Issuer & Securities

Issuer/ Manager

SINGAPORE POST LIMITED

ANNUAL REPORTS AND RELATED DOCUMENTS::

Securities

SINGAPORE POST LIMITED - SG1N89910219 - S08

Stapled Security

No

Announcement Details

Announcement Title

Annual Reports and Related Documents

Date &Time of Broadcast

20-Jun-2023 07:05:15

Status

New

Report Type

Annual Report

Announcement Reference

SG230620OTHR5KHY

Submitted By (Co./ Ind. Name)

Jonathan Ooi Wei Hsin (Mr)

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please refer to the attachments.

Additional Details

Period Ended

31/03/2023

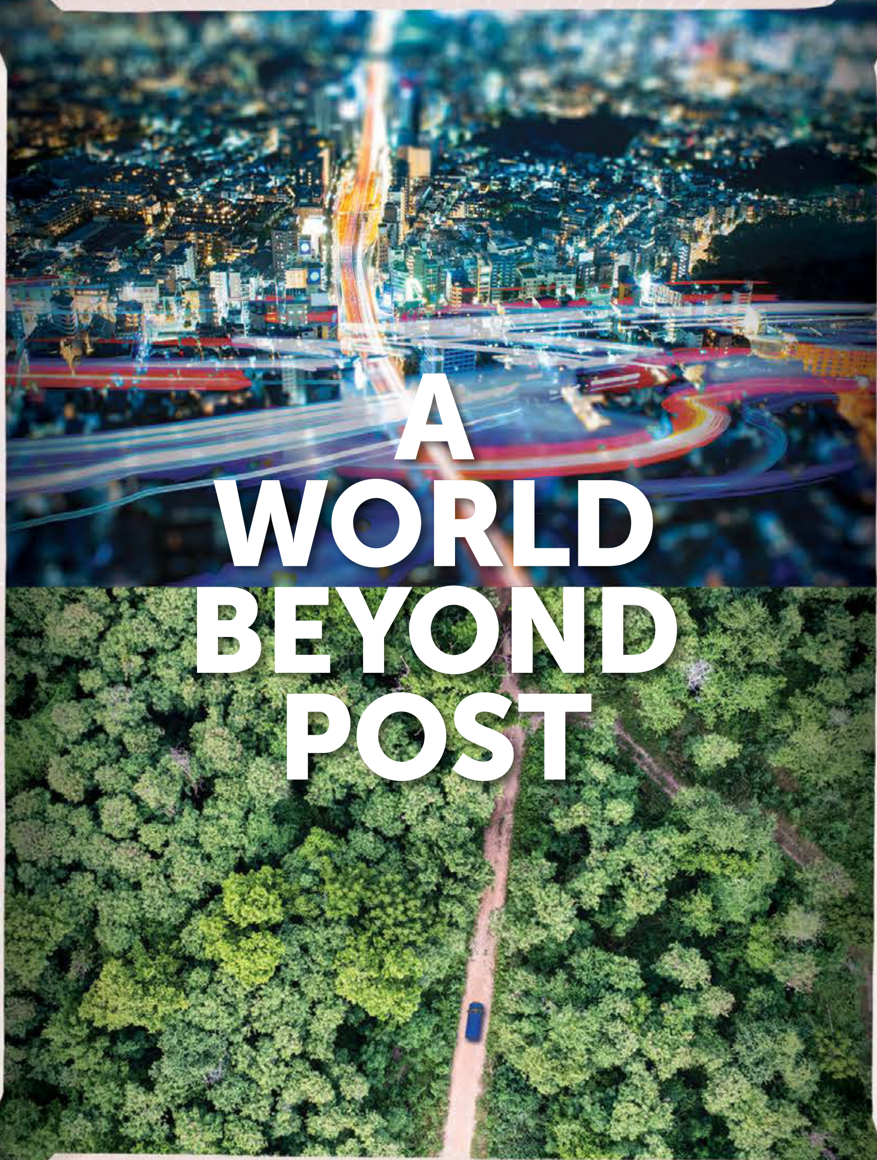
Attachments

- SingPost_AR_FY2023.pdf
- SingPost_AGM_Notice_Booklet2023.pdf

SingPost_Letter_to_Shareholders2023.pdf

Total size =8402K MB

Singapore POST



A WORLD BEYOND POST

ANNUAL REPORT 2022/23

OUR PURPOSE

Making Every Delivery Count
for People and Planet

A WORLD

ABOUT SINGAPORE POST

With a rich heritage of 165 years, we have transformed from Singapore's postal service provider to a eCommerce logistics leader in Asia Pacific, operating in 13 markets worldwide. Our portfolio of businesses spans from national and international postal services, warehousing and fulfilment, last mile delivery to international freight forwarding, serving individuals and businesses worldwide. With our commitment to excellence and sustainability, we constantly innovate to bring about best-in-class integrated logistics solutions and services, making every delivery count for people and planet.

BEYOND POST

CONTENTS


TO
LOCAL

GLOBAL

CONNECTING PEOPLE AND BUSINESSES ACROSS BORDERS

We deliver to customers across more than 220 destinations worldwide. From individuals to businesses, we cater to your unique logistical needs with efficiency and reliability. We take great pride in our ability to enable trade and deliver what matters to you most across borders.

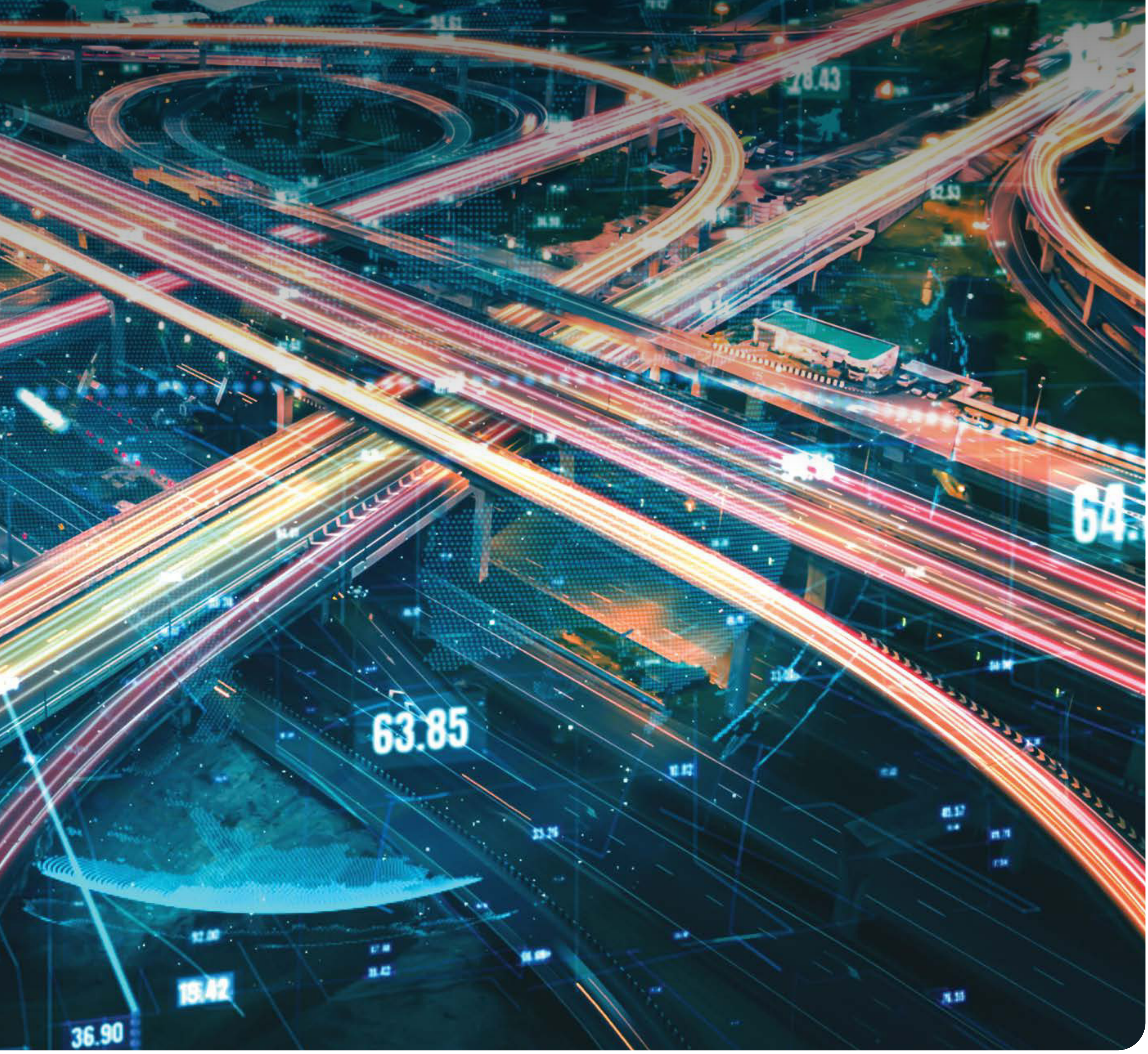
ANTICIPATE

TO

ACCELERATE

ENHANCING VALUE IN URBAN LOGISTICS

Adopting a customer-centric approach, we understand that each customer has distinct requirements and expectations. We proactively anticipate and tailor our integrated logistics solutions to help you navigate the complexities of urban logistics, ensuring reliable deliveries.




TO
INNOVATE

PERFORM

DRIVING DELIVERY EXCELLENCE

We actively seek out new technologies and solutions to drive delivery excellence. By investing in digital infrastructure, and embracing digitalisation, automation, and advanced analytics, we optimise our processes and operations – providing efficient and integrated services to meet the evolving needs of our customers.

TO

SUSTAINABLE

THRIVING

MAKING A POSITIVE IMPACT

We are committed to operating sustainably, with a focus on climate action and resilience, establishing collaborative partnerships and a culture of trust. We are making strides towards our net-zero emission goals through optimising operational efficiency, fleet electrification and promoting resource efficiency. We recognise the importance of forging strategic partnerships with our stakeholders to facilitate a positive eco-system collaboration towards a thriving, sustainable future for all.

AT A GLANCE

as at 31 March 2023

RECORD REVENUE OF
$1.9
BILLION
FY2022/23

12.4%
YEAR-ON-YEAR REVENUE INCREASE

86%*
OF GROUP REVENUE
DRIVEN INTERNATIONALLY

* Including cross-border International Post & Parcel business

$38.8
MILLION
PROFIT REGISTERED

DELIVERING TO OVER
220
DESTINATIONS
WITH OPERATIONS IN
13
MARKETS

LEADING
4PL
PROVIDER
IN AUSTRALIA

OVER
800
FRANCHISE PARTNERS
IN AUSTRALIA

7,948
POPSTATION LOCKERS
ACROSS
113
LOCATIONS

NET ZERO

NET-ZERO GOALS
NET-ZERO SCOPE 1 AND 2 EMISSIONS IN SINGAPORE BY 2030 AND SCOPE 1, 2, AND 3 EMISSIONS GLOBALLY BY 2050

32%
OF TOTAL FLEET IN SINGAPORE CONVERTED TO
ELECTRIC VEHICLES

ACHIEVEMENTS

THE PRESIDENT'S CERTIFICATE OF COMMENDATION (COVID-19), SINGAPORE

WINNER FOR SINGAPORE CORPORATE GOVERNANCE DIVERSITY AWARD 2022 AT THE SIAS INVESTORS' CHOICE AWARDS

EXCELLENT SERVICE AWARD (EXSA) 2022: 98 WINNERS (11 GOLD, 47 SILVER, 40 STAR), SINGAPORE

TOP IN SERVICE RELIABILITY FOR UNIVERSAL POSTAL UNION'S 2022 ANNUAL RANKING

LAST MILE PARTNER OF THE YEAR AWARD AT SUPPLY CHAIN ASIA AWARDS 2022

EXPRESS MAIL SERVICE (EMS) CUSTOMER CARE AWARD 2022

WINNER, AUSTRALIAN RETAIL INNOVATORS AWARD FOR RESEARCH & STRATEGIC FOCUS, 2023

FINALIST, 2022 NATIONAL SAFETY AWARDS OF EXCELLENCE, BEST COMMUNICATION OF A SAFETY MESSAGE, AUSTRALIA

FINALIST, FCA EXCELLENCE IN FRANCHISING AWARDS. ESTABLISHED FRANCHISOR OF THE YEAR 2022, AUSTRALIA

BOARD STATEMENT

DEAR SHAREHOLDERS,

The year has been one of mixed outcomes. Mounting challenges in our Postal business leading to our first loss in that segment, resilience in our Property business, and the transformational growth of our Logistics business, driven by our investments in Australia, making Logistics the primary profit contributor to the Group. The Group achieved record revenue of $1.9 billion for the financial year, with 70% contributed by Logistics and 86%* of our revenue generated internationally.

For the first half of FY2022/23, we declared an interim dividend of 0.18 cents per share. For the final dividend, the Board is recommending a final exempt (one-tier) dividend of 0.40 cents per ordinary share for your approval at the Annual General Meeting (AGM) to be convened. This would bring the annual dividend for FY2022/23 to 0.58 cents per share.

TRANSFORMATION

The focus of my comments this year is on the transformation of SingPost.

Let me start with the context:

The imperative to transform SingPost was recognised by the Board and Management some years ago, given the disruption to our Postal business caused by digital substitution and related underlying trends.

* Including cross-border International Post & Parcel business

What was not foreseen was COVID-19 which caused further disruption. The closure of Changi Airport and lockdowns in our key markets undermined our International Postal business, which was very profitable at the time, and also absorbed a large share of our overheads.

Our domestic mail business has since continued its decline. Despite success in building an eCommerce logistics business in Singapore by leveraging our Postal infrastructure and managements' efforts to rebuild our International Postal business, these have not been sufficient to cover the decline in domestic mail and cost inflation. For the first time in SingPost's history, we have recorded a loss in our Postal segment and expect the Postal business to be loss making in FY2023/24. This is a structural issue and requires a structural solution. Management is reviewing our options as part of a broader strategic review.

OUR PROGRESS

SingPost has executed well on its strategy to progressively transform into a logistics business. We prioritised investing in Australia given the size of the logistics market, its profitability, and potential returns.

We did not let COVID-19 delay our transformation and made a minority investment in Freight Management Holdings (FMH), the leading fourth-party logistics (4PL) service provider with proprietary technology. We followed this by increasing our stake to 51% and subsequently to 88%. Each of these steps has been immediately accretive to SingPost's earnings and Return on Equity (ROE).

FMH has grown strongly in revenue and profit, both organically and through roll-up acquisitions. We expect FMH to continue its growth and to explore further acquisitions as it grows its network and capabilities.

We will be fully integrating CouriersPlease into FMH, which will position the company to offer Business-Business-Consumer logistics solutions with significant growth potential.

As a result, we now have an Australian business comprising FMH and CouriersPlease contributing $815 million in revenue and accounting for 44% of Group revenue.

THE NEXT STEPS

With the foundation for future growth and ongoing transformation in place, the Board has begun the process of a strategic review of our portfolio of businesses and the structure of the Group. Our objectives are to improve shareholder returns and ensure the Group is appropriately valued.

The overarching theme is to move progressively towards becoming a logistics company, divesting non-core businesses and assets, and recycling capital to support further growth and transformation.

SUSTAINABILITY

SingPost is actively working towards achieving net-zero goals for its operations in Singapore by 2030 and globally by 2050. The Group has implemented various initiatives to optimise operational efficiency, reduce wastage, utilise renewable energy, and shift to low carbon transportation options. In the past year, we have aligned our practices with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations and framework, and participated in the 27th session of the Conference of the Parties of the UNFCCC (COP 27) to promote decarbonisation across the logistics sector. The Group also actively engages in community investment, and places importance on corporate governance, diversity, and inclusion. We aim to lead in the green economy by tapping on opportunities and addressing the challenges that climate change presents.

GOVERNANCE

The Board remains committed to upholding and improving the highest standards of governance. During the financial year, SingPost sustained its ranking at the 7th place in the Singapore Governance and Transparency Index in 2022.

The Group was recognised for its commitment to corporate governance and diversity, winning the Singapore Corporate Governance Award under the Diversity category at the SIAS Investor's Choice Awards 2022. This accolade highlights SingPost's efforts in promoting diversity and inclusion within its board and management team. SingPost continuously fosters a diverse leadership to nurture an inclusive workplace.

BOARD RENEWAL

The majority of our Directors have served, or are near to serving six years. The process of Board renewal is underway and will be phased to find the right balance between continuity and bringing in new Directors and skill sets.

With two Directors retiring at this year's AGM, and Alibaba yet to appoint a replacement nominee, we currently have three vacancies. We commenced a external search covering Singapore and Australia and have identified candidates.

Appointments will be subject to the candidates agreeing to the timing of the appointment and regulatory approvals.

A further slate of Directors will retire at next year's AGM to facilitate further renewal. Changes in Board skill sets required as an outcome of the strategic review will also be considered.

On behalf of the Board, I would like to acknowledge the contribution and record our thanks to Mr Justin Chen and Mr Steve Leonard who will both retire at this year's AGM.

APPRECIATION

I would also like to record my thanks to my fellow Directors, our management, employees, and our union for their tireless support. We have been through a number of difficult years as we transform, and their ongoing commitment is greatly appreciated.

SIMON ISRAEL
Chairman

GCEO REVIEW

As we reflect on the past year, I am heartened by the progress of our transformation that paves the way forward for the future of SingPost.

Our strategy for FY2022/23 was to get back to growth and to pivot towards logistics.

While we have been on the transformation journey for a number of years now, FY2022/23 was seminal in that we have effectively re-positioned SingPost towards logistics. Our Logistics business, with its strong foothold in Australia and international markets, now contributes 70% to our Group revenues. Our transformative acquisition of FMH in Australia, with a strong technology-driven 4PL at its core, has contributed strongly to our financial results. This allows us to ride out the declines in our Postal business.

We are committed to developing SingPost as a eCommerce logistics leader in Asia Pacific, with a focus on customer experience and establishing ourselves as a trusted partner for our customers, much like how we have always been Singapore's trusted national postal service provider.

DELIVERING RECORD REVENUE AND HIGH-QUALITY SERVICES DESPITE POSTAL DECLINE

At the close of the financial year, we achieved a record revenue of $1.87 billion, a 12% year-on-year growth. This milestone demonstrates our commitment to growth as a technology-driven logistics enterprise, serving both B2B and B2C sectors. Notably, the growth in the Logistics segment has made a significant contribution to the bottom line, delivering a 91% increase year-on-year in operating profits.

Our brand of logistics revolves around global connectivity. Much like Singapore's role as a thriving global trade hub, we consider ourselves an integral part of the global eCommerce trade lanes. Leveraging our extensive network, we will orchestrate trade flows for our customers, ensuring a seamless and efficient experience.

As Singapore's national postal operator, SingPost remains dedicated to providing a high-quality essential service to the nation. We were ranked top in Service Reliability in the Universal Postal Union's 2022 annual ranking - a measure of speed and predictability across the globe. Domestically, our service performance continues to be upheld at the highest level, with better than 99.5% on-time performance for Next Day Deliveries. We are proud of this achievement which has allowed us to serve the nation well through the pandemic, even as we now face significant challenges.

Our Domestic Postal business faces the same challenges as encountered by postal service providers worldwide. In the last four years, we have witnessed a rapid contraction in postal volumes. Between FY2018/19 and FY2022/23, mail volumes declined more than 40%. While we have made inroads with eCommerce volumes, this has not been adequate to offset the impact of mail declines. Along with increasing inflationary costs, we have now registered our first-ever full-year operating loss in the Post & Parcel segment. Clearly, structural changes are necessary for the long-term commercial sustainability of the postal service.

We recognise the inevitable decline of postal services and the limitations of our domestic market in supporting our growth ambitions. As such, we are steadfast to establish ourselves as a leading eCommerce supply chain and logistics player, especially within the 4PL space in Asia Pacific.

SEIZING OPPORTUNITIES FOR INTERNATIONAL AND DIGITAL 4PL GROWTH

Our international cross-border business is gradually recovering with improving global air freight capacities, increasingly driven by non-postal channels alongside our International Post and Parcel business. We restructured Quantium Solutions International (QSI) over the past year to align its operations with our global cross-border eCommerce business.

In the upcoming financial year, we will continue our efforts to grow our International business and explore opportunities for deeper collaborations with key partners for their eCommerce supply chains especially into Asia and Australia. We will also expand our hubs in Singapore, Hong Kong and Europe to shorten delivery times and provide enhanced eCommerce logistics solutions for our customers. This will allow us to better serve eCommerce flows and delivery into, out of, and within Asia.

In Australia, our business is gaining momentum, propelled by both organic and inorganic growth of FMH. The acquisition of FMH was not merely an addition but a transformative move given its substantial size and impact on our Group. We continue to explore potential acquisitions to strengthen the growth trajectory, even as we continue to unlock synergies between FMH and CouriersPlease.

