by the SGX and investment banks, such as the SGX-Credit Suisse Singapore Corporate Virtual Access Day in June 2021.

Besides discussing financial and operational performance, Management also spent time updating investors on SingPost's ESG initiatives.

SingPost also recognises the importance and value of regular engagement with retail shareholders, and holds annual meetings for retail investors with the Securities Investors Association Singapore (SIAS) to provide an opportunity for investors to interact with Management.

Retail shareholders were invited to its annual SingPost-SIAS dialogue session in July 2021 where Management updated on SingPost's financial and operational performance and engaged in a question-and-answer session with the attendees. Another session was conducted in November 2021 where Management engaged attendees on SingPost's proposed acquisition of Freight Management Holdings Pty Ltd.

SingPost believes in developing and fostering strong relationships with research analysts, who play an important role in communicating key messages to the investing community, media and general public. Six research firms covered SingPost during the year.

To facilitate better understanding of the Group's business operations, SingPost organises site visits for investors and analysts, which in the past included visits to the SingPost Regional eCommerce Logistics Hub for a first-hand look at automation systems used for eCommerce order picking and parcel sorting. With safe distancing measures in place during the year, Management used virtual platforms to showcase the capabilities of the Logistics Hub.

SingPost conducts briefings for analysts for each financial results announcement. The public may access a live webcast or playback of each of the results briefings, and a transcript will be published under the IR section of the corporate website as soon as practicable.

CORPORATE GOVERNANCE REPORT

To ensure timely and accurate dissemination of information, the IR section of the corporate website is regularly updated and contains all SGXNet announcements, periodic financial statements, investor presentations and AGM-related materials, including minutes of the AGM and the full voting results.

Shareholders and potential investors can contact the IR team directly with any queries via the contact details published on the IR section of the Company's corporate website. In addition, they are able to sign up for an email alert service, and be updated whenever there are any announcements.

Furthermore, the Lead Independent Director is available to shareholders and can be contacted at lid@singpost.com where shareholders have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate. The contact details of the Lead Independent Director are published on the IR section of the Company's corporate website.

Based on the above, the Company has in place a framework which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

MANAGING STAKEHOLDERS RELATIONSHIPS
Principle 13: Engagement with Stakeholders

The Company has put in place practices that enable regular communication and engagement with stakeholders, so as to understand and address their needs and interests. Platforms used to communicate and engage with stakeholders include a current website and other social media tools. Formal materiality assessment exercises with internal and external stakeholders were conducted from FY2017/2018 to FY2018/2019 to identify environment, social and governance (ESG) topics that matter to them. Recognising a fast-evolving development on ESG focus globally and to build resilience having regard to our operating environment amid the COVID-19 pandemic, another stakeholder engagement exercise involving both internal and external stakeholders was carried out in FY2021/2022. The results from the materiality assessments and ongoing engagements continue to influence sustainability efforts in the Company. The basis for and methods of engagement with the stakeholders, along with the key areas of focus for each stakeholder group, can be found in the FY2021/2022 Sustainability Report (including the maintenance of a current corporate website). It is to be noted that SingPost publishes an online Sustainability Report annually within 5 months of its financial year end.

DEALINGS IN SECURITIES

In line with the SGX listing rules, the Company has adopted a Securities Trading Policy that sets forth standards and procedures for dealing in the Company's securities, and which has been disseminated to employees of the Group and Directors of the companies within the Group.

The policy and guidelines applicable for the financial year ended 31 March 2022 provide that no dealings in the Company's securities by the Directors and officers of the Group can take place during the period of one month immediately preceding the announcement of the Company's half year and full year financial statements, and ending once the announcement of the relevant results (Closed Periods) is made. Further, if at any relevant time (including an "open" trading period), they are aware of or privy to any material undisclosed price-sensitive and/or trade-sensitive information which is the subject of an impending Company's announcement or potential media release, they should not trade in the Company's securities until the information is appropriately disseminated to the market.

During an open trading period, Directors shall provide prior notice to the Company and obtain pre-clearance from the Company's Chairman, Group CEO and Company Secretary prior to the execution of any such trade in the securities of the Company. For any persons other than Directors, pre-clearance should be obtained from the Group CEO and Company Secretary prior to the execution of any such trade in the securities of the Company.

The Company will also not purchase or acquire its securities during the Closed Periods and at any time after a price-sensitive or trade-sensitive development has occurred or has been the subject of a decision until the price-sensitive or trade-sensitive information has been publicly announced.

CORPORATE GOVERNANCE REPORT

Directors and officers are also required to comply with insider trading laws at all times even when dealing in the Company's securities outside the prohibited trading period. The policy and guidelines also discourage trading on short-term considerations.

Directors are also prohibited from disposing the Company's securities, directly or indirectly held, within a period of twelve (12) months of their cessation as Directors of the Company.

The Company issues periodic reminders to its Directors, relevant officers and employees on the restrictions in dealings in the Company's securities.

Directors and senior Management are prohibited from entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under its equity-based remuneration schemes. Such associated products include structured instruments, financial products, arrangements or derivatives involving SingPost securities or unvested entitlements.

SUMMARY OF DISCLOSURES

SUMMARY OF DISCLOSURES OF CODE OF CORPORATE GOVERNANCE 2018 (2018 CODE)

Rule 710 of the SGX Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the 2018 Code in their annual reports for financial years commencing on or after 1 January 2019. This summary of disclosures describes the Company's corporate governance practices with specific reference to the disclosure requirements in the principles and provisions of the 2018 Code.

Provision	Page reference in SingPost Annual Report 2021/22
BOARD MATTERS	
The Board's Conduct of Affairs	
Principle 1	
1.1	Pages 51, 52, 56 and 73
1.2	Pages 57 to 61
1.3	Pages 51 and 52
1.4	Pages 52 to 55
1.5	Pages 56 and 62
1.6	Pages 56 and 57
1.7	Pages 51 and 57
Board Composition and Guidance	
Principle 2	
2.1	Pages 58 and 59
2.2	Pages 58 and 59
2.3	Pages 58 and 59
2.4	Pages 58, 59 and 60
2.5	Pages 56 and 61
Chairman and Chief Executive Officer	
Principle 3	
3.1	Page 60
3.2	Page 60
3.3	Pages 61 and 77
Board Membership	
Principle 4	
4.1	Pages 55, 57, 58, 61 to 63 and 234 to 247
4.2	Pages 55 and 61
4.3	Page 61, 62 and 63
4.4	Pages 55, 58 and 59
4.5	Pages 16 to 19, 58 and 62
Board Performance	
Principle 5	
5.1	Page 63
5.2	Page 63
REMUNERATION MATTERS	
Procedures for Developing Remuneration Policies	
Principle 6	
6.1	Pages 54, 64 and 65
6.2	Page 54
6.3	Page 54
6.4	Page 64

Provision	Page reference in SingPost Annual Report 2021/22
Level and Mix of Remuneration	
Principle 7	
7.1	Pages 64, 66 and 67
7.2	Page 65
7.3	Page 64
Disclosure on Remuneration	
Principle 8	
8.1	Pages 65 to 68
8.2	Page 66
8.3	Pages 65 to 68 and 101 to 104
ACCOUNTABILITY AND AUDIT	
Risk Management and Internal Controls	
Principle 9	
9.1	Pages 53, 54, 68 to 70 and 84 to 93
9.2	Page 70
Audit Committee	
Principle 10	
10.1	Pages 53, 70 and 71
10.2	Pages 52 and 70
10.3	Page 70
10.4	Page 73
10.5	Page 70
SHAREHOLDER RIGHTS AND ENGAGEMENT	
Shareholder Rights and Conduct of General Meetings	
Principle 11	
11.1	Pages 74 and 75
11.2	Page 75
11.3	Pages 56 and 75
11.4	Page 75
11.5	Page 75
11.6	Page 75
Engagement with Shareholders	
Principle 12	
12.1	Pages 76 and 77
12.2	Pages 76 and 77
12.3	Page 77
MANAGING STAKEHOLDERS RELATIONSHIPS	
Engagement with Stakeholders	
Principle 13	
13.1	Page 77
13.2	Page 77
13.3	Page 77

SUSTAINABILITY

SingPost's purpose of ***Making Every Delivery Count for People and Planet*** drives every decision from customer focus to operations optimisation, caring for our people and the communities we serve, to ensuring environmental and social sustainability for generations to come in partnership with the ecosystem we operate in.

In keeping pace with the fast-evolving ESG landscape, SingPost conducted a materiality assessment in FY2021/22 to re-evaluate our ESG priorities and ensure that our stakeholders' concerns and needs continue to be recognised and addressed. The assessment was facilitated by a third-party consultant for their ESG expertise and objectivity and included engagements with a range of internal and external stakeholders. List of stakeholder groups, basis and methods of engagement, their focus or concerns and how SingPost respond to them can be found in the FY2021/22 Sustainability Report Stakeholder Engagement section found on page 13.

Sustainability at SingPost is delivered through three interlinking pillars – (1) Cherishing Our Planet (2) Collaborative Partnerships and (3) Culture of Trust. As we focus on the 10 material matters of the three pillars, we will be responding to 12 United Nations Sustainable Development Goals ("UN SDGs").

PURPOSE	MAKING EVERY DELIVERY COUNT FOR PEOPLE AND PLANET		
Pillars	**Cherishing our Planet** Sustaining a liveable planet for future generations	**Collaborative Partnerships** Transforming markets and delivering value for our communities and customers	**Culture of Trust** Caring for and doing the right things for our stakeholders
Material Matters	• Climate Action and Resilience • Resource Efficiency and Waste Management	• Responsible Supply Chain • Product and Service Innovation • Customer Experience • Community Investment	• Data Privacy and Cybersecurity • Ethical and Transparent Business Practices • Employee Engagement and Talent Practices • Health and Safety
Alignment with UN SDGs			

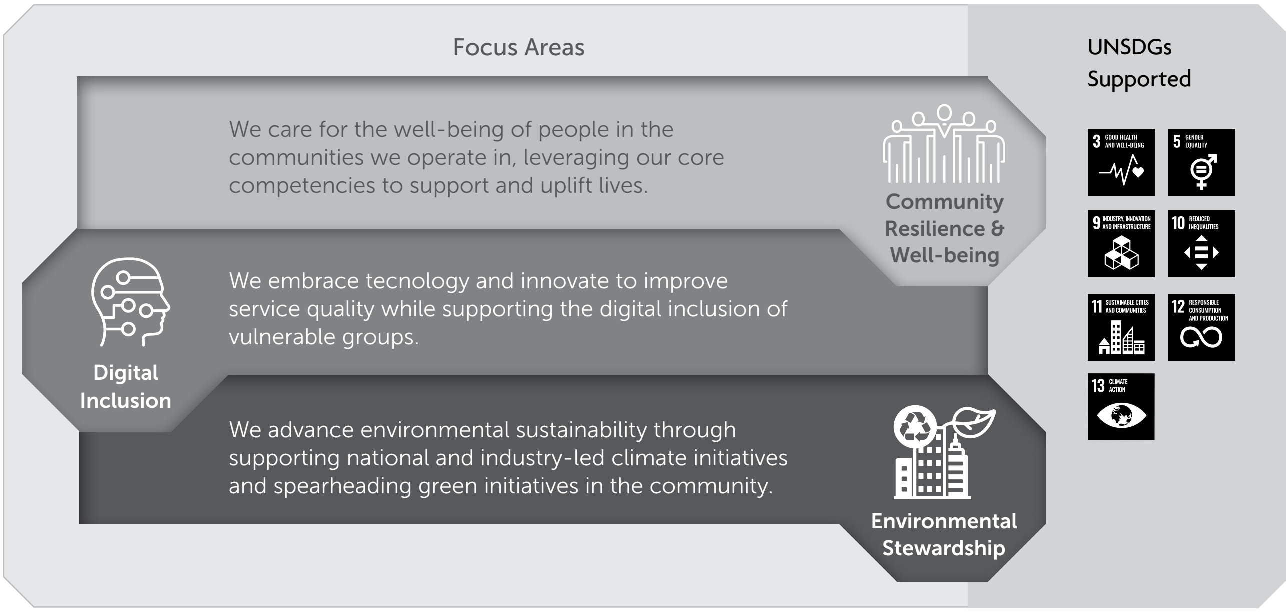
SingPost publishes a standalone Sustainability Report that is issued along with the Annual Report and is available on SingPost website. SingPost's Sustainability Report is prepared in accordance to the Global Reporting Initiative ("GRI") standards – 'Core Option' reporting requirements, as well as the Singapore Exchange Securities Trading Limited ("SGX-ST") Mainboard listing requirements. The Sustainability Report communicates the Company's sustainability performance as well as strategic approach and data on our material Environment, Social, and Governance ("ESG") factors.

SUSTAINABILITY

TOUCHING LIVES IN THE COMMUNITY

In FY2021/22, we refreshed our Community Investment Framework to better serve the needs of the community, focusing on three pillars: Community Resilience & Well-being, Digital Inclusion, and Environmental Stewardship. We are also committed to developing our social initiatives in alignment with the UN SDGs 3, 5, 9, 10, 11, 12, and 13.

COMMUNITY INVESTMENT FRAMEWORK



With the refreshed Community Investment Framework, we are reviewing our community initiatives and will be working towards signature programmes that address the needs of the community.

Building community resiliency and well-being

To help build community resiliency, we partnered several organisations and government agencies to provide nationwide distribution of health supplies and resources.

In Singapore, these initiatives included supporting Temasek Foundation in its nationwide distribution of leaflets to 1.48 million households for their collection of oximeters, and the packing and delivery of mouth gargle bottles to over 770,000 1- to 4-room HDB flats across Singapore. SingPost also partnered the National Parks Board for the nationwide distribution of seed packets in response to the strong interest in growing edibles and bringing the love of gardening closer to our community.

To care for the elderly during these times, we held our Silver Giftings fund-raising initiative during festive periods to gift the elderly in the community with festive meals, care packs and necessities such as groceries and walking sticks. Employees raised about $20,000 during the year, benefitting over 300 elderly beneficiaries. Staff volunteers delivered these items to the seniors, in collaboration with social service agencies and mosques. Despite the constraints posed by safe management measures, we were able to engage over 100 staff volunteers for these sessions.

SingPost supported Penpals in the Community, a ground-up initiative connecting the elderly with the younger generation to promote intergenerational bonds through letter writing. Specially designed letter-writing kits, including postage, postcards, and envelopes, are sponsored by SingPost. The initiative has grown since its inception during the pandemic and has attracted about 370 penpal volunteers.

SUSTAINABILITY

In Australia, CouriersPlease (CP) contributed to the Movember initiative which supports men's mental health and suicide prevention, prostate cancer, and testicular cancer, raising about AUD5,000 in 2021. CP also participated in the Vinnies CEO Sleepout to raise funds and awareness of the issues of homelessness.

Caring for our environment with the community

In line with its focus on environment sustainability, SingPost embarked on an upcycling initiative to reduce the amount of waste generated from its postal uniform replacement and to involve the community in this effort. This initiative, named Re:Post, has enabled SingPost to minimise the amount of waste by reusing the materials instead of just disposing of them, and to create work opportunities for social enterprises and the communities they support.

RE:POST, AN UPCYCLING INITIATIVE WITH THE COMMUNITY

SingPost embarked on its Re:Post initiative in FY2021/22 to upcycle the old postal uniforms replaced during its uniform redesign in 2020. About 4,000 pieces of the postman non-marked cargo pants were also donated to migrant workers in six worker dormitories.

Three social enterprises were engaged to design and produce practical lifestyle products from the uniforms. The design and production of the upcycled products took about three months, with 138 crafters and volunteers in the community contributing to the collaboration. This initiative provided work opportunities to crafters such as stay-home caregivers, and engagement opportunities for seniors in Lion's Befrienders active ageing centres who helped to unpick, sew, and iron the materials.

The upcycled products included water repellent tote bags made from postman windbreakers and raincoats. Products such as tissue holders, toilet roll holders, cushion covers, and coin pouches were made from the postman shirts, T-shirts and cargo pants. Leftover scrap materials were also sewn together to form patchwork picnic mats.

The Re:Post products were sold as part of a charity campaign, raising about $13,000 which was donated to Southwest Community Development Council in support of its South West Caregiver Support Fund and Meals Service @ South West.

PHILANTHROPY

We continue to contribute to the community through cash and in-kind donations. Total donations and sponsorships amounted to over $300,000 during the financial year. This included sponsorships of nationwide distribution with partners, contributions to Community Chest's employee payroll donation matching programme (SHARE) and fund-raising initiatives by partners (SGX Bull Charge, NTUC-U Care fund and charity golf event), as well our support for the annual UTES – U Care Bursary awards. We also collaborated with AMKFSC Community Services to raise funds for their programmes and beneficiaries with the placement of donation tins in Post Offices to collect public donations.

SUSTAINABILITY

Environmental Sustainability
Businesses are in a position to deliberate positive contributions to the one planet that we have. SingPost takes a serious view on this and commits to effect positive outcomes for the environment in everything that we do as part of our business strategy.

This year, we are taking a bigger step of setting the target of net-zero carbon (scope 1 and 2 emissions) for our Singapore operations[1] by 2030 and net-zero carbon (scope 1, 2 and 3 emissions) globally by 2050. We have refined our sustainability strategy to strengthen our decarbonisation efforts leading to our net-zero goals. To understand our carbon footprint risk and align ourselves to the global standards of climate reporting, SingPost has adopted the recommendations of the Taskforce on Climate-related Financial Disclosures ("TCFD") to be incorporated into our climate action journey.

SINGPOST'S ROADMAP TO NET-ZERO EMISSIONS

Our decarbonisation pathways include

SCOPE 1

Converting delivery vehicles into electric vehicles ("EVs")

SCOPE 2

Transportation Fleet:
Charging EVs by renewable energy

Renewable Energy:
Expand on-site renewable energy generation

Property Management
Improve building energy efficiency

SCOPE 3

- Reduction of business travel and opting for low emissions flight options
- Reduction of operational waste generated
- Reduction of packaging consumables emission utilising sustainable materials
- Procurement of sustainable goods and services
- Adopting low carbon delivery options (e.g. partner carriers adopting sustainable aviation fuel, net-zero flights, net-zero road transportation, working with low carbon transportation partners)
- Facilitate an ecosystem approach to reduce Scope 3 emissions

››››Leading to Our Net-Zero Goals

Singapore Operations
Net-zero carbon (Scope 1 and 2 emissions) by 2030

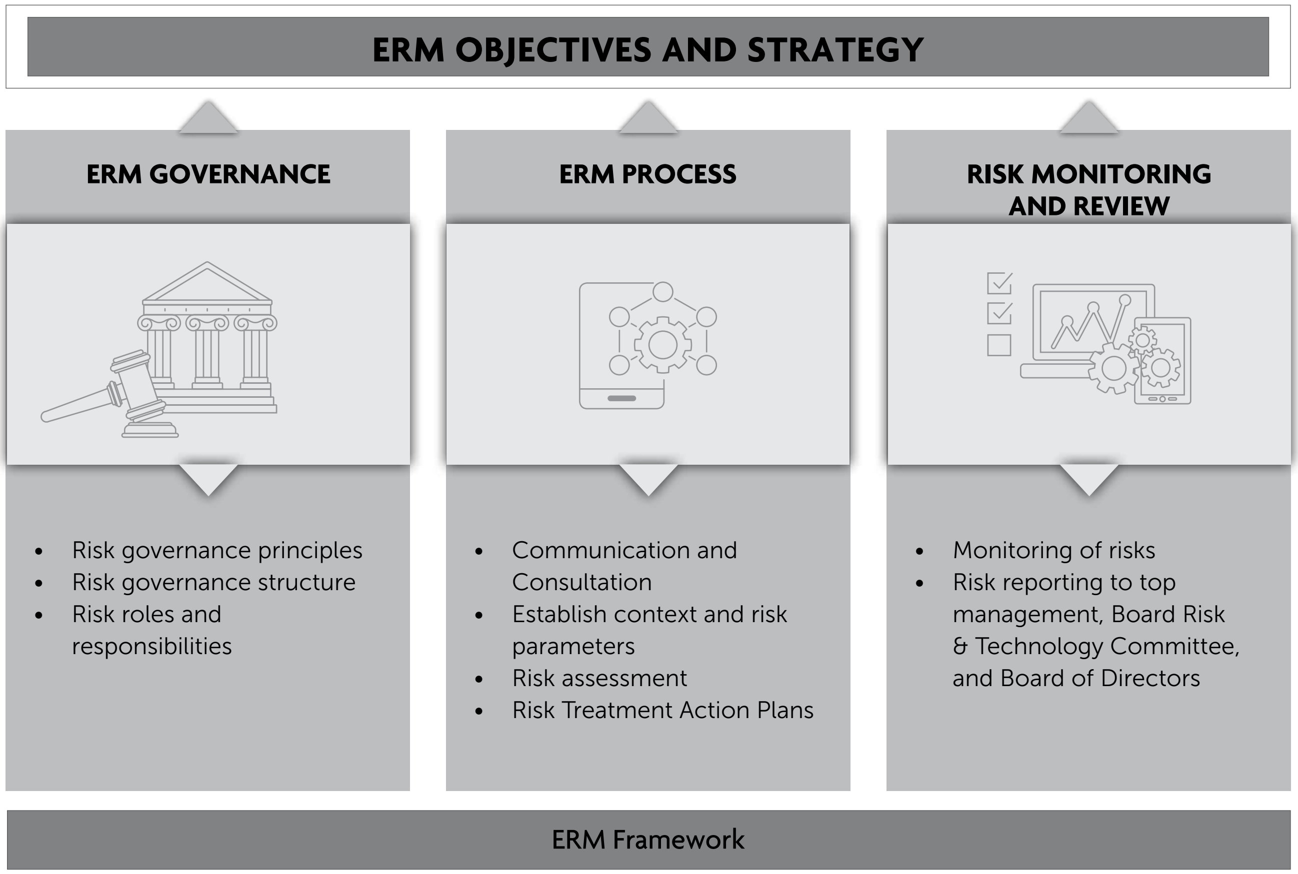
Global Operations
Net-zero carbon (Scope 1, 2 and 3 emissions) by 2050

1 Net-zero is the point at which an organisation has first achieved its 1.5°C science-based target, of which a 45-50% reduction in emissions by 2030 is required in the case of SingPost from the baseline of FY2018/19, followed by a removal of residual emissions (e.g. by carbon offsets). This reduction of 45-50% for SingPost was derived from the Science Based Target initiative ("SBTi)" Absolute Contraction Approach ("ACA") to ensure that targets for absolute emissions reductions are in line with global decarbonisation pathways.

SUSTAINABILITY

ENTERPRISE RISK MANAGEMENT (ERM) APPROACH
ERM Framework of the SingPost Group ("The Group")

The Group's ERM framework is modelled on the ISO 31000:2018 Risk Management – Principles and Guidelines, and covers the key strategic, operational, financial, compliance, and information technology risks facing SingPost. The ERM framework is supported by appropriate risk policies, procedures and provides guidance to the Group's various business units and support units on managing risks.



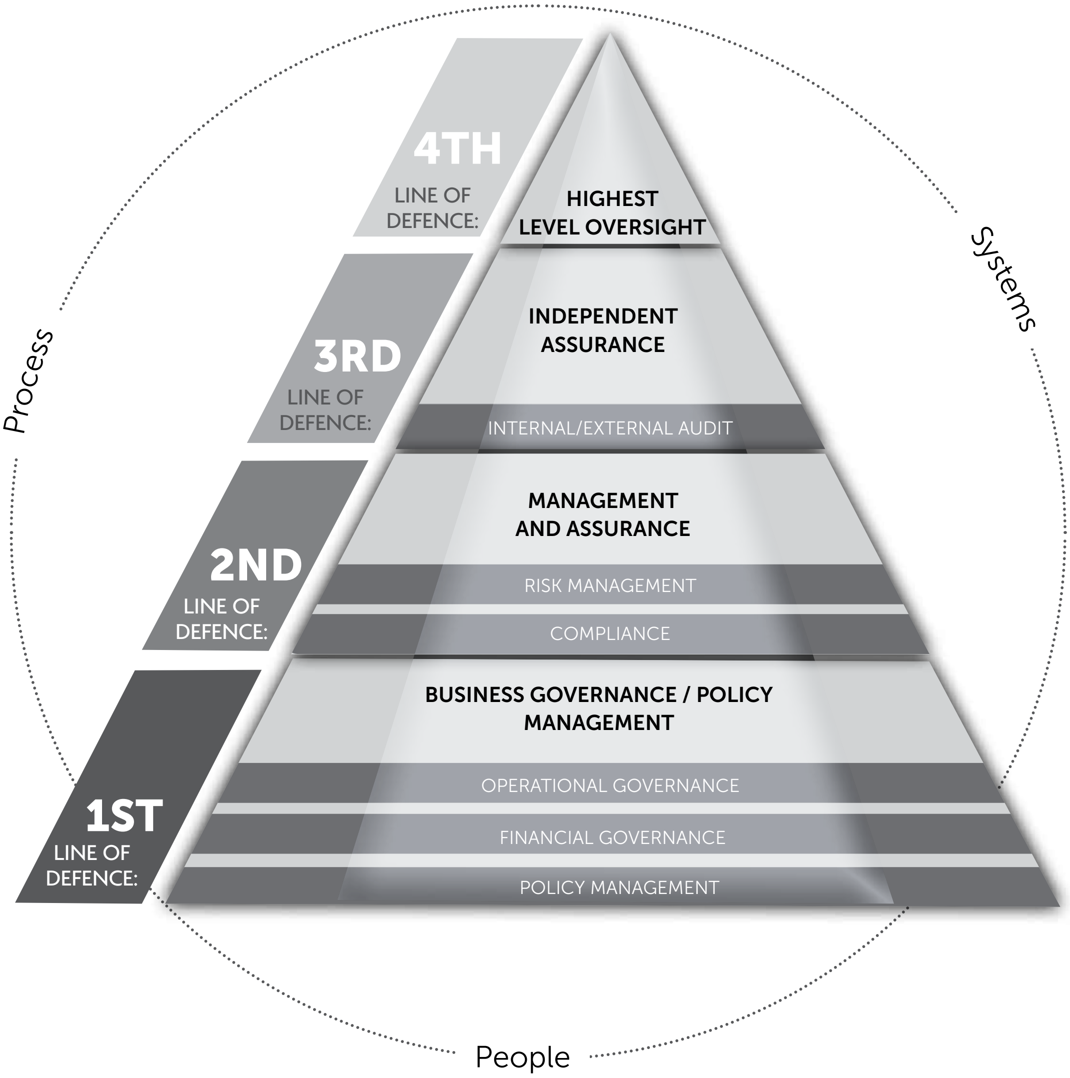
RISK GOVERNANCE
The Group's ERM programme and internal controls are reviewed on a regular basis and, where appropriate, refined by Key Management with guidance from the Board Risk and Technology Committee (BRTC) and the Board of Directors (Board).

The Board, through the BRTC, has overall responsibility for risk governance and ensures that Management maintains a robust system of risk management and internal controls to safeguard stakeholders' interests and the company's assets and resources.

In addition, the BRTC sets the tone on the appropriate risk culture and provides guidance on the enterprise risk management system and the corresponding policies and procedures. The BRTC meets quarterly.

SUSTAINABILITY

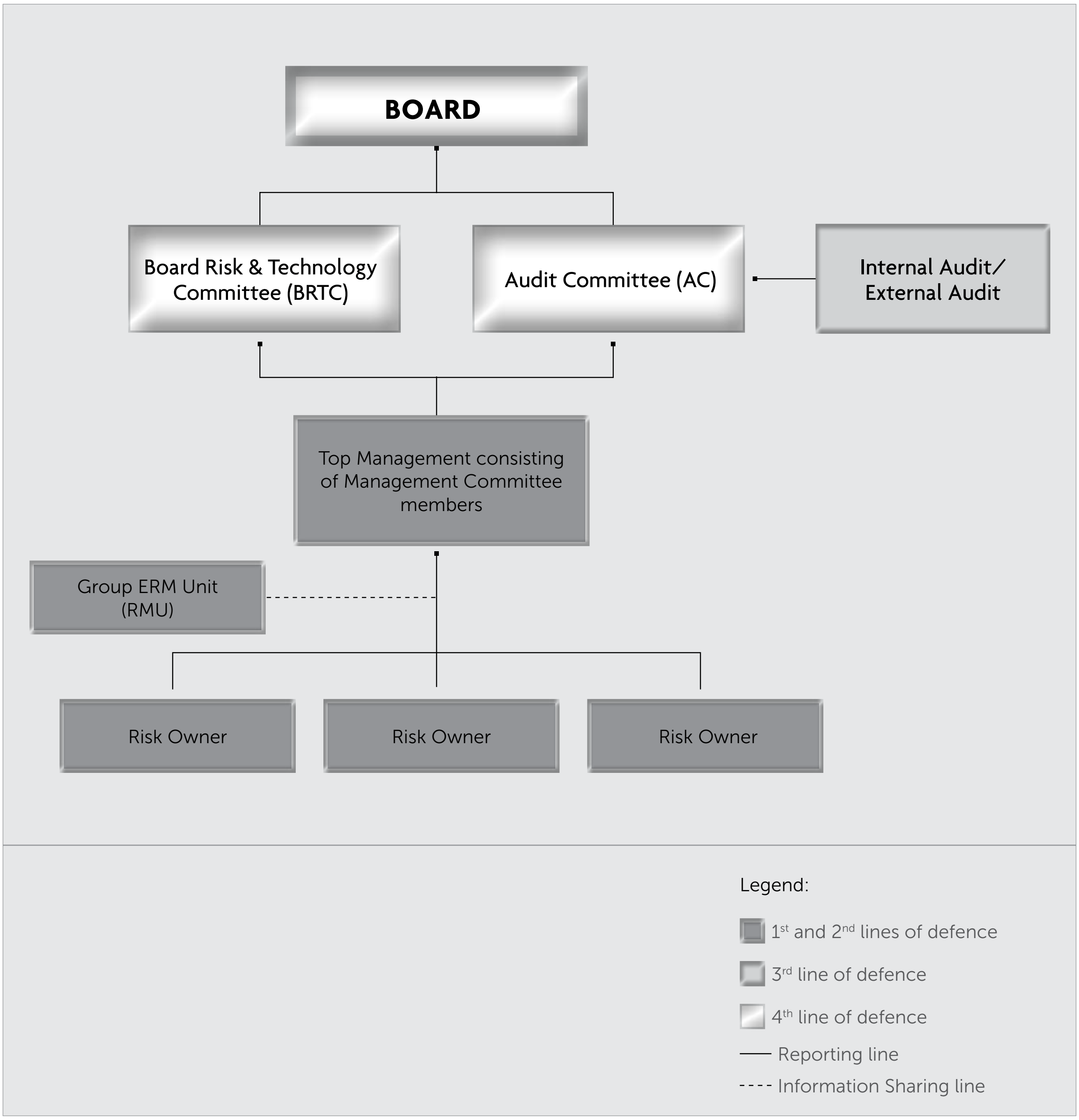
The purpose of risk governance is to embed and build on the four lines of defence (as illustrated in the diagram below), which is a prerequisite to promote a robust system of risk management and effective internal controls.



4
LINES OF DEFENCE:

RISK GOVERNANCE STRUCTURE
The adoption of the above four lines of defence develops a risk governance structure. It embeds the Group's existing organisational structure with assigned risk roles and responsibilities.

SUSTAINABILITY

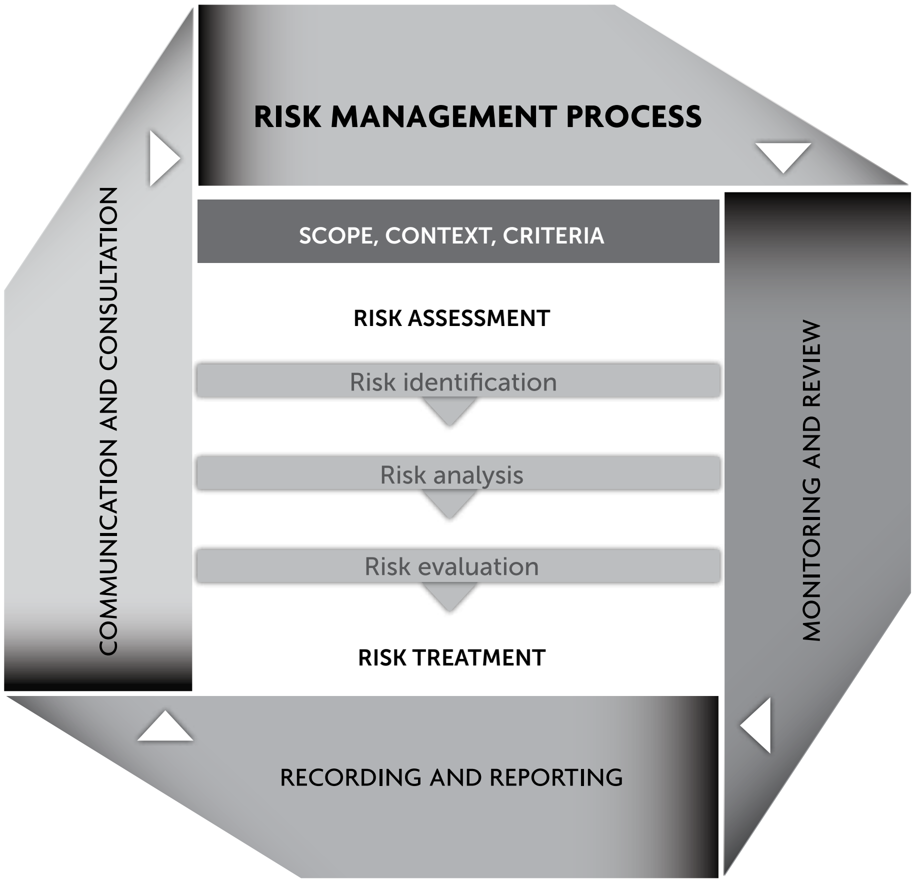


ERM PROCESS

The ERM process aims to achieve the following:

- A structured, disciplined and systematic approach to managing risks;
- Robustness of risk information;
- Accountability for outcomes and risk treatment action plans; and
- Sustainability

SUSTAINABILITY



Risk Appetite Statements

The Group's risk appetite statement reflects the nature and extent of risks the Group is willing to take in pursuing its strategic objectives. The Board have reviewed the following risk appetite statements during the financial year ended 31 March 2022:

1. **Strategy**
   The Group is committed to upholding its reputation as a trusted organisation while placing customers at the core of its business. This will include investments into people, innovation, infrastructure, cyber, and data security to the benefit of all stakeholders.

2. **Sustainability & Growth**
   The Group aims to strengthen its market position in Singapore and the rest of Asia Pacific by taking measured risks that balances risk and reward in line with its strategic objectives and initiatives. The Group will also proactively seek to diversify its business while actively managing its risks.

3. **Financial**
   The Group aims to deliver value to shareholders with sustainable profitable growth. The Group is committed to maintain a strong financial position and targets an investment grade credit rating with adequate liquidity to meet its operational and financing obligations and longer-term goals.

4. **People & Culture**
   The Group aims to be an employer of choice where it engages, develops, grows, and rewards talent, apart from providing employees and stakeholders a safe and healthy work environment. The Group is committed to complying with laws and regulations of all countries in which it operates, and to conduct business with integrity, fairness and high ethical standards in all business dealings and relationships.

SUSTAINABILITY

KEY MATERIAL RISKS TO THE GROUP

The Group categorises its risk profile into five key areas: **Strategic, Financial, Operational, Compliance, and Information Technology.**

STRATEGIC RISKS

A large part of the Group's strategic risks comprises of market-driven forces, evolving business landscapes, changing customer demands, concentration of key customers, disruptive technology, and declining letter volume.

RISK NAME:	THE GROUP MANAGES BY:
Concentration (The Group recognises the risk of over-reliance on revenue generated by its business unit and its products.)	• Diversifying transshipment origin, trade lanes and destination countries. • Strengthening and optimising a regional transhipment hub to serve our eCommerce customers. • Develop and grow our Post and Parcel global transshipment hub to serve eCommerce customers (from Platforms to Brands). • Diversifying the Group's income streams to prevent over-reliance on a particular business unit.
Declining Letter Volume (The Group recognises the risk of technological advancements replacing physical letters, this poses a threat to the Group's revenue mix.)	• Focusing on the growth of eCommerce volume to mitigate e-substitution. • Seeking basic postage and bulk mail scheme rate revisions. • Processing will continue to be automated along with application of smart technologies in infrastructure to enhance efficiency.
Merger & Acquisition (The Group recognises the merger and acquisition (M&A) risk is the risk arising from the process of buying and integrating businesses.)	• Adopting a disciplined investment evaluation and decision process governed by the Group M&A policy. • Integrating the acquired businesses as appropriate, to maximise synergies and to ensure compliance with corporate governance requirements. • Ensuring more members of our management team to be represented as Board directors and/or management of our acquired businesses. This allows the sharing of commercial experience as well as best practices in corporate governance and reporting.

SUSTAINABILITY

FINANCIAL RISKS

The Group has diversified global businesses, partially funded by external debts in addition to shareholders' funds. This exposes the Group to liquidity risk, interest rate risk, and foreign currency risk. The Group has established policies, guidelines, and control procedures to manage and report exposure to such risks.

RISK NAME:	THE GROUP MANAGES BY:
Treasury (The Group's businesses and operations may be exposed to unfavourable movements in foreign exchange rates, interest rates, that may result in potential financial losses.)	**<u>Liquidity Management</u>** • Monitoring and maintaining a level of cash and cash equivalents to finance operations and to mitigate the effects of fluctuations in cash flows. • Maintaining funding flexibility with credit facilities available to meet short-term obligations as they fall due. **<u>Interest Rate</u>** • Reviewing the Group's interest rate exposures on Group's debt obligations and interest-bearing financial assets. • Maintaining a prudent mix of fixed and floating interest rates for the outstanding borrowings or debts to manage fluctuations in the interest rate environment. • Placing cash balances with reputable banks and financial institutions with different maturities to manage interest income on different interest rate terms. **<u>Foreign Currency</u>** • Constantly reviewing foreign currency exposure from fluctuations arising from the Group's operations and subsidiaries, and associates in foreign countries. • Using a hedging framework, matching currencies, and hedging instruments to hedge known exposure from foreign currency exchange rate fluctuations.
Credit Management (The Group recognises that weak credit control management over customers, customers' slow payment or non-payments when customers' accounts receivables are due may result in potential significant bad debts.)	• Credit analysis and robust screening of such customers to ensure credit worthiness. • Understanding the risk exposure and applying suitable credit terms. • Ensuring strict compliance by all customers to the credit terms with deviations granted only on exceptional basis and in accordance to Accounts Receivable Approval Matrix. • Escalating to Group Chief Financial Officer on monthly and quarterly basis, customers' whose accounts receivable are overdue. • Trade Credit Insurance policy is in place to insure for high valued customers.

SUSTAINABILITY

OPERATIONAL RISKS

The Group's operations are exposed to a variety of operational risks relating to workplace safety and health, talent retention and with the increased reliance on information systems and technology as a business enabler, a service disruption of critical information technology (IT) systems or malicious and deliberate attempt of hackers to breach our IT systems could adversely affect the Group's business continuity and reputation.

RISK NAME:	THE GROUP MANAGES BY:
Workplace Safety and Health (The Group recognises the importance of taking reasonably practicable safety and health measures at its workplaces to prevent severe injury or death of staff and/or customers.)	• Establishing a Workplace Safety and Health (WSH) committee to review workplace safety and health performance of each business and support units. • Collect and review observations and incident data, near misses; investigating incidents and mapping action plans for improvements and prevention. • Conducting safety awareness workshops across for all operational employees. • Conducting WSH inspection at all workplaces to identify hazards and ensure compliance to WSH Act and relevant regulations. • Implementing COVID-19 safe management measures at all workplaces.
Talent Retention (The Group recognises the importance of retaining personnel with key institutional knowledge, information, experience, skills, and connections for key positions in the SingPost management group to ensure operational effectiveness and business sustainability.)	• Robust approach to talent identification, assessment and development allows the Group to have a holistic organisational view of our talent pipelines and bench strength. The identified pool of talent is offered accelerated development opportunities that include formal learning, coaching and mentoring as well as action learning projects to enhance their skills and competencies and prepare them to successfully take on the challenges of the future. • Succession Planning for key executive and critical roles identified across the business, allows the Group to be aware of and systematically mitigate any short term or long-term risks arising from potential unavailability of talent so that appropriate steps to recruit or accelerate development of the Group's internal talent may be taken. This annual exercise, conducted jointly with the talent identification and assessment process, is with the involvement of the Management team as well as Board Committee. • In line with the Group's pay-for-performance philosophy, we adopt pay differentiation where the top performers receive a larger pay-out accordingly. Top performers and critical talents are also eligible for SingPost long term incentives.

SUSTAINABILITY

RISK NAME:	THE GROUP MANAGES BY:
Business Continuity (The Group recognises the importance and the need to recover from a business / operational disruption quickly to minimise impact to our customers, operations and assets.)	• Establishing Business Continuity Management Council structure with Business Continuity Management (BCM) Framework to drive the business continuity plan (BCP) efforts from top down. • Continuously reviewing and monitoring the effectiveness of the BCP via annual testing of the BCPs.
IT Security (The Group recognises that cyber threats remain a key concern as attackers become increasingly creative with attack methods and may result in significant data losses.)	• Maintaining an IT security framework to address evolving IT security threats such as hacking, malware, and loss of data. • Dedicated IT security expertise to keep abreast on the latest developments, innovation, and threats in technology, and assessing their risks and impact.
Critical IT Systems Failure (The Group recognises that unplanned outage/ downtime and/or performance deficiency of Critical IT systems may lead to negative customer experience, disruption to major operations, and/or regulatory actions or fines by the regulators.)	• Conducting periodic disaster recovery testing on all critical IT systems. • Ensuring that IT servers are centrally and continuously monitored with appropriate escalations to be performed on any critical IT systems failure. • Monitoring mechanisms to mitigate poor performing critical systems.

SUSTAINABILITY

COMPLIANCE RISKS

The Group's business operations are exposed to a variety of compliance risks relating to postal regulation and associated government regulations.

RISK NAME:	THE GROUP MANAGES BY:
Data Privacy (The Group recognises that data privacy breaches may undermine customer confidence and may result in litigation from customers and/or subject to regulatory fines and penalties.)	• Maintaining an accountability-based data privacy framework to work in conjunction with the IT security framework to safeguard personal data collected, processed, and disclosed. • Maintaining governance structure to ensure oversight is provided by the group management and the board on the adequacy of the Group's privacy programme and control measures. • Developing and implementing data privacy focused policies and procedures group wide. Examples are – handling of privacy incidents and personal data breaches, data subject access rights, classification of personal data. • Conducting regular mandatory trainings to all employees on the Group's data privacy framework and associated policies and procedures to create awareness and compliance. • Assigning clear line of accountability to all privacy liaison officers at Business Units (BUs) and Support Units (SUs) level to assist in the maintaining of data privacy and personal data protection procedures and processes.
Governance (Fraud, Bribery and Corruption) (The Group recognises that fraud, bribery and corrupt acts committed by employees/officers and non-compliance with internal governance/Standard Operating Procedures, may result in financial loss and/or reputation damage to the Group.)	• Maintaining a zero-tolerance policy and "tone from the top" towards fraud, bribery, and corruption. • Reviewing internal controls periodically and conducting trainings and awareness activities. • Mandating all staff to undergo the annual Code of Conduct declaration exercise where the anti-bribery and anti-corruption requirements are spelt out for compliance and affirmation. • Maintaining whistle-blowing escalation process where SingPost Group Internal Audit manage and investigate whistleblowing incidents and all whistle-blowing reports received are reported to SingPost Audit Committee on a quarterly basis. • Embedding the Code of Ethics into the Code of Conduct policy (owned by HR) to give emphasis on ethical behaviour and integrity of individual employee. • Maintaining a dedicated Ethics Committee at Management level to evaluate staff issues or concerns of an ethical nature, reviewing remediation and strengthening processes.

SUSTAINABILITY

RISK NAME:	THE GROUP MANAGES BY:
Payment Services Act ("PSA") (The Group is required to meet regulatory requirements for offering payment services under the PSA and notices and guidelines released by the Monetary Authority of Singapore. Non-compliance with the above may result in financial penalties or in the worst case, a suspension of the licence resulting in stoppage of the business.)	• Developing and implementing relevant policies and procedures. Examples are – Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) as required, safeguarding requirements, issuance of receipts, etc. • Maintaining a checklist and ensuring that all products and services offered or to be offered by the Group will adhere to the PSA regulation. • Conducting training to all employees on the PSA regulation and associated policies and procedures to create awareness and compliance. • Monitoring and assessing the impact of PSA and the changes of the PSA regulation to minimise impact to the business.
Sanctions (The Group recognises that violations of trade compliance laws and regulations, including sanctions and embargoes, will carry fines and expose the Group and its employees to criminal sanctions and civil suits.)	• Monitoring and tracking the developments of significant sanctions issued by international organisations (e.g. United Nations) as well as unilateral sanctions issued by countries/ jurisdictions such as United States of America and the European Union. • Creating a continual awareness on the latest developments and requirements via monthly and ad-hoc email circulars to the various Business Units (BU) and Support Units (SU). • Establishing an escalation channel for BUs and SUs to flag any suspicious or high-risk transaction to Group Compliance for review and assessment and screen the associated parties against sanction lists/databases. • Establishing the Third-Party Due Diligence policy to guide all employees on the required measures and process when engaging third parties. • Monitoring and reviewing adequacy of resources for managing sanction risk to align with the evolving businesses and regulatory environment.
Postal Regulatory (The Postal Service is required to meet Quality of Service (QoS) standards for basic letters delivery services set by the Infocomm Media Development Authority (IMDA). IMDA's Postal QoS framework is one of the most stringent in the world. The Postal Service is required to comply with the Postal Services Act, Postal Licence conditions, Postal Competition Code, Postal Services Regulations, Postal Services Operations Code including any Directions and Guidelines issued by the IMDA. Non-compliance with the above may result in the imposition of financial penalties.)	• Having proactive and regular engagements with the Postal Regulator, IMDA and other government agencies. • Internal communications campaigns to train, educate and reinforce best behaviour. • Regular reminders to frontliners to comply with established protocols, guidelines, best practices, and directions, enhanced by strict disciplinary action taken for non-compliance. • Continually monitoring and assessing the impact of Postal Regulatory developments as the business evolves to minimise impact to the business.

SUSTAINABILITY

OUR PEOPLE

Against a backdrop of another year long COVID-19 pandemic climate/measures, our people have demonstrated tremendous valour, tenacity, unbending commitment, and steadfast teamwork in discharging SingPost's national obligations. We are so proud of our people. Naturally, our foremost consideration was to provide ardent support to our employees as they navigated the COVID-19 pandemic safely and successfully adapted to the sudden/changing demands of their roles.

Recognising the constraint of no in-person training due to COVID-19 pandemic, an online Digital & Data Readiness was curated for our employees. Through this programme, employees explored the transformative and technological forces at work and ways to leverage them for the long-term success of SingPost. We also collaborated closely with our union, Union of Telecoms Employees of Singapore (UTES) via Company Training Committee in recognising the importance of personal and professional growth of our employees even as they navigated through COVID-19 pandemic. Acknowledging that our frontline personnel, including service staff, mail, and parcel ambassadors, are essential to the success of our business and operations, we continue to upskill our frontliners in the areas of digital transformation, professional image and etiquette skills, plus good employment practices for our frontline supervisors. Through the SkillsFuture for Digital Workplace and SuperCharge Your Digital Skills programmes, we have trained more than 800 frontliners to enhance their digital confidence and prepare them to be future-ready in this digital-centric era. The Workforce Skills Qualifications (WSQ) Professional Image & Etiquette programme which has been ongoing since 2019 has trained 280 of our staff to date.

As we continue our transformative journey at SingPost, human capital remains our greatest key asset. We are "future-proofing" our workforce to meet the demands of tomorrow by using various career development channels, despite weathering the COVID-19 pandemic induced labour crunch. Through our accelerated development programmes such as iLEAD and manager effectiveness programmes, we continued building our people leadership and managerial capabilities and our bench strength. In addition, a series of Brilliant Performance Conversations Workshops were also conducted with the purpose of equipping our managers and supervisors with the mindsets and competencies to conduct fair, productive, and impactful performance reviews. This is crucial for the nurturing of a fair and inclusive workforce.

In our Collective Agreement with UTES that was signed in FY 2021/22, multiple and varied job families' job grades were streamlined into only two succinct career tracks: General and Technical. This allows for the broadening of career pathways that presents to employees with more career progression opportunities and facilitation of cross-departments job mobility for our people, so as to help achieve Enterprise level business goals.

SingPost also acknowledges the importance of mental wellness and wellbeing for our workforce. This need is more apparent when our staff had to work-from-home during COVID-19 pandemic in FY 2021/22. The "Power Talk on Mental Wellness" series was introduced to promote self-care and support our employees in safeguarding and improving their psychological health and pursuit of naturing healthy work mindsets. Our first session launched focussed on boosting psychological immunity amidst uncertainties and was very well attended. In addition, resources to access mental health resources and external helplines are made available to our employees via the internal human resource portal.

To pay it forward in our society, Singapore Post initiated an official partnership with Yellow Ribbon Singapore (YRSG), in supporting YRSG's aims to reintegrate prison inmates into society after their release, by equipping them with skills required to secure jobs. SingPost has also introduced an apprenticeship programme, in collaboration with the Institute of Technical Education ("ITE"), where individuals are able to work and study at the same time. This initiative allows SingPost to participate in developing more Singapore youths to have relevant logistics and supply chain skills-set for the growing logistics industry in Singapore. SingPost aims to expand the apprenticeship programme to other relevant Work Study diplomas in the near future.

SUSTAINABILITY

Our new Group Chief Executive Officer (GCEO) and his Management Committee launched SingPost's Purpose and refreshed Values (Safety, Trust, Total Customer, One Team, Transformation, and Top Execution). The aim is to create a values-based culture of openness and trust with single-minded focus on our Purpose (Making every delivery count for people and planet). A worldwide launch was held comprising selected staff based in Singapore gathered at our historic and previous General Post Office site (which is now the iconic Fullerton Hotel) and International staff joined online. GCEO envisaged these Values to be the foundational blocks that glue all SingPost employees together, so that we can achieve our Purpose. These Values will define the open culture of SingPost.

In an effort to increase employee engagement, a series of Leadership Engagement Sessions were conducted to enhance cross-functional interactions and catalyse peer-focused collaboration. Through this, SingPost employees from diverse perspectives and backgrounds are brought together to exchange ideas and network with their peers and leaders as part of personal learning and growth. As another of many efforts to build a culture of openness and trust for continuous improvement, the "Up Close and Personal with GCEO" programme was introduced as an employee engagement platform for the GCEO to listen to their feedback, aspirations, ideas, and solutions. It also serves as a communication channel to enhance direct interactions between management and employees.

Employee engagement and morale were also kept high with staff events such as the annual Buka Puasa event for our Muslim colleagues. It was an e-event for our Muslim colleagues to break their fast together as a SingPost family and was graced by Minister for Communications and Information, S.Iswaran plus Senior Minister of State for Communications and Information, and National Development, Sim Ann. Another employee engagement event was the much-anticipated Best Ambassadors of Year (BAOY) event that recognises exemplary contributions by frontline staff across the various business and support units in the SingPost Group.

SUSTAINABILITY

WORKPLACE HEALTH & SAFETY

At SingPost, we conduct our business with great focus on the health and safety of our employees and stakeholders including the communities we serve. Our approach promotes proactive identification and mitigation of potential occupational accidents and inculcating a safety culture in our employees to minimise safety hazards and to look out for one another.

In FY21/22, Health & Safety has been included as a material matter of our revised sustainability framework further heightening our focus on workplace health and safety. We target to achieve zero major work-related injuries and to be improving upon our rate of recordable work-related injuries reducing it year-on-year. To achieve this, our operations adopted the following safety approach:

KNOW DUTIES	To acquire and keep up to date knowledge of Workplace Health & Safety (HSE) matters
UNDERSTAND RISKS	To understand our operations and the hazards and associated risks
SYSTEMS & PROCESSES	Our operations have and uses appropriate resources and processes to eliminate or minimise risks to health and safety arising from our business, through a process of checking the effectiveness of controls
OPEN COMMUNICATION	We have appropriate processes for receiving and considering information regarding incidents, hazards and risks, and responding in a positive and timely manner
COMPLY	We implement processes for complying with all our duties and obligations
CHECK	We verify the provision and use of the resources and processes

During the year, we continue to emphasize the importance of training reinforcing safety awareness and knowledge in the organisation. Given the vast amount of time spent on vehicles making deliveries, workplace safety training such as the "Defensive Driving" webinar was organised for all drivers in the first and last mile delivery in Singapore. Additionally, two safety time-out sessions were conducted to review safe work procedures on safe loading and unloading as well as safe operation of forklifts.

To further deepen safety culture and behaviours, there was also the Postal Safety Awareness Campaign in Singapore where leadership team and operations team members alike pledged their safety commitments on pledge cards placed at all workplaces. During the campaign, there was also the launch of a standardisation of Personal Protective Equipment (PPE) at all work sites and the fleet management system was also enhanced to collate data for potentially unsafe driving practices.

In FY21/22, our operations globally continue to adapt as we manage and live with the COVID-19 pandemic across the world. Since the onset of the pandemic, we have become more flexible to regularly update our safe workplace guidelines adjusting to changing advisories by authorities in the different markets. We will continue to work on providing a conducive work environment for our employees and stakeholders. More information on Workplace Health & Safety is shared in our Sustainability Report FY2021/22.

PROFILES OF KEY EXECUTIVES

MR VINCENT YIK
Group Chief Financial Officer

Mr Vincent Yik joined SingPost in December 2021 and is the Group Chief Financial Officer, responsible for overall financial matters of the Group, including financial and management reporting, taxation, investment management, risk management, treasury as well as other corporate matters. Vincent has more than 20 years of Finance related experience and before assuming the current role, he served as Chief Financial Officer (CFO) at OUE Lippo Healthcare Limited. Vincent also previously held key executive roles such as CFO of Far East Orchard Limited (a member of Far East Organization), Chief Operating Officer, Australia Properties of Far East Organization, Sydney, as well as CFO, Australia & New Zealand Banking Group, Singapore Branch. Vincent holds a Bachelor of Commerce from the University of Queensland, Australia. Vincent is also a member of CPA Australia as well as the Institute of Singapore Chartered Accountants.

MS NEO SU YIN
Chief Executive Officer, Singapore

Ms Neo Su Yin was appointed as Chief Executive Officer, Singapore on 1 November 2021. She joined SingPost in April 2019 as Vice President, Customer Experience, lifting SingPost's service quality and customer experience for post and parcel delivery services. Since January 2021, Su Yin has undertaken the management of the domestic post and parcel business, as well as driving the transformation strategy for the Future of Post. Su Yin has more than 20 years of experience in operations and customer experience, from her time in both Changi Airport Group (CAG) and the Republic of Singapore Navy. Prior to joining SingPost, Su Yin was General Manager at CAG, managing the ground operations and customer experience within the terminals. Before CAG, Su Yin had a distinguished military career with the Republic of Singapore Navy for 17 years and held several key leadership roles, including commanding officer of a warship. Su Yin was a Singapore Armed Forces Merit Scholar and holds a Master of Science (2nd Upper Class Hons) in Occupational Psychology from the University of Nottingham, United Kingdom. She is also a graduate of the United States Naval War College in Rhode Island, USA.

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

The directors present their statement to the members together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2022.

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 112 to 231 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

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

DIRECTORS

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

Mr Simon Claude Israel (Chairman)
Mr Phang Heng Wee, Vincent (Group Chief Executive Officer) (Appointed on 1 September 2021)
Mr Bob Tan Beng Hai
Mr Chen Jun
Ms Elizabeth Kong Sau Wai
Mrs Fang Ai Lian
Mr Steven Robert Leonard
Ms Lim Cheng Cheng
Ms Chu Swee Yeok

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF 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" and "Restricted Share Plan" on pages 101 to 104 of this statement.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

(a) According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967, none of the directors holding office at the end of the financial year had any interest in the shares and debentures of the Company and 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 31.3.2022	At 1.4.2021	**At 31.3.2022**	At 1.4.2021
Company				
Singapore Post Limited				
(4.25% Senior Perpetual Cumulative securities)				
Mrs Fang Ai Lian	**–**	250,000	**–**	–

(b) According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967, 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 and unvested restricted shares of the Company granted pursuant to Singapore Post Restricted Share Plan 2013 as set out below and under "Share Options" and "Restricted Share Plan" on pages 101 to 104 of this statement.

	Number of unvested restricted shares held by director	
	At 31.3.2022	At 1.4.2021 or date of appointment, if later,
Unvested performance share awards		
Phang Heng Wee, Vincent	**669,264**	400,117
Unvested restricted shares awards		
Phang Heng Wee, Vincent	**371,763**	237,116

(c) The directors' interests in the shares and convertible securities of the Company as at 21 April 2022 were the same as those as at 31 March 2022.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

SHARE OPTIONS

The Singapore Post Share Option Scheme was adopted on 21 March 2003, and a new scheme, known as Singapore Post Share Option Scheme 2012 was adopted on 29 June 2012; collectively known as the "Scheme". The Scheme is administered by the Compensation Committee comprising Mr Bob Tan Beng Hai (Chairman), Mr Simon Claude Israel and Mrs Fang Ai Lian during the financial year ended 31 March 2022.

Employees (including 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 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.

- The vesting schedule for the share options granted to eligible employees (including executive directors) effective from 20 May 2014 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 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

DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

SHARE OPTIONS (continued)

- The share options granted to eligible employees (including executive directors) effective 26 June 2006 to 10 March 2014 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 11 May 2012, 17 January 2014, 7 March 2014 and 1 April 2014, performance share options were granted to key management staff. Vesting of these options is based on the Company's performance against a set of stretched targets on the Group's profit and the Company's target share price performance.

- 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 2021, a total of 178,687,936 share options have been granted. Detail of the options are set out in the Directors' Statement for the respective financial years.

During the financial year ended 31 March 2022, no 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**	**Balance At 1.4.21 ('000)**	**Granted during financial year ('000)**	**Options exercised ('000)**	**Options forfeited ('000)**	**Balance At 31.3.22 ('000)**
Options Granted Under Singapore Post Share Options Scheme							
For employees (including executive directors)							
26.07.11	27.07.12 to 26.07.21	S$1.100	400	–	–	400	–
11.05.12	19.05.14 to 11.05.22	S$1.030	482	–	–	–	482
10.08.12	11.08.13 to 10.08.22	S$1.070	827	–	–	138	689
17.01.14	18.01.17 to 17.01.24	S$1.350	1,683	–	–	460	1,223
07.03.14	08.03.17 to 07.03.24	S$1.330	375	–	–	–	375
20.05.14	21.05.15 to 20.05.24	S$1.450	2,598	–	–	1,989	609
07.08.14	08.08.15 to 07.08.24	S$1.760	259	–	–	197	62
19.05.15	20.05.16 to 19.05.25	S$1.890	3,527	–	–	1,652	1,875
20.05.16	21.05.17 to 20.05.26	S$1.570	1,965	–	–	473	1,492
Total Share Options			12,116	–	–	5,309	6,807

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

DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

SHARE OPTIONS (continued)

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.

RESTRICTED SHARE PLAN

The Singapore Post Restricted Share Plan 2013 (the "Plan") was implemented with the approval of shareholders at the Extraordinary General Meeting held on 28 June 2013. The duration of the Plan is 10 years commencing from 28 June 2013. Amendments to the Plan to prescribe performance conditions were duly approved by the shareholders at the Company's annual general meeting held on 20 July 2017.

Enhancements to the Plan (the "Enhanced Plan") were subsequently designed to reinforce the delivery of long-term growth and shareholder value to drive an ownership culture and retain staff whose contributions are essential to the well-being of the Group. The Enhanced Plan allow fully paid shares to be granted to non-executive directors of the Group and associated companies.

The release schedule for the shares granted to eligible employees (excluding non-executive directors) prior to financial year 2017/18 is as follows:

Vesting Period	Vesting Date	Percentage of Shares that will be Released on Vesting Date
From award date to date before first anniversary of award date	First anniversary of award date	30% (rounded to nearest whole share)
From first anniversary of award date to date before second anniversary of award date	On second anniversary of date of award	30% (rounded to nearest whole share)
From second anniversary of award date to date before third anniversary of award date	On third anniversary of date of award	Balance 40%

- 100% of the restricted shares granted to non-executive directors vest after one year from the date of grant.

Since the adoption of the Plan to 31 March 2021, a total of 5,839,118 restricted shares were granted.

During the financial year ended 31 March 2022, no restricted shares were granted under the Plan. There are no outstanding unvested restricted shares as at the start of the financial year.

Enhanced Plan

Following shareholders' approval to the Enhanced Plan at the Company's annual general meeting held on 20 July 2017, participants will receive fully paid SingPost shares provided that prescribed performance targets are met within a prescribed performance period. Shares granted from financial year 2017/18 onwards comprises of two types of awards:

a) Performance Share Award; and
b) Restricted Share Award.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

RESTRICTED SHARE PLAN (continued)

Enhanced Plan (continued)

The Performance Share Award, granted to senior management, has two long-term performance measures: Return on Equity and Absolute Total Shareholder Returns. For Performance Share Award from financial year 2020/21 onwards, an additional performance measure, CO2 Reduction from financial year 2018/19, is added. The Restricted Share Award, granted to a broader group of executives and key talents, has one long-term performance measure: Underlying Net Profit. The performance period for both types of awards is three or four years depending on when the performance conditions are met.

The performance conditions incorporate stretched targets aimed at delivering long-term shareholder value. Depending on achievement of the respective performance hurdles, 0% to 200% of the awards may vest.

Performance Share Awards

Since the adoption of the Enhanced Plan to 31 March 2021, a total of 5,751,141 shares have been granted.

During the financial year ended 31 March 2022, 269,147 shares were granted. Details of the grants are as follows:

Date of Grant	Balance As At 1.4.21 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.22 ('000)
18.01.18	359	–	–	359	–
31.05.18	2,278	–	–	2,278	–
31.05.19	1,292	–	–	701	591
01.06.20	1,571	–	–	1,116	455
20.01.22	–	269	–	–	269
Total	**5,500**	**269**	**–**	**4,454**	**1,315**

Restricted Share Awards

Since the adoption of the Enhanced Plan to 31 March 2021, a total of 9,903,706 restricted shares have been granted.

During the financial year ended 31 March 2022, 1,140,317 shares were granted. Details of the grants are as follows:

Date of Grant	Balance As At 1.4.21 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.22 ('000)
18.01.18	798	–	–	798	–
31.05.18	969	–	–	969	–
31.05.19	2,369	–	–	1,226	1,143
01.06.20	3,955	–	–	2,011	1,944
20.01.22	–	1,140	–	–	1,140
Total	**8,091**	**1,140**	**–**	**5,004**	**4,227**

DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

AUDIT COMMITTEE

At the date of this statement, the members of the Audit Committee are as follows:

Mrs Fang Ai Lian (Chairman)
Mr Bob Tan Beng Hai
Ms Chu Swee Yeok

All members of the Audit Committee were non-executive and independent directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967.

The Audit Committee has reviewed the overall scope, plans and results 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 evaluations of the Company's system of internal accounting controls.

The Audit Committee has also reviewed the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2022 as well as the independent auditor's report thereon prior to their submission to the Board of Directors for approval.

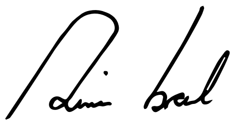
Pursuant to the requirements of the SGX-ST, the Audit Committee, with the assistance of the internal auditors, has reviewed the guidelines and procedures that were set up to identify, report and where necessary, seek appropriate approval for interested person transactions of the Group. Interested person 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, Deloitte & Touche LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

AUDITOR

The auditor, Deloitte & Touche LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors



Mr Simon Claude Israel
Chairman

Mr Phang Heng Wee, Vincent
Director

Singapore

1 June 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Singapore Post Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2022, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 112 to 231.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2022, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Our audit performed and responses thereon
Assessment of impairment of goodwill and other intangible assets *Refer to Notes 3(a) and 26 to the financial statements.* As at 31 March 2022, the goodwill and other intangible assets amounted to S$430.1 million and S$99.3 million respectively. There is no impairment in the current year. Besides goodwill and other intangible assets arising from Freight Management Holdings Pty Ltd which is discussed in key audit matter- 'Acquisition of controlling interest in Freight Management Holdings Pty Ltd', management has determined the recoverable amounts of respective cash-generating units ("CGUs") based on value-in-use calculations. Management's assessment of the recoverable amounts of the CGUs involves significant judgement about the future cash flow projections of the business and the appropriate terminal growth rates and discount rates applied to these future cash flow projections. In arriving at the recoverable amounts, management has considered strategies and plans that have been approved by the Board and are in the process of being implemented. The geopolitical tensions coupled with ongoing and evolving COVID-19 pandemic around the world impact macroeconomic conditions globally. There remains significant uncertainty as to the duration and future impact on those economies which the Group operates in. Management has considered the performance of the different CGUs during the current financial year to develop the future cash flow projections. Overall, management has assessed that there is no impairment of goodwill and other intangible assets as the recoverable amount is higher than the carrying value as at 31 March 2022.	Our audit procedures focused on evaluating the key assumptions used by management in performing the impairment review. These procedures included: • evaluating the appropriateness of allocation of goodwill and other intangible assets to the different CGUs; • challenging management's future cash flow projections through comparison with recent performance, historical trend analyses, expectations of future development of the business and market conditions and publicly available industry and economic data; • involving our specialists to evaluate the appropriateness of management's assumptions, which include terminal growth rates and discount rates, by developing an independent expectation using economic and industry forecasts and rates of comparable companies with consideration for specific jurisdiction factors; • comparing current year's actual results against prior year's forecasts to assess whether assumptions made in prior year on hindsight had been reasonable; and • performing sensitivity analysis over the recoverable amounts of the Group's CGUs, based on reasonably possible changes in the key assumptions as set out above. Based on the procedures performed, we noted management's key estimates and assumptions used in the impairment assessment of goodwill and other intangible assets to be within a reasonable range of our expectations. We have evaluated the adequacy of the Group's disclosures made in relation to goodwill and other intangible assets and found them to be adequate.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

Key Audit Matter	Our audit performed and responses thereon
Acquisition of controlling interest in Freight Management Holdings Pty Ltd *Refer to Notes 3(b), 9, 26, 27 and 40 to the financial statements.* On 30 November 2021 ("date of acquisition"), the Group acquired an additional 23% shareholding by completing its Tranche 2 acquisition of 10% and exercising its call option for an additional 13% interest in Freight Management Holdings Pty Ltd ("FMH"). Consequently, the Group's shareholding in FMH increased to 51% and it obtained a controlling interest over its previously 28% held associated company before the acquisition. At the date of acquisition, the Group performed a purchase price allocation ("PPA") exercise, where the purchase consideration (including contingent consideration) and the fair value of the 28% shareholding amounting to S$115.7 million and S$93.9 million respectively were allocated to the fair values of the identifiable assets (including trademarked brands, customer relationships and software license) acquired and liabilities assumed, resulting in the recognition of goodwill of S$181.8 million for FMH CGU. Gain on deemed disposal of the previously 28% held associated company amounting to S$32.4 million was recognised. The Group has granted put options to the remaining 49% non-controlling interests which are exercisable from 30 June 2022 to 30 December 2026, subject to the terms of the shareholders agreement. Significant management judgment is required in estimating the underlying assumptions to be applied in determining the fair values of the identifiable assets acquired and liabilities assumed, including the valuation of intangible assets, the fair value of the previously held interest, and assessment of the gross liability of the put options at acquisition date and end of the reporting period. Management has engaged an external valuation specialist to (i) assess the fair value of the previously held 28% interest; (ii) perform the valuation of certain intangible assets of FMH for the purpose of PPA exercise; and (iii) assess the gross liability of the put options as at 30 November 2021 and subsequent measurement as at 31 March 2022. An impairment assessment was performed on the goodwill and trademarked brands with indefinite life amounting to S$189.4 million and S$13.2 million respectively as at 31 March 2022. Management has determined the recoverable amount of FMH CGU based on value-in-use calculation and concluded that there is no impairment.	Our audit procedures focused on evaluating the key assumptions and methodologies used by management in performing the PPA, including the fair value of the previously held 28% shareholding and assessment of the gross liability for the put options, and impairment assessment of the goodwill and trademarked brands with indefinite life arising from the acquisition. These procedures included: • We obtained and read the relevant agreements and identified critical terms with accounting impact, including validating the purchase consideration and determining the acquisition date to be 30 November 2021. • We engaged our internal valuation specialists in assessing the methodology applied in the PPA exercise and the appropriateness of the key assumptions used in determining the valuation of intangible assets, including trademarked brands, customer relationships and software license. • With the involvement of our internal valuation specialists, we also assessed the appropriateness of the methodologies and key assumptions applied in determining the fair value of the previously held 28% shareholding and measurement of the gross liability for the put options. • In respect of the impairment assessment of goodwill and trademarked brands, we have considered the equity value used in the measurement model for the gross liability for the put options as a proxy for the recoverable amount of FMH CGU. • In respect of the external valuation specialist engaged by the Group, we found that they possessed the requisite competency and experience to assist management in performing the required valuations for FMH. We further read the engagement terms to determine whether there were any matters that might have affected their independence and objectivity or imposed a limitation on the scope of their work. Based on the procedures performed, we found management's basis of estimating (i) the fair values of certain intangible assets of FMH, (ii) the fair value of the previously held 28% interest and (iii) measurement of the put options to be within a reasonable range of our expectations. We also assessed the appropriateness of the disclosures in the financial statements in respect of this matter and found them to be adequate.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

Key Audit Matter	Our audit performed and responses thereon
Valuation of investment properties *Refer to Notes 3(c) and 23 to the financial statements.* As at 31 March 2022, the Group's investment properties amounted to S$956.6 million, representing 35.7% of the Group's total assets. These investment properties are stated at their fair values based on independent external valuations. The net fair value gain on investment properties recognised during the year amounted to S$1.3 million. The valuation of these investment properties (primarily Singapore Post Centre) located in Singapore is inherently subjective as it involves judgement in determining the appropriate valuation methodologies to be used, the underlying assumptions to be applied and consideration of terms and conditions and restrictions in the property agreements. The assumptions on which the property values are based, are influenced by the tenure and tenancy details for each property, prevailing market yields, comparable market transactions and market conditions during the year.	We obtained an understanding of the Group's process for selection of the external valuer. We evaluated the qualifications and competence of the external valuer and read the engagement terms to determine whether there were any matters that might have affected their independence and objectivity or imposed a limitation on the scope of their work. We held discussions with the valuer to understand the basis of valuation techniques, assumptions applied and the impact of COVID-19 on the properties' valuations. With the involvement of our internal valuation specialists, we evaluated the appropriateness of the valuation techniques used by the external valuer for the key investment properties. We benchmarked and challenged the key assumptions used in their valuation by reference to externally published industry data, where available, and we also considered whether these assumptions are consistent with the current market environment. Based on the procedures performed, the valuation methodologies used are in line with generally accepted market practices and the estimates and assumptions used are within a reasonable range of our expectations. We also considered the adequacy of the disclosures in the financial statements regarding the key assumptions used in the valuation and the relationships between the key unobservable inputs and fair values and found them to be adequate.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

Responsibilities of Management and Directors 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 Act, SFRS(I)s and IFRSs, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Shariq Barmaky.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants

Singapore

1 June 2022

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2022

	Note	Group 2022 S$'000	Group 2021 S$'000
Revenue	4	**1,665,579**	1,404,681
Labour and related expenses	5	**(309,916)**	(304,215)
Volume-related expenses	6	**(1,051,023)**	(842,225)
Administrative and other expenses	7	**(115,267)**	(108,677)
Depreciation and amortisation	8	**(74,424)**	(68,725)
Selling-related expenses		**(7,363)**	(9,389)
Impairment loss on trade and other receivables		**(2,211)**	(1,856)
Operating expenses		**(1,560,204)**	(1,335,087)
Other income		**6,699**	9,738
Operating profit		**112,074**	79,332
Share of profit of associated companies and joint venture	21	**4,847**	989
Exceptional items	9	**1,858**	(12,491)
Earnings before interest and tax		**118,779**	67,830
Interest income and investment income (net)	10	**3,366**	3,470
Finance expenses	11	**(14,779)**	(11,031)
Profit before income tax		**107,366**	60,269
Income tax expense	12	**(19,623)**	(13,259)
Profit after tax		**87,743**	47,010
Profit attributable to:			
Equity holders of the Company		**83,112**	47,620
Non-controlling interests		**4,631**	(610)
		87,743	47,010
Earnings per share attributable to ordinary shareholders of the Company			
– Basic and diluted	13	**3.09 cents**	1.46 cents

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2022

	Group	
	2022	2021
	S$'000	S$'000
Profit after tax	**87,743**	47,010
Other comprehensive income (net of tax):		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences:		
– (Loss) / gain on translation of foreign operations	**(2,131)**	16,706
– Disposal / liquidation of foreign subsidiaries	**(246)**	–
– Transfer to profit or loss arising from change in ownership interest from an associated company to a subsidiary	**(63)**	–
Items that will not be reclassified subsequently to profit or loss:		
Equity investments at fair value through other comprehensive income		
– Fair value (loss) / gain	**(10,992)**	20,367
Revaluation gain on property, plant and equipment upon transfer to investment properties	**6,412**	672
Other comprehensive (loss) / income for the year (net of tax)	**(7,020)**	37,745
Total comprehensive income for the year	**80,723**	84,755
Total comprehensive income attributable to:		
Equity holders of the Company	**76,845**	78,728
Non-controlling interests	**3,878**	6,027
	80,723	84,755

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

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2022

	Note	Group 2022 S$'000	Group 2021 S$'000	Company 2022 S$'000	Company 2021 S$'000
ASSETS					
Current assets					
Cash and cash equivalents	14	**280,438**	501,212	**200,598**	418,831
Financial assets	15	**8,006**	6,505	**8,006**	6,505
Trade and other receivables	16	**234,060**	166,411	**101,776**	124,048
Derivative financial instruments	17	**391**	40	**391**	40
Inventories		**523**	558	**16**	83
Other current assets	18	**35,335**	18,669	**8,909**	7,338
		558,753	693,395	**319,696**	556,845
Assets classified as held for sale	19	**5,499**	–	**–**	–
		564,252	693,395	**319,696**	556,845
Non-current assets					
Financial assets	15	**90,631**	111,124	**–**	12,581
Trade and other receivables	20	**4,945**	8,626	**212,920**	245,919
Investments in associated companies and joint venture	21	**34,072**	97,469	**21,891**	21,891
Investments in subsidiaries	22	**–**	–	**361,313**	322,397
Investment properties	23	**956,610**	1,010,804	**945,274**	956,362
Property, plant and equipment	24	**412,454**	405,448	**245,818**	251,953
Right-of-use assets	25	**71,266**	70,163	**19,647**	21,816
Intangible assets	26	**529,441**	314,532	**–**	–
Deferred income tax assets	30	**8,657**	4,248	**–**	–
Other non-current assets	18	**7,076**	5,958	**–**	–
		2,115,152	2,028,372	**1,806,863**	1,832,919
Total assets		**2,679,404**	2,721,767	**2,126,559**	2,389,764
LIABILITIES					
Current liabilities					
Trade and other payables	27	**667,500**	506,011	**392,352**	447,532
Current income tax liabilities		**24,542**	19,752	**13,161**	9,380
Contract liabilities	29	**29,397**	34,759	**23,597**	22,342
Lease liabilities	28	**29,833**	23,656	**8,288**	12,911
Derivative financial instruments	17	**552**	1,173	**552**	1,173
Borrowings	28	**77,527**	9,466	**50,000**	–
		829,351	594,817	**487,950**	493,338
Liabilities directly associated with assets classified as held for sale	19	**2,082**	–	**–**	–
		831,433	594,817	**487,950**	493,338
Non-current liabilities					
Trade and other payables	27	**148,567**	22,308	**354,948**	254,715
Borrowings	28	**439,481**	312,846	**–**	–
Contract liabilities	29	**15,394**	23,319	**15,394**	23,319
Lease liabilities	28	**53,612**	60,189	**12,115**	9,649
Deferred income tax liabilities	30	**48,816**	36,865	**22,478**	21,971
		705,870	455,527	**404,935**	309,654
Total liabilities		**1,537,303**	1,050,344	**892,885**	802,992
NET ASSETS		**1,142,101**	1,671,423	**1,233,674**	1,586,772
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	31	**638,762**	638,762	**638,762**	638,762
Treasury shares	31	**(29,724)**	(29,724)	**(29,724)**	(29,724)
Other reserves	32	**81,841**	103,005	**37,308**	46,836
Retained earnings		**616,527**	564,708	**587,328**	584,072
Ordinary equity		**1,307,406**	1,276,751	**1,233,674**	1,239,946
Perpetual securities	33	**–**	346,826	**–**	346,826
		1,307,406	1,623,577	**1,233,674**	1,586,772
Non-controlling interests	22	**(165,305)**	47,846	**–**	–
Total equity		**1,142,101**	1,671,423	**1,233,674**	1,586,772

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2022

Group	Note	Attributable to ordinary shareholders of the Company Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000	Perpetual securities S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
Balance at 1 April 2021		**638,762**	**(29,724)**	**564,708**	**103,005**	**1,276,751**	**346,826**	**1,623,577**	**47,846**	**1,671,423**
Total comprehensive income for the year		–	–	83,112	(6,267)	76,845	–	76,845	3,878	80,723
Transactions with owners, recognised directly in equity										
Acquisition of subsidiaries	(a)	–	–	–	–	–	–	–	(214,720)	(214,720)
Transfer of revaluation gain on property, plant and equipment and other capital reserve on loss of control of a subsidiary	9	–	–	6,017	(6,017)	–	–	–	–	–
Adjustment to other reserves		–	–	–	1,139	1,139	–	1,139	–	1,139
Redemption of perpetual securities	33	–	–	(4,397)	–	(4,397)	(345,603)	(350,000)	–	(350,000)
Distribution of perpetual securities	33	–	–	(13,652)	–	(13,652)	13,652	–	–	–
Distribution paid on perpetual securities	33	–	–	–	–	–	(14,875)	(14,875)	–	(14,875)
Dividends paid to shareholders	34	–	–	(24,745)	–	(24,745)	–	(24,745)	–	(24,745)
Dividends paid to non-controlling interests in a subsidiary		–	–	–	–	–	–	–	(2,309)	(2,309)
Employee share option scheme:										
– Value of employee services	32(b)(i)	–	–	5,484	(10,019)	(4,535)	–	(4,535)	–	(4,535)
Total		–	–	(31,293)	(14,897)	(46,190)	(346,826)	(393,016)	(217,029)	(610,045)
Balance at 31 March 2022		**638,762**	**(29,724)**	**616,527**	**81,841**	**1,307,406**	**–**	**1,307,406**	**(165,305)**	**1,142,101**

Notes

(a) The non-controlling interest on acquisition of subsidiaries comprises:

(i) An amount of S$26,665,000 (Note 40(a)(vi)) measured by reference to the share of fair value of the net identifiable assets and liabilities on acquisition date; less

(ii) An amount of S$241,385,000 relating to a reserve for an obligation arising from a put option written with the non-controlling shareholders of Freight Management Holdings Pty Ltd ("FMH"). When exercised under certain conditions, this will require the Group to purchase the remaining 49% ownership interest in FMH.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2022

Group	Note	Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000	Perpetual securities S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
		Attributable to ordinary shareholders of the Company								
Balance at 1 April 2020		638,762	(29,724)	570,206	73,310	1,252,554	346,826	1,599,380	42,938	1,642,318
Total comprehensive income for the year		–	–	47,620	31,108	78,728	–	78,728	6,027	84,755
Transactions with owners, recognised directly in equity										
Acquisition of non-controlling interests		–	–	–	(1,867)	(1,867)	–	(1,867)	(429)	(2,296)
Adjustment to other reserves		–	–	–	(2,498)	(2,498)	–	(2,498)	–	(2,498)
Distribution of perpetual securities	33	–	–	(14,875)	–	(14,875)	14,875	–	–	–
Distribution paid on perpetual securities	33	–	–	–	–	–	(14,875)	(14,875)	–	(14,875)
Dividends paid to shareholders	34	–	–	(38,243)	–	(38,243)	–	(38,243)	–	(38,243)
Dividends paid to non-controlling interests in a subsidiary		–	–	–	–	–	–	–	(690)	(690)
Employee share option scheme:										
– Value of employee services	32(b)(i)	–	–	–	2,952	2,952	–	2,952	–	2,952
Total		–	–	(53,118)	(1,413)	(54,531)	–	(54,531)	(1,119)	(55,650)
Balance at 31 March 2021		638,762	(29,724)	564,708	103,005	1,276,751	346,826	1,623,577	47,846	1,671,423

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2022

Company	Note	Attributable to ordinary shareholders of the Company						
		Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000	Perpetual securities S$'000	Total S$'000
Balance at 1 April 2021		**638,762**	**(29,724)**	**584,072**	**46,836**	**1,239,946**	**346,826**	**1,586,772**
Total comprehensive income for the year		**–**	**–**	**40,566**	**491**	**41,057**	**–**	**41,057**
Transactions with owners, recognised directly in equity								
Redemption of perpetual securities	33	**–**	**–**	**(4,397)**	**–**	**(4,397)**	**(345,603)**	**(350,000)**
Distribution on perpetual securities	33	**–**	**–**	**(13,652)**	**–**	**(13,652)**	**13,652**	**–**
Distribution paid on perpetual securities	33	**–**	**–**	**–**	**–**	**–**	**(14,875)**	**(14,875)**
Dividends paid to shareholders	34	**–**	**–**	**(24,745)**	**–**	**(24,745)**	**–**	**(24,745)**
Employee share option scheme:								
– Value of employee services	32(b)(i)	**–**	**–**	**5,484**	**(10,019)**	**(4,535)**	**–**	**(4,535)**
Total		**–**	**–**	**(37,310)**	**(10,019)**	**(47,329)**	**(346,826)**	**(394,155)**
Balance at 31 March 2022		**638,762**	**(29,724)**	**587,328**	**37,308**	**1,233,674**	**–**	**1,233,674**
Balance at 1 April 2020		638,762	(29,724)	592,989	42,859	1,244,886	346,826	1,591,712
Total comprehensive income for the year		–	–	44,201	1,025	45,226	–	45,226
Transactions with owners, recognised directly in equity								
Distribution on perpetual securities	33	–	–	(14,875)	–	(14,875)	14,875	–
Distribution paid on perpetual securities	33	–	–	–	–	–	(14,875)	(14,875)
Dividends paid to shareholders	34	–	–	(38,243)	–	(38,243)	–	(38,243)
Employee share option scheme:								
– Value of employee services	32(b)(i)	–	–	–	2,952	2,952	–	2,952
Total		–	–	(53,118)	2,952	(50,166)	–	(50,166)
Balance at 31 March 2021		638,762	(29,724)	584,072	46,836	1,239,946	346,826	1,586,772

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2022

	Group	
	2022	2021
	S$'000	S$'000
Cash flows from operating activities		
Profit after tax	**87,743**	47,010
Adjustments for:		
Income tax expense	**19,623**	13,259
Impairment loss on trade and other receivables	**2,211**	1,856
Amortisation of contract liabilities	**(7,754)**	(9,075)
Amortisation of intangible assets	**3,148**	456
Depreciation	**71,276**	68,269
Fair value loss on put option redemption liability	**1,945**	3,501
Gain on change of ownership interest from an associated company to a subsidiary	**(32,427)**	–
Fair value (gain) / loss on investment properties	**(1,279)**	6,670
Loss / (gain) on disposal of property, plant and equipment	**574**	(17)
Gain on disposal of warrants from an associated company	**–**	(3,356)
(Reversal of provision) / Provision for restructuring of overseas operations	**(101)**	480
Net loss on disposal / liquidation of subsidiaries	**6,317**	–
(Reversal of) / Share-based staff costs	**(4,535)**	2,952
Finance expenses	**14,779**	11,031
Interest income	**(1,760)**	(2,927)
Impairment of property, plant and equipment	**4,374**	1,209
Impairment of associated companies	**2,700**	115
Impairment of loans to associated companies	**1,644**	1,103
Impairment of disposal group classified as held for sale	**5,469**	–
Share of profit of associated companies and joint venture	**(4,847)**	(989)
	81,357	94,537
Operating cash flow before working capital changes	**169,100**	141,547
Changes in working capital, net of effects from acquisition and disposal of subsidiaries		
Inventories	**21**	(227)
Trade and other receivables	**(21,016)**	87,868
Trade and other payables	**(34,839)**	17,222
Contract liabilities	**297**	4,484
Cash generated from operations	**113,563**	250,894
Income tax paid	**(24,037)**	(35,461)
Net cash provided by operating activities	**89,526**	215,433

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2022

	Group	
	2022	2021
	S$'000	S$'000
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired (Note 40)	**(111,484)**	–
Disposal / liquidation of subsidiaries, net of cash disposed (Note 41)	**71,814**	–
Additions to property, plant and equipment, investment properties and intangible assets	**(24,258)**	(21,861)
Dividends received from associated companies	**1,788**	430
Interest received	**1,881**	3,147
Investment in an associated company	**–**	(59,407)
Loan to an associated company	**–**	(108)
Proceeds from disposal of property, plant and equipment	**448**	399
Proceeds on sale / maturity of financial assets	**6,500**	9,500
Repayment of loans by an associated company	**8**	383
Net cash used in investing activities	**(53,303)**	(67,517)
Cash flows from financing activities		
Acquisition of non-controlling interests	**–**	(2,296)
Distribution paid to perpetual securities	**(14,875)**	(14,875)
Dividends paid to shareholders	**(24,745)**	(38,243)
Dividends paid to non-controlling interests in a subsidiary	**(2,309)**	(690)
Finance expenses paid	**(13,544)**	(9,105)
Repayment of principal portion of lease liabilities	**(31,841)**	(32,588)
Redemption of perpetual securities	**(350,000)**	–
Proceeds from bank loans and notes	**288,286**	409,869
Repayment of bank loans and notes	**(106,739)**	(451,773)
Net cash used in financing activities	**(255,767)**	(139,701)
Net (decrease) / increase in cash and cash equivalents	**(219,544)**	8,215
Cash and cash equivalents at beginning of financial year	**501,212**	492,997
Changes in cash and cash equivalents transferred to assets held for sale (Note 19)	**(1,230)**	–
Cash and cash equivalents at end of financial year	**280,438**	501,212

Significant non-cash transactions

2022

There were no significant non-cash transactions during the current financial year ended 31 March 2022.