We will enhance our digital capabilities and leverage the 4PL model as a supply chain orchestrator. Building on the success of our implementation in Australia, we will be a strategic partner to our clients, offering them comprehensive and integrated logistics solutions. This approach optimises operations, enhances visibility, and improves customer service, while maintaining an asset appropriate strategy.

TRANSFORMATION JOURNEY: CREATING OPTIONALITIES FOR GROWTH

Through the execution of our transformation plan, we have streamlined our operations covering Australia, International and Singapore – these geographical regions will anchor our continued growth in the logistic space.

We anticipate continued growth in our Australia and International businesses. With our strong cash position, we will continue to explore strategic expansion and investment opportunities in high-growth markets.

In the near term, our Singapore operations will be executing strategic and structural initiatives including operational optimisation, to ensure the long-term commercial sustainability of our business.

STRATEGIC REVIEW: ALIGNING FOR TRANSFORMATIVE GROWTH

The Board has announced that we will embark on a strategic review which is a crucial step in our ongoing transformation as a logistics enterprise. The strategic review will allow us to assess our business portfolio, review and rationalise non-core assets and businesses that do not generate adequate returns. We aim to build a high-performing enterprise that consistently delivers the right returns for our investors and shareholders.

GCEO REVIEW

SUSTAINABILITY: ENABLING MEANINGFUL IMPACT

We continue to strengthen our Environmental, Social and Governance (ESG) practices to strengthen our safety posture, minimise our carbon footprint, foster stronger communities, and enable meaningful impact.

The safety and well-being of our people and stakeholders is paramount to our business. Safety being our core value, is considered and demonstrated in our day-to-day business operations, and we proactively engage our employees to innovate in workplace safety, adopting the use of technologies and training methods such as immersive training to foster a caring culture, promoting safe workplaces.

We are on track to meet our net-zero Scope 1 and 2 emissions in Singapore by 2030 and net-zero Scope 1, 2, and 3 emissions globally by 2050. This year, we have reduced our absolute Scope 1 and 2 greenhouse gas emissions in Singapore collectively by 30% from the FY2018/19 baseline level. I am pleased to report that we have made progressive upgrades to our fleet, and have converted a third of our fleet in Singapore to electric vehicles.

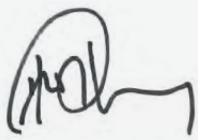
In pursuit of greater resource efficiency as well as reducing and recycling waste, we have initiated the use of recycled materials for our packaging consumables. Through promotion of waste segregation and recycling, we have achieved about 21% operational recycling rate against our target of 30% by 2025. We have also started the process of enabling a responsible and transparent supply chain, recognising the importance of achieving sustainability with an ecosystem approach.

GRATITUDE

Transformation is never easy. We have effectively pivoted to logistics while upholding our national postal service obligations. I am grateful for the dedication and resilience of our colleagues all around the world, who have been steadfast through our journey. My deepest appreciation to the team for embracing the transformation. Regardless of the role you play, your invaluable contribution has led us to our achievements today.

I would like to express my gratitude to my leadership team, some of whom have joined us in the past year, and whose fresh perspectives and expertise have been instrumental in shaping our growth in the dynamic logistics landscape.

I would also like to thank the Board of Directors for the guidance and support over the past year. My appreciation also goes to shareholders, customers, and union partners for their continued support to the Management.



PHANG HENG WEE, VINCENT
Group Chief Executive Officer

BOARD OF DIRECTORS

SIMON ISRAEL, 70
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
21 July 2022

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 2023)
Nil

Present Principal Commitments (as at 31 March 2023)
Nil

Past Directorships in listed companies held over the preceding five years: (from 1 April 2018 to 31 March 2023)
Fonterra Co-operative Group Limited
Singapore Telecommunications Limited (Chairman)

Past Principal Commitments held over the preceding five years: (from 1 April 2018 to 31 March 2023)
Fonterra Co-operative Group Limited (Director)
Singapore Telecommunications Limited (Chairman)

PHANG HENG WEE, VINCENT, 49
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
21 July 2022

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 2023)
Nil

Present Principal Commitments (as at 31 March 2023)
Nil

Past Directorships in listed companies held over the preceding five years (from 1 April 2018 to 31 March 2023)
Nil

Past Principal Commitments held over the preceding five years (from 1 April 2018 to 31 March 2023)
Singapore Post Limited (CEO, Postal Services and CEO Singapore)
Toll Group (CEO, ST Logistics & Executive Vice President, Global Logistics)

CHEN JUN, 49
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 2023)
Nil

Present Principal Commitments (as at 31 March 2023)
ALC Capital Limited (Founder & Managing Partner)

Past Directorships in listed companies held over the preceding five years (from 1 April 2018 to 31 March 2023)
Sun Art Retail Group Limited
BEST Inc.
XPeng Inc.

Past Principal Commitments held over the preceding five years (from 1 April 2018 to 31 March 2023)
Alibaba Group Holding Limited (Senior Vice President)

BOARD OF DIRECTORS

CHU SWEE YEOK, 60
Non-Executive,
Independent Director

Date of first appointment as a director
1 September 2018
Date of last re-election as a director
21 July 2022

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

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

Present Directorships in other listed companies (as at 31 March 2023)
Pegasus Asia (Non-Executive Independent Director)

Present Principal Commitments (as at 31 March 2023)
August Global Partners Pte Ltd (Executive Director)
National Healthcare Group Pte Ltd (Non-Executive Director)
Anext Bank Pte Ltd (Non-Executive Director)

Past Directorships in listed companies held over the preceding five years (from 1 April 2018 to 31 March 2023)
Nil

Past Principal Commitments held over the preceding five years (from 1 April 2018 to 31 March 2023)
EDBI Pte Ltd (Chief Executive Officer & President & Executive Director)

FANG AI LIAN, 73
Non-Executive,
Lead Independent Director

Date of first appointment as a director
10 October 2016
Date of last re-election as a director
21 July 2022

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 2023)
Cromwell EREIT Management Pte. Ltd. (Manager of Cromwell European REIT)
Metro Holdings Ltd

Present Principal Commitments (as at 31 March 2023)
MediShield Life Council (Chairman)
Board of Trustees of the Singapore Business Federation (Chairman)

Past Directorships in listed companies held over the preceding five years (from 1 April 2018 to 31 March 2023)
Banyan Tree Holdings Limited

Past Principal Commitments held over the preceding five years (from 1 April 2018 to 31 March 2023)
Board of Trustees of Singapore University of Technology & Design (Board Member)
Far East Organization Group (Advisor)
Tote Board (Board Member)

ELIZABETH KONG SAU WAI, 41
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 2023)
Nil

Present Principal Commitments (as at 31 March 2023)
3M Innovation Singapore (Asia General Counsel, Transportation and Electronics Business Group)

Past Directorships in listed companies held over the preceding five years (from 1 April 2018 to 31 March 2023)
Nil

Past Principal Commitments held over the preceding five years (from 1 April 2018 to 31 March 2023)
Clifford Chance Pte Ltd (Counsel)

STEVEN ROBERT LEONARD, 61
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 (Member)
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 2023)
Maxeon Solar Technologies, Ltd.

Present Principal Commitments (as at 31 March 2023)
Singularity University (Chief Executive Officer)
Maxeon Solar Technologies, Ltd. (Director)

Past Directorships in listed companies held over the preceding five years (from 1 April 2018 to 31 March 2023)
Nil

Past Principal Commitments held over the preceding five years (from 1 April 2018 to 31 March 2023)
SGInnovate (Founding Chief Executive Officer)

LIM CHENG CHENG, 51
Non-Executive,
Non-Independent Director

Date of first appointment as a director
1 April 2017
Date of last re-election as a director
21 July 2022

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 2023)
Nil

Present Principal Commitments (as at 31 March 2023)
Singapore Telecommunications Limited (Group Chief Corporate Officer)

Past Directorships in listed companies held over the preceding five years (from 1 April 2018 to 31 March 2023)
Nil

Past Principal Commitments held over the preceding five years (from 1 April 2018 to 31 March 2023)
Board of Governors of Raffles Girl's School (Member)
Singapore Telecommunications Limited (Group Chief Financial Officer)

BOB TAN BENG HAI, 71
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 2023)
Managers of CapitaLand Ascott Trust (Chairman)*
SBS Transit Ltd (Chairman)

Present Principal Commitments (as at 31 March 2023)
Jurong Engineering Ltd (Chairman)
Sentosa Development Corporation (Chairman)
Managers of CapitaLand Ascott Trust (Chairman)*
SBS Transit Ltd (Chairman)

Past Directorships in listed companies held over the preceding five years (from 1 April 2018 to 31 March 2023)
Sembcorp Marine Ltd

Past Principal Commitments held over the preceding five years (from 1 April 2018 to 31 March 2023)
Singapore Manufacturing Federation (Member of Board of Governors)
Singapore LNG Corporation Pte Ltd (Chairman)
Institute of Technical Education (Chairman and Board Member)
Inland Revenue Authority of Singapore (Board Member)
SINGEX Holdings Pte Ltd (Chairman)
Sembcorp Marine Ltd (Director)
NTUC Club Management Council (Member)
Ong Teng Cheong Labour Leadership Institute (Board Member)

* Managers of CapitaLand Ascott Trust comprising CapitaLand Ascott Trust Management Limited (Manager of CapitaLand Ascott Real Estate Investment Trust, or "CapitaLand Ascott REIT") and CapitaLand Ascott Business Trust Management Pte. Ltd. (Trustee-Manager of CapitaLand Ascott Business Trust, or "CapitaLand Ascott BT"). CapitaLand Ascott Trust is a stapled group comprising CapitaLand Ascott REIT and CapitaLand Ascott BT.

EXECUTIVE TEAM

From left seated:
LEE ENG KEAT, Head, Strategy and Communications
NEO SU YIN, Chief Executive Officer, Singapore
VINCENT PHANG, Group Chief Executive Officer
SIMON SLAGTER, Group Chief Executive Officer, FMH Group
JONATHAN OOI, Chief Legal Officer and Company Secretary

From left standing:
VINCENT YIK, Group Chief Financial Officer
LI YU, Chief Executive Officer, International
NOEL SINGGIH, Group Chief Information Officer
MICHELLE LEE, Chief Sustainability Officer
RICHARD THAME, Chief Executive Officer, CouriersPlease

FY2022/23 KEY HIGHLIGHTS

FY2022

MAY 2022

Entered agreement with NTUC's junior membership arm, nEbO, and Union of Telecoms Employees of Singapore (UTES) to provide youths with early access to the logistics industry

APR 2022

Announced targets for net-zero Scope 1 and 2 emissions in Singapore by 2030 and net-zero Scope 1, 2, and 3 emissions globally by 2050

OCT 2022

Introduced a new industry standard for eCommerce and logistics players to boost customer satisfaction and operational efficiencies in partnership with the Singapore Standards Council (SSC) and overseen by Enterprise Singapore (EnterpriseSG)

CouriersPlease opened a new 6,000 sqm 5 Star Green Star facility at Gold Coast, Australia

FY2023

DEC 2022
Launched first POPDrop together with Lazada at the General Post Office

JAN 2023
Announced proposed acquisition of additional stake in Australia's FMH Group, increasing our total stake to 88%

MAR 2023
Launched first four POPStops across Singapore

POST & PARCEL

...TO ACTIVELY INNOVATE AND EXPLORE NEW AVENUES FOR GROWTH WHILE LEVERAGING OUR STRENGTHS. WE CONTINUE TO DEVELOP OUR INFRASTRUCTURE AND PROMOTE A CARBON-EFFICIENT ECOSYSTEM, SETTING US APART FROM OTHER 3PL PROVIDERS.

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

As we expand our PUDO infrastructure, our POPStation network has 7,948 lockers across 113 locations in Singapore.

POPDrop, a RFID-enabled drop-off box was launched in December 2022, for eCommerce sellers to drop their items 24/7.

In FY2022/23, we faced numerous challenges as the world emerged from the pandemic and adjusted to a new normal. Supply chain disruptions, eCommerce normalisation, and operational hurdles hoarded the agenda. Geopolitical tensions also impacted the global supply chain, requiring businesses to adapt their operations to stabilise and mitigate risks.

eCommerce volumes normalised post the surge during pandemic, accompanied by increased delivery costs affecting 3PLs and marketplaces. Last-mile logistics faced obstacles due to rising fuel prices and resource shortages. Additionally, the shift towards digital communication and eCommerce led to a structural decline in mail volumes, a trend seen among global postal service providers.

In the face of these dynamics, SingPost's Post and Parcel business segment has stayed on course to actively innovate and explore new avenues for growth while leveraging our strengths. We continue to develop our infrastructure and promote a carbon-efficient ecosystem, setting us apart from other 3PL providers.

We expanded our infrastructure through Pick-Up, Drop-Off (PUDO) network growth and Tracked Letterbox services, providing convenience and efficiency to merchants and users. Our focus on a carbon-efficient ecosystem included electrifying our delivery fleet and implementing sustainable options for first-mile, last-mile, and returns. With these initiatives, we remain at the forefront of sustainability while delivering exceptional service to our customers.

REVENUE DECLINED AMIDST CHALLENGING BUSINESS LANDSCAPE

As at 31 March 2023, Domestic Post and Parcel revenue declined 9.3% compared with a year ago due to several factors.

One factor was the higher base effect from the record eCommerce volumes during the pandemic in the previous year. The insourcing of a major eCommerce customer to perform parts of its own logistics and the continual decline in the volume of letters and printed papers for postal distribution impacted the logistics volumes, affecting our revenue.

International Post and Parcel revenue declined 20.5% for the year under review primarily due to the strict measures taken by markets such as China, particularly in Q1 FY2022/23, significantly reducing cross-border eCommerce logistics volumes.

Overall, the Post and Parcel segment faced significant financial challenges during the year ended 31 March 2023. As a result, we recorded our operating loss of $15.9 million, a substantial decline compared to the $24.9 million operating profit reported in the previous year. This decline in profitability can be attributed to several factors, including the ongoing decline in delivery volumes within the domestic and international segments. These declines, combined with inflationary increases in labour, utility, fuel, and conveyance expenses, contributed to the overall difficulties experienced by the Post and Parcel segment.

POST & PARCEL

NAVIGATING CHALLENGES, EMBRACING ECOMMERCE GROWTH

Despite market challenges, the growth of eCommerce remains robust, positioning itself as a key driver to offset the declining letter volumes.

Over the past four years, we have seen a remarkable 33% Compound Annual Growth Rate (CAGR) for our key strategic eCommerce accounts from FY2019/20 to FY2022/23. This growth trajectory is further supported by a positive 13% CAGR in eCommerce revenue over the same period.

Domestically, SingPost continues to demonstrate its commitment to being a reliable logistics service provider. Our unwavering focus on delivering quality service has resulted in impressive service-level achievements. Our Postal Service Level Agreement (SLA) stands at an exceptional 99.67%, an improvement from the previous year's 99.49%. Similarly, our Parcel SLA has reached an impressive 96.17%, underscoring our dedication to meeting and exceeding customer expectations.

With the continued growth of eCommerce and our unwavering commitment to excellence, we remain steadfast in our pursuit of making every delivery count. SingPost is well-positioned to overcome the challenges ahead and seize the opportunities in the dynamic business landscape, ensuring a brighter future for our company and the industry.

ENHANCING GLOBAL OPERATIONS FOR COMMERICAL OPPORTUNITIES

Against the backdrop of significant disruptions in the supply chain, elevated conveyance costs, and limited air capacity globally, SingPost proactively responded to these challenges by reassessing our cross-border strategy and implementing substantial changes to leverage our network and enhance our business capabilities to support more commercial ventures.

We diversified our service offerings beyond traditional postal deliveries to adapt to the evolving international market. This strategic shift involved establishing additional routing options for our trade lanes and forging new partnerships in key markets such as the United States and Australia. In addition, by leveraging the overseas network of our subsidiaries, we expanded our commercial arrangements and capitalised on emerging opportunities.

Recognising the importance of resilience and flexibility, SingPost transformed its operations from relying on a single transhipment hub in Singapore to a multi-modal network. As a result, we strengthened our ability to navigate unforeseen disruptions and provide alternative solutions to meet customer demands by establishing additional transit hubs and initiating new operations in strategic locations.

Effective cost management, particularly in line haul operations, enabled us to respond swiftly to market dynamics. Such agility allowed us to implement initiatives such as chartered flights during the year to manage conveyance costs effectively. While the business may require some time to recover from the impact of the pandemic, our strategic shift from traditional postal services to a broader range of commercial offerings is laying a solid foundation for future growth.

INNOVATING TO ENHANCE THE URBAN LOGISTICS EXPERIENCE

We continued enhancing the urban logistics experience with investments in digital infrastructure and innovations. In April 2022, SingPost acquired Parcel Santa, the leading provider of smart locker systems for private residences in Singapore. We integrated Parcel Santa into our network, enabling us to offer customers a highly pervasive PUDO network that has grown by more than 400%.

This expansion, along with the introduction of POPDrop and POPStop, further strengthened our infrastructure. These initiatives provided merchants and consumers of eCommerce with a highly pervasive PUDO network, offering them convenience and secure delivery options, ultimately improving their overall experience. To improve manpower efficiency while offering customers convenience, we introduced POPDrop, an automated

self-service drop-off box equipped with in-built trackability and RFID technology. This innovative solution enables merchants to ship their packages with end-to-end tracking capabilities, ensuring transparency and peace of mind for businesses and customers.

Additionally, we launched POPStop, a dedicated manned service centre catering to the eCommerce industry and consumers. By March 2023, we had successfully launched the first four POPStops, and by May 2023, they are available in all post offices. These POPStops create an extensive and convenient infrastructure network that complements our existing services, providing the eCommerce industry and consumers with the most pervasive and accessible solution in Singapore.

We are committed to improving customer experience through innovation, such as enhancing our physical and digital touchpoints to enable seamless interactions with our eCommerce partners. By leveraging technology, we aim to create a robust ecosystem enabling seamless transactions and enhancing the customer journey.

CARING FOR PEOPLE, CONNECTING COMMUNITIES, AND PRESERVING THE PLANET

At SingPost, we care for our people. For instance, we signed a Memorandum of Understanding (MOU) with the Union of Telecom Employees (UTES) to renew our company training committee (CTC) for another three years. This collaboration underscores our commitment to providing training opportunities for our colleagues, enabling them to enhance productivity and deliver exceptional service. Since the inception of the CTC, we have offered 10,000 training places, benefiting over 1,500 individuals.

Our dedication to caring for our community is evident through initiatives such as the Community Chest Fu Dai 2023. Over three days, more than 1,300 individuals from diverse backgrounds united to pack over 8,500 Bags of Happiness, which were bags of food essentials for the Lunar New Year festive season. As a logistics partner, SingPost ensured the timely delivery of these festive bags to seniors and families in need.

POST & PARCEL

We launched the SingPost Automated External Defibrillator (AED)-on-Wheels programme as part of our readiness to lend a helping hand in emergencies. Equipped with AEDs, first aid kits, and fire extinguishers, our delivery staff and their vehicles stand ready to respond swiftly to emergencies. Additionally, 164 SingPost postal delivery staff volunteered to undergo training by the Singapore Civil Defence Force (SCDF) to acquire core lifesaving skills and essential emergency procedures.

Preserving the planet lies at the core of our values, and SingPost remains steadfast in our commitment to providing environmentally friendly solutions for greener deliveries. As part of this commitment, we established two significant Memoranda of Understanding (MOU) partnerships in FY2022/23.

We partnered with SMRT to introduce POPStops at select MRT stations. POPStops will serve as dedicated facilities to enable small businesses, marketplace sellers, and entrepreneurs to drop off their shipments conveniently.

We also formed an agreement with Lazada, a leading eCommerce platform, to create the most carbon-efficient ecosystem for deliveries. This comprehensive collaboration encompasses our PUDO, Tracked Letterbox, and Doorstep delivery services. We also offer efficient returns and forward delivery options to cater to the evolving needs of businesses and customers. This partnership with Lazada is particularly significant as more businesses with net-zero targets seek partners who align with their sustainability goals. Together, we are driving innovation and setting new standards for carbon-efficient deliveries, fostering business growth and contributing to a greener future.

In the pursuit to reduce carbon emissions, we have actively electrified our delivery fleet. With the replacement of 687 fuel-powered motorcycles and scooters, and 142 petrol-fuelled vans, around 32% of SingPost's delivery fleet is now comprised of electric vehicles (EVs). We are also engaged in a trial of electric motorbikes with swappable batteries in partnership with MO Batteries Singapore, supported by the Land Transport Authority (LTA).

SingPost is also proud to be a part of a WWF-Singapore pilot initiative to reduce eCommerce packaging waste. This collaboration, designed by WWF, promotes the adoption of reusable eCommerce packaging in Singapore, fostering a circular economy approach that benefits both the environment and society.

AWARDS AND RECOGNITION

SingPost's dedication to reliable and high quality service has earned recognition and admiration from customers, peers, partners, and stakeholders.

SingPost won the Express Mail Service (EMS) Customer Care Award 2022, recognising our exceptional customer service. EMS is an international postal express mail service offered by postal operators of the Universal Postal Union (UPU), connecting around 200 countries and territories worldwide. We also won the Last Mile Partner of the Year award, organised by the prestigious professional body Supply Chain Asia. Both awards are testaments to our commitment to excellence in our service delivery.

More importantly, we were honoured to receive the President's Certificate of Commendation, acknowledging organisations that had substantially contributed to Singapore's fight against COVID-19. Throughout the pandemic, SingPost played a vital role in various national distribution exercises, including delivering over three million Antigen Rapid Test (ART) kits, 1.24 million CDC voucher notifications, informational pamphlets, and StayWell Mouth Gargle to households across Singapore. This recognition reaffirms our position as a trusted logistics partner and reflects the trust our customers and partners have placed in us, even in challenging times.

In 2022, 98 individuals were honoured with the prestigious national recognition programme Excellent Service Award (EXSA), demonstrating their dedication to providing quality service. Among the recipients, 40 received the esteemed Star Award, representing their outstanding performance and exceptional service delivery. Additionally, 11 individuals were honoured with the Gold Award, highlighting their consistent excellence and commitment to service excellence. Finally, the Silver Award was bestowed upon 47 individuals who have consistently demonstrated their dedication to delivering quality service.

We take great pride in these achievements, knowing that they reflect our ongoing commitment to providing exceptional service and positively impacting the industry and the communities we serve.

STAMPING THE YEAR: CELEBRATING SINGAPORE'S CULTURAL TAPESTRY, GREEN JOURNEY, AND DIPLOMATIC MILESTONES

Stamps continue to serve as cherished symbols, capturing and preserving our cultural heritage through stories of values, connections, aspirations, and journeys. In 2022, SingPost proudly continued the tradition of stamps, unveiling a collection that beautifully showcased our diverse narratives.

One highlight was the commemoration of 50 years of diplomatic relations between Singapore and Bangladesh. Two stunning songbirds, the Zebra Dove and the Oriental Magpie-Robin, adorned the stamps, symbolising our nations' enduring friendship and bond.

Another collection honoured the Golden Jubilee of the National Wages Council, recognising its pivotal role in fostering harmonious tripartite relations in Singapore – paying homage to the council's half-century journey, a testament to its dedication to equitable and fair labour practices.

Illustrating the essence of Singaporean family life, stamps dedicated to the Year of Celebrating SG Families showcased the adventures of mascot Becky Bunny, conveying values of love, harmony, and togetherness.

One of the stamp collection highlights reflected Singapore's commitment to sustainability and environmental stewardship. Commemorating the Ministry of Sustainability and the Environment's (MSE) 50th anniversary, each stamp showcased vital aspects of MSE's work, from water and food security to climate resilience and the pursuit of a circular economy. These stamps spotlighted Singapore's dedication to a greener and more resilient future.

The other stamp collection highlight paid tribute to Singapore's colonial history, showcasing elegant Art Deco-style buildings and iconic landmarks along the historic railway line, capturing the architectural legacy of the transportation route.

The stamp collection also celebrated Singapore's cultural tapestry through festivals, local mascots and the Children's Museum, embodying the nation's vibrant spirit, community and creativity – fostering a sense of unity and inclusivity.

Throughout the year, SingPost's stamps served as remarkable storytellers, capturing the essence of Singapore's cultural fabric, green journey, and diplomatic milestones.

LOGISTICS

WE HAVE DIVERSIFIED OUR OPERATIONS, EXPANDED INTO THE AUSTRALIAN MARKET, AND FOCUSED ON DEVELOPING OUR CROSS-BORDER ECOMMERCE LOGISTICS. OUR LOGISTICS BUSINESS NOW ACCOUNTS FOR 70% OF OUR GROUP REVENUES, EXPERIENCING A REMARKABLE 32.4% YEAR-ON-YEAR REVENUE GROWTH.

The expansion of CouriersPlease in Australia is marked by the opening of its 5-Star green-rated facility on the Gold Coast and the cross-border Australia trade lane – supported by over 800 Franchise Partners.

In FY2022/23, SingPost has effectively transformed and established our foothold in the Logistics business.

We have diversified our operations, expanded into the Australian market, and focused on developing our cross-border eCommerce logistics business. Our Logistics business now accounts for 70% of our Group revenues, experiencing a remarkable 32.4% year-on-year revenue growth. The growth was driven mainly due to the consolidation of FMH for the full year compared to four months in the previous financial year. Operating profit grew by 91.3% for the full year, largely attributable to the strong performance of both FMH and Famous Holdings.

REMARKABLE ACHIEVEMENTS IN A CHALLENGING BUSINESS ENVIRONMENT

In the face of COVID-19 and geopolitical conflicts affecting global supply chains and the logistics industry, we have stayed on course to build our presence in Australia and international markets.

Logistics is now SingPost's largest business segment within two years since the segment experienced continuous growth. The Group will continue to expand its business and market reach by developing its 3PL network (third-party logistics) network and pushing for international growth in the 4PL sector (fourth-party logistics) sector.

Australia

Australia has been a particularly strong market for SingPost's 4PL business. The advantages offered by SingPost's logistics ecosystem provided enterprise customers with fulfillment certainty during uncertain times, along with greater control over visibility, costs, and service quality. In FY2022/23, the Group managed to minimise leakage post-pandemic while successfully onboarding new enterprise customers onto its B2B network, resulting in annualised new business revenues exceeding A$75 million.

SingPost anticipates a continued acceleration of eCommerce in Australia. As such, we will continue to invest in operational and technological enhancements to further strengthen our network and capabilities in Australia.

International

In the cross-border business, SingPost has faced challenges due to supply chain disruptions over the past three years, resulting in increased conveyance costs and reduced volumes. However, there are positive signs of improvement. Conveyance costs have decreased by 34% year-on-year as at 31 March 2023, and volume declines have stabilised, with a decrease of around 8% in the fourth quarter compared to over 30% in the first quarter.

FMH successfully launched the enhanced 4PL intelligent logistics management platform to provide a seamless, efficient and integrated supply chain platform for our customers.

LOGISTICS

FMH – SHOWCASING RESILIENCE AND EXCEPTIONAL PERFORMANCE WITH 4PL BUSINESS

FMH, a group of companies with diverse logistics services, has demonstrated exceptional performance in its 4PL business, establishing itself as the leading provider in Australia. The group also offers 3PL transport and warehousing services through its subsidiary companies.

Despite facing significant challenges such as inflationary pressures, high fuel prices, and the aftermath of the COVID-19 pandemic, FMH capitalised on the rebounding economic activity and navigated these circumstances successfully. As a result, its B2B business flourished in FY2022/23.

Throughout the year, FMH remained focused on delivering exceptional services to its customers, leveraging its skilled workforce and advanced technology. Notably, the combined group of FMH companies leverages proprietary technology and expertise to establish an efficient and sustainable supply chain. The launch of the enhanced 4PL intelligent logistics management platform on 31 March 2022, provided a seamless and integrated platform for customers, enhancing their overall experience.

FMH's performance review highlights its resilience and ability to thrive in a challenging market, driven by its commitment to exceptional service, technological advancements, and a robust supply chain.

COURIERSPLEASE – EXPANDING SERVICES AND EMPOWERING A VIBRANT FRANCHISE COMMUNITY

CouriersPlease (CP), a leading parcel delivery service in Australia, demonstrated resilience and adaptability in a challenging business landscape marked by record inflation levels and elevated fuel prices. Although its B2C last-mile delivery business reported lower revenue due to a drop in eCommerce volumes after the pandemic restrictions eased, the company managed to increase revenue and volume in the latter half of the year.

CP focused on enhancing operations and expanding services in the Australian market, including the launch

of the cross-border Australia trade lane, which was met with strong uptake, and operational adjustments such as simplified rates and streamlined customer onboarding processes to improve the customer experience. Collaborations with FMH and Quantium Solutions (QS) resulted in cost savings and business potential.

CP renewed its focus on the Franchise model, providing dedicated support to partners for business expansion. Operational efficiency was prioritised through network capacity optimisation and digital solutions implementation.

CP's commitment to sustainability was evident through initiatives such as introducing electric forklifts and pallet riders, developing a carbon calculator, and aiming to achieve a 30% recycling rate. The opening of a 5-Star green-rated facility on the Gold Coast, with future planned sites in Sydney and Melbourne, highlighted CP's dedication to energy efficiency and environmental stewardship.

QUANTIUM SOLUTIONS – STAYING RESILIENT WITH NEW CUSTOMER ACQUISITIONS

At the close of this financial year, QS experienced a decline in financial performance compared to the previous year. This was primarily driven by the COVID-19 restrictions in North Asia in the first quarter, which led to high cross-border transportation costs and reduced volumes due to temporary closures of factories and warehouses. However, as the pandemic restrictions started to ease subsequently, its performance showed an improvement with lower operating costs, increased volumes as well as new customer acquisitions from mainland China and Hong Kong.

Various strategies were implemented, including collaborating with FMH and CP; offering our global customers inbound Australia services; expanding the China/Hong Kong to Singapore lane with cost efficiencies; offering Europe to Asia services by transitioning to commercial solutions with direct line-haul; and establishing a dual hub system using Hong Kong alongside Singapore to facilitate commercial solutions transit.

Taking a cautious approach to cost control and undergoing a transformation process to integrate with International Post and Parcel, QS will continue to optimise the utilisation of local resources to support both IPP postal operations and QS's commercial and warehouse volumes, providing our services across Asia Pacific and the Europe regions.

FAMOUS HOLDINGS – DEMONSTRATING RESILIENCE FOR GROWTH

Famous Holdings demonstrated exceptional performance during the pandemic period, experiencing robust revenues. However, in FY2022/23, Famous Holdings group faced a shift in market conditions as sea freight rates and volumes began to normalise. As a result, revenue declined by 12.7% from $478.4 million to $417.7 million.

Despite the revenue decline, Famous Holdings remains committed to maintaining its pursuit of excellence in providing efficient and reliable logistics services. Famous Holdings continues to adapt and evolve in response to changing market dynamics, ensuring a seamless supply chain and meeting the diverse needs of its global clientele.

PROPERTY

SINGAPORE'S MOVE TO EASE SAFE MANAGEMENT MEASURES SPURS RISE IN MALL VISITORS AND RETURN-TO-OFFICE ARRANGEMENTS

As Singapore transitioned to living with COVID-19 as an endemic, the government continued to ease community and border measures. In April 2022, group size per in-person gatherings or meetings limits were removed, workers were allowed to return to their offices, and capacity limits for events were lifted.

All these were good news for SingPost Centre (SPC), which experienced increased return-to-office arrangements and a rise in visitor footfalls as at 31 March 2023. SPC, a mixed-use development featuring an office cum industrial block and a shopping mall, attained 98.2% overall occupancy rate, up from 95.8% a year ago. With more professionals resuming work in their respective offices, SPC achieved an office occupancy rate of 96%, signifying a steady recovery in the office leasing market. Additionally, SPC Mall experienced a 3% increase in occupancy and an impressive 18% surge in footfall traffic.

VITALITY AND FRESHNESS: SINGPOST CENTRE ATTRACTS VISITORS WITH NEW TENANT MIX

Meanwhile, at SPC Mall, we continue successfully attracting a diverse demographic, including vibrant students, youths, office workers, and families. Our focus has been on infusing vitality and freshness into the mall by introducing brands and concepts that resonate with our youthful audience.

Notable new tenants at the mall during FY2022/23 included the trendy retailer of official and authentic Korean popular music and merchandise, House of Kpop, whose album sales are counted towards the Hanteo Chart. Other new tenants included well-known restaurant chain Genki Sushi, the stylish and affordable eyewear brand FOptis catering to the youth market, the health-conscious footwear brand Dr Kong, the specialised retailer of winter wear and travel essentials Cold Wear, and Little Splashes Aquatic, a leading aquatic school that specialises in promoting the cognitive development of infants and toddlers through swimming.

In conjunction with our existing tenants, these new tenants offer a diverse array of compelling reasons — ranging from social experiences to educational opportunities and entertainment — for shoppers and visitors to keep returning to our mall.

FOSTERING VIBRANT COMMUNITY ENGAGEMENT THROUGH WELCOMING SPACES

SPC Mall prides itself on creating inviting spaces that foster community interactions and celebrate the diversity of people from all walks of life. At the heart of the mall lies a spacious atrium strategically utilised to provide a platform for various community activities, festival celebrations, and the nurturing of new ideas.

For the Lunar New Year season, SPC Mall delighted the crowd with a captivating Lion Dance Performance in February 2023. Rooted in a tradition dating back over 1,500 years, the lion dance holds a special significance during auspicious occasions, symbolising good fortune and prosperity for new businesses and ventures. Following a two-year hiatus due to the pandemic, mall visitors were thrilled by lion dances performed by the Stamford Dragon Lion Arts and Cultural Troupe.

In March 2023, fans of Drum Tao descended upon SPC Mall over a two-day period to catch an exclusive preview of the group's upcoming energetic drum show, The Light. Drum Tao is a world-renowned Japanese performance group known for their high-energy, dynamic, and visually stunning drumming performances. The group combines traditional Japanese Taiko drumming with modern music, dance, and martial arts elements to create a unique and captivating stage show.

These engaging events and initiatives exemplify SPC's dedication to creating a vibrant and inclusive community hub where everyone can enjoy culturally enriching experiences. By embracing diverse traditions and fostering social interactions, SPC continues cultivating an atmosphere of togetherness and celebration.

DILIGENCE AND DEDICATION TO SUSTAINABILITY AND ENVIRONMENTAL RESPONSIBILITY

In FY2022/23, SPC's office and industrial tower achieved the prestigious Singapore Building and Construction Authority (BCA) Green Mark Gold Plus award, demonstrating its commitment to sustainability and environmental responsibility.

SPC's notable achievement can be attributed to several impactful energy-efficiency retrofitting initiatives that have been diligently implemented. These measures include successfully replacing a chiller and four cooling towers, resulting in enhanced building efficiencies and substantial energy savings. Additionally, the installation of LED lighting in the common areas and SingPost's operational areas has contributed significantly to reducing energy consumption and further optimising the mall's environmental performance.

By actively adopting these sustainable practices, SPC is dedicated to reducing its carbon footprint and promoting resource efficiency. The BCA Green Mark Gold Plus award stands as a testament to SPC's ongoing commitment to creating an eco-friendly and energy-efficient environment within the mall.

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	01.01.22	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

* The property has been classified as an asset held for sale as at 31 March 2023.

SUSTAINABILITY OVERVIEW

DRIVING SUSTAINABILITY

OUR JOURNEY TOWARDS MAKING DELIVERY COUNT FOR PEOPLE AND PLANET

Climate change remains an urgent global issue due to its wide-ranging environmental, social, and economic impacts but a widespread focus on climate change also presents opportunities. SingPost recognises the importance of proactively addressing climate change and strives to lead by example.

SingPost's sixth Sustainability Report offers stakeholders a transparent account of the Group's activities and initiatives, ensuring they are well-informed about our sustainability performance. This year's report encompasses SingPost's operations in Singapore and key subsidiaries, including CP and FMH Group in Australia, and QS operating in eight markets outside Singapore.

SUSTAINABILITY FRAMEWORK

CONSISTENT PATHWAYS FOR CHANGE AND INNOVATION

Following a thorough materiality re-assessment in FY2021/22, SingPost's Board and Management have determined that the material ESG topics remain relevant, with no changes this year.

SingPost's sustainability framework is designed to systematically address material ESG matters and operationalise our sustainability strategy across the business. The framework is guided by three pillars: ***Cherishing Our Planet***, ***Collaborative Partnerships***, and ***Culture of Trust***. The pillar *Cherishing Our Planet* focuses on sustaining a liveable planet for future generations. At the same time, *Collaborative Partnerships* pillar is dedicated to transforming markets and delivering value for our communities and customers for future generations. Lastly, the *Culture of Trust* pillar emphasises caring for and doing the right things for our stakeholders.

Each pillar and its associated material matters are mapped to the United Nations Sustainable Development Goals (UN SDGs). SingPost believes everyone has a role in promoting global sustainable development and is committed to contributing in the best way possible.

SUSTAINABILITY OVERVIEW

OUR SUSTAINABILITY JOURNEY IN FY2022/23

POSITIVE OUTCOMES AND PROACTIVE INITIATIVES

SingPost has set ambitious goals to achieve net-zero Scope 1 and 2 emissions in Singapore by 2030 and net-zero Scope 1, 2, and 3 emissions globally by 2050. In addition, we established an internal carbon price as part of our business strategy to drive sustainable practices and decision-making. Notably, the Group has achieved a 30% reduction in total Scope 1 and 2 carbon emissions in Singapore from the baseline year of FY2018/19.

In line with our commitment to environmental sustainability, SingPost has made significant strides in adopting electric vehicles, converting approximately 32% of our owned delivery fleet in Singapore to date. Furthermore, the Group embraced sustainable packaging practices by utilising recycled materials. Additionally, SingPost launched the POPDrop initiative, a carbon-efficient and automated self-service drop-off service that allows businesses and customers to reduce their carbon footprint.

SingPost recognises the importance of addressing climate-related risks and capitalising on associated opportunities. By aligning our practices with recommendations of the TCFD and conducting comprehensive climate scenario analysis, SingPost is preparing our business for climate risk resilience and harnessing emerging opportunities.

Ensuring safety and well-being is a top priority for SingPost, as demonstrated by our record of zero fatalities and achieving a notable 22% year-on-year improvement in the Loss Time Injury Frequency Rate[1].

SingPost is committed to promoting diversity and gender equality, with women holding approximately 37% of senior management positions. This dedication to inclusivity was recognised, as SingPost won the Diversity Category of the Singapore Corporate Governance Award at the Securities Investors Association (Singapore) Investors' Choice Awards 2022.

With a strong focus on corporate governance and transparency, SingPost proudly reported zero significant fines or non-monetary sanctions relating to non-compliance with laws and regulations in FY2022/23. We also take pride in the exceptional performance of our employees, with 98 individuals receiving Excellence Service Awards (EXSA) in 2022, including 40 Star, 11 Gold, and 47 Silver awards.

SingPost actively participated in the 2022 United Nations Climate Change Conference (COP27) as part of the Singapore delegation to share insights on decarbonising the logistics sector and underscore our commitment to sustainability leadership.

These accomplishments demonstrate SingPost's unwavering dedication to sustainability, innovation, employee recognition, safety, diversity, and corporate governance, positioning the company as an industry leader and driver of positive change.

More on sustainability is shared in SingPost's Sustainability Report FY2022/23, available on **www.singpost.com** and pages 39 to 41 of this report.

1 To enable a like-for-like comparison of safety performance between FY2022/23 and FY2021/22, safety performance does not include safety data from FMH Group which is only available for FY2022/23.

CHERISHING OUR PLANET

CLIMATE ACTION AND RESILIENCE

SingPost commits to a climate-resilient and sustainable future with net-zero carbon emission targets. Through climate scenario analysis, the Group identifies risks and opportunities, enabling informed decision-making and resilience-building measures to address climate change impacts and seize opportunities.

Targets	FY2022/23 Progress and Performance
Net-zero (Scope 1 and 2) for operational emissions in Singapore by 2030[2]	In progress; on track SingPost has reduced our absolute Scope 1 and 2 Greenhouse Gas (GHG) emissions in Singapore collectively by 30% from the FY2018/19 baseline level[3].
Net-zero (Scope 1, 2 and 3) for global emissions by 2050	SingPost has developed an overarching strategy and different pathways for emissions reduction across our global operations. We have also started to develop our Scope 3 GHG emissions inventory to facilitate the identification of decarbonisation strategies and necessary engagement with our stakeholders. While our goal is net-zero (Scope 1, 2 and 3) by 2050 for our global operations, SingPost will continue to look for ways to proactively reduce our carbon emissions sooner wherever possible.

RESOURCE EFFICIENCY AND WASTE MANAGEMENT

SingPost commits to a circular and low-carbon economy, focusing on resource efficiency and waste management. Proactively addressing global regulations, the Group offers sustainable products and solutions that empower our customers to meet their sustainability goals.

Target	FY2022/23 Progress and Performance
Increase operational recycling rate to 30% by 2025	SingPost has achieved approximately 21% operational recycling rate to date. We continue to explore ways to enhance our operational processes and systems to further reduce our waste generation and increase waste recycled.

COLLABORATIVE PARTNERSHIPS

RESPONSIBLE SUPPLY CHAIN

As SingPost expands globally in logistics and eCommerce, we emphasise on ethical procurement and supply chain transparency. Collaborating with partners, SingPost integrates digital solutions, adheres to ESG principles, and builds resilience to emerging expectations for responsible practices.