2021

(a) Contingent consideration amounting to S$1,508,000 in relation to the acquisition of subsidiaries in prior financial years was settled by way of offset against escrow deposits for the acquisition of those subsidiaries.

(b) There was an additional investment in an associated company amounting to S$3,356,000 which was settled with proceeds from the disposal of warrants from the associated company amounting to S$3,356,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

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 listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 10 Eunos Road 8, Singapore Post Centre, Singapore 408600.

The principal activities of the Company consist of the operation and provision of postal and parcel delivery services, eCommerce logistics and property. Its subsidiaries are principally engaged in provision of delivery services and eCommerce logistics solutions, provision of integrated supply chain and distributions services, freight forwarding and investment holding.

These financial statements were authorised for issue on 1 June 2022 in accordance with a resolution of the Board of Directors of Singapore Post Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 <u>Basis of accounting</u>

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act 1967, Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs"). SFRS(I)s are issued by the Accounting Standards Council and comprise standards and interpretations that are equivalent to IFRSs issued by the International Accounting Standards Board. All references to SFRS(I)s and IFRSs are subsequently referred to as SFRS(I)s in these financial statements unless otherwise stated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise judgement in 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.

2.2 <u>Adoption of new and revised standards</u>

On 1 April 2021, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. Pronouncements issued, but not yet effective, as at 31 March 2022 have not been early adopted in the financial statements except for the amendment to SFRS(I) 16 which has been applied by the Group and Company in advance of its effective date. The adoption of these new and revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

Impact of the initial application of Interest Rate Benchmark Reform

In the prior year, the Group adopted the Phase 1 amendments *Interest Rate Benchmark Reform: Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7*. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Group adopted the Phase 2 amendments *Interest Rate Benchmark Reform: Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16*. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates ('IBOR') to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements. The Group has not restated the prior period. Since the Group had no transactions for which the benchmark rate had been replaced with an alternative benchmark as at 31 March 2022, there is no impact on opening equity balances as a result of the retrospective application.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Adoption of new and revised standards (continued)

Impact of the initial application of Interest Rate Benchmark Reform *(continued)*

Details of the derivative and non-derivative financial instruments affected by the interest rate benchmark reform together with a summary of the actions taken by the Group to manage the risks relating to the reform and the accounting impact are included in Note 37(a)(ii).

The Group will continue to apply the Phase 1 amendments to SFRS(I) 9/SFRS(I) 1-39 until the uncertainty arising from the interest rate benchmark reform with respect to the timing and the amount of the underlying cash flows to which the Group is exposed ends. The Group expects this uncertainty will continue until the Group's contracts that reference IBORs are amended to specify the date on which the interest rate benchmark will be replaced and the basis for the cash flows of the alternative benchmark rate are determined including any fixed spread.

As a result of the Phase 2 amendments:

- when the contractual terms of the Group's bank borrowings are amended as a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the basis immediately preceding the change, the Group changes the basis for determining the contractual cash flows prospectively by revising the effective interest rate. If additional changes are made, which are not directly related to the reform, the applicable requirements of SFRS(I) 9 are applied to the other changes.

- when a lease is modified as a direct consequence of the interest rate benchmark reform and the new basis for determining the lease payments is economically equivalent to the previous basis, the Group remeasures the lease liability to reflect the revised lease payments discounted using a revised discount rate that reflects the change in the basis for determining the contractual cash flows; and

- when changes are made to the hedging instruments, hedged item and hedged risk as a result of the interest rate benchmark reform, the Group updates the hedge documentation without discontinuing the hedging relationship and, in the case of a cash flow hedge, the amount accumulated in the cash flow hedge reserve is deemed to be based on Singapore Overnight Rate Average ('SORA').

Impact of the initial application of COVID-19-Related Rent Concessions beyond 30 June 2021-Amendment to SFRS(I) 16

In the prior year, the Group early adopted COVID-19-Related Rent Concessions (Amendment to SFRS(I) 16) that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to SFRS(I) 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021.

In March 2021, ASC issued COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to SFRS(I) 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022.

In the current financial year, the Group has applied the amendment to SFRS(I) 16 in advance of its effective date.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19- related rent concession applying SFRS(I) 16 as if the change were not a lease modification.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Adoption of new and revised standards (continued)

Impact of the initial application of COVID-19-Related Rent Concessions beyond 30 June 2021-Amendment to SFRS(I) 16 *(continued)*

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due in on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022); and
- There is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient retrospectively to all rent concessions that became eligible for the practical expedient as a result of March 2021 amendment. There is no material impact to the financial statements arising from adoption of the amendment.

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group has power over the entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date that 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 comprise the portion of a subsidiary's net results of operations and of net assets of a subsidiary attributable to the interests that 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 statement of financial position. 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 at the acquisition date.

If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

2.3 Group accounting (continued)

(a) *Subsidiaries* (continued)

(ii) *Acquisitions* (continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

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.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that 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.

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 Note 2.19(a) for the subsequent accounting policy on goodwill.

(iii) *Disposals of subsidiaries or businesses*

When a change in the Group'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 previously 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 SFRS(I).

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

Please refer to Note 2.16 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as equity transactions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(c) Put option with non-controlling interests

When the Group enters into a put option agreement with the non-controlling shareholder in an existing subsidiary on their equity interests in that subsidiary and provides for settlement in cash or in another financial asset by the Group, the Group recognises a financial liability for the present value of the exercise price of the option. Subsequent to initial recognition of the financial liability, changes in the carrying amount of the financial liability is recognised in profit or loss. Amount initially recognised under equity is not subsequently re-measured.

On exercise of the put option, the financial liability will be derecognised on settlement in cash or in another financial asset by the Group. Changes in the Group's ownership interest in a subsidiary is accounted for according to transaction with non-controlling interests (Note 2.3 (b)).

If the put option expires unexercised, the financial liability is reversed against equity – Non-controlling interests.

(d) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. 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 venture are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

Investments in associated companies and joint venture 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 venture 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 venture and is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associated companies' and joint venture's post-acquisition profits or losses is 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 venture 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 ventures, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make 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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

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

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 2.16 for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.4 Leases

As a *lessee*, the Group leases various retail outlets, warehousing space and machinery from non-related parties.

As a *lessor*, the Group leases commercial and retail, and warehousing space to non-related parties.

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

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Leases (continued)

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

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.20.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other operating expenses' in the statement of profit or loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

The Group has applied the amendment to SFRS(I) 16 *Leases: COVID-19-Related Rent Concessions*. The Group applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Leases (continued)

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

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

2.5 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

(a) *Post and Parcel*

Revenue is recognised from post and parcel related activities which includes collecting, sorting, transporting and distributing domestic and international mail as well as sale of philatelic products, agency services, financial services and parcel deliveries in Singapore.

Revenue from sale of goods is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied which is the point when control of goods has transferred to the customer. Under the Group's standard contract terms, customers do not have a right of return.

Revenue from the rendering of services is recognised when the services are rendered and the contracted performance obligation is satisfied. Such revenue can be recognised at a point in time or over time depending on when control of goods or services is transferred to the customer. The Group's delivery-related contracts may include variable consideration such as volume-based discounts or rebates. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Fee commission is recognised for agency services provided for which the Group acts as an agent and has no control over specified goods/services.

Accrual for unearned revenue is made for stamps which have been sold, but for which services have not been rendered as at the end of the reporting period. This accrual is classified as "contract liabilities".

The Group received upfront payment with respect to postassurance collaboration from AXA Life Insurance Singapore Private Limited ("AXA") and revenue is recognised in profit or loss on a straight-line basis over the period of 10 years till 19 January 2025. When the period between the recognition of revenue and payment by the customer exceeds one year, an adjustment is made to the transaction price for the time value of money. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is one year or less.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Revenue recognition (continued)

(a) Post and Parcel (continued)

A contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract liabilities are recognised as revenue as the Group performs under the contract.

(b) Logistics

The Group provides eCommerce logistics, warehousing, fulfilment and distribution and freight forwarding services.

Revenue from the rendering of services is recognised when the services are rendered.

Brokerage income from freight forwarding, being net of costs of premium against premium income is recognised at the effective date of the related insurance policies. Brokerage on premium adjustments is recognised when the uncertainty associated with the variable consideration is resolved.

(c) Property

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

Revenue from self-storage solutions, management services and advertising and promotion income are recognised on a straight-line basis over the service period.

2.6 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(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.

(b) Defined benefit plans

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

Actuarial gains and losses are recognised in other comprehensive income in the period when they arise.

Past service costs are recognised immediately in profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Employee compensation (continued)

(c) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The 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 the end of each reporting period, 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 the share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

2.7 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.

2.8 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.9 Exceptional items

Exceptional items refer to items of income or expense within the income statement from ordinary activities that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group for the financial year.

2.10 Income taxes

Income tax expense comprises current and deferred tax.

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible.

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 in countries where the Company and subsidiaries operate by the end of the reporting period.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Income taxes (continued)

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 calculated 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 end of the reporting period. Except for investment properties measured using the fair value method, the measurement of deferred tax liabilities and assets reflects the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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 outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively). Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.11 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 exchange 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 end of the reporting period are recognised in profit or loss. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income. For equity investments measured at fair value through other comprehensive income ("FVTOCI"), exchange differences are recognised in other comprehensive income in the fair value reserve. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Currency translation (continued)

(b) Transactions and balances (continued)

When a foreign operation is disposed of, the proportionate share of the accumulated currency 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 end of the reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation 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 other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are classified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

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 end of the reporting period.

2.12 Cash and cash equivalents

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

2.13 Financial assets

Financial assets are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments. All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets (continued)

(i) Classification of financial assets (continued)

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

Interest income is recognised in profit or loss.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI unless the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 *Business Combinations* applies.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of SFRS(I) 9 *Financial Instruments* (see Note 15).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets (continued)

(i) Classification of financial assets (continued)

Equity instruments designated as at FVTOCI (continued)

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "interest income and investment income (net)" line item in profit or loss.

(ii) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- breach of settlement contract or default in contractual obligations.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets (continued)

(ii) Impairment of financial assets (continued)

Significant increase in credit risk (continued)

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Measurement and recognition of expected credit losses

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

2.14 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Assets classified as held for sales

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

2.16 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 statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.17 Investment property

Investment properties include those portions of commercial buildings that are held for long-term rental yields and/or for capital appreciation. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value. Changes in fair values are recognised in the income statement for the period in which they arise.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amounts is recognised in the income statement in the period in which the property is derecognised.

2.18 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 an item 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 capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring the asset.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Property, plant and equipment (continued)

(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 to 99 years
Buildings	5 to 50 years
Postal equipment	3 to 20 years
Plant and machinery	3 to 20 years
Motor vehicles	5 to 15 years

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

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. 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.

(e) Transfer

A transfer from property, plant and equipment to investment properties is fair valued at the date of transfer and the difference between fair value and the previous carrying amount is accounted for as an asset revaluation surplus or deficit in equity. Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income, unless there was an impairment loss recognised for the same property in prior years and a portion of the increase is recognised in profit or loss to the extent of that impairment loss. Decreases are recognised in profit or loss for any decrease in excess of the amount included in the revaluation surplus for that property.

Please refer to Note 2.17 for the accounting policy on the transfer from investment properties to property, plant and equipment.

2.19 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum 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 (ii) the fair value of the net identifiable assets acquired.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Intangible assets (continued)

(a) Goodwill on acquisitions (continued)

Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets acquired and is included in the carrying amount of the investments.

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

(b) Customer relationships

Customer relationships acquired in business combination are recognised at fair value at the acquisition date. The customer relationships have finite useful lives and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over 6 to 7 years, which is the expected lives of the customer relationships.

(c) Acquired software licence

Acquired software licence is initially capitalised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over the licence term or the estimated useful lives of 1 to 5 years.

(d) Trademarked brands

Trademarked brands acquired as part of business combinations are recognised at their fair values at the acquisition date.

The trademarked brands with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over 5 years.

The trademarked brands with indefinite useful lives are not amortised and are subsequently tested for impairment annually. In connection with the annual impairment assessment of the trademarked brands, the critical accounting judgement in respect of the indefinite useful lives assumption will also be reviewed.

2.20 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 or group of cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

2.20 Impairment of non-financial assets (continued)

(b) *Trademarked brand with indefinite useful life*

Trademarked brand with indefinite useful life is tested for impairment annually and whenever there is indication that the trademarked brand may be impaired.

An impairment loss is recognised in profit or loss when the carrying amount of the trademarked brand exceeds the recoverable amount of the acquired brand. The recoverable amount of the trademarked brand is the higher of a trademarked brand's fair value less costs to sell and value-in-use.

(c) *Other intangible assets (excluding goodwill and trademarked brand with indefinite useful life)*
Property, plant and equipment
Right-of-use assets
Investments in subsidiaries, associated companies and joint ventures

Other intangible assets, property, plant and equipment, right-of-use assets 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 inflows 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 or loss.

An impairment loss for an asset other than goodwill is reversed 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.

2.21 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 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 is presented as a non-current asset or liability if the remaining expected life of the derivative is more than 12 months, and as a current asset or liability if the remaining expected life of the derivative is less than 12 months.

2.23 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost, except for the borrowings that are designated as fair value hedges. The gain or loss on the borrowings attributable to the hedged risk shall adjust the carrying amount of the borrowings and be recognised in profit or loss. The adjustment of the fair value will be reversed when the hedging relationship is discontinued or lapsed.

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 end of the reporting period are included in current borrowings in the statement of financial position. Other borrowings with an unconditional right to defer settlement for at least twelve months after the end of the reporting period are included in non–current borrowings in the statement of financial position.

2.24 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less cumulative amortisation.

2.25 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.27 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 carrying amount which includes the consideration paid and any directly attributable transaction 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.

2.28 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 issued 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.

2.29 Dividends to Company's shareholders

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

2.30 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.

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. Actual results may differ from these estimates.

(a) Estimated impairment of goodwill and other intangible assets

Goodwill and trademarked brands with indefinite useful lives are tested for impairment annually and whenever there is indication that goodwill and trademarked brands may be impaired. The recoverable amount of goodwill and trademarked brands, and where applicable, a CGU, is determined based on the higher of fair value less costs to sell and value-in-use calculations prepared on the basis of management's assumptions and estimates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

(a) *Estimated impairment of goodwill and other intangible assets (continued)*

When value-in-use calculations are undertaken, the Group uses discounted cash flow projections based on approved financial budgets covering a five-year period. Significant judgements are used to estimate the terminal growth rates and discount rates applied in computing the recoverable amounts of the different CGUs. In making these estimates, management has relied on past performance, its expectations of the future developments of the various businesses and market (including the impact arising from geopolitical tensions and COVID-19) and publicly available industry and economic data. Details of these key assumptions applied in the impairment assessment of goodwill and trademarked brands are provided in Note 26.

No impairment charge is recognised on its goodwill and other intangible assets during the financial years ended 31 March 2022 and 2021.

Other intangible assets are tested for impairment whenever there is any objective evidence of indication that these assets may be impaired.

All impairment calculations demand a high degree of estimation, which include assessments of the expected cash flows arising from such assets and the selection of key assumptions. Changes to these estimates may significantly impact the impairment charges recognised.

The carrying value of goodwill and other intangible assets is disclosed in Note 26.

(b) *Controlling interests in Freight Management Holdings Pty Ltd*

During the year, the Group acquired a further 23% equity interest in Freight Management Holdings Pty Ltd ("FMH"), a company which provides freight services. Consequently, the Group's shareholdings in FMH increased to 51% and it obtained controlling interest in FMH, a 28% held associated company as at 31 March 2021.

At the date of acquisition, previously held interest of 28% was measured at fair value and the Group performed a purchase price allocation ("PPA") exercise for the acquisition. The Group has further granted put options to the remaining 49% non-controlling shareholders which are exercisable from 30 June 2022 to 30 December 2026 subject to the terms of the shareholders agreement.

Significant management judgment is required in estimating the underlying assumptions to be applied in determining the fair values of the identifiable assets acquired and liabilities assumed, including the identification of intangible assets, the fair value of the previously held interest, and gross liability of the put options at acquisition date and at end of the reporting period.

Goodwill and other intangible assets arising from the purchase price allocation exercise and the fair value of the previously held interest are disclosed in Note 40.

The gross liability of the put options is disclosed in Note 27.

(c) *Valuation of investment properties*

As at 31 March 2022, the Group's investment properties of S$956.6 million (2021: S$1,010.8 million) (Note 23) are stated at their estimated fair values determined by independent professional valuers. These estimated fair values may differ significantly from the prices at which these properties can be sold due to the actual negotiations between willing buyers and sellers as well as changes in assumptions and conditions arising from ongoing development of COVID-19 and other unforeseen events. Consequently, the actual results and the realisation of these properties could differ significantly from the estimates disclosed in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

(d) *Valuation of investment in Shenzhen 4PX Information and Technology Co., Limited ("4PX")*

The Group carries an investment in Shenzhen 4PX Information and Technology Co., Limited ("4PX") measured at fair value and classified as an equity investment measured at FVTOCI (Note 15).

When the fair value of such investment cannot be determined from active markets, valuation techniques including trading multiples of comparable companies with entity-specific adjustments made are used. Under the market approach, the Enterprise Value/Revenue multiples and, where 4PX is profitable at the Earnings Before Interest, Taxes, Depreciation, and Amortisation ("EBITDA") level, the Enterprise Value/EBITDA multiples of selected comparable companies are obtained. The inputs to the valuation model are derived from market observable data where possible, including but not limited to financial data of selected public companies in logistics services, freight management, supply chain management and e-commerce, but where this is not feasible, a degree of judgement is required to establish fair value. Details of the valuation techniques and inputs used are disclosed in Note 37(f).

As at 31 March 2022, the carrying value of the investment in 4PX measured at FVTOCI was S$90.4 million (2021: S$96.8 million).

(e) *Estimated impairment of other non-financial assets*

Property, plant and equipment, right-of-use assets and investments in subsidiaries, associated companies and joint venture are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amount of an asset, and where applicable, a CGU, is determined based on the higher of fair value less costs to sell and value-in-use calculation prepared on the basis of management's assumptions and estimates.

The Group recognised impairment charges on assets classified as held for sale, investment in associated companies and property, plant and equipment amounting to S$5.5 million (2021: S$Nil), S$2.7 million (2021: S$0.1 million) and S$4.4 million (2021: S$1.2 million) respectively during the financial year. Details are provided in Notes 19, 21 and 24.

The Company recognised impairment charges on investments in subsidiaries amounting to S$6,624,000 (2021: S$Nil) (Note 22) during the financial year.

All impairment calculations demand a high degree of estimation, which include assessments of the expected cash flows arising from such assets and the selection of key assumptions. Changes to these estimates may significantly impact the impairment charges recognised.

Other than those disclosed above, no impairment charge was recognised on the Group's other non-financial assets during the preceding and current financial years. The carrying values of assets classified as held for sale, investments in associated companies and joint venture, investments in subsidiaries, property, plant and equipment and right-of-use assets are disclosed in Notes 19, 21, 22, 24 and 25 respectively.

(f) *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 the end of each reporting period 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 2022 was S$412.5 million (2021: S$405.4 million). There were no significant revisions to the estimated residual values and useful lives during the financial year ended 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

(g) *Calculation of loss allowance for trade and other receivables*

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers with consideration on the impact of COVID-19 and how these drivers will affect each other.

Apart from the estimates involved in determining likelihood of default over a given time horizon to determine ECL, when there are events indicating that trade and other receivables are credit impaired, management has to estimate the loss allowance required.

Impairment loss on trade and other receivables charged to profit or loss amounted to S$2.2 million (2021: S$1.9 million) for the financial year ended 31 March 2022.

The carrying values of trade and other receivables are disclosed in Notes 16 and 20.

4. REVENUE

Revenue from external customers is derived from the provision of mail, logistics solution, agency and financial services and front-end ecommerce solutions.

	Group	
	2022	2021
	S$'000	S$'000
Domestic and International Mail services	**604,784**	721,475
Domestic and International distribution and delivery services	**988,450**	608,347
Property[1]	**72,345**	74,859
	1,665,579	1,404,681

A disaggregation of the Group's revenue for the year is as follows:

	Group					
	2022			2021		
	Revenue from services rendered S$'000	**Sale of products S$'000**	**Total S$'000**	Revenue from services rendered S$'000	Sale of products S$'000	Total S$'000
Post and Parcel	**602,498**	**2,286**	**604,784**	718,603	2,872	721,475
Logistics	**988,450**	**–**	**988,450**	608,347	–	608,347
Property	**72,345**	**–**	**72,345**	74,859	–	74,859
	1,663,293	**2,286**	**1,665,579**	1,401,809	2,872	1,404,681
Timing of revenue recognition in respect of revenue from contracts with customers [2]						
At a point in time	**5,097**	**2,286**	**7,383**	4,403	2,872	7,275
Over time	**1,616,234**	**–**	**1,616,234**	1,358,936	–	1,358,936
	1,621,331	**2,286**	**1,623,617**	1,363,339	2,872	1,366,211

(1) The Group is required to waive certain number of months of contractual rent for eligible tenants of its properties under the Rental Relief Framework as mandated by the Government. Consequently, the Group recognised variable lease payment of S$0.3 million (2021: S$3.2 million) as a reduction to property revenue in profit or loss during the financial year ended 31 March 2022 and offset the obligation for rental reliefs against the receivables.

(2) These disclosures under SFRS(I) 15 are not applicable to revenue from lease contracts amounting to S$41,962,000 (2021: S$38,470,000).

Further revenue information for each reportable segment under SFRS(I) 8 *Operating Segments* is disclosed in Note 39.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

4. REVENUE (continued)

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

Transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period relates to 'Advances received for postassurance collaboration'. Refer to Note 29 for further details.

5. LABOUR AND RELATED EXPENSES

	Group	
	2022	2021
	S$'000	S$'000
Wages and salaries	**204,492**	213,241
Employer's contribution to defined contribution plans including Central Provident Fund	**27,150**	26,785
Share-based (credit) / expense (Note 32(b)(i))	**(4,535)**	2,952
Other benefits	**9,995**	16,038
Temporary and contract staff cost	**74,798**	73,840
Government grant	**(1,984)**	(28,641)
	309,916	304,215

6. VOLUME-RELATED EXPENSES

	Group	
	2022	2021
	S$'000	S$'000
Traffic expenses	**825,051**	597,159
Outsourcing services and delivery expenses	**225,972**	245,066
	1,051,023	842,225

7. ADMINISTRATIVE AND OTHER EXPENSES

	Group	
	2022	2021
	S$'000	S$'000
Included in administrative and other expenses[1] are the following:		
Professional services	**10,642**	10,777
Repair and maintenance expenses	**26,307**	26,167
Rental expenses[2]	**6,114**	5,102
Supplies and services	**30,236**	26,294

[1] In 2021, the Group received property tax rebate from the Singapore Government as part of the Government's relief measures to help businesses deal with the impact from COVID-19. Consequently, the Group recognised government grant income of S$1.0 million as a reduction to property tax expense in the profit or loss for the year.

[2] In 2021, the Group received rental rebate of S$1.3 million for the leased properties under the Rental Relief Framework as mandated by the Government. The rental rebate has been accounted for as rent concessions in profit or loss as negative variable rent.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

8. DEPRECIATION AND AMORTISATION

	Group	
	2022	2021
	S$'000	S$'000
Depreciation – property, plant and equipment (Note 24)	**40,163**	40,452
Depreciation – right-of-use assets (Note 25)	**31,113**	27,817
Amortisation (Note 26)	**3,148**	456
	74,424	68,725

9. EXCEPTIONAL ITEMS

	Group	
	2022	2021
	S$'000	S$'000
Disposals:		
– Gain on change in ownership interest from an associated company to a subsidiary	**32,427**	–
– Gain on disposal of warrants from an associated company	**–**	3,356
– (Loss) / gain on disposal of property, plant and equipment	**(574)**	17
– Net loss on disposal / liquidation of subsidiaries (Note 41) [(1)]	**(6,317)**	–
Fair value gain / (loss):		
– Investment properties (Note 23)	**1,279**	(6,670)
– Put option redemption liability	**(1,945)**	(3,501)
Impairment charges [(2)]:		
– Property, plant and equipment	**(4,374)**	(1,209)
– Associated company	**(2,700)**	(115)
– Disposal group classified as held for sale [(3)]	**(5,469)**	–
– Loans to associated companies	**(1,644)**	(1,103)
M&A related expenses	**(8,926)**	(2,786)
Restructuring of overseas operations	**101**	(480)
	1,858	(12,491)

(1) Before considering the effect of transfer of revaluation gain on property, plant and equipment and other capital reserve of S$6,017,000 (Note 32(iv) and (v)) directly to retained earnings.
(2) Total impairment charges amounted to S$14,187,000 (2021: S$2,427,000).
(3) Before considering the effect of the reversal of tax provision of S$5,200,000 (Note 12).

10. INTEREST INCOME AND INVESTMENT INCOME (NET)

	Group	
	2022	2021
	S$'000	S$'000
Interest income		
– Bank deposits	**1,113**	1,921
– Bonds at amortised cost	**436**	526
– Others	**211**	480
	1,760	2,927
Currency exchange gains – net	**1,598**	531
Others	**8**	12
	3,366	3,470

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

11. FINANCE EXPENSES

	Group	
	2022	2021
	S$'000	S$'000
Interest expense:		
– Fixed rate notes	**6,352**	2,305
– Bank borrowings	**2,036**	2,937
– Interest on lease liabilities	**4,043**	4,080
– Significant financing component from contracts with customers	**996**	1,286
Other borrowing costs	**1,352**	423
	14,779	11,031

12. INCOME TAX EXPENSE

	Group	
	2022	2021
	S$'000	S$'000
Tax expense attributable to profit is made up of:		
– Current income tax	**24,486**	14,723
– Deferred income tax (Note 30)	**462**	225
	24,948	14,948
Over provision in preceding financial years:		
– Current income tax	**(5,325)**	(522)
– Deferred income tax (Note 30)	**–**	(1,167)
	19,623	13,259

The tax expense on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as explained below:

	Group	
	2022	2021
	S$'000	S$'000
Profit before tax	**107,366**	60,269
Tax calculated at a tax rate of 17% (2021: 17%)	**18,252**	10,246
Effects of:		
– Tax effect of share of results of associated companies and joint venture	**(824)**	(168)
– Different tax rates in other countries	**10,451**	1,578
– Withholding tax deducted at source	**642**	308
– Singapore statutory stepped income exemption	**(160)**	(141)
– Tax incentive	**(170)**	(17)
– Income not subject to tax	**(12,012)**	(6,776)
– Expenses not deductible for tax purposes	**7,044**	7,384
– Utilisation of tax losses and capital allowances	**(743)**	(208)
– Deferred income tax assets not recognised	**2,468**	2,742
– Overprovision in preceding financial years	**(5,325)**	(1,689)
Tax charge	**19,623**	13,259

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

13. EARNINGS PER SHARE

(a) Basic earnings per share

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

	Group	
	2022	2021
Net profit attributable to equity holders of the Company (S$'000)	**83,112**	47,620
Less: Net profit attributable to perpetual securities holders of the Company (S$'000)	**(13,652)**	(14,875)
Net profit attributable to ordinary shareholders of the Company (S$'000)	**69,460**	32,745
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,249,577**	2,249,577
Basic earnings per share (cents per share)	**3.09**	1.46

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to ordinary shareholders 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.

There is no dilution of earnings per share for the financial years ended 31 March 2022 and 2021.

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Cash at bank and on hand	**176,101**	196,279	**97,945**	115,982
Deposits with financial institutions	**104,337**	304,933	**102,653**	302,849
	280,438	501,212	**200,598**	418,831

Deposits with financial institutions earn interest ranging from 0.13% to 1.07% (2021: 0.21% to 0.44%) per annum. Tenure for these deposits range from 15 to 92 days (2021: 14 to 152 days).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

15. FINANCIAL ASSETS

	Group		Company	
	2022 S$'000	2021 S$'000	**2022 S$'000**	2021 S$'000
Current				
Financial assets at amortised cost				
– Bonds – quoted in Singapore	**8,006**	6,505	**8,006**	6,505
	8,006	6,505	**8,006**	6,505
Non-current				
Financial assets at amortised cost				
– Bonds – quoted in Singapore	**–**	8,020	**–**	8,020
Financial assets designated as FVTOCI				
– Equity instrument – unquoted	**90,631**	101,645	**–**	4,561
Financial assets at FVTPL				
– Call option (Note 21(a)(i))	**–**	1,459	**–**	–
	90,631	111,124	**–**	12,581

The debt securities are corporate bonds at fixed rates between 3.2% to 3.7% (2021: 3.1% to 3.7%) per annum and due between 3 June 2022 and 29 August 2022 (2021: 11 February 2022 and 29 August 2022).

The fair values of the financial assets at the end of the reporting period are as follows:

	Group		Company	
	2022 S$'000	2021 S$'000	**2022 S$'000**	2021 S$'000
Current				
Financial assets at amortised cost				
– Bonds – quoted in Singapore	**8,170**	6,590	**8,170**	6,590
	8,170	6,590	**8,170**	6,590
Non-current				
Financial assets at amortised cost				
– Bonds – quoted in Singapore	**–**	8,261	**–**	8,261
Financial assets designated as FVTOCI				
– Equity instrument – unquoted	**90,631**	101,645	**–**	4,561
Financial assets at FVTPL				
– Call option	**–**	1,459	**–**	–
	90,631	111,365	**–**	12,822

The fair values of quoted securities are based on published price quotations at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

16. TRADE AND OTHER RECEIVABLES – CURRENT

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Trade receivables				
– Subsidiaries	**–**	–	**14,802**	11,166
– Companies related by a substantial shareholder	**1,406**	2,287	**1,406**	2,287
– Non-related parties	**227,148**	165,773	**82,234**	97,218
	228,554	168,060	**98,442**	110,671
Less: Allowance for impairment of receivables – non-related parties	**(5,282)**	(3,172)	**(4,436)**	(2,552)
Trade receivables – net	**223,272**	164,888	**94,006**	108,119
Non-trade receivables from subsidiaries	**–**	–	**4,845**	13,620
Loans to associated companies	**5,633**	4,737	**–**	–
Less: Allowance for impairment of loan to associated companies	**(2,390)**	(746)	**–**	–
Less: Asset held for sale (Note 19) (2021: Non-current portion (Note 20))	**(2,928)**	(3,675)	**–**	–
	315	316	**4,845**	13,620
Staff loans (Note 20(a))	**8**	16	**8**	16
Interest receivable	**71**	192	**66**	183
Grant receivables	**356**	444	**356**	373
Other receivables	**10,038**	555	**2,495**	1,737
	234,060	166,411	**101,776**	124,048

(i) A loan of S$Nil (2021: S$746,000) to an associated company is unsecured, repayable in full on 15 June 2021 and bears interest at 1.14% above the 1 month bank bill swap rate per annum. During the financial year ended 31 March 2021, the Group provided impairment amounting to S$746,000.

(ii) A loan of S$Nil (2021: S$3,675,000) to an associated company bears interest at 1.14% above the 1 month bank bill swap rate per annum, and is secured by the shareholdings held by the shareholders of the associated company. S$1,712,000 was repayable on 29 June 2021, while S$2,007,000 was repayable on 5 November 2021 and convertible to shares in the associated company. During the financial year ended 31 March 2022, the Group provided impairment amounting to S$1,644,000 (2021: S$746,000) and reclassified the loan to assets held for sale.

(iii) A loan of S$315,000 (2021: S$316,000) to an associated company is unsecured and repayable on demand. Interest is fixed at 2.15% per annum.

(iv) Non-trade receivables from subsidiaries are unsecured, interest-free and repayable on demand.

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For the financial year ended 31 March 2022

17. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract notional amount 2022 S$'000	**Fair value liabilities 2022 S$'000**	Contract notional amount 2021 S$'000	Fair value assets 2021 S$'000
Group and Company				
Other non-hedging derivatives				
Currency forwards	**146,309**	**(161)**	150,116	(1,133)
Total derivative financial instruments	**146,309**	**(161)**	150,116	(1,133)

Currency forwards

Currency forwards are transacted to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates within twelve months from the end of the reporting period. The currency forwards have maturity dates that coincide within the expected occurrence of these transactions. Changes in fair value of the currency forwards not designated as hedging are recognised in profit or loss.

The fair values of derivative financial instruments are shown on the statement of financial position as follows:

	Group and Company	
	2022 S$'000	2021 S$'000
Assets:		
– Current	**391**	40
Liabilities		
– Current	**(552)**	(1,173)

18. OTHER ASSETS

	Group		Company	
	2022 S$'000	2021 S$'000	**2022 S$'000**	2021 S$'000
Current				
Deposits	**4,431**	5,642	**1,689**	1,647
Prepayments	**30,904**	13,027	**7,220**	5,691
	35,335	18,669	**8,909**	7,338
Non-current				
Deposits	**7,076**	4,226	**–**	–
Prepayments	**–**	1,732	**–**	–
	7,076	5,958	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

19. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

The Group has entered into various sales and purchase agreements to divest a foreign subsidiary and an associated company. Accordingly, as at 31 March 2022, the Group's assets classified as held for sale and liabilities directly associated with assets classified as held for sale comprise the assets and liabilities of the foreign subsidiary and associated company.

	Group **2022** **S$'000**
Assets classified as held for sale	
Cash and cash equivalents	**1,230**
Trade and other receivables	**2,928**
Investment in an associated company	**1,341**
	5,499
Liabilities directly associated with assets classified as held for sale	
Trade and other payables	**1,226**
Current income tax liabilities	**856**
	2,082

Impairment loss of S$5,469,000 (Note 9) has been recognised to write down the above disposal groups to fair value less costs to sell.

The assets and liabilities classified as held for sale were included in Logistics segment for the purpose of segmental reporting.

20. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2022 **S$'000**	2021 S$'000	**2022** **S$'000**	2021 S$'000
Loans to subsidiaries	**–**	–	**259,265**	297,220
Less: Allowance for impairment	**–**	–	**(46,480)**	(51,442)
	–	–	**212,785**	245,778
Loan to an associated company (Note 16)	**–**	3,675	**–**	–
Claimant Loan (Note 22)	**4,810**	4,810	**–**	–
Staff loans (Note 20(a))	**135**	141	**135**	141
	4,945	8,626	**212,920**	245,919

Loans to subsidiaries of S$11,999,000 (2021: S$35,609,000) are non-trade related, unsecured, interest bearing at Singapore interbank offered rate (SIBOR) plus 1.2% per annum and are not expected to be repayable within the next twelve months. The carrying amount of these loans approximate their fair value.

Loan to a subsidiary of S$Nil (2021: S$5,978,000) is non-trade related, unsecured, interest bearing at Kuala Lumpur interbank offered rate (KLIBOR) plus 1.2% per annum and is repayable in full on demand. In 2021, the settlement of the loan was not foreseeable within the next twelve months. The loan was repaid during the current financial year ended 31 March 2022 following the disposal of the subsidiary (Note 41).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

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

Loan to a subsidiary of S$1,749,000 (2021: S$1,767,000) is non-trade related, unsecured, interest bearing at 1.94% to 2.20% per annum and not expected to be repayable in the next twelve months. The carrying amount of the loan approximates its fair value.

Loan to a subsidiary of S$35,902,000 (2021: S$Nil) is non-trade related, unsecured, interest bearing at bank bill swap bid rate (BBSY) plus 1.38% per annum and will be repaid in full on 29 March 2026. The carrying amount of the loan approximates its fair value.

Loans to subsidiaries of S$163,135,000 (2021: S$202,424,000) are non-trade related, unsecured, interest bearing at 2.52% to 3.07% per annum and not expected to be repayable in the next twelve months. The fair value of the loans is S$157,631,000 (2021: S$200,753,000). The fair value of the loans is computed based on cash flows discounted at the difference between market and existing borrowing rates of 1.501% to 2.088% (2021: 0.378% to 0.504%). The fair value is within Level 2 of the fair value hierarchy.

The Claimant Loan (Note 22) is unsecured, interest bearing at 1.1% to 1.5% per annum (2021: 1.2% to 1.4% per annum). The carrying amount of the loan approximates its fair value. Management is of the view that the loan is recoverable and the settlement of the loan is not foreseeable within the next twelve months.

20(a). STAFF LOANS

	Group and Company	
	2022	2021
	S$'000	S$'000
Not later than one year (Note 16)	**8**	16
Later than one year (Note 20)	**135**	141
– Between one and five years	**1**	7
– Later than five years	**134**	134
	143	157

As at the end of the reporting period, no loan was made to the key management personnel of the Group.

21. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Investments in associated companies (Note (a))	**34,072**	97,469	**21,891**	21,891
Investment in a joint venture (Note (b))	**–**	–	**–**	–
	34,072	97,469	**21,891**	21,891

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

21. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE (continued)

(a) Associated companies

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Equity investment at cost			**21,891**	21,891
Beginning of financial year	**97,469**	35,334		
Acquisition of an associated company during the year (Note (i))	**–**	58,749		
Additional investment in an associated company	**–**	3,356		
Reclassification to assets held for sale (Note 19)	**(1,341)**	–		
Deemed disposal of an associated company	**(59,983)**	–		
Impairment of associated companies (Note (ii), 9)	**(2,700)**	(115)		
Share of profit	**4,847**	989		
Dividends received	**(1,796)**	(430)		
Currency translation differences	**(2,424)**	(414)		
End of financial year	**34,072**	97,469		

(i) On 31 December 2020, the Group acquired 28% equity interest at a cost of S$58.7 million in Freight Management Holdings Pty Ltd ("FMH"), a company which provides freight services.

Under the sale and purchase agreement ("S&P"), the Group will acquire additional 10% equity interest in FMH ("Tranche 2 Shares") by 31 December 2021 at a consideration of S$21.0 million (AUD 20.5 million), which was based on the estimated fair value of FMH as at 31 March 2021.

The Group was also granted a call option to acquire a further 13% equity interest in FMH ("Option Shares"), which is exercisable between 31 December 2022 to 31 December 2023. The call option was recorded at fair value as at 31 March 2021. Details of the valuation technique and inputs used are disclosed in Note 37(f).

During the current financial year, certain terms in the S&P were revised and the Group completed the acquisition of Tranche 2 Shares and Option Shares at a consideration of S$29.2 million (AUD29.6 million) and S$80.4 million (AUD81.5 million) respectively on 30 November 2021. Consequently, the Group holds 51% equity interest in FMH and FMH is now a subsidiary of the Group. Further details are disclosed in Note 40.