Targets	FY2022/23 Progress and Performance
Screen all suppliers on ESG criteria	Approximately 64%[5] of new suppliers have been screened with social and governance criteria, in line with the guidelines set out in the Supplier Code of Conduct. Work is underway for all new suppliers to undergo ESG criteria screening, while existing suppliers will be screened as feasible (e.g., during contract renewal).
Ensure all Tier 1[4] suppliers have an ESG Policy in place by 2023	Tier 1 suppliers identified and planning underway to engage with these suppliers on the availability of an ESG Policy.

2 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.
3 Performance for FY2022/23 and FY2018/19 baseline level for Singapore has excluded General Storage Company which was divested in December 2021.
4 Tier 1 suppliers refer to suppliers that supply at least 80% of the spend amount within individual spend categories defined by SingPost
5 This excludes FMH due to unavailability of information as FMH is a new subsidiary of the Group and implementation of relevant processes and systems for consistent data collection is still in progress.

SUSTAINABILITY OVERVIEW

PRODUCT AND SERVICE INNOVATION

SingPost explores innovative solutions and creates new opportunities and service offerings to deliver a curated and personalised customer experience while enhancing our productivity and business sustainability.

Target	FY2022/23 Progress and Performance
Conduct at least one pilot innovation programme annually	Launch of POPDrop, a carbon-efficient and automated self-service drop off box Development of a new software platform by FMH Group to enhance customer experience. For more information refer to page 44 of the Sustainability Report.

CUSTOMER EXPERIENCE

SingPost prioritises customer-centricity to drive a fulfilling experience across all touchpoints and to redefine omnichannel engagement in an increasingly digital world.

Targets	FY2022/23 Progress and Performance
Exceed IMDA Postal Quality of Service (QoS) standards for Singapore as one of the essential services serving the nation.	All IMDA Postal QoS standards from January 2022 to December 2022 were met.
Progressively develop targets for all our markets.	In 2022, a total of 98 SingPost employees attained the Excellent Service Award (EXSA) including 40 Star, 11 Gold, and 47 Silver awards. SingPost has also continued to maintain our ISO 9001:2015 Quality Management System certification for our parcel and processing delivery operations at LogHub. For more information refer to page 48 of the Sustainability Report.

COMMUNITY INVESTMENT

SingPost fosters community partnerships to positively impact and build trust in the markets we serve.

Target	FY2022/23 Key Progress and Performance
Progressively develop targets as flagship programmes are identified	Launch of letterbox monitoring programme within the Cheng San-Seletar Constituency in Singapore as part of efforts to build community resilience. Leveraging on our logistics capabilities, SingPost has also supported Community Chest Singapore and Singapore Red Cross to deliver daily essentials and medical necessities to the communities in need.

CULTURE OF TRUST

EMPLOYEE ENGAGEMENT AND TALENT PRACTICES

With a focus on diversity and inclusivity, SingPost remains committed to fostering a culture that supports and values our employees even as we adapt our employee engagement and talent practices to the changing business landscape. We also invest in growing and developing our workforce to equip them with essential skills for the future.

Targets	FY2022/23 Progress and Performance
To achieve an employee engagement survey completion rate of 70% by 2025 To achieve an employee engagement score above the market benchmark by 2025	Work is underway with a target to conduct an employee engagement survey in FY2023/24.
Maintain at least 30% of women workforce representation in senior management (C-Suite, C-minus-1, and C-minus-2 executives) by 2025	SingPost has ~37% women representation in senior management in FY2022/23.

HEALTH AND SAFETY

SingPost prioritises the health and safety of employees and stakeholders as a core value. We enhance workplace safety and health systems and processes through innovation and technology. We also promote a safety culture while creating a secure working environment for all employees and contractors.

Targets	FY2022/23 Progress and Performance
Achieve zero major work-related injuries (including fatalities)	There were zero cases of fatalities and two high-consequence injuries reported in FY2022/23. Refer to page 67 in the Sustainability Report for more details.
Improve the year-on-year rate of recordable work-related injuries	The year-on-year rate of recordable work-related injuries from FY2021/22 to FY2022/23 has improved 22% across SingPost Group[6].

ETHICAL AND TRANSPARENT BUSINESS PRACTICES

SingPost upholds ethical and transparent business practices with a zero-tolerance approach towards fraud, corruption, and unethical behaviour. Additionally, we promote open communication and accountability with stakeholders. Ingrained in our operations and decision-making processes, these principles reflect our commitment to a culture of trust and integrity.

Targets	FY2022/23 Key Progress and Performance
Uphold zero corruption, unethical behaviour, and fraud incidents across SingPost's operations	In FY2022/23, there were zero incidents of corruption, unethical behaviour and fraud.
Inculcate zero tolerance for bribery and corruption in all employees and business partners	Anti-bribery and anti-corruption compliance declaration are conducted as part of the annual employee code of conduct declaration by all employees. In FY2022/23, SingPost updated our Anti-Bribery and Corruption Policy. All business partners of SingPost are made aware of SingPost's anti-bribery and anti-corruption requirements through the Supplier Code of Conduct.
Provide annual training on anti-bribery and anti-corruption for 100% of full-time employees	Completed anti-bribery and anti-corruption training and awareness sessions for all eligible employees[7].
No significant fines or non-monetary sanctions relating to non-compliance with laws and regulations	There were no significant fines or non-monetary sanctions relating to non-compliance with laws and regulations in FY2022/23.

DATA PRIVACY AND CYBERSECURITY

SingPost recognises that protecting data privacy is paramount in today's heightened cybersecurity landscape. Therefore, we take proactive measures to safeguard stakeholders' interests and ensure the long-term sustainability of the business.

Targets	FY2022/23 Progress and Performance
Uphold the highest standards of data privacy protection including compliance with relevant laws	SingPost complied with the Singapore Personal Data Protection Act and the relevant data protection laws in the other overseas jurisdictions which we operate in, and regularly reviews our personal data management policies and practices to improve our standards. Any customer data privacy issues are resolved expeditiously and operational procedures were enhanced to prevent similar occurrence.
Establish a Cybersecurity Framework in line with industry standards	SingPost is currently exploring alignment with various industry standards as benchmark for our cybersecurity enhancement. Our current Cybersecurity Framework is in line with the United States National Institute of Standards and Technology (US NIST) Cybersecurity Framework.

6 SingPost defines recordable work-related injuries to include all Loss Time Injuries (LTIs). To enable a like-for-like comparison of safety performance between FY2022/23 and FY2021/22, safety performance does not include safety data from FMH Group which is only available for FY2022/23.

7 Eligible employees refer to all full time employees except those who are away on extended leave e.g. those who are on prolonged illness leave, maternity leave or no-pay leave

COMMUNITY INITIATIVES

MAKING EVERY DELIVERY MEANINGFUL

Cardiac arrests can happen any time, anywhere, and so being at the right time and place with the right skills and equipment can make a difference to saving someone's life.

Under the SingPost Automated External Defibrillator (AED)-on-Wheels programme launched in March 2023, SingPost delivery staff and their vehicles will respond quickly to emergencies when needed.

SingPost vehicles comprising 11 vans and 14 three-wheeler bikes have been equipped with AED, first aid kits and fire extinguishers, while 164 SingPost postal delivery staff have volunteered to be trained by the Singapore Civil Defence Force (SCDF) on core lifesaving skills and essential emergency procedures.

"I think this training is very meaningful. I volunteered for AED training because I can quickly bring help and relief to someone in need when I am on my delivery." said Qiao Yan, Mail Ambassador, who is now a community first responder (CFR) trained by SCDF in cardiopulmonary resuscitation (CPR), first aid, use of fire extinguishers and AEDs.

When a report about a cardiac arrest is received, the CFR in participating vehicles within 1.5km of the case will be alerted by the SCDF via the 'myResponder' mobile application. If the CFRs are still in the vicinity and able to help, they can quickly proceed to the scene to perform CPR, and administer the AED on the victim.

First launched in November 2015 by SCDF as part of its Save-A-Life Initiative, the AED-on-Wheels programme ensures that AEDs are more accessible to the public. As of January 2023, 48 respondents under this initiative have arrived at scenes for suspected cardiac arrest and minor fire cases, helping to save lives.

SingPost is proud to support this initiative and be part of the growing nation of lifesavers. Our vehicles and drivers under this AED-on-Wheels programme can make a critical difference in the lives of others whenever they ply the roads, particularly crucial in areas with limited AED coverage.

SINGPOST VEHICLES COMPRISING 11 VANS AND 14 THREE-WHEELER BIKES HAVE BEEN EQUIPPED WITH AED, FIRST AID KITS AND FIRE EXTINGUISHERS, WHILE 164 SINGPOST POSTAL DELIVERY STAFF HAVE VOLUNTEERED TO BE TRAINED BY THE SINGAPORE CIVIL DEFENCE FORCE (SCDF) ON CORE LIFESAVING SKILLS AND ESSENTIAL EMERGENCY PROCEDURES.

The Singapore Civil Defence Force (SCDF) – Singapore Post Limited (SingPost) Automated External Defibrillator (AED) -on-Wheels programme was officially launched by on 13 March 2023.

COMMUNITY INITIATIVES

LIFTING SPIRITS WITH BAGS OF HAPPINESS ISLANDWIDE

"AS AN ORGANISATION THAT ASPIRES TO STRENGTHEN AND UPLIFT OUR COMMUNITY, I AM HEARTENED THAT OUR SINGPOST STAFF VOLUNTEERED THEIR TIME AND ENERGY GENEROUSLY IN ADDITION TO THEIR WORK SCHEDULES, TO ENSURE THAT PEOPLE IN NEED RECEIVE THEIR FESTIVE GOODIES IN TIME FOR A GREAT LUNAR NEW YEAR CELEBRATION,"

Ms Neo Su Yin,
Chief Executive Officer, Singapore, SingPost

SingPost proudly stands as one of the Logistics Partners for the Community Chest Singapore Fu Dai 2023. This cherished event aims to infuse the festive spirit into the lives of the less fortunate during the Lunar New Year season. Marking its 10th edition this year, Community Chest's corporate and community partners joined forces to meticulously pack and deliver Fu Dai or "Prosperity Bags" with essential food and drink items, providing much-needed relief for seniors and families facing difficulties. These special deliveries become beacons of joy, illuminating the lives of those in need during the celebratory season.

In addition to delivering these bags of happiness, SingPost staff also joined over 1,300 volunteers from all various companies and organisations to pack more than 8,500 bags of essentials. These bags will benefit a diverse group of beneficiaries, including children with special needs, at-risk youths, individuals with disabilities or mental health conditions, as well as families and seniors requiring assistance. This year, the Community Chest initiative touched the lives of 6,000 families and 2,500 seniors, weaving a tapestry of hope and compassion.

The journey of fulfilment begins with the SingPost team helping to collect the sponsored items – about 8,500 to 10,000 items per venue – from Community Chest's generous donors and partners, and another collection of event items from Community Chest's office. All these items had to be delivered to a central location – Changi Exhibition Centre – for packing.

At the packing centre, SingPost staff also rolled up their sleeves to meticulously pick and pack each bag with festive essentials of delicious food and drinks. With the packing completed, it was time to deliver these bags of festive essentials to a network of up to 20 social service agencies and 19 community centres across Singapore.

"As an organisation that aspires to strengthen and uplift our community, I am heartened that our SingPost staff volunteered their time and energy generously in addition to their work schedules, to ensure that people in need receive their festive goodies in time for a great Lunar New Year celebration," said Ms Neo Su Yin, Chief Executive Officer, Singapore, SingPost.

These acts of kindness signify to the families in need that they are valued and cared for by others, especially the SingPost staff, who sincerely appreciate the opportunity to serve our community and make a lasting difference in the lives of many.

Supporting Community Chest's signature event Fu Dai 2023, 25 volunteers across SingPost came together to help in the pick and packing of the Fu Dai at the Changi Exhibition Centre

SingPost's Network Management fleet and team members also lent their hands in collecting Fu Dai bags and having them delivered them across Singapore

INVESTOR RELATIONS

COMMITTED TO REGULAR AND OPEN COMMUNICATION WITH THE INVESTMENT COMMUNITY

At SingPost, corporate transparency through regular and open engagement with the investment community is important to us; we take steps to engage regularly and actively with the global investment community.

Through our engagements with the investment community, we keep investors updated on our business strategies, sustainability initiatives, financial performance and material corporate developments and seek to gather feedback and understand investors' viewpoints. By fostering a sustained communication flow to provide the investment community with accurate, fair and timely information about SingPost's business operations and performance, our efforts in investor relations underscore the Group's commitment to create long-term value for its stakeholders.

In FY2022/23, Management engaged with about 180 local and overseas institutional investors through face-to-face meetings and virtual calls. We participated in four virtual investor conferences namely the UBS OneASEAN Conference, CGS CIMB Conference, UOB KayHian Shariah Gems Conference 2022 and UBS OneASEAN Internet Logistics Day. During these conferences, Management shared on its strategic focus and initiatives and business updates.

We actively develop and foster strong relationships with research analysts, who play an important role in communicating key messages to the investing community, media and the general public. Analysts' and investor briefings are conducted following the release of half-year and full year financial results, quarterly business updates, as well as announcements of key corporate developments. In the spirit of fair disclosure and to ensure wider reach, these sessions are webcast and made available to the wider investment community on a timely basis through our corporate website. All investors may access an audio webcast or playback and the transcript of each results briefing 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 full voting results.

SingPost successfully held its first hybrid AGM for FY2021/22 in July 2022, providing the opportunity for shareholders and proxies to attend in person as well as online. Following the virtual AGMs held in 2020 and 2021 during the COVID-19 restrictions, the Group adopted the hybrid format to enhance accessibility for shareholders and proxies by providing a choice to either attend in person or virtually.

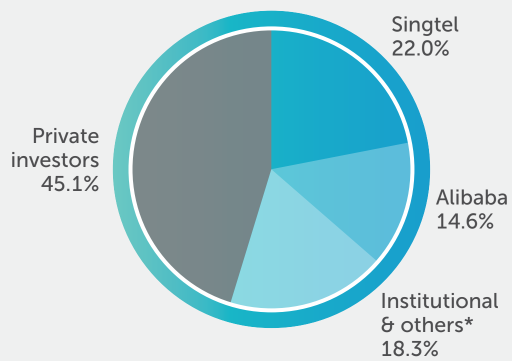
To further engage retail investors, SingPost holds annual meetings for retail investors with the Securities Investors Association Singapore ("SIAS") to provide an opportunity for engagement with Management. Retail shareholders were invited to the annual SingPost-SIAS dialogue session in July 2022 where they were updated on SingPost's performance and engaged in active dialogue with Management.

SingPost conducts site visits for investors and analysts to facilitate better understanding of the Group's business operations. This included visits to the mail processing facility at SingPost Centre and the parcel sorting operations at SingPost Regional eCommerce Logistics Hub.

In recognition of the Group's corporate governance and sustainability progress, SingPost achieved a 7th place ranking in The Singapore Governance and Transparency Index 2022 and was ranked 9th in the biennial ASEAN Corporate Governance Scorecard 2021 published in December 2022. SingPost also won the Corporate Governance Award in Diversity at the SIAS Investors' Choice Awards 2022. The Company has a AAA MSCI ESG rating.

HOLDINGS BY INVESTOR GROUPS

(as at 31 March 2023)



* including shares held by brokers custodians and nominees

GROUP FINANCIALS

INCOME STATEMENT

Revenue ($M)[1]
S$1872.3m

FY2022/23	**1,872.3**
FY2021/22	1,665.6
FY2020/21	1,404.7
FY2019/20	1,313.8
FY2018/19	1,323.3

Operating Profit ($M)[1]
S$93.2m

FY2022/23	**93.2**
FY2021/22	112.1
FY2020/21	79.3
FY2019/20	143.6
FY2018/19	182.5

Net Profit ($M)[2]
S$24.7m

FY2022/23	**24.7**
FY2021/22	83.1
FY2020/21	47.6
FY2019/20	91.1
FY2018/19	19.0

Underlying Net Profit ($M)[3]
S$32.4m

FY2022/23	**32.4**
FY2021/22	81.3
FY2020/21	60.1
FY2019/20	100.2
FY2018/19	100.1

Return on Average Invested Capital (%)
1.3%

FY2022/23	**1.3**
FY2021/22	4.6
FY2020/21	2.4
FY2019/20	4.6
FY2018/19	1.0

Operating Cash Flow ($M)
S$115.7m

FY2022/23	**115.7**
FY2021/22	89.5
FY2020/21	215.4
FY2019/20	183.2
FY2018/19	152.2

Dividend (cents)
0.58cents

FY2022/23	**0.58**
FY2021/22	1.80
FY2020/21	1.10
FY2019/20	2.70
FY2018/19	3.50

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

GROUP FIVE-YEAR FINANCIAL SUMMARY

	Financial Year ended 31 March				
	2023	2022	2021	2020	2019
Income Statement (S$ million)					
Revenue [1]	**1,872.3**	1,665.6	1,404.7	1,313.8	1,323.3
Operating profit [1]	**93.2**	112.1	79.3	143.6	182.5
EBITDA [1] [2]	**168.1**	193.2	136.6	202.3	251.9
Net profit [3]	**24.7**	83.1	47.6	91.1	19.0
Exceptional items, net of tax (income / (loss)) [1] [4]	**(7.7)**	1.9	(12.5)	(9.1)	37.9
Underlying net profit [5]	**32.4**	81.3	60.1	100.2	100.1
Balance Sheet (S$ million)					
Total assets	**2,837.8**	2,679.4	2,721.8	2,751.6	2,619.2
Ordinary shareholders' equity	**1,130.2**	1,307.4	1,276.8	1,252.6	1,266.2
Total shareholders' equity	**1,374.3**	1,142.1	1,671.4	1,642.3	1,660.5
Cash and cash equivalents	**495.7**	280.4	501.2	493.0	392.2
Net debt / (cash)	**128.7**	236.6	(178.9)	(128.6)	(101.3)
Perpetual securities	**251.5**	–	346.8	346.8	346.8
Net debt / (cash) plus perpetual securities [6]	**380.2**	236.6	167.9	218.3	245.5
Cash Flow (S$ million)					
Net cash inflow from operating activities	**115.7**	89.5	215.4	183.2	152.2
Capital expenditure (cash)	**28.4**	24.3	21.9	27.1	31.3
Free cash flow [7]	**87.2**	65.3	193.6	156.0	120.9
Key Ratios					
EBITDA margin (%) [1]	**9.0**	11.6	9.7	15.4	19.0
Net profit margin (%) [1]	**1.3**	5.0	3.4	6.9	1.4
Return on average invested capital (%)	**1.3**	4.6	2.4	4.6	1.0
Return on average ordinary shareholders' equity (%)	**2.0**	6.4	3.8	7.2	1.4
Net debt to ordinary shareholders' equity (%)	**11.4**	18.1	N.M. [8]	N.M. [8]	N.M. [8]
Net debt / (cash) plus perpetual securities to total shareholders' equity (%) [6]	**27.7**	20.7	10.0	13.3	14.8
EBITDA to finance expense (number of times) [1]	**8.6**	13.1	12.4	16.0	30.5
Per Share Information (S cents)					
Earnings per share – basic	**0.6**	3.1	1.5	3.4	0.2
Earnings per share – underlying net profit [5]	**1.0**	3.0	2.0	3.8	3.8
Net assets per share	**61.4**	58.1	72.2	71.1	71.7
Dividend per share – ordinary	**0.6**	1.8	1.1	2.7	3.5

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 loss on put option redemption liability, 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 2023 S$'000	2022 S$'000	Change %
Revenue	**1,872,259**	1,665,579	12.4
Operating profit	**93,166**	112,074	(16.9)
Share of profit of associated companies and joint ventures	**23**	4,847	(99.5)
Profit after tax	**38,760**	87,743	(55.8)
Exceptional items, net of tax (1)	**(7,705)**	1,858	N.M.
Net profit attributable to equity holders	**24,679**	83,112	(70.3)
Underlying net profit (2)	**32,384**	81,254	(60.1)
Basic earnings per share (S cents)	**0.62**	3.09	(79.9)
Underlying earnings per share (S cents) (2)	**0.96**	3.01	(68.1)

Note:

(1) Exceptional items comprised one-off items such as asset impairment, fair value changes on investment properties, fair value loss on put option redemption liability, 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.

N.M. Not meaningful.

REVENUE	Financial Year ended 31 March 2023 S$'000	2022 S$'000	Change %
Logistics	**1,322,358**	998,530	32.4
Post and Parcel	**521,347**	622,334	(16.2)
Property	**88,331**	114,906	(23.1)
Inter-segment eliminations*	**(59,777)**	(70,191)	(14.8)
	1,872,259	1,665,579	12.4

* Inter-segment eliminations relate to the elimination of inter-segment billings for internal services to better reflect the profitability of each business segment.

OPERATING PROFIT	Financial Year ended 31 March 2023 S$'000	2022 S$'000	Change %
Logistics	**84,742**	44,295	91.3
Post and Parcel	**(15,874)**	24,851	N.M.
Property	**44,012**	52,867	(16.7)
Others #	**(19,714)**	(9,939)	(98.3)
	93,166	112,074	(16.9)

Others refer to unallocated corporate overhead items

N.M. Not meaningful.

FINANCIAL REVIEW AND OUTLOOK

Group

The Group's transformation yielded results as revenue grew 12.4% to a record of S$1.87 billion for the full year ended 31 March 2023 ("FY22/23"). The Group's new engine of growth in Australia replaced the declines in revenues from Post & Parcel and freight forwarding businesses during the year.

Logistics

Logistics revenue increased by 32.4% in FY22/23, mainly due to the consolidation of FMH for the full year compared to four months in the previous financial year.

Revenue from the Australia businesses – FMH and CouriersPlease, nearly doubled from S$413.6 million to S$815.1 million for the full year with the consolidation of FMH. FMH's B2B business continued to perform well, driven by increased volumes from customers and acquisition of new customers, as well as inorganic contribution from its strategic acquisitions. This helped to offset the impact of lower revenue from CouriersPlease's B2C last mile delivery business due to decrease in eCommerce delivery volumes following the easing of pandemic restrictions.

In the freight forwarding business, Famous Holdings recorded exceptional revenues during the pandemic. Freight rates and volumes have since begun to normalise. Consequently, revenue declined 12.7% from S$478.4 million to S$417.7 million.

Overall Logistics operating profit grew by 91.3% for the full year, largely contributed by the strong performance of both FMH and Famous Holdings.

Post and Parcel

The Post & Parcel segment recorded revenue decline of 16.2% for FY2022/23.

Domestic Post and Parcel ("DPP") revenue declined by 9.3% for the full year. There was a higher base effect from the previous year which recorded significant eCommerce volumes during the pandemic. eCommerce logistics volumes were also lower due to reduced volumes from a major eCommerce customer who insourced part of its logistics. The volume of letters and printed papers continued to decline.

International Post & Parcel ("IPP") revenue declined by 20.5% for the full year. IPP was negatively impacted, particularly in the first quarter of the financial year, by pandemic-related lockdowns in China which reduced cross-border eCommerce logistics volumes.

The Post & Parcel segment recorded an operating loss of S$15.9 million, compared to a profit of S$24.9 million in the previous financial year. The full year loss in DPP and IPP was due to the decline in delivery volumes, coupled with inflationary increases in labour, utility, fuel and conveyance expenses.

Property

Property revenue, comprising revenue from SingPost Centre and other properties, was lower following the divestment of self-storage business General Storage Company in December 2021. Overall occupancy at SingPost Centre was higher at 98.2% as at 31 March 2023, compared to 95.8% as at 31 March 2022, due to increased take-up of office space.

Others

The Others segment refers to corporate overhead expenses which include share-based compensation. Prior year expenses included a reversal of share-based compensation. On a comparable basis, corporate overhead expenses were relatively flat.

FINANCIAL REVIEW AND OUTLOOK

Operating Expenses

Total operating expenses rose 14.3% to S$1.78 billion for the full year.

Volume-related expenses, which include conveyance costs and outpayments for international postal terminal dues, recorded an increase of 15.5% to S$1.2 billion, mainly due to the consolidation of the full year results of FMH which offset declines in conveyance costs in the cross-border eCommerce logistics and freight forwarding businesses.

The consolidation of FMH's full year results also resulted in increases in labour and related, administrative, depreciation and amortisation, and selling-related expenses.

Labour and related expenses were higher by 13.2% to S$350.7 million, largely due to higher manpower costs.

Administrative expenses rose by 9.5% to S$126.2 million. Besides the consolidation of FMH, the higher administrative expenses were also due to increase in property-related expenses.

Depreciation and amortisation expenses increased by 10.9% to S$82.6 million for the full year.

Selling-related expenses were higher by 32.2% to S$9.7 million from S$7.4 million.

Other Income

Other income decreased from S$6.7 million to S$4.1 million for the full year primarily due to a decrease in trade-related foreign exchange gains.

Share of Results of Associated Companies and Joint Ventures

Bulk of the share of profit from associated companies and joint ventures in the previous year was from FMH when it was an associated company. Following the increase in shareholding in FMH and its consolidation as a subsidiary, share of profit from associated companies and joint ventures was not significant as contributions from associated companies in Hong Kong and Vietnam offset declines from associated companies in Malaysia.

Exceptional Items

Exceptional loss amounted to S$7.7 million, compared to a gain of S$1.9 million last year. This was largely attributable to a fair value charge of S$21.7 million arising from a higher put option redemption liability on FMH as a result of a higher valuation of the company, partially offset by fair value gain on investment properties of S$18.6 million.

Interest Income and Finance Expense

Interest and investment income amounted to S$2.1 million, as higher interest income offset foreign exchange loss on foreign currency loans.

Finance Expenses

The increase in finance expenses was due to higher interest expenses on the Group's borrowings.

Income Tax Expense

Income tax expense increased by 49.1% to S$29.2 million, largely due to higher tax expense from FMH contributions.

Non-controlling Interest

Non-controlling interest was higher largely attributable to the consolidation of FMH.

FINANCIAL REVIEW AND OUTLOOK

Net Profit and Underlying Net Profit

Compared to the previous year, net profit declined by 70.3% for the full year, mainly due to operating losses in Post & Parcel of S$15.9 million, and increased finance and tax expenses. Excluding exceptional items, underlying net profit was S$32.4 million for the full year.

CASH FLOW	Financial Year ended 31 March **2023** **S$'000**	 2022 S$'000	Change %
Net cash inflow from operating activities	**115,656**	89,526	29.2
Net cash used in investing activities	**(27,182)**	(53,303)	(49.0)
Net cash provided by / (used in) financing activities	**126,784**	(255,767)	N.M.
Net increase / (decrease) in cash and cash equivalents	**215,258**	(219,544)	N.M.
Cash and cash equivalents at beginning of year	**280,438**	501,212	(44.0)
Changes in cash and cash equivalents transferred to assets held for sale	**–**	(1,230)	N.M.
Cash and cash equivalents at end of year	**495,696**	280,438	76.8
Free cash flow	**87,227**	65,268	33.6
Cash capital expenditure as a percentage of revenue	**1.5%**	1.5%	

N.M. Not meaningful.

Operating Activities

Operating cash flow before working capital changes as at 31 March 2023 was S$156.6 million, compared to S$169.1 million last year. Changes in net working capital of S$8.2 million were largely due to movements in trade and other payables. Operating cash flow from operating activities was higher at S$115.7 million compared to S$89.5 million previously.

Investing Activities

Net cash used in investing activities was S$27.2 million, compared to S$53.3 million in the previous period. The decrease was largely due to the proceeds from the maturity of financial assets, interest received, repayment of loans by associated companies and proceeds from the disposal of an associated company, compared to the significant cash outflow in prior years to acquire new subsidiaries.

Financing Activities

Net cash inflow from financing activities amounted to S$126.8 million, compared to outflow of S$255.8 million last year. This was mainly due to proceeds from the issuance of perpetual securities and additional bank loans, which offset cash paid for the acquisition of non-controlling interests in existing subsidiaries, repayments of other bank loans and principal portion of lease liabilities, interest paid, dividends paid to shareholders and non-controlling interests, and distribution paid to perpetual securities holders.

Free Cash Flow

The Group's free cash flow (operating cash flow less capital expenditure) was higher at S$87.2 million, compared to S$65.3 million in the previous year. This due to higher operating cash flow and lower capital expenditure of S$27.2 million which comprised expenditure on computer hardware, software applications, motor vehicles and furniture & fittings.

FINANCIAL REVIEW AND OUTLOOK

CAPITAL MANAGEMENT

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

The Group issued S$250 million of perpetual securities in April 2022, as part of its exercise to restructure its debt and equity profile, so as to manage overall financing costs and optimise the balance sheet for the financing of future growth and investments.

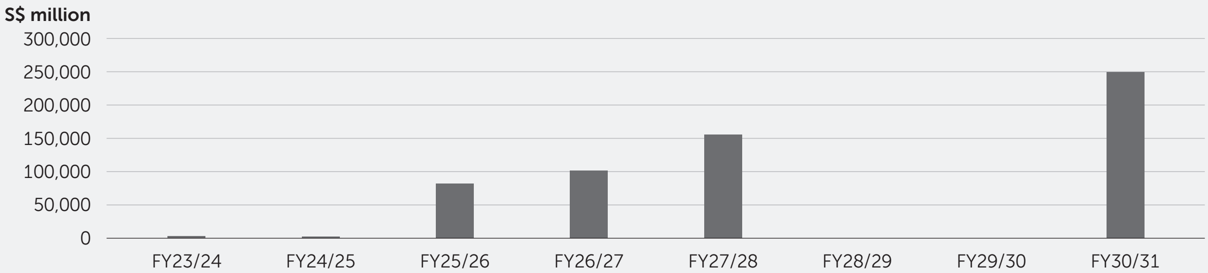
As the Group invests further for long-term growth, it regularly reviews its assets for strategic fit and financial returns considerations, as well as opportunities to unlock value. During the financial year, the Group divested its holdings in indirect subsidiary Sino-Famous Intertrans Co., Ltd, associated company Hubbed Holdings Pty Ltd, and the eCommerce business of SP eCommerce. The Group also announced the potential disposal of its interest in Shenzhen 4PX Information and Technology Co., Limited.

	Financial Year ended 31 March		
	2023	2022	Change
GROUP DEBT AND PERPETUAL SECURITIES	**S$'000**	S$'000	%
Total debt	**624,390**	517,008	20.8
Cash	**495,696**	280,438	76.8
Net debt	**(128,694)**	(236,570)	(45.6)
Total shareholders' equity	**1,374,298**	1,142,101	20.3
Perpetual securities	**251,504**	–	N.M.
Net debt plus perpetual securities to total shareholders' equity (%) *	**27.7%**	20.7%	
EBITDA to finance expenses (number of times)	**8.6**	13.1	

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

Total borrowings increased from S$517.0 million as at 31 March 2022 to S$624.4 million as at 31 March 2023, largely due to additional long-term Australian dollar bank loan. The Group's borrowings are predominantly medium to long term in tenure, with approximately 93% locked in at fixed rates.

Debt Maturity Profile as at 31 March 2023



The Group was in a net debt of S$128.7 million as at 31 March 2023, compared to S$236.6 million as at 31 March 2022. EBITDA to interest expense was 8.6 times, compared to 13.1 times in the previous year.

Total shareholders' equity stood at S$1.4 billion as at 31 March 2023, compared to S$1.1 billion as at 31 March 2022. The increase was mainly due to the issue of perpetual securities in April 2022.

FINANCIAL REVIEW AND OUTLOOK

DIVIDEND

	Cents per share
Interim dividend	0.18
Proposed final dividend *	0.40
Total dividends paid and proposed in relation to FY2022/23	**0.58**

* Subject to shareholders' approval at the AGM.

OUTLOOK

In the near term, the operating environment continues to pose challenges as the global economic outlook remains weak amidst inflationary pressures and tight financial conditions. Weaker consumer spending may continue to negatively impact eCommerce activities, which have normalised to pre-pandemic growth trajectory. Operating costs such as manpower costs have increased across all our markets.

In Australia, the accelerated acquisition of additional interest in FMH, which raised SingPost's shareholdings in FMH from 51% to 88%, was completed on 31 March 2023. The Group is exploring further transformative acquisitions, as well as driving greater synergies among the Australian businesses.

Famous Holdings recorded exceptional profits during the pandemic. With the reduction in sea freight rates, its profit is expected to decline.

The Post & Parcel segment recorded its first-ever loss for FY2022/23, and the Group expects it to continue to be loss making in FY2023/24. SingPost is reviewing the commercial sustainability of the domestic postal business.

With the reopening of China and lower conveyance costs, IPP's cross-border eCommerce business is showing improvement. The Group will continue to expand its presence in key markets and strengthen its cross-border eCommerce logistics capabilities with new cross-border solutions and networks to further tap the global eCommerce logistics market.

In the Property business demand for commercial leasing in the Paya Lebar Central area remains healthy, and we are actively engaging with tenants and prospects to renew expiring leases and sign up new leases.

Board initiates Group strategic review

SingPost is transforming into a global logistics enterprise and is well-positioned in high growth markets, with the scope for further transformational investment. As the next step in transformation, the Board has initiated a strategic review of the Group's portfolio of businesses, with a view to enhancing shareholder returns and ensuring the Group is appropriately valued.

The Group will make further announcements as appropriate on the outcome of the strategic review. Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Corporate governance remains a journey and a continual work in progress in SingPost as we strive to improve our corporate governance. 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 2023 with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (2018 Code). For the financial year ended 31 March 2023, 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 84.

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

CORPORATE GOVERNANCE REPORT

- 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
- 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 and diversity to support the long-term success of the Company. Board Committee appointments require the approval of the Board.

CORPORATE GOVERNANCE REPORT

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.

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 Ms Chu Swee Yeok[1] (chairman), Mr Steven Robert Leonard[1] and Mr Bob Tan Beng Hai.

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

Note:
(1) Ms Chu Swee Yeok was appointed as the chairman of BRTC in place of Mr Steven Robert Leonard with effect from 1 August 2022.

CORPORATE GOVERNANCE REPORT

(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
(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 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 Robert 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 the 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.

CORPORATE GOVERNANCE REPORT

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

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 Robert 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) long-term strategic plan for the Group
(b) mergers, acquisitions and divestments
(c) investments
(d) financial offers, treasury and banking facilities
(e) review of material litigation

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

CORPORATE GOVERNANCE REPORT

(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
(g) review of the New Director Critical Scorecard for the nomination and appointment of new Directors to the Board
(h) review and nomination of Management staff to the boards of significant entities within the Group
(i) review of the process for 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.

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 2023, six Board meetings and a Board Strategy Workshop were held. The Board and Board Committee meetings were conducted in a hybrid manner, via in-person attendance and also via video conference and other audio-visual means.

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 2023, the non-executive Directors met four 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.

CORPORATE GOVERNANCE REPORT

The attendance of each Director at Board and Board Committee meetings during, and the Annual General Meeting (AGM) held in respect of, the financial year ended 31 March 2022 is as follows:

			Board Committees						
Name of Director	**Board**	**Non-Executive Directors**	**AC**	**BRTC**	**BSC**	**CC**	**FIC**	**NCGC**	**AGM**
Number of Meetings held	**6**	**4**	**4**	**4**	**4**	**4**	**5**	**4**	**1**
Directors in service as at 31 March 2023									
Simon Israel	6/6	4/4	–	–	4/4	4/4	5/5	3/4	✓
Phang Heng Wee, Vincent	6/6	–	–	–	–	–	–	–	✓
Chen Jun	6/6	4/4	–	–	–	–	4/5	–	✓
Chu Swee Yeok(1)	6/6	4/4	4/4	4/4	–	–	–	–	✓
Fang Ai Lian	6/6	4/4	4/4	–	–	4/4	–	4/4	✓
Elizabeth Kong Sau Wai	6/6	4/4	–	–	4/4	–	5/5	4/4	✓
Steven Robert Leonard(1)	6/6	4/4	–	4/4	4/4	–	4/5	–	✓
Lim Cheng Cheng	6/6	4/4	–	–	–	–	5/5	–	✓
Bob Tan Beng Hai	6/6	4/4	4/4	4/4	–	4/4	–	–	✓

Note:
(1) Ms Chu Swee Yeok was appointed as the chairman of the BRTC in place of Mr Steven Robert Leonard with effect from 1 August 2022.

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 of the Company Secretary 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.

CORPORATE GOVERNANCE REPORT

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 Ethics, 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 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:

- Why adopt recommendations of Taskforce for Climate-related Financial Disclosures by Ernst & Young Singapore
- The Cambridge-Earth on Board Sustainability Education Online Programme for Directors by University of Cambridge Institute for Sustainability Leadership and Earth on Board
- LED – Environmental, Social and Governance Essentials by Singapore Institute of Directors (SID)
- Steward Leadership on Reinventing the "G" of ESG by Stewardship Asia Centre
- ID Seminar – How can Boards of REIT Managers drive the Sustainability agenda in their respective REITs by REIT Association of Singapore
- Faster Track to Governance by Singapore Exchange Regulation, the Monetary Authority of Singapore and the Corporate Governance Advisory Committee
- Cyber-Attack Preparedness by Ernst & Young Singapore
- Workshop for CEO/Top Management (BizSAFE Level 1) by NTUC LearningHub Pte Ltd
- Firefly Symposium 2022 by Ministry of Trade and Industry Singapore
- Singapore Sustainable Investing & Financing Conference 2022 by BlackRock, International Finance Corporation and Temasek
- Towards Effective Statutory Board Governance - The role of the board by SID
- Chairpersons' Club Roundtable by Deloitte Singapore
- Cybersecurity Briefing by Ensign InfoSecurity Pte. Ltd.

All the Directors attended the mandated sustainability training as prescribed by the SGX during the financial year.

CORPORATE GOVERNANCE REPORT

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 IT, 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 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.

Board Renewal and Tenure

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 2023.

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.

CORPORATE GOVERNANCE REPORT

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 and, together with the rest of the Board, 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 2023, 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. In this regard, 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 challenges 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.

The Company's diversity targets for the Board and its plans and timelines for achieving the targets and progress towards achieving the targets are described below.

In terms of *Gender* diversity, the Board aims to maintain between 30% to 50% female representation on the Board, taking into account the skills, experience and other diversity requirements of the Board. The Board believes that by being deliberate in ensuring a balance of gender representation on the Board, it would benefit from having access to a broader talent pool as well as varied perspectives to facilitate strategic thinking and problem solving. The Board will also exercise best endeavours to appoint at least one female Director to each of its Board Committees to safeguard against gender bias and ensure that there is diversity of views expressed at its Board Committees. In particular, the Board has ensured that at least one female Director is represented on both the NCGC and CC to advance the interest of female employees and support mentoring and development opportunities for female executives, ensuring unbiased career progression and to foster an inclusive culture. Female representation on the Board (four out of nine Directors) is currently one of the highest on the boards of companies publicly listed on the SGX. The Board's gender diversity targets have also been cascaded down to the senior Management executive team, on which the 30% to 50% female representation will also be sought to be maintained.

Besides *Gender* diversity, the Board strives towards achieving diversity more broadly, including diversity in terms of its *Skill Sets* and *Sectoral Experience*, and where possible, *Age* diversity, within the Board to enhance effective stewardship and oversight of the Group. The current Board comprises individuals with an appropriate combination of qualifications and competencies, including experience and/or expertise in eCommerce, logistics, accounting, finance, legal, business and management, strategic planning and investments, digital and IT, and global business experience, being the skill sets identified by the Board as critical to provide effective stewardship and oversight of the Group, as well as individuals who collectively possess experience encompassing the majority of the sectoral areas identified as being relevant to the Group. Currently, the ages of the Board members range from 41 to 73 years.

The Board has maintained its targets for gender, skill sets, sectoral experience and age diversity for the year ended 31 March 2023.

CORPORATE GOVERNANCE REPORT

The Board, taking into account the views of the NCGC, considers that the current diversity of the Board contributes to the quality of its decision-making process and adequately serves the needs and plans of the Group. Further details on the Directors can be found on pages 17 to 19 of this Annual Report.

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.

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.

CORPORATE GOVERNANCE REPORT

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.

To facilitate shareholders' and investors' understanding of its nomination process, the Company will also disclose the channels used in the search and nomination process for identifying appropriate candidates and the channel via which the eventual appointee was found, and the criteria used to identify and evaluate the candidates.

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 succession plans 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 the 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 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 2023, 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 2023.

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.

CORPORATE GOVERNANCE REPORT

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.

At the forthcoming AGM, the NCGC has nominated and recommended Mr Chen Jun, Mr Steven Robert Leonard and Mr Bob Tan Beng Hai to retire pursuant to the 1/3 rotation rule. Mr Bob Tan Beng Hai, being eligible for re-election, has offered himself for re-election. Mr Chen Jun and Mr Steven Robert Leonard will not be seeking re-election and will be retiring at the close of the forthcoming AGM to facilitate Board renewal. The Board has endorsed the recommendations of the NCGC.