(ii) During the financial year ended 31 March 2022, the Group recognised an impairment loss of S$2,700,000 (2021: S$115,000) against the carrying amount of its investments in associated companies, being the difference between the carrying amount of the Group's investments and their recoverable amounts. The recoverable amounts are determined based on value-in-use or quoted market price of the associated companies.

The Group's investments in associated companies include investments in listed associated companies with a carrying value of S$30,627,000 (2021: S$30,288,000), for which the published price quotations are S$57,713,000 (2021: S$87,412,000) at the end of the reporting period, and classified within Level 1 of the fair value hierarchy.

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

Details of associated companies are disclosed in Note 45.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

21. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE (continued)

(b) Joint venture

The Group has a joint venture, PT Trio SpeCommerce Indonesia, which had been fully written off since 2016.

22. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022	2021
	S$'000	S$'000
Equity investments at cost		
Beginning of financial year	**371,455**	368,429
Additional capital injection into a subsidiary	**45,540**	3,026
Investment written off	**(37,628)**	–
	379,367	371,455
Less: Allowance for impairment	**(18,054)**	(49,058)
End of financial year	**361,313**	322,397

Details of the subsidiaries are included in Note 45. The proportion of ownership interest held by the Group does not differ from the proportion of voting rights held by the Group.

During the financial year ended 31 March 2022, the Company has written off allowance for impairment amounting to S$37,628,000 (2021: S$Nil) against the cost of investment in a subsidiary.

Additional impairment loss of S$6,624,000 (2021: S$Nil) has been recognised. This primarily arises from a subsidiary which is the holding company of General Storage Company Pte Ltd (Note 41) and various property holding companies.

Carrying value of non-controlling interests

	2022	2021
	S$'000	S$'000
Quantium Solutions International Pte Ltd ("QSI")	**38,276**	42,896
Freight Management Holdings Pty Ltd ("FMH")	**31,097**	–
Other subsidiaries with immaterial non-controlling interests	**6,707**	4,950
	76,080	47,846
Less: Put option liability to acquire non-controlling interests	**(241,385)**	–
Total	**(165,305)**	47,846

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

22. INVESTMENTS IN SUBSIDIARIES (continued)

Summarised financial information of subsidiaries with material non-controlling interests

Set out below is the summarised financial information for a subsidiary that has a non-controlling interest that is material to the Group. These are presented before inter-company eliminations.

Summarised statement of financial position

	QSI	
	2022	2021
	S$'000	S$'000
Current		
Assets	**43,132**	44,023
Liabilities	**(30,939)**	(23,469)
Total current net assets	**12,193**	20,554
Non-current		
Assets	**103,355**	109,991
Liabilities	**(2,971)**	(4,380)
Total non-current net assets	**100,384**	105,611
Net assets	**112,577**	126,165

Summarised income statement

	QSI	
	2022	2021
	S$'000	S$'000
Revenue	**102,360**	107,119
Loss before income tax	**(7,908)**	(5,788)
Income tax expense	**(546)**	(950)
Post-tax loss	**(8,454)**	(6,738)
Other comprehensive (loss) / income	**(5,132)**	19,260
Total comprehensive (loss) / income	**(13,586)**	12,522
Total comprehensive (loss) / income allocated to non-controlling interests	**(4,620)**	4,257

Summarised cash flows

	QSI	
	2022	2021
	S$'000	S$'000
Cash flows from operating activities		
Cash generated from operations	**2,757**	15,462
Income tax paid	**(321)**	(369)
Net cash provided by operating activities	**2,436**	15,093
Net cash used in investing activities	**(2,334)**	(77)
Net cash used in financing activities	**(2,806)**	(8,146)
Net (decrease) / increase in cash and cash equivalents	**(2,704)**	6,870
Cash and cash equivalents at beginning of year	**17,271**	10,401
Cash and cash equivalents at end of year	**14,567**	17,271

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

22. INVESTMENTS IN SUBSIDIARIES (continued)

Summarised financial information of subsidiaries with material non-controlling interests (continued)

Summarised statement of financial position

	FMH	
	2022	2021
	S$'000	S$'000
Current		
Assets	**88,955**	–
Liabilities	**(119,762)**	–
Total current net liabilities	**(30,807)**	–
Non-current		
Assets	**125,212**	–
Liabilities	**(30,942)**	–
Total non-current net assets	**94,270**	–
Net assets	**63,463**	–

Summarised income statement

	FMH	
	2022	2021
	S$'000	S$'000
Revenue	**178,662**	–
Profit before income tax	**11,523**	–
Income tax expense	**(4,158)**	–
Post-tax profit	**7,365**	–
Other comprehensive income	**1,680**	–
Total comprehensive income	**9,045**	–
Total comprehensive income allocated to non-controlling interests	**4,432**	–

Summarised cash flows

	FMH	
	2022	2021
	S$'000	S$'000
Cash flows from operating activities		
Cash generated from operations	**13,512**	–
Income tax paid	**(6,304)**	–
Net cash provided by operating activities	**7,208**	–
Net cash used in investing activities	**(7,846)**	–
Net cash provided by financing activities	**745**	–
Net increase in cash and cash equivalents	**107**	–
Cash and cash equivalents at beginning of year	**–**	–
Cash and cash equivalents at end of year	**107**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

22. INVESTMENTS IN SUBSIDIARIES (continued)

Exercise of put option in a subsidiary

A non-controlling shareholder (the "Claimant") of Famous Holdings Pte Ltd ("FHPL"), a subsidiary of the Company, had exercised his put option in respect of his remaining 37.5% shares in FHPL in September 2016. As there were differences between the parties on the final valuation of the put option, the Claimant commenced arbitration proceedings against the Company in 2017 (the "1st Arbitration").

On 3 June 2020, the arbitral tribunal issued its partial award with respect to the 1st Arbitration (the "1st Partial Award for the 1st Arbitration") and dismissed the Claimant's various claims against the Company for damages for breach of a shareholders' agreement (the "SHA"), conspiracy and inducement of breach of contract. The tribunal also ruled in the Company's favour on material accounting and computational issues under the SHA, which are the most significant determinants of what sums, if any, are due to be paid either by the Company to the Claimant, or by the Claimant to the Company, for the transfer of the Claimant's remaining 37.5% shares in FHPL to the Company. Based on its findings, the tribunal directed the parties to see if they can agree on the final amount payable for the transfer of the Claimant's 37.5% shares in FHPL to the Company, failing which the tribunal will make a final determination.

As there was divergence between the Company and the Claimant on the precise computation for the final amount payable, on 19 January 2022, the tribunal issued a further partial award in respect of the 1st Arbitration (the "2nd Partial Award for the 1st Arbitration") that, amongst others, applies one out of several computation methodologies that were submitted by the parties within the parameters of the 1st Partial Award for the 1st Arbitration. The tribunal has not ruled on the final amount, but the tribunal's determination on the computation methodology, which remains subject to tax and minority interest adjustments, would entail the Company paying the Claimant for his 37.5% shares in FHPL at a fair value that would not have a material impact on the Group's net tangible assets or earnings per share for the financial year ended 31 March 2022.

In addition to the 1st Arbitration, a second arbitration was subsequently commenced by the Claimant against FHPL and SingPost Logistics Investments Pte Ltd ("SPLI"), the Group's investment holding company of FHPL, on 15 and 16 September 2021 (the "2nd Arbitration"), and a third arbitration was separately commenced by the Claimant against SPLI on 22 February 2022 (the "3rd Arbitration"). The potential financial impact of the other claims of the Claimant in the 2nd Arbitration and 3rd Arbitration cannot yet be quantified as the claims were lacking in particulars and no quantification of the claims was provided in any of the notices of the new arbitrations. Refer to Note 42 for further details on the new arbitration proceedings commenced by the Claimant against SPLI and FHPL.

Apart from the above, the Group has an outstanding loan to the Claimant amounting to S$4,810,000 (2021: S$4,810,000) (Note 20) as at 31 March 2022 (the "Claimant Loan"). Management is of the view that the Claimant Loan is recoverable.

The Company will, in consultation with its advisors, continue to evaluate the various courses of action available to the Group.

NOTES TO THE FINANCIAL STATEMENTS

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23. INVESTMENT PROPERTIES

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**1,010,804**	1,008,020	**956,362**	951,501
Additions	**70**	–	**70**	–
Reclassification (to) / from property, plant and equipment (net) (Note 24)	**(3,172)**	9,658	**(12,417)**	11,689
Reclassification from right-of-use (Note 25)	**950**	–	**–**	–
Loss of control of a subsidiary (Note 41)	**(53,321)**	–	**–**	–
Fair value gain / (loss) recognised in profit or loss (Note 9)	**1,279**	(6,670)	**1,259**	(6,828)
Currency translation differences	**–**	(204)	**–**	–
End of financial year	**956,610**	1,010,804	**945,274**	956,362

As at 31 March 2022, certain investment properties of the Group with carrying amounts of S$Nil (2021: S$50.4 million) are mortgaged to secure bank borrowings (Note 28).

As at 31 March 2022, the right-of-use asset presented as investment properties has carrying amount of S$2.3 million (2021: S$1.7 million).

The following amounts are recognised in profit or loss:

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Rental and property-related income	**61,139**	60,006	**55,964**	53,950
Direct operating expenses arising from:				
– Investment properties that generated income	**(15,416)**	(14,073)	**(13,409)**	(12,574)

Investment properties are leased to non-related parties under operating leases (Note 36(c)).

At the end of the reporting period, the details of the Group's investment properties are as follows:

Location	**Description / existing use**	**Tenure**
10 Eunos Road 8, Singapore Post Centre	Building for commercial and retail.	Leasehold of 99 years expiring on 30 August 2081
502 Chai Chee Lane [(1)]	Building for warehousing and self-storage.	Leasehold of 30 years expiring on 30 April 2041
No. 5, Jalan Penyair U1/44, Off Jalan Glenmarie, Temasya Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia [(1)]	Warehousing.	Freehold
110 Alexandra Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
10 Choa Chu Kang Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091

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For the financial year ended 31 March 2022

23. INVESTMENT PROPERTIES (continued)

Location	Description / existing use	Tenure
373 Tanjong Katong Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
1 Killiney Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
396 Pasir Panjang Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
10 Palm Avenue	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
350 Bedok Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
56 Tanglin Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
6 Ayer Rajah Crescent [(1)]	Building for warehousing and self-storage.	Leasehold of 30 years expiring on 1 February 2026
755 Upper Serangoon Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
5 Mandai Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
21 Ghim Moh Road	Building for commercial and retail.	Leasehold of 82 years expiring on 1 April 2076
447 Geylang Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
1 Lim Ah Pin Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
70 Macpherson Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
54 Serangoon Garden Way	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
3B Toh Guan Road East	Building for warehousing.	Leasehold of 30 + 30 years expiring on 31 August 2049
29 Tampines Street 92	Building for warehousing.	Leasehold of 30 + 30 years expiring on 1 January 2052

(1) Disposed during the financial year ended 31 March 2022 (Note 41).

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For the financial year ended 31 March 2022

23. INVESTMENT PROPERTIES (continued)

	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1) S$'000	**Significant other observable inputs (Level 2) S$'000**	**Significant unobservable inputs (Level 3) S$'000**
2022			
– Commercial and retail / warehousing			
– Singapore	**–**	**2,484**	**954,126**
2021			
– Commercial and retail / warehousing			
– Singapore	–	2,484	996,377
– Warehousing – Malaysia	–	–	11,943

Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's properties have been derived using the sales comparison approach. Sales proceeds of comparable properties in close proximity are adjusted for differences in key attributes such as property size and timing of sale. The most significant input in this valuation approach is the selling price per square metre.

Valuation techniques used to derive Level 3 fair values

Level 3 fair values have been generally derived using capitalisation/income approach, discounted cash flow approach, sales comparison approach and cost approach.

In the capitalisation/income approach, the net income of the property is capitalised for the balance term of the lease tenure at a yield rate which is appropriate for the type of use, tenure and reflective of the quality of the investment. The revenue is adjusted for outgoings such as property tax and also vacancies to arrive at net income.

The discounted cash flow approach involved the estimation and projection of the net rent over a period and discounting the future income stream to arrive at a present value. Net rent is the balance sum after deducting property tax, cost of repairs and maintenance and a reasonable percentage for vacancy from the gross rent.

The cost approach involves the summation of the land and building values. The land value is determined by comparison with similar lands that had been sold recently and those that are currently for sale, with appropriate adjustments made to reflect improvements and other dissimilarities. The building value is determined by estimating the cost of constructing similar properties and deducting depreciation.

There were no transfers in or out of fair value hierarchy levels for the financial years ended 31 March 2022 and 2021.

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For the financial year ended 31 March 2022

23. INVESTMENT PROPERTIES (continued)

Valuation techniques and inputs used in Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3:

Description	Fair value (S$'000) 2022	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2022	Relationship of unobservable inputs to fair value
Group					
Building for commercial and retail (Singapore Post Centre)	**831,754** (2021: 849,071)	Capitalisation / income approach	Capitalisation rate	**3.75-6.00%** (2021: 4.00-6.00%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.00-7.50%** (2021: 7.00-7.50%)	The higher the discount rate, the lower the valuation
Building for commercial and retail (14 SLA Properties)	**105,279** (2021: 96,687)	Capitalisation / income approach	Capitalisation rate	**4.25-4.75%** (2021: 4.25-4.75%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.25-7.50%** (2021: 7.25-7.50%)	The higher the discount rate, the lower the valuation
Warehousing – Singapore	**17,093** (2021: 9,241)	Capitalisation / income approach	Capitalisation rate	**6.25-6.50%** (2021: 6.50%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.50-7.75%** (2021: 7.75%)	The higher the discount rate, the lower the valuation

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23. INVESTMENT PROPERTIES (continued)

Valuation techniques and inputs used in Level 3 fair value measurements (continued)

Description	Fair value (S$'000) 2022	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2022	Relationship of unobservable inputs to fair value
Group (continued)					
Building for warehousing and self-storage-Singapore	**–** (2021: 41,378)	Capitalisation / income approach	Capitalisation rate	**N/A** (2021: 6.25-7.50%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**N/A** (2021: 7.50%)	The higher the discount rate, the lower the valuation
Warehousing – Malaysia	**–** (2021: 11,943)	Sales comparison approach	Comparable price per square metre	**N/A** (2021: N/A)	The higher the comparable price, the higher the valuation
		Cost approach	Comparable price per square metre of land component	**N/A** (2021: 7.50%)	The higher the comparable price, the higher the valuation
			Estimated cost of constructing similar new buildings per square metre		The higher the estimated cost of construction, the higher the valuation
	954,126				
Company					
Building for commercial and retail (Singapore Post Centre)	**837,511** (2021: 857,191)	Capitalisation / income approach	Capitalisation rate	**3.75-6.00%** (2021: 4.00-6.00%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.00-7.50%** (2021: 7.00-7.50%)	The higher the discount rate, the lower the valuation
Building for commercial and retail (14 SLA Properties)	**105,279** (2021: 96,687)	Capitalisation / income approach	Capitalisation rate	**4.25-4.75%** (2021: 4.25-4.75%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.25-7.50%** (2021: 7.25-7.50%)	The higher the discount rate, the lower the valuation
	942,790				

N/A: Not applicable

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

23. INVESTMENT PROPERTIES (continued)

Valuation processes used by the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use. As at 31 March 2022 and 2021, the fair values of the Group's investment properties have been determined by Colliers International Consultancy & Valuation (Singapore) Pte. Ltd.

24. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Motor Vehicles S$'000	Capital work-in-progress S$'000	Total S$'000
Group							
2022							
Cost							
Beginning of financial year	**79,890**	**368,890**	**46,712**	**189,561**	**30,447**	**11,252**	**726,752**
Additions	**–**	**–**	**36**	**8,616**	**5,602**	**8,199**	**22,453**
Reclassifications (to) / from investment properties							
– At fair value (Note 23)	**(2,646)**	**5,818**	**–**	**–**	**–**	**–**	**3,172**
– Transfer from valuation reserve (Note 32)	**4,767**	**1,649**	**–**	**–**	**–**	**–**	**6,416**
Disposals	**–**	**(401)**	**–**	**(7,336)**	**(2,242)**	**–**	**(9,979)**
Acquisition of subsidiaries (Note 40)	**–**	**–**	**–**	**16,309**	**16,088**	**–**	**32,397**
Loss of control of subsidiary (Note 41)	**–**	**–**	**–**	**(22,782)**	**–**	**(252)**	**(23,034)**
Transfers	**–**	**1,109**	**1,364**	**8,351**	**(6)**	**(10,818)**	**–**
Currency translation differences	**–**	**–**	**–**	**(471)**	**316**	**–**	**(155)**
End of financial year	**82,011**	**377,065**	**48,112**	**192,248**	**50,205**	**8,381**	**758,022**
Accumulated depreciation and accumulated Impairment losses							
Beginning of financial year	**26,336**	**142,536**	**23,786**	**110,735**	**17,911**	**–**	**321,304**
Depreciation charge	**1,636**	**8,118**	**4,750**	**20,689**	**4,970**	**–**	**40,163**
Disposals	**–**	**(84)**	**–**	**(6,710)**	**(2,163)**	**–**	**(8,957)**
Loss of control of subsidiary (Note 41)	**–**	**–**	**–**	**(10,665)**	**–**	**–**	**(10,665)**
Impairment	**–**	**(719)**	**–**	**5,093**	**–**	**–**	**4,374**
Currency translation differences	**–**	**–**	**–**	**(616)**	**(35)**	**–**	**(651)**
End of financial year	**27,972**	**149,851**	**28,536**	**118,526**	**20,683**	**–**	**345,568**
Net book value							
End of financial year	**54,039**	**227,214**	**19,576**	**73,722**	**29,522**	**8,381**	**412,454**

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For the financial year ended 31 March 2022

24. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Motor Vehicles S$'000	Capital work-in-progress S$'000	Total S$'000
Group							
2021							
Cost							
Beginning of financial year	79,596	378,274	47,047	181,685	30,829	12,177	729,608
Additions	–	120	10	7,029	1,067	5,360	13,586
Reclassifications from / (to) investment properties							
– At fair value (Note 23)	579	(10,237)	–	–	–	–	(9,658)
– Transfer (to) / from valuation reserve (Note 32)	(285)	957	–	–	–	–	672
Disposals	–	(240)	(345)	(8,517)	(1,590)	–	(10,692)
Transfers	–	–	–	6,285	–	(6,285)	–
Currency translation differences	–	16	–	3,079	141	–	3,236
End of financial year	79,890	368,890	46,712	189,561	30,447	11,252	726,752
Accumulated depreciation and accumulated Impairment losses							
Beginning of financial year	24,673	133,621	17,936	95,427	16,477	–	288,134
Depreciation charge	1,663	9,004	6,105	20,916	2,764	–	40,452
Disposals	–	(89)	(255)	(8,547)	(1,419)	–	(10,310)
Impairment	–	–	–	1,209	–	–	1,209
Currency translation differences	–	–	–	1,730	89	–	1,819
End of financial year	26,336	142,536	23,786	110,735	17,911	–	321,304
Net book value							
End of financial year	53,554	226,354	22,926	78,826	12,536	11,252	405,448

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For the financial year ended 31 March 2022

24. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Motor Vehicles S$'000	Capital work-in-progress S$'000	Total S$'000
Company							
2022							
Cost							
Beginning of financial year	**59,250**	**211,992**	**63,248**	**151,168**	**26,807**	**6,390**	**518,855**
Additions	**–**	**–**	**36**	**179**	**739**	**5,377**	**6,331**
Reclassifications (to) / from investment properties							
– At fair value (Note 23)	**(2,088)**	**14,505**	**–**	**–**	**–**	**–**	**12,417**
– Transfer from valuation reserve (Note 32)	**4,767**	**285**	**–**	**–**	**–**	**–**	**5,052**
Disposals	**–**	**–**	**–**	**(2,746)**	**(2,077)**	**–**	**(4,823)**
Transfers	**–**	**679**	**1,364**	**8,348**	**(6)**	**(10,385)**	**–**
End of financial year	**61,929**	**227,461**	**64,648**	**156,949**	**25,463**	**1,382**	**537,832**
Accumulated depreciation and accumulated impairment losses							
Beginning of financial year	**21,020**	**97,720**	**23,786**	**107,455**	**16,921**	**–**	**266,902**
Depreciation charge	**805**	**3,577**	**4,750**	**13,230**	**2,782**	**–**	**25,144**
Disposals	**–**	**–**	**–**	**(2,348)**	**(2,058)**	**–**	**(4,406)**
Impairment	**–**	**(719)**	**–**	**5,093**	**–**	**–**	**4,374**
End of financial year	**21,825**	**100,578**	**28,536**	**123,430**	**17,645**	**–**	**292,014**
Net book value							
End of financial year	**40,104**	**126,883**	**36,112**	**33,519**	**7,818**	**1,382**	**245,818**

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For the financial year ended 31 March 2022

24. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Motor Vehicles S$'000	Capital work-in-progress S$'000	Total S$'000
Company							
2021							
Cost							
Beginning of financial year	58,991	223,035	63,583	139,066	26,189	7,270	518,134
Additions	–	120	10	7,219	811	5,335	13,495
Reclassifications from / (to) investment properties							
– At fair value (Note 23)	188	(11,877)	–	–	–	–	(11,689)
– Transfer from valuation reserve (Note 32)	71	954	–	–	–	–	1,025
Disposals	–	(240)	(345)	(1,332)	(193)	–	(2,110)
Transfers	–	–	–	6,215	–	(6,215)	–
End of financial year	59,250	211,992	63,248	151,168	26,807	6,390	518,855
Accumulated depreciation and accumulated impairment losses							
Beginning of financial year	20,188	93,346	17,936	94,904	14,350	–	240,724
Depreciation charge	832	4,463	6,105	13,886	2,764	–	28,050
Disposals	–	(89)	(255)	(1,335)	(193)	–	(1,872)
End of financial year	21,020	97,720	23,786	107,455	16,921	–	266,902
Net book value							
End of financial year	38,230	114,272	39,462	43,713	9,886	6,390	251,953

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

25. RIGHT-OF-USE ASSETS

	Properties S$'000	Motor vehicles S$'000	Equipment S$'000	Total S$'000
Group				
2022				
Cost				
Beginning of financial year	**139,854**	**3,193**	**2,281**	**145,328**
Additions	**29,543**	**365**	**345**	**30,253**
Reclassifications to investment properties				
– At fair value (Note 23)	**(950)**	**–**	**–**	**(950)**
– Transfer to valuation reserve (Note 32)	**(4)**	**–**	**–**	**(4)**
Disposals	**(31,467)**	**(1,021)**	**(932)**	**(33,420)**
Acquisition of subsidiaries (Note 40)	**24,640**	**–**	**–**	**24,640**
Loss of control of subsidiary (Note 41)	**(49,271)**	**–**	**(26)**	**(49,297)**
Currency translation differences	**(313)**	**(47)**	**(64)**	**(424)**
End of financial year	**112,032**	**2,490**	**1,604**	**116,126**
Accumulated depreciation				
Beginning of financial year	**72,224**	**1,682**	**1,259**	**75,165**
Depreciation charge	**29,409**	**970**	**734**	**31,113**
Disposals	**(30,475)**	**(993)**	**(695)**	**(32,163)**
Loss of control of subsidiary (Note 41)	**(28,363)**	**–**	**(12)**	**(28,375)**
Currency translation differences	**(796)**	**(59)**	**(25)**	**(880)**
End of financial year	**41,999**	**1,600**	**1,261**	**44,860**
Net book value				
End of financial year	**70,033**	**890**	**343**	**71,266**
2021				
Cost				
Beginning of financial year	124,628	2,564	1,265	128,457
Additions	21,592	1,557	1,220	24,369
Disposals	(12,357)	(934)	(265)	(13,556)
Currency translation differences	5,991	6	61	6,058
End of financial year	139,854	3,193	2,281	145,328
Accumulated depreciation				
Beginning of financial year	53,305	1,364	570	55,239
Depreciation charge	25,656	1,254	907	27,817
Disposals	(9,450)	(924)	(222)	(10,596)
Currency translation differences	2,713	(12)	4	2,705
End of financial year	72,224	1,682	1,259	75,165
Net book value				
End of financial year	67,630	1,511	1,022	70,163

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

25. RIGHT-OF-USE ASSETS (continued)

	Properties S$'000	Motor vehicles S$'000	Equipment S$'000	Total S$'000
Company				
2022				
Cost				
Beginning of financial year	**41,242**	**2,134**	**376**	**43,752**
Additions	**12,663**	**238**	**345**	**13,246**
Disposals	**(23,028)**	**(828)**	**(358)**	**(24,214)**
End of financial year	**30,877**	**1,544**	**363**	**32,784**
Accumulated depreciation				
Beginning of financial year	**20,436**	**1,207**	**293**	**21,936**
Depreciation charge	**14,510**	**697**	**188**	**15,395**
Disposals	**(23,009)**	**(828)**	**(357)**	**(24,194)**
End of financial year	**11,937**	**1,076**	**124**	**13,137**
Net book value				
End of financial year	**18,940**	**468**	**239**	**19,647**
2021				
Cost				
Beginning of financial year	30,793	2,249	424	33,466
Additions	14,310	626	75	15,011
Disposals	(3,861)	(741)	(123)	(4,725)
End of financial year	41,242	2,134	376	43,752
Accumulated depreciation				
Beginning of financial year	11,061	1,081	223	12,365
Depreciation charge	13,236	867	193	14,296
Disposals	(3,861)	(741)	(123)	(4,725)
End of financial year	20,436	1,207	293	21,936
Net book value				
End of financial year	20,806	927	83	21,816

The Group and Company leases several properties, motor vehicles and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

25. RIGHT-OF-USE ASSETS (continued)

In addition, certain right-of-use assets are secured by the Group and Company with no future payments required and are presented within property, plant and equipment (Note 24). The carrying amounts of such assets are as follows:

	Group		Company	
	Carrying amount S$'000	Depreciation during the year S$'000	Carrying amount S$'000	Depreciation during the year S$'000
2022				
Leasehold land	**54,039**	**1,636**	**40,104**	**805**
Plant and machinery	**4,197**	**193**	**101**	**12**
Total	**58,236**	**1,829**	**40,205**	**817**
2021				
Leasehold land	53,554	1,662	38,230	831
Plant and machinery	4,388	194	111	13
Total	57,942	1,856	38,341	844

There is no addition to the above right-of-use assets for the years ended 31 March 2022 and 2021.

26. INTANGIBLE ASSETS

	Group	
	2022 S$'000	2021 S$'000
Composition:		
Goodwill on acquisitions (Note (a))	**430,120**	270,903
Customer relationships (Note (b))	**28,357**	–
Preferential rent (Note (c))	**–**	2,665
Acquired software licences (Note (d))	**15,028**	–
Trademarked brands (Note (e))	**55,936**	40,964
	529,441	314,532

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

26. INTANGIBLE ASSETS (continued)

(a) Goodwill on acquisitions

	Group	
	2022	2021
	S$'000	S$'000
Cost		
Beginning of financial year	**291,503**	280,102
Acquisition of subsidiaries (Note 40)	**184,202**	–
Loss of control of subsidiary (Note 41)	**(28,336)**	–
Currency translation differences	**3,351**	11,401
End of financial year	**450,720**	291,503
Accumulated impairment		
Beginning and end of financial year	**(20,600)**	(20,600)
Net book value	**430,120**	270,903

Impairment tests for goodwill

Goodwill arising from acquisition of subsidiaries is allocated to the Group's four (2021: four) cash-generating units or groups of cash-generating units as follows:

	Group	
	2022	2021
	S$'000	S$'000
Quantium Solutions International group	**77,858**	77,858
General Storage Company group	**–**	28,202
Famous Holdings group	**88,305**	89,521
Couriers Please Holdings group	**74,595**	75,322
Freight Management Holdings group	**189,362**	–
	430,120	270,903

The recoverable amounts of the CGUs are determined based on value-in-use calculations using cash flow projections based on financial budgets covering a five-year period (2021: five-year period). Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

26. INTANGIBLE ASSETS (continued)

(a) Goodwill on acquisitions (continued)

Key assumptions used for value-in-use calculations for goodwill are as follows:

	Quantium Solutions International group	General Storage Company group	Famous Holdings group	Couriers Please Holdings group	Freight Management Holdings Group
2022					
Terminal growth rate	2.3%	–	1.4%	2.6%	2.6%
Discount rate	7.9%	–	7.7%	7.1%	6.0%
2021					
Terminal growth rate	2.3%	2.8%	1.4%	2.5%	–
Discount rate	6.9%	5.3%	6.4%	6.3%	–

For the impairment tests carried out as at 31 March 2022 for the Quantium Solutions International group and Couriers Please group CGUs, which comprised 18% and 17% of the goodwill recognised on the statement of financial position respectively, a further decrease in the terminal growth rate to 0.7% or an increase in the discount rate by 1.3% would result in the recoverable amount of the Quantium Solutions International group CGU being equal to its carrying amount, and a further decrease in terminal growth rate by 3.6% or an increase in the discount rate by 3.5% would result in the recoverable amount of the Couriers Please Holdings group CGU being equal to its carrying amount (comprising goodwill and trademarked brand with indefinite useful life (Note 26(e)). For the remaining CGUs, management believes that any reasonably possible change in the key assumptions on which the recoverable amounts of the CGUs were based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related group of CGUs as at 31 March 2022.

For the previous financial year ended 31 March 2021, the Group had conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for the CGU to which goodwill is allocated. Management believed that any reasonably possible change in the key assumptions on which the recoverable amounts of the CGU were based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related group of CGUs as at 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

26. INTANGIBLE ASSETS (continued)

(b) Customer relationships

	Group 2022 S$'000	2021 S$'000
Cost		
Beginning of financial year	**–**	–
Acquisition of subsidiaries (Note 40)	**29,106**	–
Currency translation differences	**786**	–
End of financial year	**29,892**	–
Accumulated amortisation and impairment		
Beginning of financial year	**–**	–
Amortisation charge	**(1,535)**	–
End of financial year	**(1,535)**	–
Net book value	**28,357**	–

(c) Preferential rent

	Group 2022 S$'000	2021 S$'000
Cost		
Beginning financial year	**7,501**	7,501
Loss of control of subsidiary (Note 41)	**(7,501)**	–
End of financial year	**–**	7,501
Accumulated amortisation		
Beginning of financial year	**(4,836)**	(4,380)
Loss of control of subsidiary (Note 41)	**5,140**	–
Amortisation charge	**(304)**	(456)
End of financial year	**–**	(4,836)
Net book value	**–**	2,665

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

26. INTANGIBLE ASSETS (continued)

(d) Acquired software licences

	Group	
	2022	2021
	S$'000	S$'000
Cost		
Beginning of financial year	**51**	51
Acquisition of subsidiaries (Note 40)	**13,419**	–
Additions	**2,404**	–
Write-off	**(51)**	–
Currency translation differences	**368**	–
End of financial year	**16,191**	51
Accumulated amortisation and impairment		
Beginning of financial year	**(51)**	(51)
Write-off	**51**	–
Amortisation charge	**(1,163)**	–
End of financial year	**(1,163)**	(51)
Net book value	**15,028**	–

(e) Trademarked brands

	Group	
	2022	2021
	S$'000	S$'000
Cost		
Beginning of financial year	**40,964**	34,740
Acquisition of subsidiaries (Note 40)	**15,095**	–
Currency translation differences	**23**	6,224
End of financial year	**56,082**	40,964
Accumulated amortisation and impairment		
Beginning of financial year	**–**	–
Amortisation charge	**(146)**	–
End of financial year	**(146)**	–
Net book value	**55,936**	40,964

Trademarked brands amounting to S$40,568,000 (2021: S$40,964,000) and S$13,185,000 (2021: S$Nil) have indefinite useful lives and are included in the Couriers Please Holdings group CGU and Freight Management Holdings group CGU respectively.

Key assumptions used for value-in-use calculations for the trademarked brands with indefinite useful lives are disclosed in Note 26(a).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 S$'000	2021 S$'000	**2022 S$'000**	2021 S$'000
Current				
Trade payables				
– Subsidiaries	**–**	–	**15,384**	23,134
– Companies related by a substantial shareholder	**363**	483	**352**	465
– Non-related parties	**371,006**	351,061	**279,718**	310,779
	371,369	351,544	**295,454**	334,378
Accrual for other operating expenses	**107,545**	101,931	**52,564**	70,430
Contingent consideration payable (Note (a))	**6,272**	–	**–**	–
Provision for restructuring (Note (b))	**379**	480	**–**	–
Provision for reinstatement costs (Note (c))	**1,193**	1,918	**472**	990
Put option redemption liabilities (Note (e))	**117,647**	–	**–**	–
Customers' deposits	**6,852**	6,725	**6,852**	6,725
Collections on behalf of third parties	**4,796**	6,383	**4,796**	6,383
Deposits	**14,133**	16,408	**13,268**	13,225
Other creditors	**37,314**	20,622	**18,946**	15,401
	667,500	506,011	**392,352**	447,532
Non-current				
Loans from a subsidiary (Note (d))	**–**	–	**353,058**	253,088
Accrual for operating expenses	**4,310**	4,929	**–**	–
Contingent consideration payable (Note (a))	**1,699**	–	**–**	–
Provision for reinstatement costs (Note (c))	**9,265**	9,596	**1,890**	1,627
Put option redemption liabilities (Note (e))	**131,568**	5,966	**–**	–
Post-employment benefits (Note 35)	**1,725**	1,817	**–**	–
	148,567	22,308	**354,948**	254,715
Total trade and other payables	**816,067**	528,319	**747,300**	702,247

(a) Contingent consideration payable

As at 31 March 2022, the fair value of contingent consideration payable arising from the acquisition of subsidiaries amounted to S$7,971,000 (2021: S$Nil). Refer to Note 40 for further details.

(b) Provision for restructuring

Restructuring provision comprises mainly of lease termination penalties and employee termination payments from overseas subsidiaries.

(c) Provision for reinstatement costs

A provision is recognised for the present value of costs to be incurred for the restoration of the Group's investment properties and property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

27. TRADE AND OTHER PAYABLES (continued)

(c) Provision for reinstatement costs (continued)

Movement in this provision is as follows:

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**11,514**	11,150	**2,617**	2,738
Loss of control of subsidiaries	**(2,224)**	–	**–**	–
Acquisition of subsidiaries	**122**	–	**–**	–
Additions	**1,046**	364	**(255)**	(121)
End of financial year	**10,458**	11,514	**2,362**	2,617

(d) Loans from a subsidiary

Loans from a subsidiary comprise:

(i) S$250,000,000 (2021: S$250,000,000) which is non-trade related, unsecured, interest bearing at 2.83% per annum and repayable by 19 November 2030;

(ii) S$3,058,000 (2021: S$3,088,000) which is non-trade related, unsecured, interest bearing at 2.29% per annum and repayable by 28 March 2026; and

(iii) S$100,000,000 (2021: S$Nil) which is non-trade related, unsecured, interest bearing at 3.53% per annum and repayable by 29 March 2027.

The fair value of the loans computed based on cash flows discounted at the difference between market and existing borrowing rates of 2.39% to 2.41% (2021: 1.77%) is S$295,449,000 (2021: S$214,232,000). The fair value is within Level 2 of the fair value hierarchy.

(e) Put option redemption liabilities

(i) A put option was granted to the non-controlling shareholders of FPS Rotterdam to sell the remaining 15% interest to the Group, which is exercisable at any time after 31 March 2025. The put option redemption liability is recorded at fair value as at 31 March 2022 and 2021. Details of the valuation technique and inputs used are disclosed in Note 37(f).

(ii) A put option was granted to the non-controlling shareholders of Freight Management Holdings Pty Ltd to sell their remaining interest to the Group, which is exercisable between 30 June 2022 to 30 December 2026. The put option redemption liability is recorded at fair value as at 31 March 2022. Details of the valuation technique and inputs used are disclosed in Note 37(f).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

28. LEASE LIABILITIES / BORROWINGS

		Group		Company	
		2022	2021	**2022**	2021
		S$'000	S$'000	**S$'000**	S$'000
(a)	Lease liabilities				
	– Current	**29,833**	23,656	**8,288**	12,911
	– Non-current	**53,612**	60,189	**12,115**	9,649
		83,445	83,845	**20,403**	22,560
(b)	Borrowings [1]				
	– Other borrowings	**517,008**	322,312	**50,000**	–

[1] The analysis of the current and non-current borrowings is as follows:

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Current				
– Borrowings (secured)	**27,527**	4,166	**–**	–
– Borrowings (unsecured)	**50,000**	5,300	**50,000**	–
	77,527	9,466	**50,000**	–
Non-current				
– Borrowings (secured)	**–**	3,233	**–**	–
– Borrowings (unsecured)	**439,481**	309,613	**–**	–
	439,481	312,846	**–**	–
	517,008	322,312	**50,000**	–

Secured borrowings comprise external bank loans and are secured over investment properties with carrying amount of S$Nil (2021: S$50.4 million) (Note 23), or trade receivables with carrying amount of S$64.8 million (2021: S$Nil), or property, plant and equipment with carrying amount of S$36.4 million (2021: S$Nil) at the end of the reporting period.

During the financial year, a wholly-owned subsidiary of the Group issued S$100 million in aggregate principal amount of Notes due 2027 comprised in Series 002 under the S$1 billion Multicurrency Debt Issuance Programme. These Notes are guaranteed by the Company and bear interest at a fixed rate of 3.23% per annum and payable semi-annually.

During last financial year, a wholly-owned subsidiary of the Group issued S$250 million in aggregate principal amount of Notes due 2030 comprised in Series 001 under the S$1 billion Multicurrency Debt Issuance Programme. These Notes are guaranteed by the Company and bear interest at a fixed rate of 2.53% per annum and payable semi-annually.

As at 31 March 2022, the Group's unsecured borrowings consist of S$250 million 10-year Notes, S$100 million 5-year Notes, A$89.4 million (S$90.6 million) 5-year term loan facility and short-term loan of S$50.0 million.

As at 31 March 2021, the Group's unsecured borrowings consist of S$250 million 10-year Notes, A$59.4 million (S$60.8 million) 5-year term loan facility and short-term revolving credit facilities of S$5.3 million.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

28. LEASE LIABILITIES / BORROWINGS (continued)

Fair value of non-current borrowings

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Non-current				
– Borrowings (secured)	**–**	3,233	**–**	–
– Borrowings (unsecured)	**423,988**	313,991	**–**	–
	423,988	317,224	**–**	–

The fair value of the Notes above is determined based on the over-the-counter quoted price. The fair value is classified within Level 1 of the fair value hierarchy.

The fair value of external bank loans is computed based on cash flows discounted at market borrowing rates. The fair value is classified within Level 2 of the fair value hierarchy.

The exposure of non-current borrowings to interest rate risks is disclosed in Note 37(a)(ii).

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes				
	1 April 2021	Financing cash flows (i)	Acquisition of subsidiaries	Loss of control of subsidiaries	Foreign exchange movement	Other changes (ii)	31 March 2022
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Borrowings	**322,312**	**172,046**	**17,911**	**(5,963)**	**1,073**	**9,629**	**517,008**
Lease liabilities	**83,845**	**(35,884)**	**27,650**	**(26,638)**	**923**	**33,549**	**83,445**
	406,157	**136,162**	**45,561**	**(32,601)**	**1,996**	**43,178**	**600,453**

			Non-cash changes		
	1 April 2020	Financing cash flows (i)	Foreign exchange movement	Other changes (ii)	31 March 2021
	S$'000	S$'000	S$'000	S$'000	S$'000
Borrowings	364,424	(46,929)	(458)	5,275	322,312
Lease liabilities	86,166	(36,668)	8,634	25,713	83,845
	450,590	(83,597)	8,176	30,988	406,157

(i) The cash flows consist of interest paid, repayment of principal portion of lease liabilities, net amount of proceeds from borrowings and repayments of borrowings in the consolidated statement of cash flows.

(ii) Other changes include interest accruals, as well as additions and disposals of right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

29. CONTRACT LIABILITIES

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Advances received for postassurance collaboration (Note (a))	**23,319**	30,962	**23,319**	30,962
Advance billings (Note (b))	**21,472**	27,005	**15,672**	14,699
Others	**–**	111	**–**	–
	44,791	58,078	**38,991**	45,661
Analysed as:				
Current	**29,397**	34,759	**23,597**	22,342
Non-current	**15,394**	23,319	**15,394**	23,319
	44,791	58,078	**38,991**	45,661

(a) Arises from definitive agreements with respect to the postassurance collaboration with AXA Life Insurance Singapore Private Limited ("AXA") which is recognised in profit or loss over the period of 10 years till 19 January 2025.

(b) Mainly relates to advance billings to customers and unearned revenue from paid postage.

The change in contract liabilities during the reporting period is due to recognition of advance billings and advances from AXA to profit or loss.

30. 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 tax authority. The amounts, determined after appropriate offsetting, are shown on the statements of financial position as follows:

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Deferred income tax assets	**8,657**	4,248	**–**	–
Deferred income tax liabilities	**48,816**	36,865	**22,478**	21,971

Movement in the deferred income tax account is as follows:

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**32,617**	32,160	**21,971**	21,621
Acquisition of subsidiaries (Note 40)	**8,682**	–		
Loss of control of subsidiary (Note 41)	**(1,879)**	–	**–**	–
Currency translation differences	**277**	1,399	**–**	–
Tax charged / (credited) to profit or loss (Note 12)	**462**	(942)	**507**	350
End of financial year	**40,159**	32,617	**22,478**	21,971

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 and capital allowance of S$133,821,000 (2021: S$130,721,000) at the end of the reporting period 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

30. DEFERRED INCOME TAXES (continued)

Deferred income tax liabilities

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$'000	Others[1] S$'000	Total S$'000
2022			
Beginning of financial year	**25,149**	**12,152**	**37,301**
Acquisition of subsidiaries (Note 40)	**–**	**13,768**	**13,768**
Loss of control of subsidiary (Note 41)	**(789)**	**(1,090)**	**(1,879)**
Currency translation differences	**22**	**260**	**282**
(Credited) / charged to profit or loss	**(326)**	**83**	**(243)**
End of financial year	**24,056**	**25,173**	**49,229**
2021			
Beginning of financial year	24,862	9,774	34,636
Currency translation differences	210	1,858	2,068
Charged to profit or loss	77	520	597
End of financial year	25,149	12,152	37,301

[1] Mainly arises from intangible assets.

Deferred income tax assets

	Provisions S$'000	Tax losses S$'000	Total S$'000
2022			
Beginning of financial year	**(2,088)**	**(2,596)**	**(4,684)**
Acquisition of subsidiaries (Note 40)	**(5,086)**	**–**	**(5,086)**
Currency translation difference	**(52)**	**47**	**(5)**
Charged to profit or loss	**646**	**59**	**705**
End of financial year	**(6,580)**	**(2,490)**	**(9,070)**
2021			
Beginning of financial year	(1,869)	(607)	(2,476)
Currency translation difference	34	(703)	(669)
Credited to profit or loss	(253)	(1,286)	(1,539)
End of financial year	(2,088)	(2,596)	(4,684)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

30. DEFERRED INCOME TAXES (continued)

Company

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Others S$'000	Total S$'000
2022			
Beginning of financial year	**22,427**	**(17)**	**22,410**
(Credited) / charged to profit or loss	**(454)**	**938**	**484**
End of financial year	**21,973**	**921**	**22,894**
2021			
Beginning of financial year	22,363	(540)	21,823
Charged to profit or loss	64	523	587
End of financial year	22,427	(17)	22,410

Deferred income tax assets

	Provisions S$'000
2022	
Beginning of financial year	**(439)**
Charged to profit or loss	**23**
End of financial year	**(416)**
2021	
Beginning of financial year	(202)
Credited to profit or loss	(237)
End of financial year	(439)

31. SHARE CAPITAL AND TREASURY SHARES

	Number of ordinary shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital S$'000	Treasury Shares S$'000
Group and Company				
As at 1 April 2020, 31 March 2021 and 31 March 2022	**2,275,089**	**(25,512)**	**638,762**	**(29,724)**

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

(a) Treasury shares

During the financial years ended 31 March 2022 and 2021, no treasury shares were re-issued pursuant to the Singapore Post Share Option Scheme.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options

The Singapore Post Share Option Scheme was adopted on 21 March 2003, and a new scheme, known as Singapore Post Share Option Scheme 2012 was adopted on 29 June 2012; collectively known as the "Scheme". The Scheme is administered by the Compensation Committee comprising Mr Bob Tan Beng Hai (Chairman), Mr Simon Claude Israel, and Mrs Fang Ai Lian during the financial year ended 31 March 2022.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

- The vesting schedule for the share options granted to eligible employees (including executive directors) effective from 20 May 2014 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 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

- The share options granted to eligible employees (including executive directors) effective 26 June 2006 to 10 March 2014 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 11 May 2012, 17 January 2014, 7 March 2014 and 1 April 2014, performance share options were granted to key management staff. Vesting of these options is based on the Company's performance against a set of stretched targets on the Group's profit and the Company's target share price performance.

- 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Since the adoption of the Scheme to 31 March 2021, a total of 178,687,936 share options have been granted. Details of the options are set out in the Directors' Statement for the respective financial years.

During the financial year ended 31 March 2022, no 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**	**Balance At 1.4.21 ('000)**	**Granted during financial year ('000)**	**Options exercised ('000)**	**Options forfeited ('000)**	**Balance At 31.3.22 ('000)**
Options Granted Under Singapore Post Share Options Scheme							
For employees (including executive directors)							
26.07.11	27.07.12 to 26.07.21	S$1.100	400	–	–	400	–
11.05.12	19.05.14 to 11.05.22	S$1.030	482	–	–	–	482
10.08.12	11.08.13 to 10.08.22	S$1.070	827	–	–	138	689
17.01.14	18.01.17 to 17.01.24	S$1.350	1,683	–	–	460	1,223
07.03.14	08.03.17 to 07.03.24	S$1.330	375	–	–	–	375
20.05.14	21.05.15 to 20.05.24	S$1.450	2,598	–	–	1,989	609
07.08.14	08.08.15 to 07.08.24	S$1.760	259	–	–	197	62
19.05.15	20.05.16 to 19.05.25	S$1.890	3,527	–	–	1,652	1,875
20.05.16	21.05.17 to 20.05.26	S$1.570	1,965	–	–	473	1,492
Total Share Options			12,116	–	–	5,309	6,807

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Restricted Share Plan

The Singapore Post Restricted Share Plan 2013 (the "Plan") was implemented with the approval of shareholders at the Extraordinary General Meeting held on 28 June 2013. The duration of the Plan is 10 years commencing from 28 June 2013. Amendments to the Plan to prescribe performance conditions were duly approved by the shareholders at the Company's annual general meeting held on 20 July 2017.

Enhancements to the Plan (the "Enhanced Plan") were subsequently designed to reinforce the delivery of long-term growth and shareholder value to drive an ownership culture and retain staff whose contributions are essential to the well-being of the Group. The Enhanced Plan allow fully paid shares to be granted to non-executive directors of the Group and associated companies.

The release schedule for the shares granted to eligible employees (excluding non-executive directors) prior to financial year 2017/18 is as follows:

Vesting Period	Vesting Date	Percentage of Shares that will be Released on Vesting Date
From award date to date before first anniversary of award date	First anniversary of award date	30% (rounded to nearest whole share)
From first anniversary of award date to date before second anniversary of award date	On second anniversary of date of award	30% (rounded to nearest whole share)
From second anniversary of award date to date before third anniversary of award date	On third anniversary of date of award	Balance 40%

- 100% of the restricted shares granted to non-executive directors vest after one year from the date of grant.

Since the adoption of the Plan to 31 March 2021, a total of 5,839,118 restricted shares were granted.

During the financial year ended 31 March 2022, no restricted shares were granted under the Plan. There are no outstanding unvested restricted shares as at the start of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Enhanced Plan

Following shareholders' approval to the Enhanced Plan at the Company's annual general meeting held on 20 July 2017, participants will receive fully paid SingPost shares provided that prescribed performance targets are met within a prescribed performance period. Shares granted from financial year 2017/18 onwards comprises of two types of awards:

a) Performance Share Award; and

b) Restricted Share Award.

The Performance Share Award, granted to senior management, has two long-term performance measures: Return on Equity ("ROE") and Absolute Total Shareholder Returns ("TSR"). For Performance Share Award from financial year 2020/21 onwards, an additional performance measure, CO2 Reduction ("CER") from financial year 2018/19, is added. The Restricted Share Award, granted to a broader group of executives and key talents, has one long-term performance measure: Underlying Net Profit. The performance period for both types of awards is three or four years depending on when the performance conditions are met.

The performance conditions incorporate stretched targets aimed at delivering long-term shareholder value. Depending on achievement of the respective performance hurdles, 0% to 200% of the awards may vest.

Performance Share Awards

Since the adoption of the Enhanced Plan to 31 March 2021, a total of 5,751,141 restricted shares have been granted.

During the financial year ended 31 March 2022, 269,147 shares were granted. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year are as follows:

Date of Grant	Balance As At 1.4.21 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.22 ('000)
18.01.18	359	–	–	359	–
31.05.18	2,278	–	–	2,278	–
31.05.19	1,292	–	–	701	591
01.06.20	1,571	–	–	1,116	455
20.01.22	–	269	–	–	269
Total	**5,500**	**269**	**–**	**4,454**	**1,315**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Enhanced Plan (continued)

Restricted Share Awards

Since the adoption of the Enhanced Plan to 31 March 2021, a total of 9,903,706 restricted shares were granted.

During the financial year ended 31 March 2022, 1,140,317 shares were granted. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year are as follows:

Date of Grant	Balance As At 1.4.21 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.22 ('000)
18.01.18	798	–	–	798	–
31.05.18	969	–	–	969	–
31.05.19	2,369	–	–	1,226	1,143
01.06.20	3,955	–	–	2,011	1,944
20.01.22	–	1,140	–	–	1,140
Total	**8,091**	**1,140**	**–**	**5,004**	**4,227**

Of the outstanding options (including Performance Share Option Plan but excluding Restricted Share Plan) for 6,807,000 (2021: 12,116,000) shares, 6,807,000 (2021: 12,116,000) options are exercisable as at 31 March 2022. The weighted average share price during the financial year was S$0.68 (2021: S$0.71).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Enhanced Plan (continued)

Restricted Share Awards *(continued)*

Following are the details of the significant inputs into the valuation model to determine fair value of the share incentive granted during the financial year.

Type of Share Options	Performance Share Awards (TSR)	Performance Share Awards (ROE)	Performance Share Awards (CER)	Restricted Share Awards (UNP)
2022				
Total fair value of options granted during financial year	S$16,041	S$64,488	S$32,244	S$683,050
Valuation Model	Monte Carlo Simulation	Monte Carlo Simulation	Monte Carlo Simulation	Monte Carlo Simulation
Weighted average share price at the grant dates	S$0.65	S$0.65	S$0.65	S$0.65
Expected volatility	21.46%	21.46%	21.46%	21.46%
Expected option life	4 years	4 years	4 years	4 years
Expected dividend yield	2.41%	2.41%	2.41%	2.41%
2021				
Total fair value of options granted during financial year	S$245,869	S$503,521	–	S$2,687,619
Valuation Model	Monte Carlo Simulation	Monte Carlo Simulation	–	Monte Carlo Simulation
Weighted average share price at the grant dates	S$0.76	S$0.76	–	S$0.76
Expected volatility	21.1%	21.1%	–	21.1%
Expected option life	4 years	4 years	–	4 years
Expected dividend yield	4.3%	4.3%	–	4.3%

The volatility assumption is based on the actual volatility of Singapore Post's daily closing share price over the three-year period to the valuation date.

The annual risk free rate is interpolated from the yield on Singapore Government Bonds of appropriate term, as detailed by the Monetary Authority of Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

32. OTHER RESERVES

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
(a) Composition:				
Share option reserve	**6,115**	16,134	**6,115**	16,134
Fair value reserve	**4,863**	13,668	**(4,561)**	–
Currency translation reserve	**(8,925)**	(5,051)	**–**	–
Other capital reserve	**34,513**	33,192	**–**	–
Asset valuation reserve	**45,275**	45,062	**35,754**	30,702
	81,841	103,005	**37,308**	46,836

Other reserves are non-distributable.

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
(b) Movements:				
(i) Share option reserve				
Beginning of financial year	**16,134**	13,182	**16,134**	13,182
Employee share option scheme:				
– Value of employee services	**(10,019)**	2,952	**(10,019)**	2,952
– Profit and loss (Note 5)	**(4,535)**	2,952	**(4,535)**	2,952
– Retained earnings	**(5,484)**	–	**(5,484)**	–
End of financial year	**6,115**	16,134	**6,115**	16,134
(ii) Fair value reserve				
Beginning of financial year	**13,668**	227	**–**	–
Fair value (loss) / gain	**(10,992)**	20,367	**(4,561)**	–
Less: Non-controlling interests	**2,187**	(6,926)	**–**	–
End of financial year	**4,863**	13,668	**(4,561)**	–
(iii) Currency translation reserve				
Beginning of financial year	**(5,051)**	(22,046)	**–**	–
Disposal / liquidation of foreign subsidiaries	**(246)**	–	**–**	–
Transfer to profit or loss arising from change in ownership interest from an associated company to a subsidiary	**(63)**	–	**–**	–
Net currency translation differences of financial statements of foreign subsidiaries and associated companies	**(2,131)**	16,706	**–**	–
Adjusted for non-controlling interest	**(1,434)**	289	**–**	–
End of financial year	**(8,925)**	(5,051)	**–**	–

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For the financial year ended 31 March 2022

32. OTHER RESERVES (continued)

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
(b) Movements (continued):				
(iv) Other capital reserve				
Beginning of financial year	**33,192**	37,557	**–**	–
Additional interest in a subsidiary	**–**	(1,867)	**–**	–
Adjustment	**1,139**	(2,498)	**–**	–
Loss of control of subsidiary	**182**	–	**–**	–
End of financial year	**34,513**	33,192	**–**	–

Other capital reserve mainly arises from changes in shareholding in subsidiaries which do not result in a loss of control

	Group		Company	
	2022	2021	**2022**	2021
(v) Asset valuation reserve				
Beginning of financial year	**45,062**	44,390	**30,702**	29,677
Revaluation gain on property, plant and equipment and right-of-use assets upon transfer to investment property (Notes 24 and 25)	**6,412**	672	**5,052**	1,025
Loss of control of subsidiary	**(6,199)**	–	**–**	–
End of financial year	**45,275**	45,062	**35,754**	30,702

33. PERPETUAL SECURITIES

On 2 March 2012, the Company issued senior perpetual cumulative securities ("perpetual securities") with an aggregate principal amount of S$350,000,000. Incremental costs incurred amounting to S$4,397,000 were recognised in equity as a deduction from proceeds. The perpetual securities were fully redeemed on 2 March 2022.

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 distributions 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 SFRS(I) 1-32 *Financial Instruments: Presentation.* The whole instrument is presented within equity, and distributions are treated as dividends.

During the financial year, distributions to perpetual securities holders amounted to S$13,652,000 (2021: S$14,875,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

34. DIVIDENDS

	2022 S$'000	2021 S$'000
Ordinary dividends paid		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 0.6 cent per share (2021: 1.2 cents)	**13,497**	26,995
Interim exempt (one-tier) dividend paid in respect of the first half of the current financial year of 0.5 cent per share (2021: 0.5 cent)	**11,248**	11,248
	24,745	38,243

At the Annual General Meeting on 21 July 2022, a final exempt (one-tier) dividend of 1.3 cents per ordinary share amounting to S$29.2 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 2023.

35. POST-EMPLOYMENT BENEFITS

The Group operates one defined benefit pension plan in Japan to provide pensions for employees upon retirement.

	Group	
	2022 S$'000	2021 S$'000
The amount recognised in the statement of financial position is determined as follows:		
Present value of unfunded obligations (Note 27)	**1,725**	1,817
The amounts recognised in profit or loss are as follows:		
Current service cost	**749**	769
Interest cost	**10**	10
	759	779
Beginning of financial year	**1,817**	1,949
Current service cost	**749**	769
Interest cost	**10**	10
Benefits paid	**(693)**	(766)
Currency translation differences	**(158)**	(145)
End of financial year	**1,725**	1,817
The significant actuarial assumptions used were as follows:		
Discount rate	**0.60%**	0.60%
Retirement age	**60**	60
Salary growth rates	**2.50%**	2.60%
Withdrawal	**0%**	0%
The cumulative actuarial losses recognised for the defined benefit pension plans were as follows:		
Beginning and end of financial year	**(11)**	(11)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

36. COMMITMENTS

(a) Capital and investment commitments

Capital expenditures and investments contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Property, plant and equipment	**21,588**	5,622	**6,758**	5,530
Investment in an associated company (Note 21(a)(i))	**–**	20,994	**–**	–

Apart from the above, the Group is committed to purchase 100% of the entire issued and paid up share capital in Parcel Santa Pte. Ltd. for S$5,250,000 at 31 March 2022. The acquisition was completed in April 2022 (Note 43).

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

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

At 31 March 2022, the Group is committed to S$0.6 million (2021: S$0.2 million) for short-term leases.

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

Operating leases, in which the Group is the lessor, relate to investment properties owned by the Group. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The unguaranteed residual values do not represent a significant risk for the Group, as they are not material.

Maturity analysis of operating lease income:

	Group	Company
	S$'000	**S$'000**
2022		
Maturity analysis:		
Year 1	**51,880**	**49,760**
Year 2	**36,306**	**35,348**
Year 3	**11,427**	**10,838**
Year 4	**2,688**	**2,481**
Year 5	**373**	**167**
Year 6 onwards	**154**	**–**
	102,828	**98,594**
2021		
Maturity analysis:		
Year 1	48,281	45,394
Year 2	39,554	38,345
Year 3	26,066	25,806
Year 4	4,288	4,174
Year 5	169	154
Year 6 onwards	56	–
	118,414	113,873

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. 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 volatility of financial markets on the Group's financial performance. The Group uses financial instruments such as currency forwards 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 performs oversight responsibilities to ensure the financial risks are managed in accordance with the objectives and underlying principles approved by the Board of Directors.

(a) Market risk

(i) Currency risk

The currency transaction 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"), Euro ("EUR"), United States Dollar ("USD"), Australian Dollar ("AUD") and Chinese Renminbi ("RMB"). 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 substantially in EUR and USD. 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 instruments 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 and associated companies where a divestment is not foreseeable is not hedged by the Group.

Group Treasury's risk management policy is to hedge planned divestment of overseas investments using currency forwards to manage the currency risk. These instruments are used mainly to hedge underlying exposures and the instruments are not entered into for speculative reasons.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

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

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	HKD S$'000	AUD S$'000	MYR S$'000	RMB S$'000	Others S$'000	Total S$'000
Group										
2022										
Financial assets										
Cash and cash equivalents	216,319	–	2,780	8,231	1,963	13,266	1,697	981	35,201	280,438
Trade and other receivables	43,274	11,062	27,186	509	4,687	99,537	2,075	33,404	17,271	239,005
Other financial assets	2,054	–	273	–	328	455	340	–	8,057	11,507
Financial assets	8,006	–	–	–	–	–	–	90,397	234	98,637
Derivative financial instruments	–	–	52	339	–	–	–	–	–	391
	269,653	11,062	30,291	9,079	6,978	113,258	4,112	124,782	60,763	629,978
Financial liabilities										
Derivative financial instruments	–	–	(172)	–	–	–	–	–	(380)	(552)
Borrowings	(399,267)	–	–	–	–	(117,741)	–	–	–	(517,008)
Lease liabilities	(27,292)	–	(944)	–	(1,440)	(49,916)	(42)	–	(3,811)	(83,445)
Trade and other payables	(166,135)	(247,685)	(12,619)	(1,283)	(4,118)	(351,457)	(997)	(1,203)	(28,845)	(814,342)
	(592,694)	(247,685)	(13,735)	(1,283)	(5,558)	(519,114)	(1,039)	(1,203)	(33,036)	(1,415,347)
Net financial (liabilities) / assets	(323,041)	(236,623)	16,556	7,796	1,420	(405,856)	3,073	123,579	27,727	
Less: Net financial (liabilities) / assets denominated in the respective entities' functional currencies	(323,041)	–	17,959	(92)	2,047	(315,251)	3,553	3,649	23,255	
Less: Currency forwards	–	(16,400)	–	–	–	–	–	–	–	
Currency exposure	–	(253,023)	(1,403)	7,888	(627)	(90,605)	(480)	119,930	4,472	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	HKD S$'000	AUD S$'000	MYR S$'000	RMB S$'000	Others S$'000	Total S$'000
Group										
2021										
Financial assets										
Cash and cash equivalents	437,190	–	3,111	7,347	5,218	17,177	1,785	715	28,669	501,212
Trade and other receivables	60,655	6,860	14,927	378	4,042	24,933	2,048	43,434	17,760	175,037
Other financial assets	2,606	–	–	16	1,368	70	350	–	5,458	9,868
Financial assets	19,086	–	–	–	–	1,459	–	96,829	255	117,629
Derivative financial instruments	–	–	–	10	–	–	–	–	30	40
	519,537	6,860	18,038	7,751	10,628	43,639	4,183	140,978	52,172	803,786
Financial liabilities										
Derivative financial instruments	–	–	(760)	(4)	–	–	–	–	(409)	(1,173)
Borrowings	(258,337)	–	–	–	–	(60,320)	(3,655)	–	–	(322,312)
Lease liabilities	(41,966)	–	(1,101)	–	(7,634)	(26,367)	(533)	–	(6,244)	(83,845)
Trade and other payables	(180,057)	(273,857)	(5,338)	(4,397)	(4,870)	(27,982)	(1,822)	(1,156)	(27,023)	(526,502)
	(480,360)	(273,857)	(7,199)	(4,401)	(12,504)	(114,669)	(6,010)	(1,156)	(33,676)	(933,832)
Net financial assets / (liabilities)	**39,177**	**(266,997)**	**10,839**	**3,350**	**(1,876)**	**(71,030)**	**(1,827)**	**139,822**	**18,496**	
Less: Net financial assets / (liabilities) denominated in the respective entities' functional currencies	39,177	–	10,559	(3,457)	(1,341)	(11,568)	(1,108)	3,506	16,964	
Less: Currency forwards	–	(1,193)	–	–	–	–	–	–	–	
Currency exposure	**–**	**(268,190)**	**280**	**6,807**	**(535)**	**(59,462)**	**(719)**	**136,316**	**1,532**	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

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

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	HKD S$'000	AUD S$'000	MYR S$'000	RMB S$'000	Others S$'000	Total S$'000
Company										
2022										
Financial assets										
Cash and cash equivalents	200,185	–	15	227	11	8	–	–	152	200,598
Trade and other receivables	271,967	11,062	–	–	–	1,886	–	29,781	–	314,696
Other financial assets	1,689	–	–	–	–	–	–	–	–	1,689
Financial assets	8,006	–	–	–	–	–	–	–	–	8,006
Derivative financial instruments	–	–	52	339	–	–	–	–	–	391
	481,847	11,062	67	566	11	1,894	–	29,781	152	525,380
Financial liabilities										
Derivative financial instruments	–	–	(172)	–	–	–	–	–	(380)	(552)
Borrowings	(50,000)	–	–	–	–	–	–	–	–	(50,000)
Lease liabilities	(20,403)	–	–	–	–	–	–	–	–	(20,403)
Trade and other payables	(499,615)	(247,685)	–	–	–	–	–	–	–	(747,300)
	(570,018)	(247,685)	(172)	–	–	–	–	–	(380)	(818,255)
Net financial (liabilities) / assets	(88,171)	(236,623)	(105)	566	11	1,894	–	29,781	(228)	
Less: Net financial (liabilities) / assets denominated in the respective entities' functional currencies	(88,171)	–	–	–	–	–	–	–	–	
Less: Currency forwards	–	(16,400)	–	–	–	–	–	–	–	
Currency exposure	–	(253,023)	(105)	566	11	1,894	–	29,781	(228)	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	HKD S$'000	AUD S$'000	MYR S$'000	RMB S$'000	Others S$'000	Total S$'000
Company										
2021										
Financial assets										
Cash and cash equivalents	417,817	–	785	104	10	5	–	–	110	418,831
Trade and other receivables	314,126	6,860	–	–	–	1,870	7,157	39,954	–	369,967
Other financial assets	1,647	–	–	–	–	–	–	–	–	1,647
Financial assets	19,086	–	–	–	–	–	–	–	–	19,086
Derivative financial instruments	–	–	–	10	–	–	–	–	30	40
	752,676	6,860	785	114	10	1,875	7,157	39,954	140	809,571
Financial liabilities										
Derivative financial instruments	–	–	(760)	(4)	–	–	–	–	(409)	(1,173)
Lease liabilities	(22,560)	–	–	–	–	–	–	–	–	(22,560)
Trade and other payables	(428,390)	(273,857)	–	–	–	–	–	–	–	(702,247)
	(450,950)	(273,857)	(760)	(4)	–	–	–	–	(409)	(725,980)
Net financial assets / (liabilities)	**301,726**	**(266,997)**	**25**	**110**	**10**	**1,875**	**7,157**	**39,954**	**(269)**	
Less: Net financial assets / (liabilities) denominated in the respective entities' functional currencies	301,726	–	–	–	–	–	–	–	–	
Less: Currency forwards	–	(1,193)	–	–	–	–	–	–	–	
Currency exposure	**–**	**(268,190)**	**25**	**110**	**10**	**1,875**	**7,157**	**39,954**	**(269)**	

If the SDR changes against the SGD by 2% (2021: 2%) with all other variables being held constant, the effects arising from the net financial liability/asset position will be as follows:

	Increase / (decrease) Profit before tax	
	2022 S$'000	2021 S$'000
Group and Company		
SDR against SGD		
– strengthened	**(5,060)**	(5,364)
– weakened	**5,060**	5,364

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

If the EUR changes against the SGD by 2% (2021: 2%) with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase / (decrease) Profit before tax	
	2022	2021
	S$'000	S$'000
Group		
EUR against SGD		
– strengthened	**(28)**	6
– weakened	**28**	(6)
Company		
EUR against SGD		
– strengthened	**(2)**	1
– weakened	**2**	(1)

If the USD changes against the SGD by 3% (2021: 3%) with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase / (decrease) Profit before tax	
	2022	2021
	S$'000	S$'000
Group		
USD against SGD		
– strengthened	**237**	204
– weakened	**(237)**	(204)
Company		
USD against SGD		
– strengthened	**17**	3
– weakened	**(17)**	(3)

If the AUD changes against the SGD by 4% (2021: 3%) with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase / (decrease) Profit before tax	
	2022	2021
	S$'000	S$'000
Group		
AUD against SGD		
– strengthened	**(3,624)**	(1,784)
– weakened	**3,624**	1,784
Company		
AUD against SGD		
– strengthened	**76**	56
– weakened	**(76)**	(56)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the RMB changes against the SGD by 2% (2021: 3%) with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase / (decrease) Profit before tax	
	2022	2021
	S$'000	S$'000
Group		
RMB against SGD		
– strengthened	**591**	1,185
– weakened	**(591)**	(1,185)
Company		
RMB against SGD		
– strengthened	**596**	1,199
– weakened	**(596)**	(1,199)

	Increase / (decrease) Other comprehensive income	
	2022	2021
	S$'000	S$'000
Group		
RMB against SGD		
– strengthened	**1,808**	2,905
– weakened	**(1,808)**	(2,905)

(ii) Interest rate risk

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 variable interest-bearing assets, the Group's interest 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 debt based on the assessment of interest rate trends is used to achieve this objective. The Group was exposed to interest rate risk from its borrowings (Note 28) which bear interest ranging from 1.3% to 3.2% (2021: 1.35% to 3.28%).

For the financial year ended 31 March 2022, if the interest rate had increased / decreased by 1% (2021: 1%) with all other variables being held constant, profit before tax will decrease / increase by S$1.1 million (2021: S$0.7 million).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Managing interest rate benchmark reform and associated risks

A fundamental review and reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred as "IBOR reform"). In Singapore, the fundamental review and reform of the two key Singapore Dollars interest rate benchmarks that are widely referenced in financial contracts, namely Singapore interbank offered rates (SIBORs) and Singapore overnight rate average (SORs) and the transition from SOR to the Singapore overnight rate average (SORA), is being adopted or transitioned.

SingPost may have exposures to IBORs on its financial instruments, financial contracts that will be replaced or reformed as part of these market-wide initiatives. This may impact any of its risk management and hedge accounting policies that is outstanding.

The Group's treasury function ("Group Treasury") monitors and manages the Group's transition to alternative rates. Group Treasury evaluates the extent of this exposures, and whether any of such financial contracts will need to be amended or being impacted as a result of IBOR reform.

Having reviewed the Group's exposures from any derivative or loan outstanding, no derivative instruments has been entered into nor loans outstanding for the Group is exposed to IBOR reform and does not require any modification in relation to the IBOR reform as at 31 March 2022.

New loans or transactions which may involve IBOR reform would have been contracted with the new benchmark.

However, Group Treasury has and will continue to review and update if relevant, existing bilateral loan agreements with financial institutions to cater for replacement benchmark flexibility or new benchmark adoption in pricing of loans.

(iii) Equity price risk management

The Group is exposed to equity risks arising from equity investments classified as at FVTOCI. Equity investments measured at FVTOCI are held for strategic rather than trading purposes. The Group does not actively trade such investments.

Further details of these equity investments can be found in Note 15.

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period. In respect of equity investments at FVTOCI, if the inputs to the valuation model had been 10% higher/lower while all other variables were held constant, the Group's fair value reserve would increase/decrease by S$9.1 million (2021: S$10.2 million).

(b) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 March 2022, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(b) Overview of the Group's exposure to credit risk (continued)

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

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
By geographical areas				
Singapore	**44,923**	45,851	**46,401**	53,132
Other countries	**178,349**	119,037	**47,605**	54,987
	223,272	164,888	**94,006**	108,119
By types of customers				
Related parties	**1,406**	2,287	**16,208**	13,453
Non-related parties:				
– Government bodies	**1,992**	2,652	**1,992**	2,652
– Banks	**5,210**	5,149	**5,094**	4,908
– Overseas postal administrations	**9,147**	6,728	**9,147**	6,728
– Other companies	**205,517**	148,072	**61,565**	80,378
	223,272	164,888	**94,006**	108,119

(i) Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on similar credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers under each business.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Any recoveries made are recognised in profit or loss. The Group generally considers a financial asset in default if the counterparty fails to make contractual payments within 90 days past due or there is evidence indicating the asset is credit-impaired.

(ii) Other financial assets at amortised cost

In determining the expected credit loss, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors / debt instrument and general economic conditions of the industry in which the debtors / debt instrument operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(b) Overview of the Group's exposure to credit risk (continued)

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	External credit rating	Internal credit rating	12-month ("12m") or lifetime ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
2022							
Group							
Trade receivables	16	N.A.	(i)	Lifetime ECL (simplified approach)	228,554	(5,282)	223,272
Other receivables	16,20	N.A.	(ii)	12m ECL and lifetime ECL	17,767	(2,390)	15,377
Other financial assets	18	N.A.	(ii)	12m ECL	11,507	–	11,507
Bonds	15	At least BBB-	N.A.	12m ECL	8,006	–	8,006
						(7,672)	
Company							
Trade receivables	16	N.A.	(i)	Lifetime ECL (simplified approach)	98,442	(4,436)	94,006
Other receivables	16,20	N.A.	(ii)	12m ECL and lifetime ECL	266,814	(46,480)	220,334
Other financial assets	18	N.A.	(ii)	12m ECL	1,689	–	1,689
Bonds	15	At least BBB-	N.A.	12m ECL	8,006	–	8,006
						(50,916)	
2021							
Group							
Trade receivables	16	N.A.	(i)	Lifetime ECL (simplified approach)	168,060	(3,172)	164,888
Other receivables	16,20	N.A.	(ii)	12m ECL and lifetime ECL	10,522	(746)	9,776
Other financial assets	18	N.A.	(ii)	12m ECL	9,868	–	9,868
Bonds	15	At least BBB-	N.A.	12m ECL	14,525	–	14,525
						(3,918)	
Company							
Trade receivables	16	N.A.	(i)	Lifetime ECL (simplified approach)	110,671	(2,552)	108,119
Other receivables	16,20	N.A.	(ii)	12m ECL and lifetime ECL	312,917	(51,442)	261,475
Other financial assets	18	N.A.	(ii)	12m ECL	1,647	–	1,647
Bonds	15	At least BBB-	N.A.	12m ECL	14,525	–	14,525
						(53,994)	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(b) Overview of the Group's exposure to credit risk (continued)

(i) For trade receivables, the Group has applied the simplified approach in SFRS (I) 9 *Financial Instruments* to measure the loss allowance at lifetime ECL. The credit risk profile is presented based on the trade receivables' past due status in terms of the provision matrix.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix.

	Expected weighted credit loss rate %	Estimated total gross carrying amount at default S$'000	Lifetime ECL S$'000	Total S$'000
Trade receivables				
2022				
Group				
Current (not past due)	*	193,630	–	193,630
1 to 90 days past due	7.8%	30,290	(2,377)	27,913
More than 90 days past due	62.7%	4,634	(2,905)	1,729
		228,554	(5,282)	223,272
Company				
Current (not past due)	*	86,378	–	86,378
1 to 90 days past due	27.9%	8,528	(2,377)	6,151
More than 90 days past due	58.2%	3,536	(2,059)	1,477
		98,442	(4,436)	94,006
2021				
Group				
Current (not past due)	*	136,833	–	136,833
1 to 90 days past due	7.6%	29,304	(2,213)	27,091
More than 90 days past due	49.9%	1,923	(959)	964
		168,060	(3,172)	164,888
Company				
Current (not past due)	*	98,066	–	98,066
1 to 90 days past due	19.2%	11,514	(2,213)	9,301
More than 90 days past due	31.1%	1,091	(339)	752
		110,671	(2,552)	108,119

* The expected weighted credit loss rate is assessed as negligible.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(b) Overview of the Group's exposure to credit risk (continued)

(ii) Other receivables and other financial assets at amortised cost except for the credit impaired other receivables are considered to be recoverable as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default since initial recognition. The Group assesses that no loss allowance is required in respect of these financial assets. Loss allowance recognised arises from loans to associated companies and subsidiaries and is determined after taking into account the financial position of the associated company and subsidiary adjusted for factors specific to them and general economic conditions of the industries in which the associated companies and subsidiaries operate.

Movements in loss allowance are as follows:

Group

	Trade receivables S$'000	Loans to associated companies S$'000
Balance as at 1 April 2020	1,843	–
Amount written off	(527)	(357)
Loss allowance recognised in profit or loss during the year	1,856	1,103
Balance as at 31 March 2021	3,172	746
Amount written off	(101)	–
Loss allowance recognised in profit or loss during the year	2,211	1,644
Reclassification to assets held for sale (Note 19)	–	(2,390)
Balance as at 31 March 2022	5,282	–

Company

	Trade receivables S$'000	Loans to subsidiaries S$'000
Balance as at 1 April 2020	856	51,442
Loss allowance recognised in profit or loss during the year	1,696	–
Balance as at 31 March 2021	2,552	51,442
Amount written off	(84)	–
Loss allowance recognised / (reversed) in profit or loss during the year	1,968	(4,962)
Balance as at 31 March 2022	4,436	46,480

(c) Credit risk management

The major classes of financial assets of the Group and of the Company are bank deposits, trade and other 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 any 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. As at 31 March 2022, trade receivables from a customer represented 13% and 32% (2021: 24% and 37%) of the Group's and Company's trade receivables respectively and contributed revenue of S$231,498,000 (2021: S$326,147,000). The revenue is attributable to the Post and Parcel segment.

Bank deposits are placed in banks which are regulated.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(d) 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 credit facilities and the ability to close market positions at short notice.

As at 31 March 2022, the Group's and the Company's current liabilities exceeded their current assets by S$267,181,000 and S$168,254,000 respectively. This was largely due to the timing difference between the full redemption of the Company's perpetual securities with accrued distributions totalling S$360,478,000 during the year while the Company's wholly-owned subsidiary issued S$250 million SGD Subordinated Perpetual Securities (Note 43) in April 2022, which brought the Group back into a net cash position. Management is of the view that the Group and the Company are able to pay their debts when they fall due. The Group also maintains access to undrawn credit facilities and debt capital markets.

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

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000
Group				
2022				
Trade and other payables	**(667,500)**	**(7,113)**	**(1,653)**	**(6,508)**
Lease liabilities	**(33,096)**	**(25,924)**	**(22,776)**	**(8,515)**
Borrowings	**(90,851)**	**(12,821)**	**(225,547)**	**(272,978)**
	(791,447)	**(45,858)**	**(249,976)**	**(288,001)**
2021				
Trade and other payables	(504,283)	(11,844)	(1,456)	(7,192)
Lease liabilities	(26,805)	(20,429)	(31,878)	(20,488)
Borrowings	(16,752)	(10,511)	(82,374)	(279,303)
	(547,840)	(42,784)	(115,708)	(306,983)
Company				
2022				
Trade and other payables	**(403,072)**	**(11,068)**	**(135,777)**	**(276,589)**
Lease liabilities	**(8,677)**	**(6,647)**	**(5,803)**	**–**
Borrowings	**(50,035)**	**–**	**–**	**–**
	(461,784)	**(17,715)**	**(141,580)**	**(276,589)**
2021				
Trade and other payables	(452,940)	(7,466)	(24,722)	(283,752)
Lease liabilities	(13,388)	(4,151)	(5,951)	(70)
	(466,328)	(11,617)	(30,673)	(283,822)

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the Group's liquidity risk is managed on a net asset and liability basis. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipate that the cash flow will occur in a different period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000
Group				
2022				
Cash and cash equivalents	**280,438**	**–**	**–**	**–**
Trade and other receivables	**233,818**	**4,810**	**1**	**134**
Other financial assets	**5,008**	**1,539**	**–**	**4,960**
Financial assets	**8,089**	**–**	**–**	**–**
	527,353	**6,349**	**1**	**5,094**
2021				
Cash and cash equivalents	501,212	–	–	–
Trade and other receivables	166,174	8,485	7	134
Other financial assets	5,642	9	147	4,070
Financial assets	6,960	9,839	–	–
	679,988	18,333	154	4,204
Company				
2022				
Cash and cash equivalents	**200,598**	**–**	**–**	**–**
Trade and other receivables	**109,712**	**218,340**	**2,260**	**134**
Other financial assets	**1,689**	**–**	**–**	**–**
Financial assets	**8,089**	**–**	**–**	**–**
	320,088	**218,340**	**2,260**	**134**
2021				
Cash and cash equivalents	418,831	–	–	–
Trade and other receivables	133,545	251,728	7	134
Other financial assets	1,647	–	–	–
Financial assets	6,960	8,380	–	–
	560,983	260,108	7	134

The following table details the liquidity analysis for derivative financial liabilities. The table has been drawn up based on the undiscounted net cash inflows and (outflows) on the derivative instruments that settle on a net basis and the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Less than 1 year				
Gross settled:				
Foreign exchange contracts forward				
– Gross inflow	**145,757**	148,943	**145,757**	148,943
– Gross outflow	**(145,918)**	(150,076)	**(145,918)**	(150,076)
	(161)	(1,133)	**(161)**	(1,133)

(e) 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. In the management of the debt and capital structure, the Group and Company aim to sustain a strong investment-grade credit profile.

The gearing ratio is calculated as net debt/(cash) with and without perpetual securities divided by total equity. Net debt/(cash) is calculated as borrowings less cash and cash equivalents.

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Net debt / (cash)	**236,570**	(178,900)	**(150,598)**	(418,831)
Total equity	**1,142,101**	1,671,423	**1,233,674**	1,586,772
Gearing ratio without perpetual securities	**20.7%**	(10.7%)	**(12.2%)**	(26.4%)
Net debt / (cash) plus perpetual securities	**236,570**	167,926	**(150,598)**	(72,005)
Total equity	**1,142,101**	1,671,423	**1,233,674**	1,586,772
Gearing ratio with perpetual securities	**20.7%**	10.0%	**(12.2%)**	(4.5%)

The capital structure of the Group and Company consists of equity attributable to owners of the parents comprising issued capital, perpetual securities, reserves, retained earnings and borrowings disclosed in Note 28. The Group is in compliance with externally imposed capital requirements for the financial years ended 31 March 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(f) 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 end of the reporting period. The quoted market prices used for financial assets are the current bid price; the appropriate quoted market prices used for financial liabilities are the current asking prices. The instruments are presented within Level 1 of the fair value hierarchy.

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 makes assumptions based on market conditions existing at the end of each reporting period. Where appropriate, quoted market price or dealer quotes for similar instruments are used.

The fair values of currency forwards are determined using actively quoted forward exchange rates. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. These investments are classified as Level 2 and comprise derivative financial instruments.

The fair values of financial assets at FVTPL – call option, financial assets designated as at FVTOCI, contingent consideration payable and put option redemption liabilities are estimated by using valuation techniques that are not based on observable market data and are accordingly classified as a Level 3 fair value measurement.

The fair values of current and non-current financial assets and liabilities carried at amortised cost approximate their carrying amounts, except for certain financial assets and non-current borrowings which fair values are disclosed in Notes 15 and 28 respectively.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

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

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
2022				
Assets				
Financial assets designated as at FVTOCI	**–**	**–**	**90,631**	**90,631**
Derivative financial instruments	**–**	**391**	**–**	**391**
Liabilities				
Derivative financial instruments	**–**	**552**	**–**	**552**
Contingent consideration payable	**–**	**–**	**7,971**	**7,971**
Put option redemption liabilities	**–**	**–**	**249,215**	**249,215**
2021				
Assets				
Financial assets at FVTPL – call option	–	–	1,459	1,459
Financial assets designated as at FVTOCI	–	–	101,645	101,645
Derivative financial instruments	–	40	–	40
Liabilities				
Derivative financial instruments	–	1,173	–	1,173
Put option redemption liability	–	–	5,966	5,966
Company				
2022				
Assets				
Derivative financial instruments	**–**	**391**	**–**	**391**
Liabilities				
Derivative financial instruments	**–**	**552**	**–**	**552**
2021				
Assets				
Financial assets designated as at FVTOCI	–	–	4,561	4,561
Derivative financial instruments	–	40	–	40
Liabilities				
Derivative financial instruments	–	1,173	–	1,173

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

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

The following table presents the changes in Level 3 instruments:

	Financial assets at FVTPL – call option S$'000	Financial assets designated as at FVTOCI S$'000	Contingent consideration payable S$'000	Put option redemption liability S$'000
2022				
Beginning of financial year	**1,459**	**101,645**	**–**	**(5,966)**
Acquisition of subsidiaries	**–**	**–**	**(7,742)**	**(241,385)**
Fair value losses recognised in				
– Profit or loss	**–**	**–**	**–**	**(1,945)**
– Other comprehensive income	**–**	**(14,957)**	**–**	**–**
Exercise of call option	**(1,459)**	**–**	**–**	**–**
Currency translation differences	**–**	**3,943**	**(229)**	**81**
End of financial year	**–**	**90,631**	**(7,971)**	**(249,215)**
Total loss for the year included in profit or loss for assets and liabilities held at the end of the financial year	**–**	**–**	**–**	**(1,945)**
2021				
Beginning of financial year	–	81,298	1,558	–
Acquired during the financial year	1,459	–	–	–
Fair value gains / (losses) recognised in				
– Profit or loss	–	–	3	(3,501)
– Other comprehensive income	–	18,731	–	–
Adjustment recognised in other reserves	–	–	–	(2,498)
Settlement of contingent consideration	–	–	(1,508)	–
Currency translation differences	–	1,616	(53)	33
End of financial year	1,459	101,645	–	(5,966)
Total loss for the year included in profit or loss for assets and liabilities held at the end of the financial year	–	–	–	(3,501)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

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

	Company Financial assets designated as at FVTOCI S$'000
2022	
Beginning of financial year	**4,561**
Fair value loss recognised in other comprehensive income	**(4,561)**
End of financial year	**–**
Total profit for the year included in profit or loss for assets and liabilities held at the end of the financial year	**–**
2021	
Beginning and end of financial year	4,561
Total profit for the year included in profit or loss for assets and liabilities held at the end of the financial year	–

There were no transfers between Levels 1, 2 and 3 during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

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

The following table presents the valuation techniques and key inputs that were used to determine the fair value of financial instruments categorised under Level 3 of the fair value hierarchy.