Name of Director	Retiring and standing for re-election pursuant to:
Mr Bob Tan Beng Hai (last re-elected on 15 July 2021)	1/3 rotation rule (Article 98(b))

The profile of the Director seeking re-election is set out on page 19 of this Annual Report. In addition, the Notice of AGM sets out information on the Director seeking re-election at the AGM. Detailed information on the Director (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 Director Seeking Re-Election" section on pages 240 to 243 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 2023. 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 2023, 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 non-executive 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. The framework for determining non-executive Directors' fees for the financial year ended 31 March 2023 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
Attendance fee for Board/Board Committee meeting (per meeting)	1,200
Attendance fee for Board Strategy Workshop	3,000

CORPORATE GOVERNANCE REPORT

The aggregate fees payable to non-executive Directors for the financial year ended 31 March 2023 is S$1,240,410. Details are set out in the table below:

Name of Directors	Directors' Fees (S$'000)[1]
Simon Israel	283.2
Chen Jun	103.8
Chu Swee Yeok	135.3
Fang Ai Lian	163.4
Elizabeth Kong Sau Wai	144.6
Steven Robert Leonard	151.7
Lim Cheng Cheng	105.0[2]
Bob Tan Beng Hai	153.4
Total	1,240.4

Notes:
(1) No base or fixed salary, variable or performance-related income or bonuses, benefits in kind, stock options, share-based incentives and awards or other long-term incentives were paid to the non-executive Directors.
(2) 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 2023.

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. 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 2023, 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 2023:

						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*	850.0	560.2	17.3	46.3	1,473.8	1,559.3	796.6

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 2023:

Name of Executive *(In alphabetical order within each band)*	Fixed Component[(1)] %	Variable Component[(2)] %	Provident Fund[(3)] %	Benefits[(4)] %	Total Compensation[(5)] %	SingPost Restricted Share Plan[(6)] No. Awarded & Accepted ('000)	SingPost Restricted Share Plan[(6)] Value (S$'000)	FMH Group LTI Plan[(7)] Value (S$'000)
S$1,000,000 to below S$1,250,000								
Simon Slagter[(8)] *Group CEO, Freight Management Holdings Group*	50.3	44.7	2.2	2.8	100.0	–	–	544.6
S$500,000 to below S$750,000								
Neo Su Yin *CEO, Singapore*	67.9	22.9	3.3	5.9	100.0	233.4	136.8	–
Yik Yen Shan, Vincent *Group CFO*	77.7	10.9	3.1	8.3	100.0	262.3	134.0	–
S$250,000 to below S$500,000								
Li Yu[(9)] *CEO, International*	92.3	0.0	1.7	6.0	100.0	–	–	–
Noel Harriyono Singgih[(10)] *Group Chief Information Officer*	89.6	0.0	3.0	7.4	100.0	161.9	104.5	–

Aggregate compensation paid to the top five key Management positions as at 31 March 2023 (which includes fixed and variable pay, benefits, provident fund contribution and fair value of long-term incentive grants) is approximately S$3.72 million.

Notes:
(1) Fixed Component refers to base salary, fixed allowances and annual wage supplement, if applicable, for the financial year ended 31 March 2023.
(2) Variable Component refers to performance bonus paid in the financial year ended 31 March 2023.
(3) Provident Fund represents payment in respect of the Company's statutory contributions to the Singapore Central Provident Fund or, as the case may be, Freight Management Holdings Pty Ltd's superannuation contributions in Australia.
(4) Benefits are stated on the basis of direct costs to the Group. These include medical benefits, flexible benefits, other benefits in kind, car allowance, and long service awards, where applicable.
(5) Total Compensation excludes the value of restricted shares under SingPost Restricted Share Plan and the value of Rights under FMH Group LTI Plan.
(6) The SingPost Restricted Share Plan comprises two types of awards granted in the financial year ended 31 March 2023, 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) The long-term incentives granted under the FMH Group LTI Plan are awarded in the form of Rights, subject to performance conditions. The value reflected is based on share option expensing for the financial year ended 31 March 2023.
(8) Mr Simon Slagter is the Group CEO of Freight Management Holdings Group. The amount disclosed above is in respect of his remuneration for the full financial year ended 31 March 2023, which is paid by Freight Management Holdings Pty Ltd.
(9) Mr Li Yu was appointed as CEO, International on 12 September 2022. The amount disclosed above is in respect of his remuneration from 12 September 2022 to 31 March 2023. Mr Ryan Tang ceased to be CEO, International and left the Company on 13 May 2022. He received a total amount of less than S$250,000 in respect of his remuneration (which includes fixed and variable pay, benefits and provident fund contribution) from 1 April 2022 to 13 May 2022.
(10) Mr Noel Harriyono Singgih was appointed as the Group Chief Information Officer on 18 July 2022. The amount disclosed above is in respect of his remuneration from 18 July 2022 to 31 March 2023.

CORPORATE GOVERNANCE REPORT

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.

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, Group CFO, CEO Singapore, CEO International, Group Chief Information Officer, as well as key Management Committee members, 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 fortnightly basis to discuss strategic, business, and operational matters. During these meetings, key projects and operational risks 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, aligned to the Group's strategic and business objectives, and appropriately managed.

On a quarterly basis, the respective risk owners will review the adequacy and effectiveness of the mitigating controls for all risks within their respective divisions and the division-specific controls to mitigate such risks. Risk custodians, who are typically members of the Management Committee, provide oversight and guidance for enterprise-wide risk mitigation strategies and plans, and will coordinate efforts to manage the risks on a group-wide basis.

It is the Board that sets the risk appetite of the Company and has oversight over the Group's top tier risks and corresponding Risk Heat Map, which are refreshed on an annual basis and presented to the Board, together with updates on Group ERM initiatives, on a half-yearly basis.

During the financial year ended 31 March 2023, 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 (Key Risk Indicators and incident reports circulated to BRTC) are performed on a quarterly basis. Critical technology matters such as IT (Cyber) security and risks associated with data strategy management are also discussed at length between the BRTC and Management, including the Group Chief Information Officer.

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

CORPORATE GOVERNANCE REPORT

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 2023, 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

The Company's approach to risk management is set out in the Enterprise Risk Management section of this Annual Report on pages 85 to 93.

The Board has received written assurance from the Group CEO and the Group CFO that, as at 31 March 2023, 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 2023 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 2023 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 2023, 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.

CORPORATE GOVERNANCE REPORT

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.

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 2023, 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 financial 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 2023. 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.

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 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 2023, 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.

CORPORATE GOVERNANCE REPORT

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, 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 2023. Refer to page 106 of the Annual Report.
Acquisition of additional interest in Freight Management Holdings Pty Ltd	The Audit Committee considered the approach and methodology applied by management in estimating the fair value of the remaining 12% gross liability due to non-controlling shareholders, as well as the independence and competence of the valuer appointed to perform the valuations. The Audit Committee reviewed management's basis for estimating the contingent consideration arising from the acquisition of the additional 37% shareholding in Freight Management Holdings Pty Ltd. The acquisition of additional 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 2023. Refer to page 107 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 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 2023. Refer to page 108 of the Annual Report.

Review of Interested Person Transactions

SingPost has established policies and procedures to comply with the reporting requirements under Chapter 9 of the Listing Manual relating to interested person transactions (IPTs). All interested person transactions, if any, are reported to and monitored by the Group's Finance department. The IAD regularly reviews the IPTs entered by the Group to verify the accuracy and completeness of the relevant IPT disclosures. During the financial year under review, the AC, assisted by the IAD, reviewed the IPTs and is satisfied that the IPTs were made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

CORPORATE GOVERNANCE 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.

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 at https://www.singpost.com/about-us/corporate-information/corporate-governance.

Internal Audit

The 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.

CORPORATE GOVERNANCE REPORT

The Group's annual 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 IT controls, and risk management systems. The audit work is prioritised and scoped based on the assessment of current and emerging risks, including financial, operational, technology, cyber, compliance, sustainability and strategic risks. With regard to sustainability risks, the scope of the annual internal audit plan has been expanded to incorporate the internal review of the Company's sustainability reporting process. This plan, which includes the internal review on the materiality assessment segment of the FY2022/2023 Sustainability Report, was 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 FY2022/2023 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.

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 upholds a practice of transparent and timely disclosure of its performance, position and outlook. 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

The Company's AGM in respect of the financial year ended 31 March 2022 (2022 AGM) was held in a hybrid format 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). Shareholders, duly appointed proxy(ies) and CPF and SRS investors who were unable to attend the 2022 AGM in person, were nevertheless able to participate in the 2022 AGM using electronic means, including submission of questions to the Chairman of the Meeting "live" and voting at the 2022 AGM "live" via the online platform for the AGM. The Order will cease on 1 July 2023.

The Company notes the recent legislative amendments to the Companies Act 1967 which will take effect on 1 July 2023 and which will enable companies to hold general meetings using virtual meeting technology, as well as the relevant SGX guidance on the same. Having regard to the size and needs of the Company's shareholder base and to facilitate shareholder engagement, the Company's AGM in respect of the financial year ended 31 March 2023 (2023 AGM) will again be held in a hybrid format, following the legislative amendments.

CORPORATE GOVERNANCE REPORT

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, the Company's corporate website 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.

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.

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. In addition, shareholders will be given the opportunity to submit written questions prior to general meetings, and all substantial and relevant comments and queries will be responded to within a reasonable timeframe, either prior to the general meeting through publication on SGXNet and the Company's corporate website or at the general meeting itself.

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 released via SGXNet and 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 relating to the agenda of the general meeting, 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.

CORPORATE GOVERNANCE REPORT

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 0.40 cents per ordinary share for the financial year ended 31 March 2023. This is subject to shareholders' approval at the 2023 AGM. Including the interim dividend of 0.18 cents per ordinary share, total dividends for the financial year would be 0.58 cents. This represents approximately 40% of underlying net profit.

The Company has paid outside its dividend policy range over the past three years due to the ongoing challenges in the operating environment and to conserve cash for its investment in growth initiatives. In May 2023, as a next step of the transformation, the Board announced that it has initiated a strategic review of the Group's portfolio of businesses, with a view to enhancing shareholder returns and ensuring the Group is appropriately valued.

Communication with Shareholders

The Company regularly engages its shareholders and current and prospective investors, and endeavors to ensure effective and fair 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 engage with and promote regular, effective and fair communication with the investment community.

In recognition of the Company's corporate governance and sustainability efforts during the year, the Company has maintained its ranking at 7th place in The Singapore Governance and Transparency Index 2022 and was also ranked 9th place in the biennial ASEAN Corporate Governance Scorecard 2021 published in December 2022. The Company also won the Corporate Governance Award in Diversity at the SIAS Investors' Choice Awards 2022. In addition, the Company achieved a AAA MSCI ESG rating.

The Company makes timely disclosures of 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 addition to the mandatory half-year and full-year financial statements, the Company also voluntarily provides quarterly business updates.

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 and EGM-related materials, including minutes of the AGM/EGM and the voting results.

At each AGM or EGM, the Board and Management engage directly with shareholders to understand their views and gather feedback, as well as address any issues and concerns.

Management proactively engages the investment community on the Company's business strategy, operational and financial performance, sustainability initiatives and material corporate developments, as well as to solicit and understand the views and concerns of investors. These take the form of one-on-one and group meetings and calls, site visits as well as participation in investor conferences and non-deal roadshows.

CORPORATE GOVERNANCE REPORT

In FY2022/2023, Management engaged with about 180 local and overseas institutional investors through face-to-face meetings and virtual calls. The Company also participated in four virtual investor conferences, namely the UBS OneASEAN Conference, CGS CIMB Conference, UOB KayHian Shariah Gems Conference 2022 and UBS OneASEAN Internet Logistics Day. SingPost holds annual meetings for retail investors with the Securities Investors Association Singapore (SIAS) to provide an opportunity for engagement with Management. Retail shareholders were invited to the annual SingPost-SIAS dialogue session in July 2022 where they were updated on SingPost's performance and engaged in a dialogue with Management.

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

Shareholders and potential investors may 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 may sign up for an email alert service to be updated with the Company's announcements.

The Lead Independent Director is available to shareholders and may 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.

The Company regularly reviews the framework it has put in place (as described above) 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. The Company has also established dedicated functions and arrangements, including participation between business and support units to manage its relationships with such groups. Dedicated functions include but not limited to Sustainability, Investor Relations, Treasury, Communications and Human Resources. For each stakeholder group, we consider the basis of engagement, key areas of their interest, methods and frequency of engagement. Recognising a fast-evolving development on ESG focus globally and to build resilience having regard to the Group's operating environment, a formal stakeholder engagement exercise involving both internal and external stakeholders was carried out in FY2021/2022 to identify ESG topics that matter to them and the Group. The results from the materiality assessments and ongoing engagements continue to influence sustainability efforts in the Company and remains relevant. 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 FY2022/2023 Sustainability Report (including the maintenance of a current corporate website). It is to be noted that SingPost publishes an online Sustainability Report annually within four months of its financial year end.

CORPORATE GOVERNANCE REPORT

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 2023 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.

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.

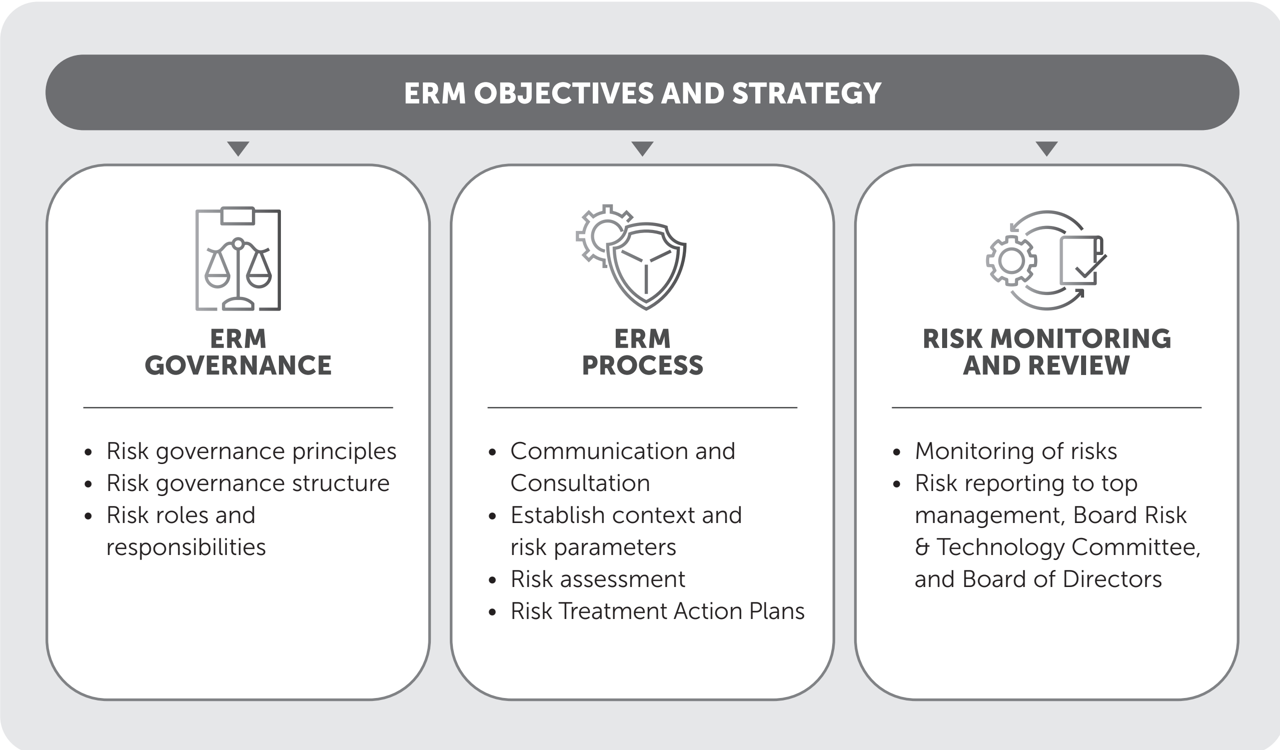
Provision	Page reference in SingPost Annual Report 2022/23
BOARD MATTERS	
The Board's Conduct of Affairs	
Principle 1	
1.1	Pages 55, 56, 60 and 78
1.2	Pages 62 to 66
1.3	Pages 55 and 56
1.4	Pages 56 to 60
1.5	Pages 60, 61 and 67
1.6	Pages 60 and 61
1.7	Page 61
Board Composition and Guidance	
Principle 2	
2.1	Pages 63 and 64
2.2	Pages 63 and 64
2.3	Pages 63 and 64
2.4	Pages 63 to 65
2.5	Pages 60 and 66
Chairman and Chief Executive Officer	
Principle 3	
3.1	Page 65
3.2	Page 65
3.3	Pages 66 and 82
Board Membership	
Principle 4	
4.1	Pages 59 to 60, 62, 66 to 68 and 240 to 243
4.2	Pages 59 and 66
4.3	Pages 66 to 68
4.4	Pages 59 and 63
4.5	Pages 17 to 19, 62 and 67
Board Performance	
Principle 5	
5.1	Page 68
5.2	Page 68
REMUNERATION MATTERS	
Procedures for Developing Remuneration Policies	
Principle 6	
6.1	Pages 58, 59, 69 to 72
6.2	Page 58
6.3	Page 59
6.4	Page 69

Provision	Page reference in SingPost Annual Report 2022/23
Level and Mix of Remuneration	
Principle 7	
7.1	Pages 69, 71 and 72
7.2	Page 70
7.3	Pages 69 to 72
Disclosure on Remuneration	
Principle 8	
8.1	Pages 70 to 73
8.2	Page 71
8.3	Pages 70 to 73 and 98 to 103
ACCOUNTABILITY AND AUDIT	
Risk Management and Internal Controls	
Principle 9	
9.1	Pages 57, 58, 74 to 75 and 85 to 93
9.2	Page 75
Audit Committee	
Principle 10	
10.1	Pages 57, 76, 78 and 79
10.2	Pages 57 and 76
10.3	Page 76
10.4	Pages 78 and 79
10.5	Page 76
SHAREHOLDER RIGHTS AND ENGAGEMENT	
Shareholder Rights and Conduct of General Meetings	
Principle 11	
11.1	Pages 79 and 80
11.2	Page 80
11.3	Pages 61 and 80
11.4	Page 80
11.5	Page 80
11.6	Page 81
Engagement with Shareholders	
Principle 12	
12.1	Pages 81 and 82
12.2	Pages 81 and 82
12.3	Page 82
MANAGING STAKEHOLDERS RELATIONSHIPS	
Engagement with Stakeholders	
Principle 13	
13.1	Page 82
13.2	Page 82
13.3	Page 82

ENTERPRISE RISK MANAGEMENT

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.



ERM FRAMEWORK

RISK GOVERNANCE

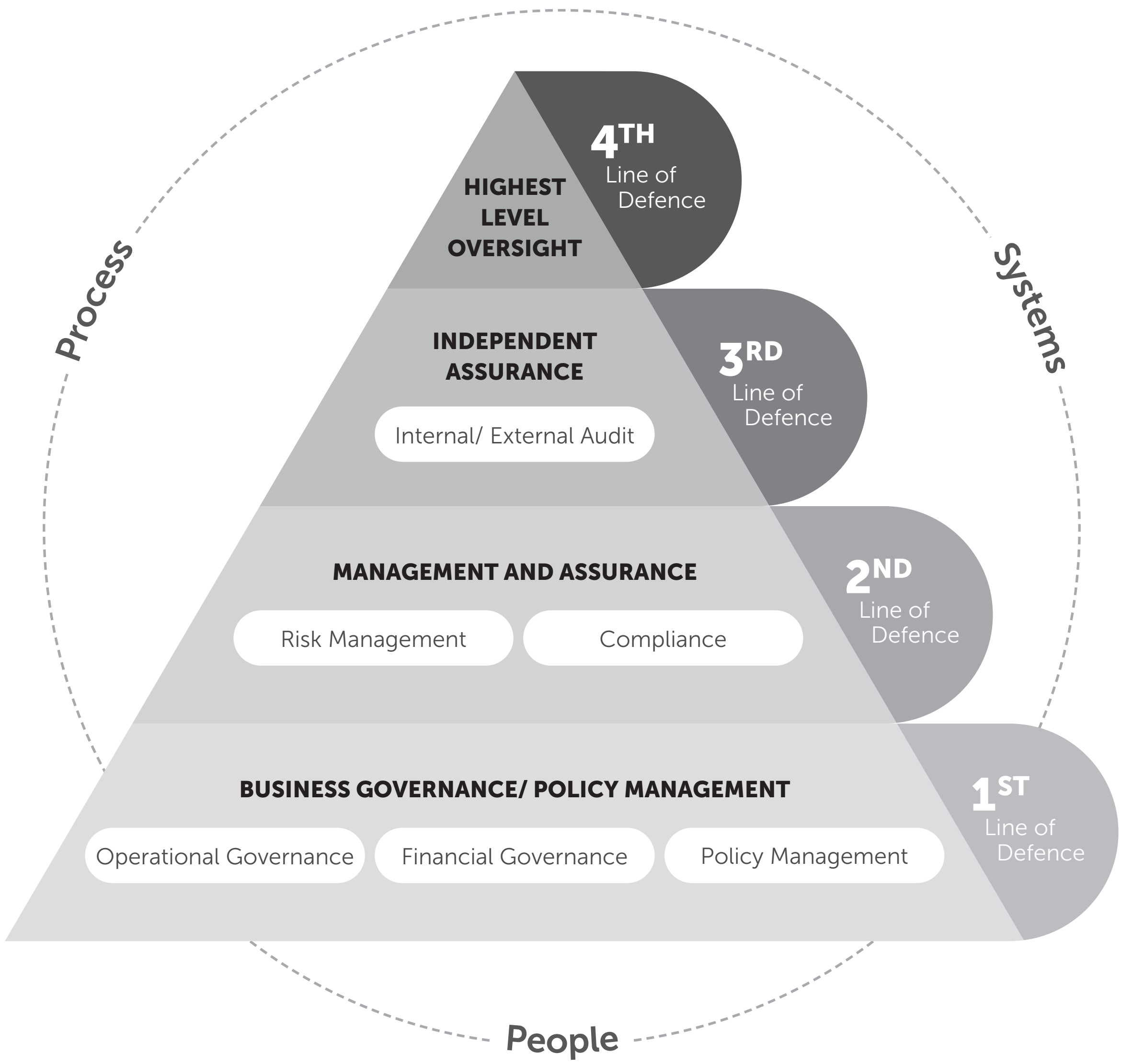
The Group's ERM programme and internal controls are reviewed on a regular basis and, where appropriate, refined by Key Management with guidance from the Board Risk and Technology Committee (BRTC) and the Board of Directors (Board).