Description	**Fair value (S$'000) 2022**	**Valuation techniques**	**Unobservable inputs**	**Range of unobservable inputs 2022**	**Relationship of unobservable inputs to fair value**
Group					
Financial assets at FVTPL – call option	– (2021: 1,459)	Black-Scholes pricing model	Enterprise Value volatility	– (2021: 27.0%)	The higher the volatility, the higher the valuation
			Risk-free rate	– (2021: 0.14%)	The higher the risk-free rate, the higher the valuation
Financial assets designated as at FVTOCI	**90,631** (2021: 101,645)	Market approach	Enterprise Value / EBITDA multiple of comparable companies	**N/A** (2021: 8.5-15.7x)	The higher the Enterprise Value / EBITDA multiple, the higher the valuation
			Enterprise Value / Revenue multiple of comparable companies	**0.3-0.35x** (2021: 0.4-1.1x)	The higher the Enterprise Value / Revenue multiple, the higher the valuation
Put option redemption liabilities	**7,830** (2021: 5,966)	Discounted cash flow approach	Discount rate	**4.5-5.0%** (2021: 4.0-5.0%)	The higher the discount rate, the lower the valuation
	241,385 (2021: Nil)	Monte Carlo simulation model	EBITDA volatility	**20.0%** (2021: Nil)	The higher the volatility, the higher the valuation
			Risk-free rate	**1.0-2.6%** (2021: Nil)	The higher the risk-free rate, the higher the valuation

N/A: Not applicable

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(g) Financial instruments by category

The carrying amount of the different categories of financial instruments other than those disclosed in Notes 15, 17, 19 and 28 to the financial statements are as follows:

	Group		Company	
	2022 S$'000	2021 S$'000	**2022 S$'000**	2021 S$'000
Financial assets at amortised cost	**530,950**	686,117	**516,983**	790,445
Financial liabilities at amortised cost	**557,156**	520,536	**747,300**	702,247
Financial liabilities at fair value through profit or loss	**257,186**	5,966	**–**	–

(h) Offsetting financial assets and financial liabilities

There were no financial instruments subject to enforceable master netting arrangement as at 31 March 2022 and 2021.

38. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group had the following significant transactions with its related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2022 S$'000	2021 S$'000
Services rendered to an associated company	**2,677**	494
Services received from associated companies	**(3,072)**	(1,786)
Services rendered to related companies of a substantial shareholder	**13,901**	16,285
Services received from related companies of a substantial shareholder	**(16,926)**	(31,246)
Interest received from loans to associated companies	**92**	103

During the financial year ended 31 March 2022, the Company made payments on behalf of subsidiaries totalling S$5.2 million (2021: S$4.4 million) which were subsequently reimbursed.

Outstanding balances at 31 March 2022, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from the end of the reporting period and are disclosed in Notes 16 and 27 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

38. RELATED PARTY TRANSACTIONS (continued)

(b) Key management personnel compensation is as follows:

	Group	
	2022	2021
	S$'000	S$'000
Salaries and other short-term employee benefits	**3,793**	5,748
Post-employment benefits	**80**	73
Share-based staff costs	**74**	1,842
	3,947	7,663

Included in the above is total compensation to non-executive directors of the Company amounting to S$1,222,800 (2021: S$1,185,600) based on the non-executive director remuneration framework.

39. SEGMENT INFORMATION

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.

SingPost Group classifies the reporting of business units into three key business segments, namely Post and Parcel, Logistics and Property.

- ***Post and Parcel*** segment comprises the core postal and parcel delivery business of the Group. This includes Domestic post and parcels, International post and parcels, as well as products and services transacted at the post offices.
- ***Logistics*** segment comprises the logistics businesses of the Group. The services are divided into Freight forwarding and eCommerce logistics, which includes front-end related eCommerce solutions, warehousing, fulfilment, delivery and other value-added services in Asia Pacific.
- ***Property*** segment includes the provision of commercial property rental, as well as the self-storage business.

All other segments comprising of unallocated corporate overhead items are categorised as Others.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

39. SEGMENT INFORMATION (continued)

(a) Segment revenues and results

The following is an analysis of the Group's revenues and results by reportable segments that were provided to the CODM for the financial years ended 31 March 2022 and 2021.

	Post and Parcel S$'000	Logistics S$'000	Property S$'000	Eliminations S$'000	Total S$'000	All other segments S$'000	Total S$'000
Group							
Full year ended 31 March 2022							
Revenue:							
– External	**604,784**	**988,450**	**72,345**	**–**	**1,665,579**	**–**	**1,665,579**
– Inter-segment	**17,550**	**10,080**	**42,561**	**(70,191)**	**–**	**–**	**–**
	622,334	**998,530**	**114,906**	**(70,191)**	**1,665,579**	**–**	**1,665,579**
Operating profit	**24,851**	**44,295**	**52,867**	**–**	**122,013**	**(9,939)**	**112,074**
Full year ended 31 March 2021							
Revenue:							
– External	721,475	608,347	74,859	–	1,404,681	–	1,404,681
– Inter-segment	22,407	9,728	40,569	(72,704)	–	–	–
	743,882	618,075	115,428	(72,704)	1,404,681	–	1,404,681
Operating profit	43,502	11,256	50,013	–	104,771	(25,439)	79,332

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.

Reconciliation of Segment profits

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 results of associated companies and joint venture. Interest income and finance expenses are not allocated to segments.

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

	Group	
	2022 S$'000	2021 S$'000
Operating profit for reportable segments	**122,013**	104,771
Operating loss for all other segments	**(9,939)**	(25,439)
Exceptional items	**1,858**	(12,491)
Finance expenses	**(14,779)**	(11,031)
Interest income and investment income (net)	**3,366**	3,470
Share of profit of associated companies and joint venture	**4,847**	989
Profit before tax	**107,366**	60,269
Tax expense	**(19,623)**	(13,259)
Profit after tax	**87,743**	47,010

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

39. SEGMENT INFORMATION (continued)

(b) Segment assets

The following is an analysis of the Group's segment assets as at 31 March 2022 and 2021 that were provided to the CODM:

	Post and Parcel S$'000	Logistics S$'000	Property S$'000	Total S$'000	All other segments S$'000	Total S$'000
Group						
31 March 2022						
Segment assets	**140,154**	**1,008,165**	**1,274,804**	**2,423,123**	**48,390**	**2,471,513**
Segment assets include:						
Investment in associated companies	**–**	**2,575**	**–**	**2,575**	**31,497**	**34,072**
Intangible assets	**–**	**529,441**	**–**	**529,441**	**–**	**529,441**
31 March 2021						
Segment assets	182,720	660,137	1,400,006	2,242,863	43,121	2,285,984
Segment assets include:						
Investment in associated companies	–	66,490	–	66,490	30,979	97,469
Intangible assets	–	283,665	30,867	314,532	–	314,532

Reconciliation of segment assets

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 statement of financial position 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. Cash and cash equivalents are allocated to reportable segments where applicable.

	Group	
	2022 S$'000	2021 S$'000
Segment assets for reportable segments	**2,423,123**	2,242,863
Segments assets for all other segments	**48,390**	43,121
Unallocated:		
Cash and cash equivalents	**199,494**	416,657
Financial assets	**8,006**	19,086
Derivative financial instruments	**391**	40
Total assets	**2,679,404**	2,721,767

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

39. SEGMENT INFORMATION (continued)

(c) Other segment information

	Post and Parcel S$'000	Logistics S$'000	Property S$'000	All other segments S$'000	Total S$'000
Group					
2022					
Depreciation and amortisation	**22,909**	**29,491**	**18,971**	**3,053**	**74,424**
Additions to[1]:					
– Property, plant and equipment	**2,916**	**14,449**	**3,225**	**1,863**	**22,453**
– Investment properties	**–**	**–**	**70**	**–**	**70**
– Right-of-use assets	**657**	**15,542**	**13,961**	**93**	**30,253**
– Intangible assets	**–**	**2,404**	**–**	**–**	**2,404**
2021					
Depreciation and amortisation	22,291	18,117	23,979	4,338	68,725
Additions to[1]:					
– Property, plant and equipment	3,305	5,197	2,841	2,243	13,586
– Right-of-use assets	812	10,461	13,004	92	24,369

[1] Net of inter-segment elimination

In addition to the depreciation and amortisation reported above, impairment losses of S$4.3 million (2021: S$1.2 million), S$4.4 million (2021: S$1.2 million) and S$5.5 million were recognised in respect of investment in and loan to associated companies, property, plant and equipment and assets classified as held for sale respectively.

These impairment (losses) / reversals were attributable to the following reportable segments:

	Group 2022 S$'000	Group 2021 S$'000
Post and Parcel	**(5,093)**	–
Logistics	**(9,813)**	(2,427)
Property	**719**	–
	(14,187)	(2,427)

(d) Revenue from major products and services

The Group's revenue from its major products and services are disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

39. SEGMENT INFORMATION (continued)

(e) Geographical information

The Group's three business segments operate in two main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore where 43% (2021: 59%) of its revenues are generated. The operations in this area comprise principally of the core postal business, post office products and services, courier activities and investment holding.

- Australia – the operations in this area are principally delivery services and e-commerce logistics solutions.

- Other countries – the operations include warehousing and logistics delivery in Japan and Hong Kong, and freight forwarding businesses in Europe and New Zealand.

	Group	
	2022	2021
	S$'000	S$'000
Revenue:		
Singapore	**717,076**	832,156
Australia	**460,962**	252,484
Other countries	**487,541**	320,041
	1,665,579	1,404,681

The geographical information on the Group's non-current assets is not presented as it is not used for segmental reporting purposes.

(f) Information about major customers

Included in revenues arising from Post and Parcel segment of S$604,784,000 (2021: S$721,475,000) are revenues of approximately S$231,498,000 (2021: S$326,147,000) derived from the Group's largest customer in the respective years.

40. ACQUISITION OF SUBSIDIARIES

(a) Freight Management Holdings Pty Ltd

On 30 November 2021, the Group acquired 23% shares and voting interests in Freight Management Holdings Pty Ltd ("FMH"). As a result, the Group's interest in FMH increased from 28% to 51%, granting it control of FMH.

The principal activity of FMH is the provision of integrated supply chain and distribution solutions to customers in Australia through a 4th party logistics technology platform. Having FMH as a subsidiary will enable the Group to better derive synergies and build scale to further capitalise on the accelerated growth in eCommerce in Australia.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

40. ACQUISITION OF SUBSIDIARIES (continued)

(a) Freight Management Holdings Pty Ltd (continued)

Details at the acquisition date of the consideration paid, the fair value amounts of assets acquired and liabilities assumed, and the effects on the cash flows of the Group, are as follows:

		Group S$'000
(i)	Purchase consideration	
	Cash paid to vendor	**109,594**
	Contingent consideration (Note (iv))	**6,101**
	Total purchase consideration	**115,695**
(ii)	Effect on cash flows of the Group	
	Effect on cash flows of the Group	**109,594**
	Less: Cash and cash equivalent balances acquired	**–**
	Cash outflow on acquisition	**109,594**

(iii) Identifiable assets acquired and liabilities assumed, at fair value

	At fair value S$'000
Current assets	
Trade and other receivables	75,152
	75,152
Non-current assets	
Property, plant and equipment	31,613
Right-of-use assets	23,392
Intangible assets	57,620
Deferred income tax assets	5,086
Other non-current assets	98
	117,809
Current liabilities	
Trade and other payables	68,245
Current income tax liabilities	10,979
Lease liabilities	9,146
Borrowings	14,455
	102,825
Non-current liabilities	
Lease liabilities	18,504
Borrowings	3,447
Deferred tax liabilities	13,768
	35,719
Total identifiable assets acquired and liabilities assumed	54,417
Add: Goodwill arising on acquisition (Note (v))	181,812
Less: Fair value of previously held interest	(93,869)
Less: Non-controlling interest (Note (vi))	(26,665)
Consideration	**115,695**

The fair value of the financial assets includes receivables acquired (which principally comprised of trade receivables) with a fair value of S$55,895,000 and a gross contractual value of S$56,723,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected is S$828,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

40. ACQUISITION OF SUBSIDIARIES (continued)

(a) Freight Management Holdings Pty Ltd (continued)

(iv) Contingent consideration

The contingent consideration is dependent on the Earnings before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of FMH for the period from 1 July 2021 to 30 June 2022.

(v) Goodwill arising on acquisition

The goodwill of S$181,812,000 arising on acquisition is attributable to the synergies expected to arise from economies of scale in combining the operations of the Group to strengthen the Group's capability to provide an end-to-end Business-to-Business-to-Consumer logistics solution for customers and a seamless logistics service within Australia.

None of the goodwill is expected to be deductible for tax purposes.

(vi) Non-controlling interest

The non-controlling interest (49% ownership interest in FHM) recognised amounted to S$26,665,000 and was measured by reference to the share of fair value of the net identifiable assets and liabilities on acquisition date.

(vii) Acquisition-related cost

Acquisition-related costs of S$414,000 are included in "exceptional items" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(viii) Impact of acquisition on the results of the Group

FMH contributed S$178,662,000 revenue and S$4,769,000 to the Group's profit for the period between the date of acquisition and the reporting date.

If the acquisition of FMH had been completed on the first day of the financial year, consolidated revenue and consolidated net profit for the year ended 31 March 2022 would have increased by S$291,454,000 and S$8,850,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

40. ACQUISITION OF SUBSIDIARIES (continued)

(b) Andromeda Nominees Pty Ltd

On 1 March 2022, Freight Management Holdings Pty Ltd, a subsidiary of the Group, acquired 100% shares and voting interests in Andromeda Nominees Pty Ltd ("Andromeda"). The principal activity of Andromeda is the provision of logistics services in Australia.

Details at the acquisition date of the consideration paid, the provisional fair value amounts of assets acquired and liabilities assumed, and the effects on the cash flows of the Group, are as follows:

		Group S$'000
(i)	Purchase consideration	
	Cash paid to vendor	**1,984**
	Contingent consideration (Note (iv))	**1,641**
	Total purchase consideration	**3,625**
(ii)	Effect on cash flows of the Group	
	Effect on cash flows of the Group	**1,984**
	Less: Cash and cash equivalent balances acquired	**(94)**
	Cash outflow on acquisition	**1,890**

(iii) Identifiable assets acquired and liabilities assumed, at provisional fair value

	At provisional fair value S$'000
Current assets	
Cash and cash equivalents	94
Trade and other receivables	1,631
	1,725
Non-current assets	
Property, plant and equipment	784
Right-of-use assets	1,248
	2,032
Current liabilities	
Trade and other payables	2,513
Borrowings	9
	2,522
Total identifiable assets acquired and liabilities assumed	1,235
Add: Goodwill arising on acquisition (Note (v))	2,390
Consideration	**3,625**

(iv) Contingent consideration

Out of the total contingent consideration of S$1,641,000, S$661,000 is dependent on the finalisation of the net assets of Andromeda as at 1 March 2022. The remaining balance of S$980,000 is dependent on the EBITDA of Andromeda for the period from 1 July 2022 to 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

40. ACQUISITION OF SUBSIDIARIES (continued)

(b) Andromeda Nominees Pty Ltd (continued)

(v) Goodwill arising on acquisition

The goodwill of S$2,390,000 arising on acquisition is attributable to the synergies expected to arise from economies of scale in combining the business processes and marketing with those of Andromeda.

None of the goodwill is expected to be deductible for tax purposes.

41. LOSS OF CONTROL OF SUBSIDIARIES

(a) General Storage Company Pte. Ltd.

On 22 December 2021, the Group disposed its entire interests in a wholly-owned subsidiary, General Storage Company Pte. Ltd. ("GSC") to an external party.

The net assets of GSC and its subsidiaries at the date of disposal were as follows:

Carrying amounts of net assets over which control was lost

	2022 S$'000
Current assets	
Cash and cash equivalents	14,766
Trade and other receivables	322
Inventories	14
Other current assets	1,585
	16,687
Non-current assets	
Investment properties	53,321
Property, plant and equipment	12,369
Right-of-use assets	20,922
Intangible assets	30,697
Other non-current assets	16
	117,325
Total assets	134,012
Current liabilities	
Trade and other payables	3,806
Current income tax liabilities	719
Lease liabilities	7,258
Contract liabilities	5,762
Borrowings	1,454
	18,999
Non-current liabilities	
Trade and other payables	1,043
Lease liabilities	19,380
Borrowings	4,509
Deferred tax liabilities	1,879
	26,811
Total liabilities	45,810
Net assets derecognised	88,202

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

41. LOSS OF CONTROL OF SUBSIDIARIES (continued)

(a) General Storage Company Pte. Ltd. (continued)

	2022 S$'000
Net financial impact on disposal	
Consideration received	87,205
Net assets derecognised	(88,202)
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of subsidiary	872
Legal fees and other related expenses for disposal of subsidiary	(5,714)
Net financial impact on disposal [1]	(5,839)

[1] Before considering the effect of transfer of revaluation gain on property, plant and equipment and other capital reserve of S$6,017,000 directly to retained earnings (Note 9).

(b) Other subsidiaries

The net assets of other subsidiaries at the date of disposal / deconsolidation were as follows:

Carrying amounts of net assets over which control was lost

	2022 S$'000
Current assets	
Cash and cash equivalents	625
Trade and other receivables	744
	1,369
Current liabilities	
Trade and other payables	1,449
Contract liabilities	68
	1,517
Net liabilities derecognised	(148)
Net financial impact on disposal	
Consideration received	–
Net liabilities derecognised	148
Cumulative exchange differences in respect of the net assets of the subsidiaries reclassified from equity on loss of control of subsidiaries	(626)
Net financial impact on disposal	(478)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

42. CONTINGENT LIABILITIES

Refer to Note 22 on the arbitration proceedings brought by a non-controlling shareholder (the "Claimant") of Famous Holdings Pte Ltd ("FHPL"), a subsidiary of the Company, against the Company in 2017 ("1st Arbitration").

In addition to the 1st Arbitration, a second arbitration was commenced by the Claimant against FHPL and SingPost Logistics Investments Pte Ltd ("SPLI"), the Group's investment holding company of FHPL, on 15 and 16 September 2021 (the "2nd Arbitration"), in which the Claimant alleged breaches of the shareholders' agreement, the existence of a conspiracy, and his purported entitlement to dividends. A third arbitration was separately commenced by the Claimant against SPLI on 22 February 2022 (the "3rd Arbitration"), in which the Claimant alleged breaches of the shareholders' agreement which impacted the final amount payable by the Company for the Claimant's remaining 37.5% shares in FHPL which are the subject of the 1st Arbitration.

The potential financial impact of the claims of the Claimant in the 2nd Arbitration and 3rd Arbitration cannot yet be quantified as the claims were lacking in particulars and no quantification of the claims was provided in any of the notices of the new arbitrations.

The Company will, in consultation with its advisors, continue to evaluate the various courses of action available to the Group.

43. SUBSEQUENT EVENTS

In April 2022, the Company announced that SingPost Group Treasury Pte. Ltd., a wholly-owned subsidiary of the Company, has issued S$250 million SGD Subordinated Perpetual Securities (the "Perpetual Securities"). The Perpetual Securities were issued under the S$1 billion Multicurrency Debt Issuance Programme established by SingPost Group Treasury Pte. Ltd. which is unconditionally and irrevocably guaranteed by the Company.

In April 2022, the Group completed the acquisition of 100% of the share capital of Parcel Santa Pte. Ltd. ("Parcel Santa"), for an aggregate cash consideration of S$5,250,000. Parcel Santa is the sole provider of smart locker systems for private residences in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

44. PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) and IFRS pronouncements were issued but not effective and are applicable to the Group and the Company.

Effective for financial year beginning on 1 April 2022

- Amendments to IAS 1 *Presentation of Financial Statements*
- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018-2020

Effective for financial year beginning on 1 April 2023

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to IAS 8: *Definition of Accounting Estimates*
- Amendments to IAS 1 IFRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to IAS 12: *Income Taxes*

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) / IFRS in 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

45. LISTING OF COMPANIES IN THE GROUP

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2022	2021	**2022**	2021
			%	%	**%**	%
SUBSIDIARIES						
Held by the Company						
Singapore Post Enterprise Private Limited	Investment holding	Singapore	**100**	100	**–**	–
SingPost Logistics Holdings Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Investments Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Logistics Investments Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Group Treasury Pte Ltd	Provision of financial and treasury services to its related companies	Singapore	**100**	100	**–**	–
SingPost eCommerce Pte. Ltd.	eCommerce specialising in the provision of online sale of products	Singapore	**100**	100	**–**	–
SingPost eCommerce II Pte. Ltd.	Dormant	Singapore	**100**	100	**–**	–
Held by subsidiaries						
SingPost Logistics Enterprise Pte. Ltd	Investment holding	Singapore	**100**	100	**–**	–
SingPost Logistics Australia Holdings Pty Ltd	Investment holding	Australia	**100**	100	**–**	–
SingPost Australia Investments Pty Ltd	Investment holding	Australia	**100**	100	**–**	–
Quantium Solutions International Pte. Ltd.	Investment holding, provision of management and consultancy services to related entities	Singapore	**66**	66	**34**	34
Quantium Solutions (Singapore) Pte. Ltd.	Provision of delivery services and eCommerce logistics solutions	Singapore	**66**	66	**34**	34
Quantium Solutions (Australia) Pty Ltd	Provision of delivery services and eCommerce logistics solutions	Australia	**66**	66	**34**	34

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

45. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2022 %	by the Group 2021 %	by the NCI 2022 %	by the NCI 2021 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Quantium Solutions (Hong Kong) Limited	Provision of delivery services and eCommerce logistics solutions	Hong Kong	**66**	66	**34**	34
Quantium Mail Logistics Solutions (India) Private Limited (8)	Dormant	India	**66**	66	**34**	34
Quantium Express Solutions Solutions (India) Private Limited (8)	Dormant	India	**66**	66	**34**	34
PT Quantium Solutions Logistics Indonesia +	Provision of delivery services and eCommerce logistics solutions	Indonesia	**44.22**	44.22	**55.78**	55.78
Quantium Solutions (Japan) Inc.	Provision of delivery services and eCommerce logistics solutions	Japan	**66**	66	**34**	34
Quantium Solutions International (Malaysia) Sdn. Bhd.	Provision of delivery services and eCommerce logistics solutions	Malaysia	**66**	66	**34**	34
Quantium Solutions (New Zealand) Pty Limited	Provision of delivery services and eCommerce logistics solutions	New Zealand	**66**	66	**34**	34
Quantium Solutions (Philippines) Inc. (9) +	Dormant	Philippines	**–**	26.4	**–**	73.6
Quantium Solutions (Taiwan) Co., Ltd.	Provision of delivery services and eCommerce logistics solutions	Taiwan	**66**	66	**34**	34
Quantium Solutions (Thailand) Co., Ltd.	Provision of delivery services and eCommerce logistics solutions	Thailand	**66**	66	**34**	34
Couriers Please Holdings Pty Ltd	Investment holding	Australia	**100**	100	**–**	–
Couriers Please Australia Pty Ltd	Investment holding	Australia	**100**	100	**–**	–
Couriers Please Pty Limited	Provision of delivery services and eCommerce logistics solutions	Australia	**100**	100	**–**	–
Freight Management Holdings Pty Ltd (7)	Investment holding and provision of integrated supply chain and distribution services	Australia	**51**	*	**49**	*

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

45. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2022 %	by the Group 2021 %	by the NCI 2022 %	by the NCI 2021 %
SUBSIDIARIES (continued) Held by subsidiaries (continued)						
efm Logistics Pty Ltd (formerly efm Logistics Services Group Pty Ltd) (7)	Provision of logistics consulting and warehousing services	Australia	**51**	*	**49**	*
LHA Network Services Pty Ltd (formerly efm Logistics Pty Ltd) (7)	Provision of logistics consulting and warehousing services	Australia	**51**	*	**49**	*
Logistics Holdings Australia Pty Ltd (7)	Provision of logistics services	Australia	**51**	*	**49**	*
Logistics Holdings Industrial Pty Ltd (7)	Provision of logistics services	Australia	**51**	*	**49**	*
BagTrans Group Pty Ltd (7)	Investment holding	Australia	**51**	*	**49**	*
BagTrans Logistics Pty Ltd (7)	Investment holding	Australia	**51**	*	**49**	*
BagTrans Pty Limited (7)	Provision of logistics services	Australia	**51**	*	**49**	*
BTH2 Pty Limited (7)	Provision of logistics services	Australia	**51**	*	**49**	*
BagTrans Holdings Pty Ltd (7)	Provision of logistics services	Australia	**51**	*	**49**	*
BagTrans Operations (Depot) Pty Ltd (7)	Provision of logistics services	Australia	**51**	*	**49**	*
BagTrans Operations (Local) Pty Ltd (7)	Provision of logistics services	Australia	**51**	*	**49**	*
BagTrans Operations (Management) Pty Ltd (7)	Provision of management and consultancy services to related entities	Australia	**51**	*	**49**	*
Flemington Fields Pty Ltd (7)	Provision of logistics services	Australia	**51**	*	**49**	*
Otway Logistics Pty Ltd (7)	Investment holding	Australia	**51**	*	**49**	*
Niche Logistics Pty Ltd (7)	Provision of freight logistics services	Australia	**51**	*	**49**	*
Flip Group Technologies Pty Ltd (7)	Provision of management and system support related services to its related entities	Australia	**51**	*	**49**	*

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

45. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2022	2021	**2022**	2021
			%	%	**%**	%
SUBSIDIARIES (continued) Held by subsidiaries (continued)						
Flip Technologies Pty Ltd [7]	Provision of management and system support related services to its related entities	Australia	**51**	*	**49**	*
Andromeda Nominees Pty Ltd [7]	Provision of logistics services	Australia	**51**	–	**49**	–
Famous Holdings Pte Ltd	Investment holding and provision of management services	Singapore	**100**	100	**–**	–
Famous Air & Sea Services Pte. Ltd.	Freight forwarding	Singapore	**100**	100	**–**	–
FPS Global Logistics Pte. Ltd.	Freight forwarding	Singapore	**100**	100	**–**	–
Famous Pacific Shipping (WA) Pty Ltd	Freight collections transhipments	Australia	**100**	100	**–**	–
Sino-Famous Intertrans Co., Ltd [1]	Freight forwarding	China	**100**	100	**–**	–
Famous Container Lines Co Ltd [1]	Freight forwarding	China	**100**	100	**–**	–
Shinyei Shipping Co Ltd [1]	Freight forwarding	Japan	**89**	89	**11**	11
Tras – Inter Co., Ltd [1]	Customs brokerage and freight forwarding	Japan	**89**	89	**11**	11
FPS Famous Pacific Shipping Sdn. Bhd.	Freight forwarding	Malaysia	**100**	100	**–**	–
Rotterdam Harbour Holding B.V. [2]	Investment holdings	Netherlands	**85**	80	**15**	20
FPS Famous Pacific Shipping B.V. [1]	Logistics services	Netherlands	**85**	80	**15**	20
Trans Ocean Pacific Forwarding B.V. [1]	Logistics services	Netherlands	**85**	80	**15**	20
Famous Pacific Shipping (NZ) Limited	Freight forwarding	New Zealand	**100**	100	**–**	–

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45. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2022 %	by the Group 2021 %	by the NCI 2022 %	by the NCI 2021 %
SUBSIDIARIES (continued) Held by subsidiaries (continued)						
Mercury Worldwide (NZ) Limited (1)	Dormant	New Zealand	**100**	100	**–**	–
F.S. Mackenzie Limited	Freight forwarding	United Kingdom	**100**	100	**–**	–
FPS Logistics (USA) Inc. (10)	Logistics management and services	United States	**–**	100	**–**	–
SingPost Storage Company Ltd (8)	Dormant	Mauritius	**–**	100	**–**	–
SingPost Investments (Tampines) Pte. Ltd.	Investment holding and real estate activities with owned or leased property	Singapore	**100**	100	**–**	–
SingPost Investments (Toh Guan) Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Investments (Ecommerce Logistics) Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Centre (Retail) Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost eCommerce Logistics Holdings Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SP Parcels Pte. Ltd.	Dormant	Singapore	**100**	100	**–**	–
General Storage Company Pte. Ltd. (10)	Investment holding and provision of management services	Singapore	**–**	100	**–**	–
Lock + Store (Chai Chee) Pte. Ltd. (10)	Self storage solutions and warehousing	Singapore	**–**	100	**–**	–
Lock + Store (Tanjong Pagar) Pte. Ltd. (10)	Self storage solutions	Singapore	**–**	100	**–**	–
Lock + Store (Ayer Rajah) Pte. Ltd. (10)	Self storage solutions	Singapore	**–**	100	**–**	–
The Store House Limited (10)	Self storage solutions	Hong Kong	**–**	100	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

45. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2022 %	by the Group 2021 %	by the NCI 2022 %	by the NCI 2021 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
The Store House Operating Company Limited (9)	Dormant	Hong Kong	**–**	100	**–**	–
Lock and Store (Glenmarie) Sdn. Bhd. (10)	Self storage solutions and warehousing	Malaysia	**–**	100	**–**	–
L+S Self Storage Pte. Ltd. (10)	Self storage solutions	Singapore	**–**	100	**–**	–
SP eCommerce (Thailand) Co Ltd (1)	eCommerce specialising in the provision of online shopping platforms and services	Thailand	**100**	100	**–**	–
SP eCommerce (Malaysia) Sdn. Bhd.	eCommerce provision of online shopping platforms and services	Malaysia	**100**	100	**–**	–
SingPost Distribution Pte. Ltd.	Dormant	Singapore	**100**	100	**–**	–
TradeGlobal Asia Holdings Limited (3)	Investment holding	Hong Kong	**100**	100	**–**	–
Netrada Trading and Consulting (Shanghai) Co, Ltd. (9)	Dormant	China	**–**	100	**–**	–
SP Jagged Peak LLC (9)	Dormant	United States	**–**	100	**–**	–
SP Commerce Holdings, Inc. (9)	Dormant	United States	**–**	100	**–**	–
SP Commerce, Inc. (9)	Dormant	United States	**–**	100	**–**	–
TG Acquisition Corp. (9)	Dormant	United States	**–**	97.3	**–**	2.7
TradeGlobal Holdings, Inc. (9)	Dormant	United States	**–**	97.3	**–**	2.7

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

45. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group **2022** %	2021 %
ASSOCIATED COMPANIES				
Held by the Company				
GDEX Berhad (formerly GD ExpressCarrier Bhd) ^	Investment holding	Malaysia	**12.12**	12.12
Held by the subsidiaries				
Dash Logistics Company Ltd (3)^	Provision of integrated logistics, freight and transport management and aviation services	Vietnam	**30**	30
Efficient E-Solutions Berhad (4)	Provision of data print, record management, data and document processing	Malaysia	**20.81**	20.81
Hubbed Holdings Pty Ltd (5)	eCommerce and logistics retail network	Australia	**30**	30
Morning Express & Logistics Limited (6)	Provision of courier services and provision of management services to its related company	Hong Kong	**33**	33
E Link Station Limited (9)	Dormant	Hong Kong	**–**	50
Freight Management Holdings Pty Ltd (7)	Investment holding and provision of integrated supply chain and distribution services	Australia	*****	28
JOINT VENTURES				
Held by the subsidiaries				
PT Trio SPeCommerce Indonesia (1)	Dormant	Indonesia	**33**	33
Paya Lebar Central Partnership Limited (11)	Provision of management consultancy services	Singapore	**33.33**	–

Notes

All companies as at 31 March 2022 are audited by member firms of Deloitte Touche Tohmatsu Limited, except for the following:

(1) Not required to be audited for the financial year ended 31 March 2022
(2) Audited by Crowe Peak Audit & Assurance, The Netherlands
(3) Audited by local statutory auditors in the countries of incorporation
(4) Audited by Russel Bedford LC & Company, Malaysia
(5) Audited by Assura Group
(6) Audited by HKCMCPA Company Limited
(7) Audited by Ernst & Young, Australia
(8) Placed under members' voluntary liquidation during the financial year ended 31 March 2021
(9) Dissolved by way of members' voluntary liquidation / cancelled due to expiration of the corporate terms during the financial year ended 31 March 2022
(10) Divested during the financial year ended 31 March 2022
(11) Incorporated during the financial year ended 31 March 2022
* Reclassified from associated company to subsidiary during the financial year ended 31 March 2022
\+ It is considered to be a subsidiary of the Company as the Company can exercise control over its financial and operating policies and voting rights
^ It is considered to be an associate of the Company as the Company can exercise significant influence over its financial and operating policies and voting rights

SGX LISTING MANUAL REQUIREMENTS

For the Financial Year Ended 31 March 2022

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

	2022 S$'000	2021 S$'000
Fees on audit services paid / payable to :		
- Auditor of the Company*	**1,253**	1,115
- Other auditor	**443**	99
Fees on non-audit services paid / payable to :		
- Auditor of the Company*	**35**	35
- Other auditor	**126**	4
	1,857	1,253

* Includes the network of member firms of Deloitte Touche Tohmatsu Limited

(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 10 of the Corporate Governance Report.

3. USE OF PROCEEDS

As at 31 March 2022, the use of net proceeds of approximately S$184.0 million (after deducting approximately S$3.2 million professional fees and expenses) from the issuance of 107,553,907 ordinary shares in the capital of the Company to Alibaba Investment Limited on 11 January 2017 at S$1.74 each is as follows:

Intended Use of Proceeds	**Percentage Allocated/ Amount Allocated**	**Percentage Utilised/ Amount Utilised**
(i) the Group's business of eCommerce logistics for purposes such as investments, mergers and acquisitions and the upgrade of the Group's operations and information technology systems relating to the eCommerce logistics business	75%/ S$138.0 million	56%/ S$102.5 million
(ii) the general working capital of the Group was largely used to repay the working capital funding for SingPost Centre Retail Mall construction	25%/ S$46.0 million	25%/ S$46.0 million

SGX LISTING MANUAL REQUIREMENTS

For the Financial Year Ended 31 March 2022

4. INTERESTED PERSON TRANSACTIONS

During the full year ended 31 March 2022, the following interested person transactions were entered into by the Group:

	Nature of Relationship	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$100,000)	
		2022 S$'000	2021 S$'000	**2022 S$'000**	2021 S$'000
Sales					
Singapore Telecommunications Group	Each interested person is an associate of Singapore Post Limited's controlling shareholder, Temasek Holdings (Private) Limited	**-**	-	**-**	1,338*
SP Group		**-**	-	**848***	696*
Starhub Group		**-**	-	**366**	266
		-	-	**1,214**	2,300
Purchases					
CapitaLand Group	Each interested person is an associate of Singapore Post Limited's controlling shareholder, Temasek Holdings (Private) Limited	**-**	-	**1,327***	1,686*
Harbourfront Centre Pte Ltd		**-**	-	**-**	524*
Mapletree Industrial Trust		**-**	-	**1,407***	-
PSA Corporation		**-**	-	**2,378***	-
Sembcorp Group		**-**	-	**9,390**	-
Singapore Airlines Group		**-**	-	**21,266**	12,236
Singapore Technologies Telemedia Pte Ltd		**-**	-	**216***	-
Singapore Telecommunications Group		**-**	-	**-**	109
SMRT Corporation		**-**	-	**741***	267
Starhub Group		**-**	-	**193***	-
		-	-	**36,918**	14,822
Total interested person transactions		**-**	-	**38,132**	17,122

Note
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 5 years) or annual values for open-ended contracts.

* Include contracts of duration exceeding one year.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Vincent Phang	Chu Swee Yeok
Date of Appointment	1 September 2021	1 September 2018
Date of last re-appointment (if applicable)	N.A.	18 July 2019
Age	48	59
Country of Principal Residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Mr Phang has continued to discharge his duties well and to positively contribute to the Company. For more details on the NCGC's evaluation process, please refer to Principle 4: Board Membership on Pages 61 to 62 of the Annual Report.	Mrs Chu has continued to discharge her duties well and to positively contribute to the Company. For more details on the NCGC's evaluation process, please refer to Principle 4: Board Membership on Pages 61 to 62 of the Annual Report.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr Phang is the Group Chief Executive Officer of the Company and oversees the business of SingPost Group.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Group Chief Executive Officer, Executive, Non-Independent Director	Non-Executive, Independent Director Member of the Audit Committee Member of the Board Risk and Technology Committee
Professional qualifications	Master of Engineering (1st Class Hons) Aeronautic, Imperial College, United Kingdom Post Graduate Diploma (Distinction) in Flight Test Engineering, International Test Pilots School, United Kingdom Advanced Management Programme, Harvard Business School, United States	International Directors Programme, INSEAD Advanced Management Programme, Harvard University Bachelor of Science (Biochemistry, 2nd Upper), National University of Singapore

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Lim Cheng Cheng	Simon Israel	Fang Ai Lian
	1 April 2017	11 May 2016 (as Director and Chairman)	10 October 2016
	16 July 2020	16 July 2020	16 July 2020
	50	69	72
	Singapore	Singapore	Singapore
	Ms Lim has continued to discharge her duties well and to positively contribute to the Company. For more details on the NCGC's evaluation process, please refer to Principle 4: Board Membership on Pages 61 to 62 of the Annual Report.	Mr Israel has continued to discharge his duties well and to positively contribute to the Company. For more details on the NCGC's evaluation process, please refer to Principle 4: Board Membership on Pages 61 to 62 of the Annual Report.	Mrs Fang has continued to discharge her duties well and to positively contribute to the Company. For more details on the NCGC's evaluation process, please refer to Principle 4: Board Membership on Pages 61 to 62 of the Annual Report.
	Non-Executive	Non-Executive	Non-Executive
	Non-Executive, Non-Independent Director Member of the Finance and Investment Committee	Chairman of the Board Non-Executive, Non-Independent Director Chairman of the Finance and Investment Committee Chairman of the Board Sustainability Committee Member of the Compensation Committee Member of the Nominations and Corporate Governance Committee	Non-Executive, Lead Independent Director Chairman of the Audit Committee Chairman of the Nominations and Corporate Governance Committee Member of the Compensation Committee
	Chartered Accountant, Institute of Singapore Chartered Accountants Master of Business Administration, University of Chicago Booth School of Business Bachelor of Accountancy, Nanyang Technological University	Diploma in Business Studies, The University of the South Pacific	Fellow, Institute of Chartered Accountants in England and Wales Fellow, Institute of Singapore Chartered Accountants

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Vincent Phang	Chu Swee Yeok
Working experience and occupation(s) during the past 10 years	Singapore Post Limited (2019 – 2021): Chief Executive Officer (CEO), Postal Services and CEO Singapore Toll Group (2013 – 2019): CEO of ST Logistics & Executive Vice President of Global Logistics BlackBerry (2011- 2013): Director, Manufacturing and Supply Chain, Asia Pacific	EDBI Pte Ltd (2009 to present): Chief Executive Officer and President
Shareholding interest in the listed issuer and its subsidiaries?	Yes	No
Shareholding Details	2,600,371 share awards under the Singapore Post Restricted Share Plan 2013 comprising (i) 1,734,359 performance share awards, and (ii) 866,012 restricted share awards.	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and / or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Lim Cheng Cheng	Simon Israel	Fang Ai Lian
Singapore Telecommunications Limited ("**Singtel**") (2021 to present): Group Chief Corporate Officer Singtel (2015 to 2021): Group Chief Financial Officer Singtel (2014 to 2015): Deputy Group Chief Financial Officer Singtel (2014): Managing Director, Group Strategic Investments Singtel (2012 to 2014): Vice President, Group Strategic Investment	Singtel (2011 to 2020): Chairman Singtel (2003 to 2020): Director	Various board directorships
No	No	No
Nil	Nil	Nil
Ms Lim is the Group Chief Corporate Officer of Singtel, which is a substantial shareholder of the Company.	Nil	Nil
Nil	Nil	Nil
Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Vincent Phang	Chu Swee Yeok
Other Principal Commitments including Directorships		
Past (for the last 5 years)	• Batamindo Shipping & Warehousing Pte Ltd • Bharat STARS Services (Delhi) Pvt Ltd • Bharat STARS Services Pvt Ltd • Dangerous Goods Management (Singapore) Pte Ltd • Plexis Services Inc. • Sembawang Kimtrans Marine Pte Ltd • Singapore Technologies Logistics Pte Ltd • ST Engineering and Technology Solutions Pte. Ltd. • ST Healthcare Pte. Ltd. • ST Logistics (Australia) Pty Ltd • ST Logistics (UK) Ltd • ST Logistics (USA) Inc. • ST Logistics Pte. Ltd. • ST-Airport Services Pte Ltd • Supreme Global Limited • Toll (USA) Inc. • Toll Integrated Feeder Pte. Ltd. • Toll Offshore Petroleum Services Pte. Ltd. • GS1 Singapore Limited • Datapost Pte Ltd	• Bio*One Capital Pte Ltd

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Lim Cheng Cheng	Simon Israel	Fang Ai Lian
• Singtel Ventures (Singapore) Pte Ltd (Director) • Hawk Digital Holding Co Pte. Ltd. (Director) • Hawk Digital Pte. Ltd. (Director) • SingCash Pte. Ltd. (Director) • Board of Governors of Raffles Girls' School (Member) • Singtel Group Treasury Pte. Ltd. (Director) • SingNet Pte Ltd (Director) • SSBI Pte. Ltd. (dissolved) (Director) • Optus Australia Investments Pty Limited (Director) • Singapore Telecom Australia Investments Pty Limited (Director) • Singtel Singapore Pte. Ltd. (Director) • Singtel Mobile Singapore Pte. Ltd. (Director) • Digital Games International Pte. Ltd. (Director) • Singtel Services Australia Pty. Limited (Director) • Singtel ICT Pte. Ltd. (Director) • Singtel Enterprise Security Pte. Ltd. (Director) • Singtel Cyber Security (Asia Pacific) Pte. Ltd. (Director) • Singtel Cyber Security (Singapore) Pte. Ltd. (Director) • Singtel Enterprise Security (US), Inc. (Director)	• Fonterra Co-operative Group Limited (Director) • CapitaLand Limited (Director) • Stewardship Asia Centre Pte. Ltd. (Director) • Singapore Telecommunications Limited (Chairman) • Governing Board of the Lee Kuan Yew School of Public Policy (Member) • Westpac Asia Advisory Board (Member)	• Board of Trustees of Singapore University of Technology and Design (Board Member) • Far East Organization Group (Advisor) • Tote Board (Board member) • QBE Asia Advisory Board (Director) • Banyan Tree Holdings Limited (Director)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Vincent Phang	Chu Swee Yeok
Present	Other non-listed companies: • The Logistics Institute – Asia Pacific Advisory Board (Board Member/Director) • SingPost Investments (eCommerce Logistics) Pte. Ltd. (Director) • SingPost Investments (Tampines) Pte. Ltd. (Director) • SingPost Investments (Toh Guan) Pte. Ltd. (Director) • Singapore Standards Council (Chairman Trade & Connectivity Standards Committee) • Workplace Safety and Health (WSH) Council (Member of WSH Council & WSH Council Executive Committee) • Advisory Panel of the Chartered Institute of Logistics and Transport Singapore (Member) • Shenzhen 4PX Information and Technology Co., Limited (Director) • Quantium Solutions International Pte. Ltd. (Director) • Freight Management Holdings Pty Ltd (Director) • Quantium Solutions (Australia) Pty Ltd (Director) • Quantium Solutions (New Zealand) Pty Limited (Director) • Couriers Please Pty Ltd (Director) • Quantium Solutions (Singapore) Pte. Ltd. (Director) • SingPost Group Treasury Pte. Ltd. (Director) • F.S. Mackenzie Limited (Director) • Rotterdam Harbour Holding B.V. (Director)	Other principal commitment: • EDBI Pte Ltd (Chief Executive Officer and President) Other listed companies: • Pegasus Asia (Director) Other non-listed companies: • Anext Bank Pte Ltd (Director) • National Healthcare Group Pte Ltd (Director) • Singapore-Suzhou Township Development Pte Ltd (Director) • Agency for Science Technology and Research, Enterprise Sub-committee (Member) • Jungle Ventures II, L.P. (Member, Limited Partners Advisory Committee) • Kaiwu Waiden Capital, L.P. (Member, Limited Partners Advisory Committee) • BVCF III, L.P. (Member, Limited Partners Advisory Committee) • Zouk Growth II (A) LP (Member, Limited Partners Advisory Committee) • Bioveda China Fund II, L.P. (Member, Limited Partners Advisory Committee)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Lim Cheng Cheng	Simon Israel	Fang Ai Lian
Other principal commitment: • Singtel (Group Chief Corporate Officer) Other non-listed companies: • InfoCom Holding Company Pte Ltd (Director) • LYKE @ Singtel Pte. Ltd. (Director) • GDL Lifestream Pte. Ltd. (Director) • HOOQ Digital Pte. Ltd. *(in creditors' voluntary liquidation)* (Director) • HOOQ Digital Mauritius Private Limited (Director) • HOOQ Holdings Pte. Ltd. (Director) • HOOQ Digital Holdings Pte. Ltd. (Director) • Singtel Australia Investment Ltd. (Director) • Magenta Investments Limited (Director) • Singtel Ventures (Cayman) Pte Ltd (Director) • Singtel Nex Pte. Ltd. (Director) • Singtel ATN Pte. Ltd. (Director) • Australia Tower Network Pty Limited (Director) • Singtel FinGroup Investment Pte. Ltd. (Director) • Singtel Australia Investment Ltd. (Singapore Branch) (Authorised Representative) • ST Dynamo Holdings Pte. Ltd. (Director) • ST Dynamo SG Pte. Ltd. (Director) • Integrated Digital Mall Pte. Ltd. • Singtel Innov8 Holdings Pte. Ltd. (Director) • Singtel Innov8 Pte. Ltd. (Director) • Singtel Innov8 Ventures Pte. Ltd. (Director) • Singtel Enterprise Security (US), Inc. (Secretary) • Digital Gaming Investments Pte. Ltd. (Director) • SFG Digibank Investment Pte. Ltd. (Director) • Singtel Digital Media Pte. Ltd. (Director) • Singtel Optus Pty Limited (Director)	Other non-listed company: • Stewardship Asia Centre CLG Limited (Director) Other appointments: • Leapfrog Investments (Global Leadership Council Member) • LeapFrog Investments Holdings LP (Limited Partner)	Other principal commitments: • Board of Trustees of the Singapore Business Federation (Chairman) • MediShield Life Council (Chairman) Other listed companies: • Cromwell EREIT Management Pte. Ltd. (Manager of Cromwell European REIT) (Director) • Metro Holdings Limited (Director) Other non-listed companies: • Honour (Singapore) Ltd (Director) • Jubilant Pharma Limited (Director) • SingHealth Fund Limited (Director)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Vincent Phang	Chu Swee Yeok
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Lim Cheng Cheng	Simon Israel	Fang Ai Lian
No	No	No
Ms Lim is a director of HOOQ Digital Pte. Ltd. ("**HOOQ**"), a joint venture company in which Singtel has indirect 76.5% effective interest. HOOQ commenced creditors' voluntary liquidation on 27 March 2020.	No	No
No	No	No
No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Vincent Phang	Chu Swee Yeok
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Lim Cheng Cheng	Simon Israel	Fang Ai Lian
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Vincent Phang	Chu Swee Yeok
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :–		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Lim Cheng Cheng	Simon Israel	Fang Ai Lian
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No

SHAREHOLDING STATISTICS

As at 27 May 2022

No. of Issued Shares	:	2,275,089,525
No. of Issued Shares excluding Treasury Shares	:	2,249,578,103
No. of Treasury Shares held	:	25,511,422
No. of Subsidiary Holdings held	:	Nil
Percentage of the aggregate no. of Treasury Shares and Subsidiary Holdings held	:	1.13%
Class of Shares	:	Ordinary Shares
No. of Shareholders	:	35,312

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.

(The Company cannot exercise any voting rights in respect of shares held by it as treasury shares or subsidiary holdings[1])

Note

[1] "Subsidiary holdings" is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

	No. of Shares	
Substantial Shareholders	**Direct Interest**	**Deemed Interest**
Temasek Holdings (Private) Limited	-	494,865,681 [1]
Singapore Telecommunications Limited	494,000,000	-
Alibaba Investment Limited	327,649,907	-
Alibaba Group Holding Limited	-	327,649,907 [2]
SoftBank Group Corp.	-	327,649,907 [3]

Notes

[1] Deemed through its subsidiary, Singapore Telecommunications Limited, and its associated company, DBS Group Holdings Ltd.
[2] Deemed through its subsidiary, Alibaba Investment Limited.
[3] Deemed through Alibaba Group Holding Limited which is the holding company of Alibaba Investment Limited.

ANALYSIS OF SHAREHOLDERS

Range of Shareholdings	No. of Shareholders	%	No. of Shares (Excluding Treasury Shares)	%*
1 – 99	78	0.22	2,869	0.00
100 – 1,000	4,230	11.98	3,897,063	0.17
1,001 – 10,000	19,886	56.32	109,552,089	4.87
10,001 – 1,000,000	11,053	31.30	560,938,147	24.94
1,000,001 and above	65	0.18	1,575,187,935	70.02
	35,312	100.00	2,249,578,103	100.00

Note

* the percentage of issued ordinary shares is calculated based on the number of issued ordinary shares as at 27 May 2022, excluding any ordinary shares held in treasury as at that date.

SHAREHOLDING STATISTICS

As at 27 May 2022

MAJOR SHAREHOLDERS LIST – TOP 20

No.	Name	No. of Shares Held	% *
1	Singapore Telecommunications Limited	494,000,000	21.96
2	DB Nominees (Singapore) Pte Ltd	331,281,813	14.73
3	Citibank Nominees Singapore Pte Ltd	206,531,072	9.18
4	DBS Nominees Pte Ltd	131,401,653	5.84
5	Raffles Nominees (Pte) Limited	60,621,123	2.69
6	DBSN Services Pte Ltd	46,551,327	2.07
7	HSBC (Singapore) Nominees Pte Ltd	36,200,995	1.61
8	United Overseas Bank Nominees (Private) Limited	29,611,435	1.32
9	BPSS Nominees Singapore (Pte.) Ltd.	25,309,067	1.13
10	OCBC Nominees Singapore Private Limited	17,632,500	0.78
11	Phillip Securities Pte Ltd	16,496,906	0.73
12	OCBC Securities Private Ltd	16,473,223	0.73
13	Toh Capital Pte Ltd	10,289,700	0.46
14	Heng Siew Eng	9,449,300	0.42
15	Morgan Stanley Asia (Singapore) Securities Pte Ltd	9,110,115	0.40
16	Maybank Kim Eng Securities Pte Ltd	7,667,655	0.34
17	UOB Kay Hian Pte Ltd	7,543,200	0.34
18	CGS-CIMB Securities (Singapore) Pte Ltd	7,338,982	0.33
19	Soon Li Heng Civil Engineering Pte Ltd	7,000,000	0.31
20	Yongsheng (S) Holdings Pte Ltd	7,000,000	0.31
		1,477,510,066	65.68

Note

* the percentage of issued ordinary shares is calculated based on the number of issued ordinary shares as at 27 May 2022, 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 27 May 2022, approximately 63.48% 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.

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AUDIT PARTNER
Shariq Barmaky
Appointed with effect from financial year ended 31 March 2018

Singapore Post Limited
Co. Reg. No. 199201623M

Registered Office
10 Eunos Road 8
Singapore Post Centre
Singapore 408600
www.singpost.com

SINGAPORE POST LIMITED

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

LETTER TO SHAREHOLDERS DATED 22 JUNE 2022

IN RELATION TO

(1) THE PROPOSED RENEWAL OF THE SHAREHOLDERS MANDATE FOR INTERESTED PERSON TRANSACTIONS;

(2) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND

(3) THE PROPOSED EXTENSION OF, AND ALTERATIONS TO, THE SINGAPORE POST RESTRICTED SHARE PLAN 2013.

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CONTENTS

SINGAPORE POST LIMITED

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

Directors:

Mr Simon Israel
(Chairman and Non-Executive Non-Independent Director)
Mr Phang Heng Wee, Vincent (*Executive Non-Independent Director*)
Mrs Fang Ai Lian (*Non-Executive Lead Independent Director*)
Mr Chen Jun (*Non-Executive Non-Independent Director*)
Ms Chu Swee Yeok (*Non-Executive Independent Director*)
Ms Lim Cheng Cheng (*Non-Executive Non-Independent Director*)
Ms Elizabeth Kong Sau Wai (*Non-Executive Independent Director*)
Mr Steven Robert Leonard (*Non-Executive Independent Director*)
Mr Bob Tan Beng Hai (*Non-Executive Independent Director*)

Registered Office:

10 Eunos Road 8
Singapore Post Centre
Singapore 408600

22 June 2022

To: The Shareholders of
Singapore Post Limited (the "**Company**")

Dear Sir/Madam

1. INTRODUCTION

1.1 **Background**. We refer to:

(a) the Notice of the 30th Annual General Meeting of the Company dated 22 June 2022 (the "**Notice**") convening the 30th Annual General Meeting of the Company to be held on 21 July 2022 (the "**2022 AGM**");

(b) Ordinary Resolution 11 relating to the proposed renewal of the Shareholders Mandate (as defined in paragraph 2.1 below) for interested person transactions, as proposed in the Notice;

(c) Ordinary Resolution 12 relating to the proposed renewal of the Share Purchase Mandate (as defined in paragraph 3.1 below), as proposed in the Notice; and

(d) Ordinary Resolution 13 relating to the proposed extension of, and alterations to, the Plan (as defined in paragraph 4.1 below), as proposed in the Notice.

1.2 **Letter to Shareholders**. The purpose of this Letter is to provide shareholders of the Company (the "**Shareholders**") with information relating to Ordinary Resolutions 11, 12 and 13, proposed in the Notice (collectively, the "**Proposals**").

1.3 **SGX-ST**. The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Letter.

1.4 **Advice to Shareholders**. Shareholders who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

1.5 **Legal Adviser**. Allen & Gledhill LLP is the legal adviser to the Company in relation to the proposed renewal of the Share Purchase Mandate and the proposed extension of, and alterations to, the Plan.

2. THE PROPOSED RENEWAL OF THE SHAREHOLDERS MANDATE

2.1 **Shareholders Mandate**. At the annual general meeting of the Company held on 15 July 2021 (the "**2021 AGM**"), approval of the Shareholders was obtained for the renewal of the mandate to enable the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual of the SGX-ST (the "**Listing Manual**")) to enter into certain interested person transactions (the "**Shareholders Mandate**") with the classes of interested persons (the "**Interested Persons**") as set out in the Shareholders Mandate. Particulars of the Shareholders Mandate are set out in the Appendix to the Letter to Shareholders dated 16 June 2021 (the "**2021 Letter**").

2.2 **Proposed Renewal of the Shareholders Mandate**. At the 2021 AGM, the Shareholders Mandate was expressed to take effect until the conclusion of the next Annual General Meeting of the Company, being the 2022 AGM. Accordingly, the Directors of the Company (the "**Directors**") propose that the Shareholders Mandate be renewed at the 2022 AGM, to take effect until the 31st Annual General Meeting of the Company. The particulars of the interested person transactions in respect of which the Shareholders Mandate is sought to be renewed remain unchanged.

2.3 **Appendix 1**. The Shareholders Mandate, including the rationale for, and the benefits to, the Company, the review procedures for determining transaction prices and other general information relating to Chapter 9 of the Listing Manual, are set out in Appendix 1 to this Letter.

2.4 **Audit Committee's Statement**. The Audit Committee (currently comprising Mrs Fang Ai Lian, Ms Chu Swee Yeok and Mr Bob Tan Beng Hai) confirms that:

(a) the methods or procedures for determining transaction prices under the Shareholders Mandate have not changed since the 2021 AGM; and

(b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

2.5 **Abstention from Voting**. Temasek Holdings (Private) Limited ("**Temasek**"), Singapore Telecommunications Limited ("**Singtel**") and their respective associates, being interested persons (as described in paragraph 4.1 of Appendix 1 to this Letter), will abstain from voting their Shares, if any, in respect of Ordinary Resolution 11, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2022 AGM. The Company will disregard any votes cast by Temasek, Singtel and their respective associates on Ordinary Resolution 11.

The Directors, being interested persons (as described in paragraph 4.1 of Appendix 1 to this Letter), will abstain, and will procure their associates to abstain, from voting their Shares, if any, in respect of Ordinary Resolution 11, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2022 AGM. The Company will disregard any votes cast by the Directors and their respective associates, in respect of their holdings of Shares (if any) on Ordinary Resolution 11.

Each of the Directors and their respective associates will also decline to accept appointment as proxy for any Shareholder to vote in respect of Ordinary Resolution 11, unless such Shareholder has given specific instructions in a validly completed and submitted instrument appointing a proxy(ies) as to voting, or abstention from voting, in respect of Ordinary Resolution 11.

3. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

3.1 **Share Purchase Mandate**. Shareholders had approved the renewal of the mandate (the "**Share Purchase Mandate**") to enable the Company to purchase or otherwise acquire ordinary shares of the Company ("**Shares**") at the 2021 AGM. The authority and limitations on the Share Purchase Mandate were set out in the 2021 Letter and Ordinary Resolution 11 set out in the Notice of the 2021 AGM.

The Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution 11 at the 2021 AGM and will expire on the date of the forthcoming 2022 AGM to be held on 21 July 2022. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the 2022 AGM.

As at 27 May 2022 (the "**Latest Practicable Date**"), the Company had not undertaken any purchase or acquisition of its Shares pursuant to the Share Purchase Mandate approved by Shareholders at the 2021 AGM.

As at the Latest Practicable Date, the Company had 25,511,422 treasury shares and no subsidiary holdings (as defined in the Listing Manual)[1].

[1] "Subsidiary holdings" is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

3.2 **Rationale for the Share Purchase Mandate**. The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

(a) In managing the business of the Company and its subsidiaries (the "**Group**"), management strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. Share purchases are one of the ways through which the return on equity of the Group may be enhanced.

(b) The Share Purchase Mandate is an expedient, effective and cost-efficient way for the Company to return surplus cash which is in excess of the financial and possible investment needs of the Group to Shareholders. In addition, the Share Purchase Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure and its dividend policy.

(c) Repurchased Shares which are held in treasury may be transferred for the purposes of any share schemes implemented by the Company. The use of treasury shares in lieu of issuing Shares would also mitigate the dilution impact on existing Shareholders.

The approval of the renewal of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the 10% limit described in paragraph 3.3.1 below, it should be noted that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised, and no purchases or acquisitions of Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company.

3.3 **Authority and Limits of the Share Purchase Mandate**. The authority and limitations placed on the Share Purchase Mandate, if renewed at the 2022 AGM, are substantially the same as were previously approved by Shareholders at the 2021 AGM. These are summarised below:

3.3.1 ***Maximum Number of Shares***

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company as at the date of the 2022 AGM. Treasury shares and subsidiary holdings will be disregarded for purposes of computing the 10% limit.

Purely for illustrative purposes, on the basis of 2,275,089,525 Shares in issue as at the Latest Practicable Date (out of which 25,511,422 Shares were held in treasury and no shares were held as subsidiary holdings as at the Latest Practicable Date), and assuming that on or prior to the 2022 AGM, (i) no further Shares are issued, (ii) no further Shares are purchased or acquired, or held by the Company as treasury shares, and (iii) no Shares are held as subsidiary holdings, not more than 224,957,810 Shares (representing 10% of the Shares in issue as at that date and disregarding the 25,511,422 Shares held in treasury) may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate.

3.3.2 ***Duration of Authority***

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2022 AGM at which the renewal of the Share Purchase Mandate is approved, up to:

(a) the date on which the next Annual General Meeting of the Company is held or required by law to be held;

(b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or

(c) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earliest.

3.3.3 ***Manner of Purchases or Acquisitions of Shares***

Purchases or acquisitions of Shares may be made by way of:

(a) on-market purchases of Shares by the Company effected on the SGX-ST, or on any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose ("**Market Purchases**"); and/or

(b) off-market purchases of Shares by the Company effected otherwise than on a stock exchange, in accordance with an equal access scheme ("**Off-Market Purchases**").

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act 1967 (the "**Companies Act**") as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

An Off-Market Purchase must, however, satisfy all the following conditions:

(i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(iii) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, and (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will, pursuant to Rule 885 of the Listing Manual, issue an offer document containing at least the following information:

(1) terms and conditions of the offer;

(2) period and procedures for acceptances; and

(3) information required under Rules 883(2), (3), (4), (5) and (6) of the Listing Manual.

3.3.4 ***Purchase Price***

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors and must not exceed, in the case of both Market Purchases and Off-Market Purchases, 105% of the Average Closing Price of the Shares, excluding related expenses of the purchase or acquisition.

For the above purposes:

"**Average Closing Price**" means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST or, as the case may be, such stock exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs during the relevant five-day period and the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase; and

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.4 **Source of Funds**. Under the Companies Act, the Company may purchase or acquire its Shares out of its profits and/or capital so long as the Company is solvent.

The Company intends to use internal and external sources of funds to finance its purchase or acquisition of Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the Group's working capital requirements, current dividend policy for the financial year ending 31 March 2023 or ability to service its debts would be adversely affected.

3.5 **Status of Purchased Shares**. Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to those Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

3.6 **Treasury Shares**. Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act in force as at the Latest Practicable Date are summarised below:

3.6.1 ***Maximum Holdings***

The number of Shares held as treasury shares[2] cannot at any time exceed 10% of the total number of issued Shares.

[2] For these purposes, "treasury shares" shall be read as including shares held by a subsidiary under Sections 21(4B) or 21(6C) of the Companies Act 1967.

3.6.2 ***Voting and Other Rights***

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

3.6.3 ***Disposal and Cancellation***

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Singapore Code on Take-overs and Mergers (the "**Takeover Code**")):

(a) sell the treasury shares for cash;

(b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;

(c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(d) cancel the treasury shares; or

(e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of outstanding shares before and after such sale, transfer, cancellation and/or use and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

3.7 **Financial Effects**. The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The financial effects on the Group and the Company, based on the audited financial statements of the Group and the Company for the financial year ended 31 March 2022, are based on the assumptions set out below:

3.7.1 ***Maximum Price Paid for Shares Acquired or Purchased***

In the case of both Market Purchases and Off-Market Purchases by the Company and assuming that the Company purchases or acquires 224,957,810 Shares (representing 10% of the Shares in issue as at the Latest Practicable Date and disregarding the Shares held in treasury as at such date) at the maximum price of S$0.715 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 224,957,810 Shares is S$160,844,834.

3.7.2 ***Illustrative Financial Effects***

For illustrative purposes only and on the basis of the assumptions set out in paragraph 3.7.1 above, and further assuming that the purchase or acquisition of 10% of the Shares (excluding treasury shares and subsidiary holdings) by the Company pursuant to the Share Purchase Mandate by way of Market Purchases or Off-Market Purchases is made as to 6% out of profits and as to 4% out of capital and cancelled or held in treasury, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 March 2022 are set out below.

The financial effects set out below are for illustrative purposes only. The illustrations are based on historical numbers for the financial year ended 31 March 2022 and are not necessarily representative of future financial performance.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire part of or the entire 10% of the issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

Even if the Share Purchase Mandate is approved, the Directors will not exercise the Share Purchase Mandate if the Group's working capital requirements, current dividend policy for the financial year ending 31 March 2023 or ability to service its debts would be adversely affected.

Scenario A

Market Purchases or Off-Market Purchases of up to 10% made as to 6% out of profits and as to 4% out of capital and cancelled

	Group		Company	
	Before share purchase S$'000	**After share purchase S$'000**	**Before share purchase S$'000**	**After share purchase S$'000**
As at 31 March 2022				
Share capital	638,762	574,424	638,762	574,424
Capital reserves	34,513	34,513	-	-
Other reserves	47,328	47,328	37,308	37,308
Revenue reserves	616,527	520,020	587,328	490,821
	1,337,130	1,176,285	1,263,398	1,102,553
Treasury shares	(29,724)	(29,724)	(29,724)	(29,724)
Ordinary equity	1,307,406	1,146,561	1,233,674	1,072,829
Perpetual securities	-	-	-	-
	1,307,406	1,146,561	1,233,674	1,072,829
Net tangible assets (NTA)	612,660	451,815	1,233,674	1,072,829
Current assets	564,252	403,407	319,696	158,851
Current liabilities	831,433	831,433	487,950	487,950
Total borrowings	517,008	517,008	50,000	50,000
Cash and cash equivalents	280,438	119,593	200,598	39,753
Number of shares ('000)	2,249,577	2,024,619	2,249,577	2,024,619
Financial ratios				
Basic earnings per share (cents)	3.09	3.11	1.20	1.21
NTA per share (cents)	27.2	22.3	54.8	53.0
Gross gearing (%)	39.5	45.1	4.1	4.7
Net debt gearing (%)	18.1	34.7	n.m.	1.0
Current ratio (%)	67.9	48.5	65.5	32.6

Scenario B

Market Purchases or Off-Market Purchases of up to 10% made as to 6% out of profits and as to 4% out of capital and held in treasury

	Group		Company	
	Before share purchase S$'000	**After share purchase S$'000**	**Before share purchase S$'000**	**After share purchase S$'000**
As at 31 March 2022				
Share capital	638,762	638,762	638,762	638,762
Capital reserves	34,513	34,513	-	-
Other reserves	47,328	47,328	37,308	37,308
Revenue reserves	616,527	616,527	587,328	587,328
	1,337,130	1,337,130	1,263,398	1,263,398
Treasury shares	(29,724)	(174,152)	(29,724)	(174,152)
Ordinary equity	1,307,406	1,162,978	1,233,674	1,089,246
Perpetual securities	-	-	-	-
	1,307,406	1,162,978	1,233,674	1,089,246
Net tangible assets (NTA)	612,660	468,232	1,233,674	1,089,246
Current assets	564,252	419,824	319,696	175,268
Current liabilities	831,433	831,433	487,950	487,950
Total borrowings	517,008	517,008	50,000	50,000
Cash and cash equivalents	280,438	136,010	200,598	56,170
Number of shares ('000)	2,249,577	2,047,579	2,249,577	2,047,579
Financial ratios				
Basic earnings per share (cents)	3.09	3.11	1.20	1.21
NTA per share (cents)	27.2	22.9	54.8	53.2
Gross gearing (%)	39.5	44.5	4.1	4.6
Net debt gearing (%)	18.1	32.8	n.m.	n.m.
Current ratio (%)	67.9	50.5	65.5	35.9

Notes:

The number of Shares which may be held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. As 25,511,422 Shares have been bought back and held as treasury shares as at the Latest Practicable Date, the maximum number of Shares which may be held as treasury shares will be reduced from 227,508,952 Shares to 201,997,530 Shares. The financial effects under Scenario A is computed based on 224,957,810 Shares purchased and cancelled. The financial effects under Scenario B is computed based on 201,997,530 additional Shares purchased and held as treasury shares.

"n.m." means "not meaningful".

3.8 **Listing Status of the Shares**. The Listing Manual requires a listed company to ensure that at least 10% of equity securities (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public. As at the Latest Practicable Date, Singtel has a direct interest in 494,000,000 Shares representing approximately 21.96% of the issued Shares (excluding the Shares held in treasury) as at that date, Temasek has a deemed interest in 494,865,681 Shares (including the Shares held by Singtel) representing approximately 21.99% of the issued Shares (excluding the Shares held in treasury) as at that date, Alibaba Investment Limited has a direct interest in 327,649,907 Shares representing approximately 14.56% of the issued Shares (excluding the Shares held in treasury) as at that date, and Alibaba Group Holding Limited and SoftBank Group Corp. each has a deemed interest in 327,649,907 Shares held by Alibaba Investment Limited representing approximately 14.56% of the issued Shares (excluding the Shares held in treasury) as at that date. Approximately 63.48% of the issued Shares (excluding the Shares held in treasury) were held by public Shareholders as at the Latest Practicable Date. If the Company had purchased or acquired Shares from the public up to the full 10% limit pursuant to the proposed Share Purchase Mandate on the Latest Practicable Date, approximately 59.42% of the issued Shares (excluding the Shares held in treasury) would have been held by public Shareholders as at that date.

The Company will ensure that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases and/or Off-Market Purchases up to the full 10% limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, causing market illiquidity or affecting orderly trading.

3.9 **Shareholding Limits**. The Postal Services Act 1999 (the "**Postal Services Act**") currently provides, *inter alia*, that:

(a) no person shall, whether through a series of transactions over a period of time or otherwise, become a 12% controller or a 30% controller of a designated postal licensee (the "**Prescribed Limits**"); and

(b) no person shall enter into any other transaction that constitutes a consolidation with a designated postal licensee,

without obtaining the prior written approval of the Info-communications Media Development Authority of Singapore (the "**IMDA**"), unless otherwise exempted in accordance with any applicable exemption issued under the Postal Services Act.

For the purposes of this paragraph 3.9:

"**consolidation**" means any transaction that, *inter alia*, results in a party becoming a 30% controller of a designated postal licensee, acquiring the business of a designated postal licensee as a going concern or obtaining effective control over a designated postal licensee;

"**12% controller**", in relation to a designated postal licensee, means a person, not being a 30% controller, who alone or together with his associates, (i) holds 12% or more of the total number of voting shares in the designated postal licensee; or (ii) is in a position to control 12% or more of the voting power in the designated postal licensee;

"**30% controller**", in relation to a designated postal licensee, means a person who alone or together with his associates, (i) holds 30% or more of the total number of voting shares in the designated postal licensee; or (ii) is in a position to control 30% or more of the voting power in the designated postal licensee;

"**designated postal licensee**" means a postal licensee (i) which has been declared by the IMDA, by notification published in the *Gazette*, to be a designated postal licensee; or (ii) which is within a class of postal licensees which has been declared by the IMDA, by notification published in the *Gazette*, to be a designated class of postal licensees, for the purposes of Part IVA of the Postal Services Act. The Company has been gazetted as a designated postal licensee; and

"**effective control**" means the ability to cause a designated postal licensee to take, or prevent a designated postal licensee from taking, a decision regarding the management and major operating decisions of the designated postal licensee.

Pursuant to the Postal Services Act, if the IMDA is satisfied that a Shareholder and/or his associates have reached or exceeded the Prescribed Limits in contravention of the Postal Services Act or that the holding or acquisition of voting shares, or control of voting power in the Company by such Shareholder and/or his associates is likely to substantially lessen competition or is against the public interest, or in other specified circumstances, the IMDA may issue certain directions, including but not limited to requiring such Shareholder and/or his associates to divest all or part of the voting shares which it holds or may have acquired in the Company, or require the Company to restrict the voting rights or dividend rights that the Shareholder holds or has obtained through the acquisition of such voting shares.

As a result of a purchase or acquisition of Shares by the Company, the shareholding percentage of a holder of Shares (whose Shares were not the subject of such purchase or acquisition by the Company) in the Shares of the Company immediately following any purchase or acquisition of Shares by the Company will increase correspondingly.

The Company wishes to draw the attention of Shareholders to the following consequences of a purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate, if the renewal of the Share Purchase Mandate is approved by Shareholders:

A purchase or acquisition of Shares by the Company may inadvertently cause a person to reach or exceed the Prescribed Limits (in particular, a person who is currently close to any of the Prescribed Limits). Shareholders who are close to any of the Prescribed Limits and who may exceed any such limits by reason of a purchase or acquisition of Shares by the Company are advised to inform the Company and seek the prior approval of the IMDA to reach or exceed the Prescribed Limits, on such terms as may be imposed by the IMDA, as a consequence of any purchase or acquisition of Shares by the Company. Shareholders who are in any doubt as to the action that they should take should consult their professional advisers.

In addition to the above, Section 8 of the Postal Competition Code 2017, which was issued by the IMDA on 29 May 2017 and which came into effect on 9 June 2017 (the "**Postal Competition Code**") provides some additional guidance on the purchase or acquisition of Shares by the Company. Section 8 states that before entering into any such purchase or acquisition of Shares by the Company, the Company must calculate the percentage of voting shares held by each Shareholder following such purchase or acquisition. If, as a result of such purchase or acquisition:

(i) any Shareholder who previously held less than 5% of the total number of voting shares in the Company, or had control of less than 5% of the voting power in the Company would, after the transaction, hold 5% or more, but less than 12% of the voting shares in the Company, or control 5% or more but less than 12% of the voting power in the Company, the Company may proceed with such purchase or acquisition and shall file the appropriate notification pursuant to the Postal Competition Code; and

(ii) any Shareholder will become a 12% controller of, or will enter into a consolidation with the Company, the Company and that Shareholder must seek the approval of the IMDA before the Company proceeds with such purchase or acquisition.

3.10 **Take-over Implications**. Appendix 2 of the Takeover Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

3.10.1 ***Obligation to make a Take-over Offer***

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Takeover Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Takeover Code.

3.10.2 ***Persons Acting in Concert***

Under the Takeover Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Takeover Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

(a) the following companies:

(i) a company;

(ii) the parent company of (i);

(iii) the subsidiaries of (i);

(iv) the fellow subsidiaries of (i);

(v) the associated companies of any of (i), (ii), (iii) or (iv);

(vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and

(vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;

(b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;

(f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;

(g) partners; and

(h) the following persons and entities:

(i) an individual;

(ii) the close relatives of (i);

(iii) the related trusts of (i);

(iv) any person who is accustomed to act in accordance with the instructions of (i);

(v) companies controlled by any of (i), (ii), (iii) or (iv); and

(vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Takeover Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Takeover Code.

3.10.3 ***Effect of Rule 14 and Appendix 2***

In general terms, the effect of Rule 14 and Appendix 2 of the Takeover Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Takeover Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Based on the interests of Substantial Shareholders as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date as set out in paragraph 5.2 below, none of the Substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Takeover Code as a result of the purchase by the Company of the maximum limit of 10% of its issued Shares as at the Latest Practicable Date.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Takeover Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

3.11 **Reporting Requirements**. Rule 886(1) of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (i) in the case of a Market Purchase, on the market day following the day of purchase or acquisition of any of its shares, and (ii) in the case of an Off-Market Purchase under an equal access scheme, on the second market day after the close of acceptances of the offer. Such announcement (which must be in the form of Appendix 8.3.1 to the Listing Manual) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and subsidiary holdings after the purchase, the number of treasury shares held and the number of subsidiary holdings after the purchase.

3.12 **No Purchases During Price or Trade Sensitive Developments**. While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price or trade sensitive development has occurred or has been the subject of a decision until the price or trade sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares during the period of one month immediately preceding the announcement of the Company's half year and full year financial statements.

4. THE PROPOSED EXTENSION OF, AND ALTERATIONS TO, THE SINGAPORE POST RESTRICTED SHARE PLAN 2013

4.1 **Background**. The Singapore Post Restricted Share Plan 2013 (the "**Plan**") was approved and adopted at an Extraordinary General Meeting of the Company held on 28 June 2013. Shareholders also approved alterations to the Plan at the 25th Annual General Meeting of the Company held on 20 July 2017 to provide the committee comprising Directors duly authorised and appointed by the Board to administer the Plan (the "**Committee**") the flexibility to prescribe performance conditions to awards of shares granted under the Plan, where appropriate to do so as determined in the absolute discretion of the Committee.

The initial duration of the Plan is 10 years commencing on the date of adoption, provided that it can be continued beyond that period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may be required. As the Plan is due to expire on 27 June 2023, Shareholders' approval is being sought for an extension of the duration of the Plan for a further period of 10 years from 28 June 2023 up to 27 June 2033 (both dates inclusive).

The Company also has in place a share option scheme known as the "Singapore Post Share Option Scheme 2012" (the "**2012 Scheme**"), which was adopted on 29 June 2012 to replace the previous share option scheme known as the "Singapore Post Share Option Scheme" (the "**Previous Scheme**"). The initial duration of the 2012 Scheme is 10 years commencing on the date of adoption and is due to expire on 28 June 2022. It is not intended to be renewed. No further options may be granted under the 2012 Scheme following its expiry. However, such expiry will not affect the options which have been granted and accepted prior to such expiry, whether such options have been exercised (whether fully or partially) or not. There are no options outstanding under the Previous Scheme.

4.2 **Rationale**. The Plan, under which awards ("**Awards**") are granted to participants by which they may receive fully-paid Shares, their equivalent cash value or combinations thereof, free of charge, provided any prescribed performance condition(s) are met and/or upon expiry of any prescribed vesting period(s), is an integral part of the Group's compensation programme. The Plan gives participants an opportunity to have a personal equity interest in the Company and helps to achieve the following positive objectives:

(a) motivates the participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;

(b) retains key executives and executive directors of the Group and associated companies whose contributions are essential to the long-term growth and profitability of the Group;

(c) instils loyalty to, and a stronger identification by employees with the long-term prosperity of, the Company;

(d) attracts potential employees with relevant skills to contribute to the Group and to create value for the shareholders of the Company; and

(e) aligns the interests of employees and non-executive directors with the interests of the shareholders of the Company.

As the Plan remains an integral part of the Group's compensation programme, the Directors propose that the duration of the Plan be extended for a further period of 10 years up to (and including) 27 June 2033. The Committee has approved the proposed extension.

4.3 **Maximum Limit**. There will be no change to the maximum limit of new Shares which may be issued under the Plan following the extension of its duration to 27 June 2033. The maximum aggregate number of new Shares which may be issued pursuant to the Plan and the 2012 Scheme is limited to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time. The Company will, however, be seeking Shareholders' approval for a lower limit of 5% at the 2022 AGM, as the Company does not anticipate that it will require a higher limit before the next Annual General Meeting.

The number of existing Shares (including Shares held in treasury) which may be delivered pursuant to Awards granted under the Plan will not be subject to any limit as such methods of delivery do not involve the issuance of any new Shares, and therefore do not have any dilutive impact on Shareholders.

4.4 **Proposed Alterations**. The Directors are taking this opportunity to update the Rules of the Plan to take into account the amendments to the Listing Manual which have been effected since the Plan was last altered in 2017, and to streamline and rationalise certain provisions. The Amended and Restated Rules of the Plan, incorporating the proposed alterations, are set out in Appendix 2 to this Letter, and the proposed alterations are blacklined for ease of reference. The following is a summary of the principal proposed alterations:

4.4.1 ***Listing Manual***

Rules 9.1 and 9.3, which relate to adjustments to Awards and the auditors' confirmation on such adjustments, are proposed to be altered to replace the respective references to "capitalisation of profits or reserves" and "capitalisation issue" as an adjustment event with references to "bonus" and "bonus issue", in line with the amendments to Rules 850(1) and (4) of the Listing Manual which took effect on 7 February 2020.

4.4.2 ***Collection, Use and Disclosure of Personal Data***

A new Rule 22 is proposed to be inserted to regulate the collection, use and disclosure of participants' personal data by the Company for purposes of implementing and administering the Plan.

4.4.3 ***Other Alterations***

The other alterations which are being proposed to clarify, streamline and rationalise certain provisions of the Rules of the Plan are blacklined in Appendix 2 to this Letter.

4.5 **Particulars of Awards**. As at the Latest Practicable Date, Awards in respect of 22,866,560 Shares, representing approximately 1.02% of the issued Shares (excluding treasury shares and subsidiary holdings), have been granted under the Plan to approximately 335 participants since its adoption on 28 June 2013, of which as at the Latest Practicable Date:

(a) no new Shares have been issued to participants pursuant to Awards;

(b) 3,895,178 existing Shares have been transferred to participants pursuant to Awards;

(c) 5,543,255 Shares are comprised in outstanding Awards; and

(d) 13,428,127 Shares are comprised in Awards which have lapsed pursuant to the Plan.

Awards vest upon satisfaction of the performance and/or time-based conditions (if any) prescribed on the date of grant, and subject to the Rules of the Plan. Save as disclosed in this Letter and as provided in the Rules of the Plan and save for the prescribed performance and/or time-based conditions, the Awards outstanding as at the Latest Practicable Date are not subject to any material conditions.

No Awards have been granted to controlling shareholders of the Company or associates of such controlling shareholders, under the Plan.

Other than Mr Phang Heng Wee, Vincent, none of the Directors held any outstanding Awards as at the Latest Practicable Date.

Particulars of outstanding Awards held by Mr Phang Heng Wee, Vincent as at the Latest Practicable Date are as follows:

Director	**Award Date**	**Number of Shares Delivered**	**Number of Shares comprised in Awards which have lapsed**	**Number of Shares comprised in outstanding Awards(1)**
Phang Heng Wee, Vincent	31.05.19	–	–	309,799
	01.06.20	–	–	327,434
	20.01.22	–	–	403,794

Note:

(1) Depending on the extent of the satisfaction of the relevant performance criteria, 0% to 200% in the Shares comprised in the Awards may vest.

4.6 **Particulars of Options**. As at the Latest Practicable Date:

(a) there are outstanding and unexercised options granted under the 2012 Scheme to subscribe for up to an aggregate of 6,325,000 Shares, representing approximately 0.28% of the issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date; and

(b) an aggregate of 20,976,000 Shares, representing approximately 0.93% of the issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, have been delivered upon exercise of options granted since the commencement of the 2012 Scheme.

Details of existing options outstanding and unexercised under the 2012 Scheme as at the Latest Practicable Date are as follows:

Date of Grant	**Exercise Period**	**Exercise Price per Share (S$)**	**Number of Shares comprised in Unexercised Options**	**Number of Participants**
10.08.12	11.08.13 to 10.08.22	1.070	689,000	8
17.01.14	18.01.17 to 17.01.24	1.350	1,223,000	8
07.03.14	08.03.17 to 07.03.24	1.330	375,000	1
20.05.14	21.05.15 to 20.05.24	1.450	609,000	7
07.08.14	08.08.15 to 07.08.24	1.760	62,000	3

Date of Grant	Exercise Period	Exercise Price per Share (S$)	Number of Shares comprised in Unexercised Options	Number of Participants
19.05.15	20.05.16 to 19.05.25	1.890	1,875,000	33
20.05.16	21.05.17 to 20.05.26	1.570	1,492,000	32
			6,325,000	

Save as disclosed in this Letter and as provided in the Rules of the 2012 Scheme, existing options outstanding and unexercised under the 2012 Scheme as at the Latest Practicable Date are not subject to any material conditions.

No options have been granted to controlling shareholders of the Company or associates of such controlling shareholders, under the 2012 Scheme.

None of the Directors held any outstanding and unexercised options under the 2012 Scheme as at the Latest Practicable Date.

There are no options outstanding under the Previous Scheme.