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.

ENTERPRISE RISK MANAGEMENT

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.

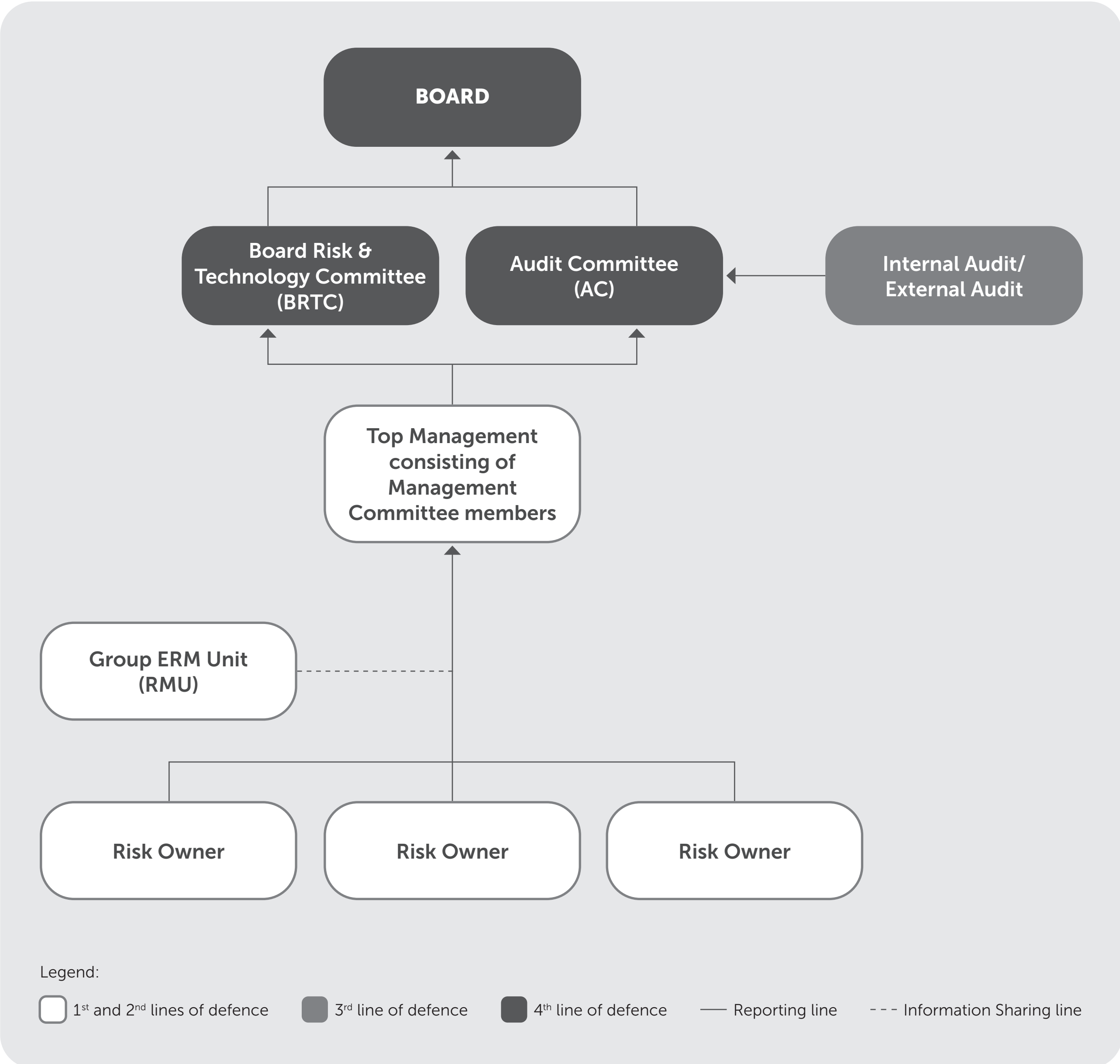


4 LINES OF DEFENCE

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.

ENTERPRISE RISK MANAGEMENT

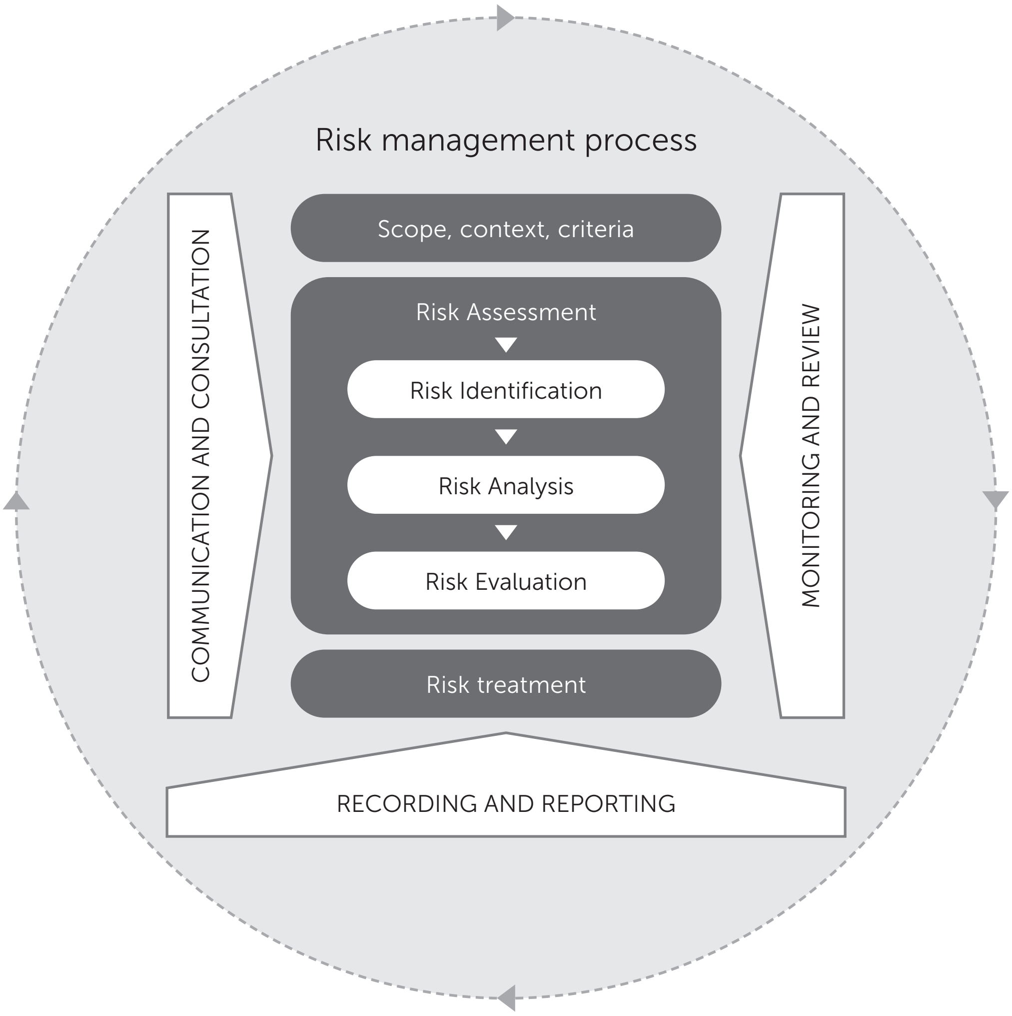


ERM PROCESS

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

ENTERPRISE RISK MANAGEMENT



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 2023:

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.

ENTERPRISE RISK MANAGEMENT

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. • Developing and growing 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.
Market Risk (The Group recognises that the logistics industry is an open and competitive one, with rising costs and increasing expectations for higher service standards. Failure to plan for the constantly evolving competitive landscape and grow required capabilities and networks would limit the Group's growth potential.)	• Developing multiple growth markets to diversify both sources and types of revenue. • Using data to analyse market outlook and formulate the enterprise strategy. • Establishing cost-efficient cross border hubs. • Enhancing our processing and network capacity to meet new demands.

ENTERPRISE RISK MANAGEMENT

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.)	**Liquidity Management** • 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. **Interest Rate** • 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. **Foreign Currency** • 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. • Having a Trade Credit Insurance policy in place to insure for high valued customers.

ENTERPRISE RISK MANAGEMENT

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. • Collecting and reviewing 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.
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.
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.

ENTERPRISE RISK MANAGEMENT

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.
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.

ENTERPRISE RISK MANAGEMENT

Risk Name	The Group manages by
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. • Conducting internal communications campaigns to train, educate and reinforce best behaviour. • Sending 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.

PROFILES OF KEY EXECUTIVES

MR NOEL SINGGIH
Group Chief Information Officer

Mr Noel Singgih joined SingPost Group as Group Chief Information Officer in July 2022. Prior to that, Noel was CIO for Asia Pacific with DHL Supply Chain. Noel held several leadership roles in DHL Supply Chain in his decade-long tenure, holding positions at both Regional and Global level. He started with DHL Supply Chain in 2011 as the Infrastructure and Service Management lead for the APAC region, before taking up both CIO and COO roles for the Greater China region before moving back to Singapore to take up the Global CIO role for Service Logistics, eCommerce and Warehousing businesses. Noel is a strong advocate on how technology should be leveraged in the business, to improve the efficiency and making every delivery count for the people and the planet. This includes the area of Data Analytics, AI, ML, IoT, Robotics, and many others. Noel has lived and worked in Jakarta, Sydney, London, Geneva, Shanghai, Tokyo, Hong Kong, and Singapore.

MR LI YU
Chief Executive Officer, International

Mr Li Yu was appointed as Chief Executive Officer (CEO), International on 12 September 2022.

Mr Yu has over 17 years of experience spanning across Engineering, Operations, Project Management, Customer/Sales support, Strategy, and Technology implementation. He joins SingPost's management team from United Parcel Service (UPS), where he was most recently responsible for its APAC Global Logistics and Distribution. He oversaw all aspects of logistics and distribution operations, as well as led a cross-functional team managing customer engagement, technology, innovation, engineering, marketing, and strategy.

Mr Yu also has experience in transformational P&L and commercial leadership under his belt. He had led an eCommerce portfolio as part of the broader logistics line of business, and grew businesses including those in the eCommerce, healthcare, manufacturing, and retail sectors in his previous roles.

He holds a Bachelor of Applied Science, Industrial Engineering from University of Toronto in Canada. He has lived and worked in North America, Shanghai, and Singapore.

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.

PROFILES OF KEY EXECUTIVES

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.

MR SIMON SLAGTER
Group Chief Executive Officer, FMH Group

Mr Simon Slagter was appointed as Group Chief Executive Officer (GCEO) of Freight Management Holdings (FMH) Group on 1 October 2017. With over 9 years of in-depth knowledge of the logistics industry, he has successfully led the organisation in achieving significant top line growth as well as bottom line profitability through the implementation of commercial programs of work through which the business has scaled. He is committed to ensure that the FMH Group is successful in achieving its aspiration of true supply chain efficiency for its customers. Prior to his GCEO role, he has been with the FMH Group for more than seven years, leading in various executive positions including the Chief Financial Officer as well as Chief Operating Officer roles. His earlier career was with Deloitte Australia and is a Chartered Accountant by profession with over 22 years of experience across a wide range of industries.

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

For the financial year ended 31 March 2023

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 2023.

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 111 to 237 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 2023, 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)
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 99 to 103 of this statement.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2023

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.

(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 99 to 103 of this statement.

	Number of unvested restricted shares held by director	
	At 31.3.2023	At 1.4.2022
Unvested performance share awards		
Phang Heng Wee, Vincent	**1,734,359**	669,264
Unvested restricted shares awards		
Phang Heng Wee, Vincent	**866,102**	371,763

(c) The directors' interests in the shares of the Company as at 21 April 2023 were the same as those as at 31 March 2023.

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 2023.

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).

DIRECTORS' STATEMENT

For the financial year ended 31 March 2023

SHARE OPTIONS (continued)

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

- 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

DIRECTORS' STATEMENT

For the financial year ended 31 March 2023

SHARE OPTIONS (continued)

- 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 2022, 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 2023, 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 1.4.22 ('000)**	**Granted during financial year ('000)**	**Options exercised ('000)**	**Options forfeited ('000)**	**Balance At 31.3.23 ('000)**
Options Granted Under Singapore Post Share Options Scheme For employees (including executive directors)							
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	689	–	–	689	–
17.01.14	18.01.17 to 17.01.24	S$1.350	1,223	–	–	848	375
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	609	–	–	301	308
07.08.14	08.08.15 to 07.08.24	S$1.760	62	–	–	30	32
19.05.15	20.05.16 to 19.05.25	S$1.890	1,875	–	–	678	1,197
20.05.16	21.05.17 to 20.05.26	S$1.570	1,492	–	–	526	966
Total Share Options			6,807	–	–	3,554	3,253

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

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

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

DIRECTORS' STATEMENT

For the financial year ended 31 March 2023

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 ("AGM") held on 20 July 2017.

At the Company's AGM held on 21 July 2022, the shareholders approved the following:

(i) extension of the Plan for another 10 years up to 27 June 2033; and

(ii) alteration to the rules of the Plan to take into account amendments to the Listing Manual, as well as to streamline and rationalise certain provisions.

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 beReleased 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 2022, a total of 5,839,118 restricted shares were granted.

During the financial year ended 31 March 2023, no restricted shares were granted under the Plan. There are no outstanding unvested restricted shares as at the start of the financial year.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2023

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 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 2022, a total of 6,020,288 shares have been granted.

During the financial year ended 31 March 2023, 1,244,281 shares were granted. Details of the grants are as follows:

Date of Grant	Balance As At 1.4.22 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.23 ('000)
31.05.19	591	–	–	–	591
01.06.20	455	–	–	–	455
20.01.22	269	–	–	–	269
03.06.22	–	1,244	–	–	1,244
Total	**1,315**	**1,244**	**–**	**–**	**2,559**

Restricted Share Awards

Since the adoption of the Enhanced Plan to 31 March 2022, a total of 11,044,023 restricted shares have been granted.

During the financial year ended 31 March 2023, 3,897,113 shares were granted. Details of the grants are as follows:

Date of Grant	Balance As At 1.4.22 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.23 ('000)
31.05.19	1,143	–	–	262	881
01.06.20	1,944	–	–	590	1,354
20.01.22	1,140	–	–	372	768
03.06.22	–	3,897	–	1,330	2,567
Total	**4,227**	**3,897**	**–**	**2,554**	**5,570**

DIRECTORS' STATEMENT

For the financial year ended 31 March 2023

FREIGHT MANAGEMENT HOLDINGS PTY LIMITED ("FMH") LONG TERM INCENTIVE PLAN

The FMH Group Long Term Incentive Plan (the "FMH LTIP") was implemented by FMH, a subsidiary of the Group, on 10 November 2022 with the approval of shareholders on the same day.

The FMH LTIP provides an incentive to retain employees and recognise their effort and contribution in the long-term performance and success of FMH and its subsidiaries, as well as provides opportunity for the employees to acquire rights to receive fully paid ordinary shares in the capital of FMH in accordance with the rules of FMH LTIP.

The FMH LTIP has two performance measures: Earnings before Interest, Taxes, Depreciation and Amortisation ("EBITDA") and Return on Equity. The performance period is to 30 June 2024.

During the financial year ended 31 March 2023, 529 share rights were granted. Details of the grants are as follows:

Date of Grant	Balance As At 1.4.22	Rights Awards Granted	Rights Awards Vested	Rights Awards Cancelled	Balance As At 31.3.23
10.11.22	–	529	–	–	529
Total	**–**	**529**	**–**	**–**	**529**

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 2023 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.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2023

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

5 June 2023

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 2023, 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 111 to 237.

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 2023, 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 2023. 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 2023, the goodwill and other intangible assets amounted to S$415.7 million and S$85.3 million respectively. 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. Management has considered the performance of the different CGUs during the current financial year and the economic environment which these CGUs operate in 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 2023.	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 additional interest in Freight Management Holdings Pty Ltd *Refer to Notes 3(b), 9 and 27 to the financial statements.* As at 1 April 2022, the Group held 51% shareholding in Freight Management Holdings Pty Ltd ("FMH"). On 31 March 2023, the Group completed its acquisition of an additional 37% equity in FMH. The aggregate consideration for this acquisition approximate S$174.8 million, subject to adjustments as agreed in the share sale and purchase agreement. Such consideration includes a contingent consideration which is dependent, amongst others, the Earnings before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of FMH for the period from 1 July 2022 to 30 June 2023 and involves management estimate and judgement. During the financial year, the Group further revised the terms of its contractual arrangement with FMH non-controlling shareholders in respect of the put options previously granted to the non-controlling shareholders and included terms for a new grant of call options to the Group. Significant management judgment is also required in estimating the fair value of the remaining 12% gross liability of put options due to non-controlling shareholders at 31 March 2023, and the underlying assumptions to be applied in determining this gross liability based on the previous and new terms. Management has engaged an external valuation specialist to determine the fair value of the gross liability of put options (of the remaining 12% interests) at 31 March 2023.	We obtained and reviewed the relevant share sale and purchase agreement and identified critical terms with accounting impact. We verified the payments made during the year relating to the acquisition of the 37% shareholding. In respect of the external valuation specialist engaged by the Group, we evaluated their 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. We engaged our valuation specialists in assessing the methodology, reasonableness of the valuation model and the appropriateness of the key assumptions applied in valuing the fair value of the gross liability (of the remaining 12% interests). We checked the resultant impact of the above to the consolidated income statement for the year ended 31 March 2023. Based on the procedures performed, we found management's basis of estimating (i) contingent consideration relating to the acquisition of additional 37% shareholding and (ii) measurement of the gross liability 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.