4.7 **Abstention from Voting**. Any Shareholder who is eligible to participate in the Plan (as proposed to be extended and altered) must abstain from voting his Shares on Ordinary Resolution 13, being the Ordinary Resolution relating to the proposed extension of, and alterations to, the Plan to be proposed at the 2022 AGM, and the Company will disregard any votes cast by such Shareholder in respect of his Shares on Ordinary Resolution 13. Any such Shareholder must also decline to accept appointment as proxy for any other Shareholder to vote in respect of Ordinary Resolution 13, unless that other Shareholder has given specific instructions in a validly completed and submitted instrument appointing a proxy(ies) as to voting, or abstention from voting, in respect of Ordinary Resolution 13.

4.8 **SGX-ST**. The SGX-ST has granted in-principle approval for the listing and quotation of the new Shares to be issued pursuant to the Plan (as proposed to be extended and altered) subject to, *inter alia*, compliance with the SGX-ST's listing requirements and guidelines and independent Shareholders' approval being obtained for the proposed extension of, and alterations to, the Plan. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Plan (as proposed to be extended and altered), the new Shares, the Company and/or its subsidiaries.

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

5.1 **Directors' Interests**. The interests of the Directors in the Shares, as extracted from the Register of Directors' Shareholdings, as at the Latest Practicable Date, are set out below:

	Number of Shares				Number of Shares comprised in
	Direct Interest	Deemed Interest	Total Interest	% of Issued Shares[1]	outstanding share awards
Simon Israel	–	–	–	–	–
Phang Heng Wee, Vincent	–	–	–	–	1,041,027[2]
Fang Ai Lian	–	–	–	–	–
Chen Jun	–	–	–	–	–
Chu Swee Yeok	–	–	–	–	–
Lim Cheng Cheng	–	–	–	–	–
Elizabeth Kong Sau Wai	–	–	–	–	–
Steven Robert Leonard	–	–	–	–	–
Bob Tan Beng Hai	–	–	–	–	–

Notes:

(1) The percentage of issued Shares is calculated based on the number of issued Shares as at the Latest Practicable Date, excluding any Shares held in treasury as at that date.

(2) Of the 1,041,027 Shares:

(a) 309,799 Shares are comprised in performance and restricted share awards granted to Phang Heng Wee, Vincent pursuant to the Plan for a 4-year performance period from 1 April 2019 to 31 March 2023. Depending on the extent of the satisfaction of the relevant performance criteria, 0% to 200% in the Shares comprised in the share awards may vest;

(b) 327,434 Shares are comprised in performance and restricted share awards granted to Phang Heng Wee, Vincent pursuant to the Plan for a 4-year performance period from 1 April 2020 to 31 March 2024. Depending on the extent of the satisfaction of the relevant performance criteria, 0% to 200% in the Shares comprised in the share awards may vest; and

(c) 403,794 Shares are comprised in performance and restricted share awards granted to Phang Heng Wee, Vincent pursuant to the Plan for a 4-year performance period from 1 April 2021 to 31 March 2025. Depending on the extent of the satisfaction of the relevant performance criteria, 0% to 200% in the Shares comprised in the share awards may vest.

5.2 **Substantial Shareholders' Interests**. The interests of the substantial Shareholders in the Shares, as extracted from the Register of Substantial Shareholders, as at the Latest Practicable Date, are set out below:

	Number of Shares			
	Direct Interest	Deemed Interest	Total Interest	% of Issued Shares(1)
Temasek Holdings (Private) Limited	–	494,865,681(2)	494,865,681	21.99
Singapore Telecommunications Limited	494,000,000	–	494,000,000	21.96
Alibaba Investment Limited	327,649,907	–	327,649,907	14.56
Alibaba Group Holding Limited	–	327,649,907(3)	327,649,907	14.56
SoftBank Group Corp.	–	327,649,907(4)	327,649,907	14.56

Notes:

(1) The percentage of issued Shares is calculated based on the number of issued Shares as at the Latest Practicable Date, excluding any Shares held in treasury as at that date.

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

(3) Deemed through its subsidiary, Alibaba Investment Limited.

(4) Deemed through Alibaba Group Holding Limited which is the holding company of Alibaba Investment Limited.

6. DIRECTORS' RECOMMENDATIONS

6.1 **The Proposed Renewal of the Shareholders Mandate**. All the Directors are interested persons (as described in paragraph 4.1 of Appendix 1 to this Letter). Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of Ordinary Resolution 11, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2022 AGM.

6.2 **The Proposed Renewal of the Share Purchase Mandate**. The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 12, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2022 AGM.

6.3 **The Proposed Extension of, and Alterations to, the Plan**. All the Directors are eligible to participate in the Plan. Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of Ordinary Resolution 13, being the Ordinary Resolution relating to the proposed extension of, and alterations to, the Plan to be proposed at the 2022 AGM.

7. INSPECTION OF DOCUMENTS

The Annual Report of the Company for the financial year ended 31 March 2022 and the 2021 Letter may be accessed at the URLs https://www.singpost.com/about-us/investor-relations/annual-reports and https://www.singpost.com/about-us/investor-relations/shareholder-meetings respectively.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the Proposals, and the Company and its subsidiaries which are relevant to the Proposals, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

Yours faithfully
for and on behalf of
the Board of Directors of
SINGAPORE POST LIMITED

Simon Israel
Chairman

APPENDIX 1

THE SHAREHOLDERS MANDATE

1. Chapter 9 of the Listing Manual

1.1 Chapter 9 of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company's interested persons. When this Chapter applies to a transaction and the value of that transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for that transaction.

1.2 Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated net tangible assets ("**NTA**")) are reached or exceeded. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or which exceeds:

(a) 5% of the listed company's latest audited consolidated NTA; or

(b) 5% of the listed company's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

1.3 Based on the latest audited consolidated financial statements of Singapore Post Limited ("**SingPost**") and its subsidiaries (the "**SingPost Group**") for the financial year ended 31 March 2022, the consolidated NTA of the SingPost Group was S$612,660,000. In relation to SingPost, for the purposes of Chapter 9, in the current financial year and until such time as the audited consolidated financial statements of the SingPost Group for the financial year ending 31 March 2023 are published, 5% of the latest audited consolidated NTA of the SingPost Group would be S$30,633,000.

1.4 Chapter 9 of the Listing Manual permits a listed company, however, to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons.

1.5 Under the Listing Manual:

(a) an "**entity at risk**" means:

(i) the listed company;

(ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

(iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), has control over the associated company;

(b) (in the case of a company) an "**interested person**" means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder. The SGX-ST may also deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into (i) a transaction with an entity at risk, and (ii) an agreement or arrangement with an interested person in connection with that transaction;

(c) a "**controlling shareholder**" means a person who:

(i) holds directly or indirectly 15% or more of the total voting rights in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or

(ii) in fact exercises control over a company;

(d) (in the case of a company) an "**associate**" in relation to an interested person who is a director, chief executive officer or controlling shareholder means an immediate family member (that is, the spouse, child, adopted-child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family has an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, means its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;

(e) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9; and

(f) an "**interested person transaction**" means a transaction between an entity at risk and an interested person and a "**transaction**" includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

2. Rationale for the Shareholders Mandate and Benefits to Shareholders

2.1 It is envisaged that in the ordinary course of their businesses, transactions between companies in the EAR Group (as defined below) and SingPost's interested persons are likely to occur from time to time. Such transactions would include, but are not limited to, the provision of goods and services in the ordinary course of business of the EAR Group to SingPost's interested persons or the obtaining of goods and services from them.

2.2 In view of the time-sensitive nature of commercial transactions, the renewal of the Shareholders Mandate pursuant to Chapter 9 of the Listing Manual will enable:

(a) SingPost;

(b) subsidiaries of SingPost (other than a subsidiary that is listed on the SGX-ST or an approved exchange, if any); and

(c) associated companies of SingPost (other than an associated company that is listed on the SGX-ST or an approved exchange, if any) over which the SingPost Group, or the SingPost Group and interested person(s) of SingPost has or have control,

(together, the "**EAR Group**"), or any of them, in the ordinary course of their businesses, to enter into the categories of transactions ("**Interested Person Transactions**") set out in paragraph 5 below with the specified classes of SingPost's interested persons (the "**Interested Persons**") set out in paragraph 4.1 below, provided such Interested Person Transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

2.3 The Shareholders Mandate, and its subsequent renewal thereafter on an annual basis, will enhance the ability of companies in the EAR Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for SingPost to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the relevant company in the EAR Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an *ad hoc* basis, improve administrative efficacy considerably, and allow manpower resources and time to be channelled towards attaining other corporate objectives.

2.4 The Shareholders Mandate is intended to facilitate transactions in the normal course of business of the EAR Group which are transacted from time to time with the specified classes of Interested Persons, provided that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

2.5 The EAR Group will benefit from having access to competitive quotes from the different companies in the different industries within the Temasek Group (as defined in paragraph 4.1(a) below) and the Singtel Group (as defined in paragraph 4.1(b) below) in addition to obtaining quotes from, or transacting with, non-Interested Persons.

3. The Shareholders Mandate and Validity Period

3.1 The Shareholders Mandate covers a wide range of activities undertaken by the SingPost Group. These activities are set out in detail in paragraph 5 below.

3.2 The Shareholders Mandate does not cover an Interested Person Transaction which has a value of below S$100,000 as the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual would not apply to such an Interested Person Transaction. The IPT Mandate would, however, cover Interested Person Transactions with values below S$100,000 entered into during the same financial year and which are aggregated by the SGX-ST under Chapter 9 of the Listing Manual and treated as if they were one Interested Person Transaction which has a value of S$100,000 or more.

3.3 Transactions with interested persons (including the Interested Persons) that do not fall within the ambit of the Shareholders Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

3.4 The renewal of the Shareholders Mandate will take effect from the date of the passing of the Ordinary Resolution relating thereto to be proposed at the Annual General Meeting to be held on 21 July 2022 until the next Annual General Meeting of the Company. Thereafter, it is intended that approval from Shareholders for a subsequent renewal of the Shareholders Mandate will be sought at each subsequent Annual General Meeting of the Company.

4. Classes of Interested Persons

4.1 The Shareholders Mandate applies to Interested Person Transactions which are carried out with the following classes of Interested Persons:

(a) Temasek Holdings (Private) Limited and its associates (excluding Singapore Telecommunications Limited ("**Singtel**") and its associates) (the "**Temasek Group**");

(b) Singtel and its associates (the "**Singtel Group**"); and

(c) Directors, Chief Executive Officer(s) and controlling shareholders of the Company (other than the controlling shareholders described in sub-paragraphs (a) and (b) above) and their respective associates.

4.2 Transactions with Interested Persons which do not fall within the ambit of the Shareholders Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

5. Interested Person Transactions

The Interested Person Transactions with the Interested Persons which are covered by the Shareholders Mandate, and the benefits to be derived therefrom, relate to general transactions ("**General Transactions**") in connection with the provision to, or the obtaining from, Interested Persons of products and services in the normal course of business of the EAR Group or which are necessary for the day-to-day operations of the EAR Group (but not in respect of the purchase or sale of assets, undertakings or businesses) comprising the following:

(a) provision of postal services;

(b) provision of fulfilment, warehousing and logistics services;

(c) provision of agency services;

(d) provision and distribution of financial services;

(e) provision of electronic printing and despatching services;

(f) provision of data, document and mail management services;

(g) leasing or rental of premises as lessor and/or lessee;

(h) provision or procurement of software and licensing services, information services, engineering, repair, servicing and technical services;

(i) selling of advertisement space;

(j) provision or procurement of transportation, despatching and conveyance services (including air, sea and land) and freight services;

(k) procurement of communication and all other forms of utility services and products;

(l) procurement, lease or rental of vehicles, equipment, parts, components, repair and maintenance services;

(m) procurement of services for the production of stamps, philatelic products and stationeries;

(n) procurement of security services;

(o) procurement of insurance;

(p) procurement of management and consultancy services;

(q) provision or obtaining of property management, property security, building maintenance services and consultancy services; and

(r) provision or obtaining of such products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services referred to in sub-paragraphs (a) to (q) above.

6. Review Procedures for Interested Person Transactions

6.1 In general, there are procedures established by the EAR Group to ensure that transactions with Interested Persons are undertaken on normal commercial terms consistent with the EAR Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to unrelated third parties.

In particular, the following review procedures have been implemented:

(a) *Provision of services or the sale of products*

The review procedures are:

(i) all contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market rates or prices of the service or product providers, on terms which are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms; and

(ii) where the prevailing market rates or prices are not available due to the nature of service to be provided or the product to be sold, the EAR Group's pricing for such services to be provided or products to be sold to Interested Persons is determined in accordance with the EAR Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the EAR Group for the same or substantially similar type of contract or transaction with unrelated third parties. In determining the transaction price payable by Interested Persons for such services or products, factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account.

(b) *Obtaining of services or the purchasing of products*

The review procedures are:

(i) all contracts entered into or transactions with Interested Persons are to be carried out by obtaining quotations (wherever possible or available) from at least two other unrelated third party suppliers for similar quantities and/or quality of services or products, prior to the entry into of the contract or transaction with the Interested Person, as a basis for comparison to determine whether the prices and terms offered by the Interested Person are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of services or products. In determining whether the prices and terms offered by the Interested Person are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account; and

(ii) in the event that such competitive quotations cannot be obtained (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), the senior management staff of the relevant company in the EAR Group (with no interest, direct or indirect in the transaction), will determine whether the prices and terms offered by the Interested Person are fair and reasonable.

(c) *Threshold limits*

In addition to the review procedures described above, the EAR Group will also ensure that the Interested Person Transactions are undertaken with Interested Persons on normal commercial terms and are not prejudicial to the Company and its minority Shareholders by categorising the transactions as follows:

(i) a Category 1 General Transaction is one where the value thereof is equal to or more than 5% of the latest audited consolidated NTA of the SingPost Group; and

(ii) a Category 2 General Transaction is one where the value is less than 5% of the latest audited consolidated NTA of the SingPost Group.

Category 1 General Transactions must be reviewed and endorsed by the Audit Committee and approved by the Board or other Board Committees, in accordance with the Company's approval limits, prior to their entry with an Interested Person.

Category 2 General Transactions need not be reviewed and endorsed by the Audit Committee prior to their entry with an Interested Person, but shall be reviewed on a quarterly-basis by the Audit Committee.

6.2 SingPost will maintain and update the list of companies within the EAR Group and the list of Interested Persons and inform the heads of departments and/or companies within the EAR Group for the purposes of identification of Interested Persons and the recording of all Interested Person Transactions.

6.3 SingPost will review the procedures set out above from time to time to ensure that these remain adequate and appropriate.

6.4 A register will be maintained by SingPost to record all Interested Person Transactions (and the basis on which they are entered into) which are entered into pursuant to the Shareholders Mandate. The annual internal audit plan of SingPost shall incorporate a review of all Interested Person Transactions entered into in the relevant financial year pursuant to the Shareholders Mandate.

6.5 The internal auditors of SingPost shall, on a quarterly basis, report to the Audit Committee on Interested Person Transactions, and the basis of such transactions, entered into by the EAR Group.

6.6 The Audit Committee shall review the internal audit reports on Interested Person Transactions to ascertain that the Interested Person Transactions are entered into with Interested Persons on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders and that the established review procedures for the Interested Person Transactions have been complied with.

6.7 In the event that a member of the Audit Committee, Board or other Board Committees (where applicable) is interested in any Interested Person Transaction, he will abstain from any decision-making in respect of that transaction and the review, endorsement and approval of that transaction will be undertaken by the remaining members of the Audit Committee, Board and/or other Board Committees.

7. Audit Committee's Statements

7.1 The Audit Committee (currently comprising Mrs Fang Ai Lian, Ms Chu Swee Yeok and Mr Bob Tan Beng Hai) has reviewed the terms of the Shareholders Mandate, as proposed to be renewed, and is satisfied that the review procedures for Interested Person Transactions, as well as the reviews to be made periodically by the Audit Committee (with internal audit assistance) in relation thereto, are sufficient to ensure that Interested Person Transactions will be made with the relevant class of Interested Persons on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

7.2 If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the established guidelines and procedures are not sufficient to ensure that the Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, SingPost will revert to Shareholders for a fresh mandate based on new procedures for transactions with Interested Persons.

8. Disclosure

8.1 SingPost will announce the aggregate value of transactions conducted with Interested Persons pursuant to the Shareholders Mandate for the financial periods which SingPost is required to report on pursuant to the Listing Manual and within the time required for the announcement of such report.

8.2 Disclosure will also be made in the annual report of SingPost of the aggregate value of Interested Person Transactions conducted pursuant to the Shareholders Mandate during the current financial year, and in the annual reports for the subsequent financial years during which a shareholders mandate is in force, in accordance with the requirements of the Listing Manual.

APPENDIX 2

THE AMENDED AND RESTATED RULES OF THE SINGAPORE POST RESTRICTED SHARE PLAN 2013 (Incorporating amendments up to 21 July 2022)

1. NAME OF THE PLAN

The Plan shall be called the "Singapore Post Restricted Share Plan 2013".

2. DEFINITIONS

2.1 In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"**Act**"	:	The Companies Act 1967~~, Chapter 50 of Singapore~~.
"**Adoption Date**"	:	The date on which the Plan is adopted by the Company in general meeting.
"**Associated Company**"	:	A company in which at least 20% but not more than 50% of its shares are held by the Company and/or its subsidiaries, or a subsidiary of such company, and over whose management the Company has control (as defined in the Listing Manual).
"**Associated Company Executive**"	:	Any employee of an Associated Company (including any Associated Company Executive Director).
"**Associated Company Executive Director**"	:	A director of an Associated Company who performs an executive function.
"**Auditors**"	:	The auditors of the Company for the time being.
"**Award**"	:	An award of Shares granted under Rule 5.
"**Award Date**"	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 5.
"**Award Letter**"	:	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee.
"**CDP**"	:	The Central Depository (Pte) Limited.
"**Committee**"	:	A committee comprising directors of the Company duly authorised and appointed by the board of directors of the Company to administer the Plan.
"**Communication**"	:	An Award, including the Award Letter and/or any correspondence made or to be made under the Plan (individually or collectively).

"**Company**"	:	Singapore Post Limited, a company incorporated in Singapore.
"**Constitution**"	:	The Constitution of the Company, as amended from time to time.
"**Depository Agent**"	:	Has the meaning given to it in the Securities and Futures Act 2001.
"**Group**"	:	The Company and its subsidiaries.
"**Group Executive**"	:	Any employee of the Group (including any Group Executive Director).
"**Group Executive Director**"	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function.
"**Listing Manual**"	:	The listing manual of the Singapore Exchange.
"**Market Day**"	:	A day on which the Singapore Exchange is open for trading in securities.
"**Market Value**"	:	In relation to a Share, on any day: (a) the volume-weighted average price of a Share on the Singapore Exchange over the three (3) immediately preceding Trading Days; or (b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
"**Non-Executive Director**"	:	A director of: (a) the Company and/or any of its subsidiaries, other than a Group Executive Director; or (b) an Associated Company, other than an Associated Company Executive Director.
"**Participant**"	:	The holder of an Award (including, where applicable, the executor or personal representative of such holder).

"**Performance-related Award**"	:	An Award in relation to which a Performance Condition is specified.
"**Performance Condition**"	:	In relation to a Performance-related Award, the condition specified on the Award Date in relation to that Award.
"**Performance Period**"	:	In relation to a Performance-related Award, a period, the duration of which is to be determined by the Committee on the Award Date, during which the Performance Condition(s) is (are) to be satisfied.
"**Plan**"	:	The Singapore Post Restricted Share Plan 2013, as modified or altered from time to time.
"**Record Date**"	:	The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to, or rights of, holders of Shares.
"**Release**"	:	In relation to an Award, the release of all or some of the Shares to which that Award relates in accordance with the Plan and, to the extent that any Shares which are the subject of the Award are not released pursuant to the Plan, the Award in relation to those Shares shall lapse accordingly and "**Released**" shall be construed accordingly.
"**Release Schedule**"	:	In relation to an Award, a schedule (if any) in such form as the Committee shall approve, in accordance with which Shares which are the subject of that Award shall be Released.
"**Released Award**"	:	An Award which has been Released in full or in part in accordance with Rule 7.
"**Retention Period**"	:	In relation to an Award, such period commencing on the Vesting Date in relation to that Award as may be determined by the Committee on the Award Date.
"**SingPost Share Option Scheme 2012**"	:	The Singapore Post Share Option Scheme 2012 adopted on 29 June 2012, as the same may be modified or altered from time to time.
"**Security Device**"	:	Any smartcard, digital certificate, digital signature, encryption device, electronic key, logon identifier, password, personal identification number, and/or other code or any access procedure incorporating any one or more of the foregoing, designated by the Company for use in conjunction with the Plan.

"**Shares**"	:	Ordinary shares ~~in the capital~~ of the Company.
"**Singapore Exchange**"	:	The Singapore Exchange Securities Trading Limited.
"**Trading Day**"	:	A day on which the Shares are traded on the Singapore Exchange.
"**Vesting**"	:	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and "**Vest**" and "**Vested**" shall be construed accordingly.
"**Vesting Date**"	:	In relation to Shares which are the subject of a Released Award, each date as determined by the Committee and notified to the relevant Participant on which those Shares are to be Vested pursuant to Rule 7.
"**Vesting Period**"	:	In relation to an Award, each period (if any), the duration of which is to be determined by the Committee on the Award Date, after the expiry of which the relevant number of Shares which are subject to the applicable period shall be Vested to the relevant Participant on the relevant Vesting Date, subject to Rule 7.
"**year**"	:	Calendar year, unless otherwise stated.
"**$**"	:	Singapore dollar.
"**%**"	:	Per centum or percentage.

2.2 For purposes of the Plan, the Company shall be deemed to have control over another company if it has the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company.

2.3 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.

2.4 Any reference to a time of a day in the Plan is a reference to Singapore time.

2.5 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Plan and used in the Plan shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

3. OBJECTIVES OF THE PLAN

The Plan is a share incentive scheme. The Plan is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to key employees and directors of the Group and Associated Companies who contribute to the growth of the Group. The Plan will also enable grants of fully paid Shares to be made to non-executive directors of the Group and Associated Companies as part of their remuneration in respect of their office as such in lieu of cash~~, or, where the Committee deems appropriate, to give recognition to the contributions made or to be made by such non-executive directors to the success of the Group~~. The Plan will give Participants an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:

(a) to motivate the Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;

(b) to retain key executives and executive directors of the Group and Associated Companies whose contributions are essential to the long-term growth and profitability of the Group;

(c) to instil loyalty to, and a stronger identification by employees with the long-term prosperity of, the Company;

(d) to attract potential employees with relevant skills to contribute to the Group and to create value for the shareholders of the Company; and

(e) to align the interests of employees and non-executive directors with the interests of the shareholders of the Company.

4. ELIGIBILITY OF PARTICIPANTS

The following persons, unless they are also controlling shareholders (as defined in the Listing Manual) of the Company or associates (as defined in the Listing Manual) of such controlling shareholders, shall be eligible to participate in the Plan at the absolute discretion of the Committee:

(a) Group Executives who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time;

(b) Associated Company Executives who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group; and

(c) Non-Executive Directors.

5. GRANT OF AWARDS

5.1 The Committee may grant Awards to eligible Group Executives, Associated Company Executives and/or Non-Executive Directors, in each case, as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.

5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account such criteria as it considers fit, including (but not limited to), in the case of a Group Executive or an Associated Company Executive, his rank, job performance, years of service, potential for future development, and his contribution to the success and development of the Group and (in the case of a Performance-related Award) the extent of effort and difficulty with which the Performance Condition(s) may be achieved within the Performance Period and, in the case of a Non-Executive Director, his board and committee appointments and attendance, and his contribution to the success and development of the Group.

5.3 The Committee shall decide in relation to an Award:

(a) the Participant;

(b) the Award Date;

(c) the number of Shares which are the subject of the Award;

(d) in the case of a Performance-related Award:

(i) the Performance Condition(s);

(ii) the Performance Period; and

(iii) the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;

(e) the Vesting Period(s), if any;

(f) the Vesting Date(s), if any;

(g) the Release Schedule, if any;

(h) the Retention Period in relation to any or all of the Shares comprised in the Award, if any; and

(i) any other condition which the Committee may determine in relation to that Award.

5.4 As soon as reasonably practicable after making an Award the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

(a) the Award Date;

(b) the number of Shares which are the subject of the Award;

(c) in the case of a Performance-related Award:

(i) the Performance Condition(s);

(ii) the Performance Period; and

(iii) the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;

(d) the Vesting Period(s), if any;

(e) the Vesting Date(s), if any;

(f) the Release Schedule, if any;

(g) the Retention Period in relation to any or all of the Shares comprised in the Award, if any; and

(h) any other condition which the Committee may determine in relation to that Award.

5.5 Participants are not required to pay for the grant of Awards.

5.6 The Committee may amend or waive the Vesting Period(s), the Vesting Date(s), the Release Schedule, the Retention Period and/or any condition applicable to an Award and, in the case of a Performance-related Award, the Performance Period and/or the Performance Condition(s) and/or the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period in respect of that Award:

(a) in the event of a take-over offer being made for the Shares or if a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act or in the event of an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 6.1(a) or for reconstruction or amalgamation) or a proposal to sell all or substantially all of the assets of the Company;

(b) in the event that the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or *in specie*); or

(c) in the case of a Performance-related Award, if anything happens which causes the Committee to conclude that:

(i) a changed Performance Condition would be a fairer measure of performance, and would be no less difficult to satisfy; or

(ii) a Performance Condition should be waived,

and shall notify the Participants of such change or waiver.

5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

5.8 No Performance-related Awards may be granted to Non-Executive Directors under the Plan.

6. EVENTS PRIOR TO THE VESTING DATE

6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:

(a) in the event that an order is made, or a resolution is passed, for the winding-up of the Company on the basis ~~of~~, or by reason ~~of~~, of its insolvency;

(b) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion; or

(c) subject to Rule 6.2(b), where the Participant is a Group Executive or an Associated Company Executive, upon the Participant ceasing to be in the employment of the Group or the relevant Associated Company, as the case may be, for any reason whatsoever.

For the purposes of Rule 6.1(c), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice is withdrawn prior to its effective date.

6.2 In any of the following events, namely:

(a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;

(b) where the Participant, being a Group Executive or an Associated Company Executive, ceases at any time to be in the employment of the Group or the relevant Associated Company, as the case may be, by reason of:

(i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);

(ii) redundancy;

(iii) retirement at or after the legal retirement age;

(iv) retirement before the legal retirement age with the consent of the Committee;

(v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group or an Associated Company, as the case may be, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group or to an Associated Company, as the case may be;

(vi) his transfer to any Ministry, governmental or statutory body or corporation at the direction of the Company or, as the case may be, the relevant Associated Company;

(vii) (where applicable) his transfer of employment from the Group to an Associated Company or *vice versa*; or

(viii) any other event approved by the Committee;

(c) where ~~a~~the Participant, being a Non-Executive Director, ceases to be a director of the Company, the relevant subsidiary of the Company, the relevant Associated Company or, as the case may be, the relevant subsidiary of an Associated Company, for any reason whatsoever;

(d) the death of ~~a~~the Participant; or

(e) any other event approved by the Committee,

the Committee may, in its absolute discretion determine whether an Award then held by such Participant, to the extent not yet Released, shall lapse or that all or any part of such Award shall be preserved. If the Committee determines that an Award shall lapse, then such Award shall lapse without any claim whatsoever against the Company. If the Committee determines that all or any part of an Award shall be preserved, the Committee shall decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of the Performance Period (if any) and/or each Vesting Period (if any) and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and, in the case of a Performance-related Award, the extent to which the Performance Condition(s) has (have) been satisfied.

6.3 Without prejudice to the provisions of Rule 5.6, if before a Vesting Date, any of the following occurs:

(a) a take-over offer for the Shares becomes or is declared unconditional;

(b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act; or

(c) an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 6.1(a) or for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will (if applicable) have regard to the proportion of the Vesting Period(s) which has (have) elapsed and, in the case of a Performance-related Award, the extent to which the Performance Condition(s) has (have) been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined in accordance with Rule 7. If the Committee so determines, the Release of Awards may be satisfied in cash as provided in Rule 7.

7. REVIEW OF PERFORMANCE CONDITION(S), VESTING OF AWARDS, RELEASE OF AWARDS AND CASH AWARDS

7.1 Vesting Period(s) and Review of Performance Condition(s)

7.1.1 In relation to an Award which is subject to a Vesting Period or Vesting Periods, the Committee shall, subject to Rules 6, 7.1.2 (where applicable) and 7.1.3 (where applicable) and provided that the relevant Participant has continued to be a Group Executive, an Associated Company Executive or a Non-Executive Director, as the case may be, from the Award Date up to the end of the Performance

Period (where applicable) and thereafter at the end of each Vesting Period and, in the opinion of the Committee where applicable, the job performance of the relevant Participant has been satisfactory, Release to the relevant Participant the relevant number of Shares in accordance with the Release Schedule specified in respect of that Award on the relevant Vesting Date(s).

7.1.2 In relation to each Performance-related Award, the Committee shall, as soon as reasonably practicable after the end of the relevant Performance Period, review the Performance Condition(s) specified in respect of such Award and determine at its discretion:

(a) whether a Performance Condition has been satisfied and if so, the extent to which it has been satisfied;

(b) whether any other condition applicable to such Award has been satisfied; and

(c) the number of Shares (if any) comprised in such Award to be Released to the relevant Participant.

7.1.3 The Committee shall have full discretion to determine whether any Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make reference to the audited results of the Company or the Group or an Associated Company (as the case may be) to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further (but without prejudice to the provisions of Rule 5.6), the right to amend any Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance. If the Committee determines, in its sole discretion, that the Performance Condition and/or any other condition applicable to that Award has not been satisfied (whether fully or partially) or (subject to Rule 6) if the relevant Participant has not continued to be a Group Executive or an Associated Company Executive, as the case may be, from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value.

7.1.4 In relation to a Performance-related Award which is not subject to any Vesting Period, the Committee shall, subject to Rules 6, 7.1.2 and 7.1.3 and provided that the relevant Participant has continued to be a Group Executive or an Associated Company Executive, as the case may be, from the Award Date up to the end of the Performance Period, Release to that Participant the number of Shares determined by the Committee under Rule 7.1.2(c) on the Vesting Date relating thereto. Such part of an Award not Released shall lapse and be of no value.

7.1.5 In relation to a Performance-related Award which is subject to a Vesting Period or Vesting Periods, the provisions of Rule 7.1.1 shall apply to the Release of Shares in respect of such Award.

7.2 No Vesting Period

In relation to an Award (other than a Performance-related Award) which is not subject to any Vesting Period, the Committee shall, subject to Rule 6, Release to the relevant Participant the relevant number of Shares on the Vesting Date relating thereto.

7.3 Delivery of Shares

7.3.1 Shares which are Released to a Participant pursuant to Rule 7.1 or Rule 7.2 shall be delivered on a Market Day falling as soon as practicable (as determined by the Committee) after the relevant Vesting Date by way of an allotment or transfer to the Participant of the relevant number of Shares (which may, in the case of a transfer of Shares and to the extent permitted by law, include Shares held by the Company as treasury shares).

7.3.2 Where new Shares are allotted pursuant to Rule 7.3.1, the Company shall, as soon as practicable after such allotment, apply to the Singapore Exchange for permission to deal in and for quotation of such Shares.

7.3.3 Shares which are allotted or transferred to a Participant pursuant to the Release of any Award shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.

7.4 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, pursuant to the Release of any Award shall:

(a) be subject to all the provisions of the Constitution; and

(b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

7.5 Cash Awards

The Committee may determine to make a Release of an Award (other than an Award granted to a Non-Executive Director as part of his directors' remuneration in lieu of cash), wholly or partly, in the form of cash rather than Shares which would otherwise have been Released to the Participant on the relevant Vesting Date, in which event the Company shall pay to the Participant as soon as practicable after such Vesting Date, in lieu of all or part of such Shares, the aggregate Market Value of such Shares on such Vesting Date.

7.6 Retention Period

If a Retention Period is specified in an Award, Shares which are allotted or transferred on the Release of an Award to a Participant shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during such Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company shall be at liberty to take any steps which it considers necessary or appropriate to enforce or give effect to the restriction on the transfer, charge, assignment, pledge or disposal of Shares during the Retention Period otherwise than in accordance with the Award Letter or as approved by the Committee.

8. LIMITATION ON THE SIZE OF THE PLAN

8.1 The total number of new Shares which may be delivered pursuant to Awards granted under the Plan on any date, when added to:

(a) the total number of new Shares allotted and issued and/or to be allotted and issued pursuant to Awards granted under the Plan; and

(b) the total number of new Shares allotted and issued and/or to be allotted and issued pursuant to options granted under the SingPost Share Option Scheme 2012, shall not exceed 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual)) on the date preceding the date of the relevant Award.

8.2 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

9. ADJUSTMENT EVENTS

9.1 If a variation in the issued ordinary share capital of the Company (whether by way of a ~~capitalisation of profits or reserves~~bonus or rights issue, reduction, subdivision, consolidation or distribution or otherwise) shall take place or (without prejudice to the provisions of Rule 5.6) if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or *in specie*), then:

(a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or

(b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted in such manner as the Committee may, in its sole discretion, deem fit, unless the Committee determines that an adjustment is not appropriate. Any adjustment must be made in a way that a Participant will not receive a benefit that a shareholder of the Company does not receive.

9.2 Unless the Committee considers an adjustment to be appropriate:

(a) the issue of securities as consideration for an acquisition or a private placement of securities;

(b) the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants; or

(c) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the Singapore Exchange or any other stock exchange on which the Shares are quoted or listed during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force,

shall not normally be regarded as a circumstance requiring adjustment.

9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a ~~capitalisation~~bonus issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares which are the subject of the adjusted Award. Any adjustment shall take effect upon such written notification being given or on such date as may be specified in such written notification.

10. ADMINISTRATION OF THE PLAN

10.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the ~~B~~board of ~~D~~directors of the Company, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him.

10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan or any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.

10.3 Neither the Plan nor Awards granted under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with:

(a) the lapsing of any Awards pursuant to any provision of the Plan;

(b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or

(c) any decision or determination of the Committee made pursuant to any provision of the Plan.

10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

11. NOTICES AND COMMUNICATIONS

11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to the Participant in writing.

11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to the Participant by hand or sent to the Participant at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number provided by the Participant to the Company.

11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

11.4 Any Communication under the Plan may be communicated electronically through the use of the Security Device, or through an electronic page, site, or environment designated by the Company which is accessible only through the use of the Security Device, and such Communication shall thereby be deemed to have been sent by the designated holder of such Security Device.

11.5 The Company may accept and act upon any Communication issued and/or transmitted through the use of the Participant's Security Device pursuant to Rule 11.4 (whether actually authorised by the Participant or not) as his authentic and duly authorised Communication and the Company shall be under no obligation to investigate the authenticity or authority of persons effecting the Communication or to verify the accuracy and completeness of the Communication and the Company may treat the Communication as valid and binding on the Participant, notwithstanding any error, fraud, forgery, lack of clarity or misunderstanding in the terms of such Communication.

11.6 All Communications issued and/or transmitted through the use of the Participant's Security Device pursuant to Rule 11.4 (whether authorised by the Participant or not) are irrevocable and binding on the Participant upon transmission to the Company and the Company shall be entitled to effect, perform or process such Communications without the Participant's further consent and without any further reference or notice to the Participant.

11.7 It shall be the Participant's sole responsibility to ensure that all information contained in a Communication is complete, accurate, current, true and correct.

11.8 The Participant shall ensure (and shall take all necessary precautions to ensure) that:

(a) he complies with the Company's procedural and/or operational guidelines relating to Security Devices;

(b) all the Security Devices of the Participant are kept completely confidential and secure; and

(c) there is no unauthorised use or abuse of the Participant's Security Devices.

11.9 The Participant shall notify and/or contact the Company immediately if he becomes aware, has reason to believe, or suspects that any Security Device has become compromised, including but not limited to where:

(a) the security or integrity of any Security Device may have been compromised;

(b) such Security Device has become known or been revealed to any other person;

(c) there has been unauthorised use of the Security Device; and/or

(d) such Security Device is lost, damaged, defective or stolen,

and the Participant shall immediately cease to use such compromised Security Device until further notice from the Company. The Participant shall be bound by all Communications and transactions resulting from any Communications made which are referable to any compromised Security Device until such time as the Company has received a notification from the Participant under this Rule 11.9.

11.10 The Company's records of the Communications, and its record of any transactions maintained by any relevant person authorised by the Company relating to or connected with the Plan, whether stored in electronic or printed form, shall be binding and conclusive on the Participant and shall be conclusive evidence of such Communications and/or transactions. All such records shall be admissible in evidence and the Participant shall not challenge or dispute the admissibility, reliability, accuracy or the authenticity of the contents of such records merely on the basis that such records were incorporated and/or set out in electronic form or were produced by or are the output of a computer system, and the Participant waives any of his rights (if any) to so object.

11.11 Any provision in these Rules or any regulation of the Committee requiring a Communication to be signed by a Participant may be satisfied in the case of an electronic Communication, by the execution of any on-line act, procedure or routine designated by the Company to signify the Participant's intention to be bound by such Communication.

12. MODIFICATIONS TO THE PLAN

12.1 Any or all of the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:

(a) no modification or alteration shall adversely affect the rights attached to:

(i) in the case of a Performance-related Award, any such Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who have been granted Performance-related Awards and who, if such Awards were Released to them upon the Performance Condition(s) for such Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all such outstanding Awards upon the Performance Condition(s) for all such outstanding Awards being satisfied in full; and

(ii) in the case of an Award other than a Performance-Related Award, any such Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who have been granted Awards other than Performance-related Awards and who, if such Awards were Released to them on the applicable Vesting Dates relating to such Awards, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all such outstanding Awards on the relevant Vesting Dates applicable to all such outstanding Awards;

(b) the definitions of "Associated Company", "Associated Company Executive", "Associated Company Executive Director", "Committee", "Group", "Group Executive", "Group Executive Director", "Non-Executive Director", "Participant", "Performance Period" and "Vesting Period" and the provisions of Rules 4, 5, 6, 7, 8, 9, 10 and this Rule 12 shall not be altered to the advantage of Participants except with the prior approval of the Company's shareholders in general meeting; and

(c) no modification or alteration shall be made without the prior approval of the Singapore Exchange and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely alter the rights attached to any Award shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by a resolution (and without any other formality, save for the prior approval of the Singapore Exchange) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the Singapore Exchange).

12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant (being a Group Executive or an Associated Company Executive, as the case may be) shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

14. DURATION OF THE PLAN

14.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

14.2 The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.

14.3 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

15. TAXES

All taxes (including income tax) arising from the grant, Vesting or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

16. COSTS AND EXPENSES OF THE PLAN

16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the ~~issue and~~ allotment and issue or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a ~~CDP~~ Depository Agent.

16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

17. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company and the Company's directors and employees shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the Singapore Exchange in accordance with Rule 7.3.2.

18. DISCLOSURES IN ANNUAL REPORT

For as long as the Plan continues in operation, the Company will make such disclosures (or include the appropriate negative statements) in its annual report as from time to time required by the Listing Manual including the following (where applicable):

(a) the names of the members of the Committee administering the Plan;

(b) in respect of the following Participants of the Plan:

(i) Directors of the Company; and

(ii) Participants (other than those in paragraph (i) above) who have received Shares pursuant to the Release of Awards granted under the Plan and/or options available under the SingPost Share Option Scheme 2012 which, in aggregate, represent 5% or more of the total number of Shares available under the Plan and the SingPost Share Option Scheme 2012 collectively,

the following information:

(aa) the name of the Participant;

(bb) the following particulars relating to Shares delivered pursuant to Awards Released under the Plan:

(1) the number of new Shares issued to such Participant during the financial year under review; and

(2) the number of existing Shares transferred to such Participant during the financial year under review; and

(cc) the following particulars relating to options granted under the SingPost Share Option Scheme 2012:

(1) options granted during the financial year under review (including terms);

(2) the aggregate number of Shares comprised in options granted since the commencement of the SingPost Share Option Scheme 2012 to the end of the financial year under review;

(3) the aggregate number of Shares arising from options exercised since the commencement of the SingPost Share Option Scheme 2012 to the end of the financial year under review;

(4) the aggregate number of Shares comprised in options outstanding as at the end of the financial year under review;

(5) the number of new Shares issued to such Participant during the financial year under review; and

(6) the number of existing Shares transferred to such Participant during the financial year under review; and

(c) in relation to the Plan, the following particulars:

(i) the aggregate number of Shares comprised in Awards granted under the Plan since the commencement of the Plan to the end of the financial year under review;

(ii) the aggregate number of Shares comprised in Awards which have been Released under the Plan during the financial year under review and in respect thereof, the proportion of:

(1) new Shares issued; and

(2) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,

upon the Release of Awards granted under the Plan; and

(iii) the aggregate number of Shares comprised in Awards granted under the Plan which have not been Released as at the end of the financial year under review.

19. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

20. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

21. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001~~, CHAPTER 53B~~

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by virtue of the Contracts (Rights of Third Parties) Act 2001~~, Chapter 53B of Singapore~~.

22. COLLECTION, USE AND DISCLOSURE OF PERSONAL DATA

For the purposes of implementing and administering the Plan, and in order to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines, the Company will collect, use and disclose the personal data of the Participants, as contained in each Award Letter and/or any other notice or communication given or received pursuant to the Plan, and/or which is otherwise collected from the Participants (or their authorised representatives). By participating in the Plan, each Participant consents to the collection, use and disclosure of his personal data for all such purposes, including disclosure of data to related corporations of the Company and/or third parties who provide services to the Company (whether within or outside Singapore), and to the collection, use and further disclosure by such parties for such purposes. Each Participant also warrants that where he discloses the personal data of third parties to the Company in connection with this Plan, he has obtained the prior consent of such third parties for the Company to collect, use and disclose their personal data for the abovementioned purposes, in accordance with any applicable laws, regulations and/or guidelines. Each Participant shall indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Participant's breach of this warranty.