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 2023, the Group's investment properties amounted to S$965.8 million, representing 34.0% 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$18.6 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 as well as expected transacted price of the property (if available).	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 and assumptions applied 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. Yang Chi Chih.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants

Singapore

5 June 2023

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2023

	Note	Group 2023 S$'000	Group 2022 S$'000
Revenue	4	**1,872,259**	1,665,579
Labour and related expenses	5	**(350,743)**	(309,916)
Volume-related expenses	6	**(1,214,042)**	(1,051,023)
Administrative and other expenses	7	**(126,227)**	(115,267)
Depreciation and amortisation	8	**(82,570)**	(74,424)
Selling-related expenses		**(9,731)**	(7,363)
Reversal of impairment loss / (Impairment loss) on trade and other receivables		**131**	(2,211)
Operating expenses		**(1,783,182)**	(1,560,204)
Other income		**4,089**	6,699
Operating profit		**93,166**	112,074
Share of profit of associated companies and joint ventures	21	**23**	4,847
Exceptional items	9	**(7,705)**	1,858
Earnings before interest and tax		**85,484**	118,779
Interest income and investment income (net)	10	**2,148**	3,366
Finance expenses	11	**(19,623)**	(14,779)
Profit before income tax		**68,009**	107,366
Income tax expense	12	**(29,249)**	(19,623)
Profit after tax		**38,760**	87,743
Profit attributable to:			
Equity holders of the Company		**24,679**	83,112
Non-controlling interests		**14,081**	4,631
		38,760	87,743
Basic and diluted earnings per share attributable to ordinary shareholders of the Company			
– Excluding distribution to perpetual securities holders	13	**0.62 cents**	3.09 cents
– Including distribution to perpetual securities holders	13	**1.10 cents**	3.69 cents

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2023

	Group	
	2023	2022
	S$'000	S$'000
Profit after tax	**38,760**	87,743
Other comprehensive (loss) / income (net of tax):		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences:		
– Loss on translation of foreign operations	**(12,350)**	(2,131)
– Disposal / liquidation of foreign subsidiaries	**(34)**	(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	**(48,532)**	(10,992)
– Gain on fair value hedge of an equity instrument designated at FVTOCI	**56,879**	–
Revaluation gain on property, plant and equipment upon transfer to investment properties	**298**	6,412
Other comprehensive loss for the year (net of tax)	**(3,739)**	(7,020)
Total comprehensive income for the year	**35,021**	80,723
Total comprehensive income attributable to:		
Equity holders of the Company	**19,996**	76,845
Non-controlling interests	**15,025**	3,878
	35,021	80,723

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

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2023

	Note	Group		Company	
		2023	2022	**2023**	2022
		S$'000	S$'000	**S$'000**	S$'000
ASSETS					
Current assets					
Cash and cash equivalents	14	**495,696**	280,438	**375,071**	200,598
Financial assets	15	**–**	8,006	**–**	8,006
Trade and other receivables	16	**229,831**	234,060	**117,132**	101,776
Derivative financial instruments	17	**372**	391	**372**	391
Inventories		**513**	523	**5**	16
Other current assets	18	**25,394**	35,335	**7,851**	8,909
		751,806	558,753	**500,431**	319,696
Assets classified as held for sale	19	**11,700**	5,499	**11,700**	–
		763,506	564,252	**512,131**	319,696
Non-current assets					
Financial assets	15	**42,076**	90,631	**–**	–
Derivative financial instruments	17	**56,879**	–	**–**	–
Trade and other receivables	20	**4,945**	4,945	**218,238**	212,920
Investments in associated companies and joint ventures	21	**31,949**	34,072	**21,891**	21,891
Investments in subsidiaries	22	**–**	–	**361,313**	361,313
Investment properties	23	**965,771**	956,610	**953,033**	945,274
Property, plant and equipment	24	**386,928**	412,454	**229,741**	245,818
Right-of-use assets	25	**71,565**	71,266	**38,259**	19,647
Intangible assets	26	**500,958**	529,441	**–**	–
Deferred income tax assets	30	**7,361**	8,657	**–**	–
Other non-current assets	18	**5,832**	7,076	**–**	–
		2,074,264	2,115,152	**1,822,475**	1,806,863
Total assets		**2,837,770**	2,679,404	**2,334,606**	2,126,559
LIABILITIES					
Current liabilities					
Trade and other payables	27	**632,539**	667,500	**416,086**	392,352
Current income tax liabilities		**22,359**	24,542	**9,149**	13,161
Contract liabilities	29	**30,037**	29,397	**26,541**	23,597
Lease liabilities	28	**32,152**	29,833	**12,257**	8,288
Derivative financial instruments	17	**1,413**	552	**1,132**	552
Borrowings	28	**1,370**	77,527	**–**	50,000
		719,870	829,351	**465,165**	487,950
Liabilities directly associated with assets classified as held for sale	19	**–**	2,082	**–**	–
		719,870	831,433	**465,165**	487,950
Non-current liabilities					
Trade and other payables	27	**21,616**	148,567	**604,565**	354,948
Borrowings	28	**623,020**	439,481	**–**	–
Contract liabilities	29	**7,177**	15,394	**7,177**	15,394
Lease liabilities	28	**47,575**	53,612	**26,859**	12,115
Deferred income tax liabilities	30	**44,214**	48,816	**22,521**	22,478
		743,602	705,870	**661,122**	404,935
Total liabilities		**1,463,472**	1,537,303	**1,126,287**	892,885
NET ASSETS		**1,374,298**	1,142,101	**1,208,319**	1,233,674
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	**(29,516)**	(29,724)	**(29,516)**	(29,724)
Other reserves	32	**(77,620)**	81,841	**35,390**	37,308
Retained earnings		**598,558**	616,527	**563,683**	587,328
Ordinary equity		**1,130,184**	1,307,406	**1,208,319**	1,233,674
Perpetual securities	33	**251,504**	–	**–**	–
		1,381,688	1,307,406	**1,208,319**	1,233,674
Non-controlling interests	22	**(7,390)**	(165,305)	**–**	–
Total equity		**1,374,298**	1,142,101	**1,208,319**	1,233,674

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2023

	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
Group										
Balance at 1 April 2022		638,762	(29,724)	616,527	81,841	1,307,406	–	1,307,406	(165,305)	1,142,101
Total comprehensive income for the year		–	–	24,679	(4,683)	19,996	–	19,996	15,025	35,021
Transactions with owners, recognised directly in equity										
Acquisition of non-controlling interest	(a)	–	–	–	(152,860) [(ii)]	(152,860)	–	(152,860)	152,873	13
Issuance of perpetual securities	33	–	–	–	–	–	248,972	248,972	–	248,972
Distribution of perpetual securities	33	–	–	(10,726)	–	(10,726)	10,726	–	–	–
Distribution paid on perpetual securities	33	–	–	–	–	–	(8,194)	(8,194)	–	(8,194)
Dividends paid to shareholders	34	–	–	(33,296)	–	(33,296)	–	(33,296)	–	(33,296)
Dividends paid to non-controlling interests in a subsidiary		–	–	–	–	–	–	–	(9,983)	(9,983)
Issuance of shares to employee	32(b)(iv)	–	208	–	(104)	104	–	104	–	104
Employee share option scheme:										
– Value of employee services	32(b)(i)	–	–	1,374	(1,814)	(440)	–	(440)	–	(440)
Total		–	208	(42,648)	(154,778)	(197,218)	251,504	54,286	142,890	197,176
Balance at 31 March 2023		638,762	(29,516)	598,558	(77,620)	1,130,184	251,504	1,381,688	(7,390)	1,374,298

Notes

(a) The acquisition of non-controlling interest in a subsidiary comprises:

(i) A net amount of S$13,000 measured by reference to the proportionate share of the reserves and net assets and liabilities on acquisition date.

(ii) Gross liabilities were recognised for an obligation which arose from a put option written with the non-controlling shareholder of FMH. In March 2023, the put option was exercised for the acquisition of an additional 37% equity interest in FMH and the related gross liabilities were transferred to other reserves.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2023

	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
Group										
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		–	–	–	–	–	(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(b)(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 FMH. When exercised under certain conditions, this will require the Group to purchase the remaining 49% ownership interest in FMH.

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2023

	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
Company								
Balance at 1 April 2022		**638,762**	**(29,724)**	**587,328**	**37,308**	**1,233,674**	**–**	**1,233,674**
Total comprehensive income for the year		**–**	**–**	**8,277**	**–**	**8,277**	**–**	**8,277**
Transactions with owners, recognised directly in equity								
Dividends paid to shareholders	34	**–**	**–**	**(33,296)**	**–**	**(33,296)**	**–**	**(33,296)**
Issuance of shares to employee	32(b)(iv)	**–**	**208**	**–**	**(104)**	**104**	**–**	**104**
Employee share- option scheme:								
– Value of employee services	32(b)(i)	**–**	**–**	**1,374**	**(1,814)**	**(440)**	**–**	**(440)**
Total		**–**	**208**	**(31,922)**	**(1,918)**	**(33,632)**	**–**	**(33,632)**
Balance at 31 March 2023		**638,762**	**(29,516)**	**563,683**	**35,390**	**1,208,319**	**–**	**1,208,319**
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		–	–	–	–	–	(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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2023

	Group	
	2023	2022
	S$'000	S$'000
Cash flows from operating activities		
Profit after tax	**38,760**	87,743
Adjustments for:		
Income tax expense	**29,249**	19,623
(Reversal of) / Impairment loss on trade and other receivables	**(131)**	2,211
Amortisation of contract liabilities	**(7,925)**	(7,754)
Amortisation of intangible assets	**7,641**	3,148
Depreciation	**74,929**	71,276
Fair value loss on put option redemption liability	**21,719**	1,945
Gain on change of ownership interest from an associated company to a subsidiary	**–**	(32,427)
Fair value gain on investment properties	**(18,565)**	(1,279)
Loss on disposal of property, plant and equipment	**227**	574
Gain on disposal of an associated company	**(99)**	–
Reversal of provision for restructuring of overseas operations	**–**	(101)
Net (gain) / loss on disposal / liquidation of subsidiaries	**(448)**	6,317
Reversal of share-based staff costs	**(440)**	(4,535)
Finance expenses	**19,623**	14,779
Fair value gain on contingent consideration	**(1,284)**	–
Interest income	**(7,500)**	(1,760)
Impairment of property, plant and equipment	**1,441**	4,374
Impairment of associated companies	**–**	2,700
(Reversal of) / Impairment of loans to associated companies	**(525)**	1,644
Impairment of disposal group classified as held for sale	**–**	5,469
Share of profit of associated companies and joint ventures	**(23)**	(4,847)
	117,889	81,357
Operating cash flow before working capital changes	**156,649**	169,100
Changes in working capital, net of effects from		
Inventories	**10**	21
Trade and other receivables	**20,832**	(21,016)
Trade and other payables	**(29,397)**	(34,839)
Contract liabilities	**348**	297
Cash generated from operations	**148,442**	113,563
Income tax paid	**(32,786)**	(24,037)
Net cash provided by operating activities	**115,656**	89,526

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2023

	Group	
	2023	2022
	S$'000	S$'000
Cash flows from investing activities		
Contingent consideration paid in relation to acquisition of subsidiary	**(10,697)**	–
Acquisition of subsidiaries, net of cash acquired (Note 40)	**(7,982)**	(111,484)
Disposal / liquidation of subsidiaries, net of cash disposed	**418**	71,814
Additions to property, plant and equipment, investment properties and intangible assets	**(28,429)**	(24,258)
Dividends received from associated companies	**–**	1,788
Interest received	**6,614**	1,881
Investment in a joint venture company	**(10)**	–
Proceeds from disposal of an associated company	**1,380**	–
Proceeds from disposal of property, plant and equipment	**721**	448
Proceeds on sale / maturity of financial assets	**8,000**	6,500
Repayment of loans by an associated company	**2,803**	8
Net cash used in investing activities	**(27,182)**	(53,303)
Cash flows from financing activities		
Acquisition of additional interest in existing subsidiary	**(156,119)**	–
Distribution paid to perpetual securities	**(8,194)**	(14,875)
Dividends paid to shareholders	**(33,296)**	(24,745)
Dividends paid to non-controlling interests in a subsidiary	**(9,983)**	(2,309)
Finance expenses paid	**(21,899)**	(13,544)
Repayment of principal portion of lease liabilities	**(21,501)**	(31,841)
Proceeds from issuance of perpetual securities	**248,972**	–
Redemption of perpetual securities	**–**	(350,000)
Proceeds from bank loans and notes	**185,952**	288,286
Repayment of bank loans and notes	**(57,148)**	(106,739)
Net cash provided by / (used in) financing activities	**126,784**	(255,767)
Net increase / (decrease) in cash and cash equivalents	**215,258**	(219,544)
Cash and cash equivalents at beginning of financial year	**280,438**	501,212
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	**495,696**	280,438

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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 5 June 2023 in accordance with a resolution of the Board of Directors of Singapore Post Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

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 Adoption of new and revised standards

On 1 April 2022, 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 2023 have not been early adopted in the financial statements. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(a) *Subsidiaries* (continued)

(ii) *Acquisitions* (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(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 ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2023

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 2023

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".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Revenue recognition (continued)

(a) *Post and Parcel* (continued)

The Group received upfront payment with respect to post assurance collaboration from HSBC Life (Singapore) Pte Ltd ("HSBC Life") (formerly known as AXA Life Insurance Singapore Private Limited) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Employee compensation (continued)

(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.

(c) Share-based compensation

The share-based compensation plans of the Group are accounted as equity-settled share-based payments. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Income taxes (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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, except for trade receivables that do not have a significant financing component which are measured at transaction price. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets (continued)

(i) Classification of financial assets (continued)

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).

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets (continued)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets (continued)

(ii) *Impairment of financial assets* (continued)

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 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Assets classified as held for sale

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. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter the assets, or disposal group, classified as held as sale are generally measured at the lower of their carrying amount and fair value less costs to sell.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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

2.18 Property, plant and equipment (continued)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Intangible assets (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Impairment of non-financial assets (continued)

(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 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Derivative financial instruments

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 Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of market risk in fair value hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Note 17 sets out details of the fair value of the derivative instrument used for hedging purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Hedge accounting (continued)

Fair value hedges

The fair value change on qualifying hedging instruments is recognised in profit or loss except when the hedging instrument hedges an equity instrument designated at FVTOCI in which case it is recognised in other comprehensive income.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at FVTOCI, the carrying amount is not adjusted as it is already at fair value, but the hedging gain or loss is recognised in profit or loss instead of other comprehensive income. When the hedged item is an equity instrument designated at FVTOCI, the hedging gain or loss remains in other comprehensive income to match that of the hedging instrument.

Where hedging gains or losses are recognised in profit or loss, they are recognised in the same line as the hedged item.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

2.24 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.

2.25 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 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.

2.27 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.

2.28 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.

2.29 Perpetual securities

The perpetual securities do not have a maturity date and the Group is able to elect to defer making a distribution, subject to the terms and conditions of the securities issue. Accordingly, the Group 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.

2.30 Dividends to Company's shareholders

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

2.31 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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.

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 rising interest rates) 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 2023 and 2022.

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) Acquisition of additional interests in Freight Management Holdings Pty Ltd

During the year, the Group acquired a further 37% equity interest in Freight Management Holdings Pty Ltd ("FMH"). Consequently, the Group's shareholding in FMH increased to 88% (2022: 51%).

The aggregate consideration for this acquisition approximates S$174.8 million, subject to adjustments as agreed in the share sale and purchase agreement. Such consideration includes a contingent consideration which is dependent, amongst others, the Earnings before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of FMH for the period from 1 July 2022 to 30 June 2023 and involves management estimate and judgement.

Subject to the terms of the share sale and purchase agreement, the non-controlling shareholders are granted put options which are exercisable from 1 July 2023. Concurrently, the Group is granted call options which are exercisable at the same consideration and periods.

Significant management judgment is required in estimating the fair value of the remaining 12% gross liability at 31 March 2023 and the underlying assumptions to be applied in determining the gross liability at the end of the reporting period.

The carrying value of the put option redemption liability is disclosed in Note 27.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

(c) *Valuation of investment properties*

As at 31 March 2023, the Group's investment properties of S$965.8 million (2022: S$956.6 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 macroeconomic uncertainties 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.

(d) *Investment in Shenzhen 4PX Information and Technology Co., Limited ("4PX")*

(i) *Valuation of 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. The valuation of 4PX is determined based on Enterprise Value / Revenue multiples of selected comparable companies at the end of the reporting period. 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 2023, the carrying value of the investment in 4PX measured at FVTOCI was S$ 41.9 million (2022: S$90.4 million).

(ii) *Fair value hedge on option right*

During the current financial year, certain revisions were made to the shareholder's agreement entered into by various shareholders of 4PX and the Group. As a result, the Group has a right to a put option ("equity option") to put its equity interest in 4PX to an external shareholder of 4PX at a fixed exercise price. Upon fulfilment of certain conditions by this shareholder, the Group can exercise the put option granted. This external shareholder also has a corresponding right to call and acquire the Group's equity interest in 4PX at the same fixed exercise price. Based on discussions with various parties, management believes that the conditions will be fulfilled.

The Group has applied fair value hedge accounting to designate the equity option as a hedging instrument to hedge the risk of fair value changes associated with its investment in 4PX, which is recorded in 'financial assets designated at FVTOCI' (Note 15). As the hedged item is an equity investment designated at FVTOCI, the hedging gain/loss remains in other comprehensive income to match that of the hedging instrument. In determining the fair value of the equity option, management has considered the valuation of 4PX as mentioned above in 3d(i). Details on the valuation technique and inputs used are further disclosed in Note 37(f).

For the financial year ended 31 March 2023, the changes in fair value of the hedging instrument recorded in other comprehensive income amounted to S$56.9 million (Note 17).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

(e) Estimated impairment of other non-financial assets

Property, plant and equipment (Note 24), right-of-use assets (Note 25) and investments in subsidiaries (Note 22), associated companies and joint ventures (Note 21) 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.

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 Group recognised impairment charges on assets classified as held for sale, investment in associated companies and property, plant and equipment amounting to S$Nil (2022: S$5.5 million), S$Nil million (2022: S$2.7 million) and S$1.4 million (2022: S$4.4 million) respectively during the financial year. Details are provided in Notes 19, 21 and 24.

In the preceding financial year, the Company recognised impairment charges on investments in subsidiaries of S$6,624,000 (Note 22).

(f) 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 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.

Reversal of impairment loss on trade and other receivables recognised in profit or loss amounted to S$0.1 million (2022: impairment charge of S$2.2 million) for the financial year ended 31 March 2023.

The carrying values of trade and other receivables are disclosed in Notes 16 and 20.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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	
	2023	2022
	S$'000	S$'000
Post and Parcel	**505,546**	604,784
Logistics	**1,313,027**	988,450
Property	**53,686**	72,345
	1,872,259	1,665,579

A disaggregation of the Group's revenue for the year is as follows:

	Group					
	2023			2022		
	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	**504,282**	**1,264**	**505,546**	602,498	2,286	604,784
Logistics	**1,313,027**	**–**	**1,313,027**	988,450	–	988,450
Property	**53,686**	**–**	**53,686**	72,345	–	72,345
	1,870,995	**1,264**	**1,872,259**	1,663,293	2,286	1,665,579
Timing of revenue recognition in respect of revenue from contracts with customers [1]						
At a point in time	**9,328**	**1,264**	**10,592**	5,097	2,286	7,383
Over time	**1,822,215**	**–**	**1,822,215**	1,616,234	–	1,616,234
	1,831,543	**1,264**	**1,823,807**	1,621,331	2,286	1,623,617

[1] These disclosures under SFRS(I) 15 are not applicable to revenue from lease contracts amounting to S$39,452,000 (2022: S$41,962,000).

Further revenue information for each reportable segment under SFRS(I) 8 *Operating Segments* is disclosed in Note 39.

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 post assurance collaboration'. Refer to Note 29 for further details.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

5. LABOUR AND RELATED EXPENSES

	Group	
	2023	2022
	S$'000	S$'000
Wages and salaries	**242,191**	204,492
Employer's contribution to defined contribution plans including Central Provident Fund	**32,342**	27,150
Share-based credit (Note 32(b)(i))	**(440)**	(4,535)
Other benefits	**8,979**	9,995
Long term incentive plan	**2,013**	–
Temporary and contract staff cost	**68,239**	74,798
Government grant	**(2,581)**	(1,984)
	350,743	309,916

6. VOLUME-RELATED EXPENSES

	Group	
	2023	2022
	S$'000	S$'000
Traffic expenses	**1,012,497**	825,051
Outsourcing services and delivery expenses	**201,545**	225,972
	1,214,042	1,051,023

7. ADMINISTRATIVE AND OTHER EXPENSES

	Group	
	2023	2022
	S$'000	S$'000
Included in administrative and other expenses are the following:		
Professional services	**8,158**	10,642
Repair and maintenance expenses	**26,502**	26,307
Rental expenses	**7,256**	6,114
Supplies and services	**39,538**	30,236

8. DEPRECIATION AND AMORTISATION

	Group	
	2023	2022
	S$'000	S$'000
Depreciation – property, plant and equipment (Note 24)	**40,970**	40,163
Depreciation – right-of-use assets (Note 25)	**33,959**	31,113
Amortisation (Note 26)	**7,641**	3,148
	82,570	74,424

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

9. EXCEPTIONAL ITEMS

	Group	
	2023	2022
	S$'000	S$'000
Disposals:		
– Gain on change in ownership interest from an associated company to a subsidiary	**–**	32,427
– Loss on disposal of property, plant and equipment	**(227)**	(574)
– Gain on disposal of an associated company	**99**	–
– Net gain / (loss) on disposal / liquidation of subsidiaries [1]	**448**	(6,317)
Acquisitions:		
– Gain on contingent consideration	**1,284**	–
Fair value gain / (loss):		
– Investment properties (Note 23)	**18,565**	1,279
– Derivative instruments for hedging	**(282)**	–
– Put option redemption liability [2]	**(21,719)**	(1,945)
Reversal of impairment charges / (Impairment charges) [3]		
– Property, plant and equipment	**(1,441)**	(4,374)
– Associated company	**–**	(2,700)
– Disposal group classified as held for sale [4]	**–**	(5,469)
– Loans to associated companies	**525**	(1,644)
M&A related expenses	**(3,399)**	(8,926)
(Restructuring of operations) / Reversal of provision for restructuring	**(1,558)**	101
	(7,705)	1,858

(1) Before considering the effect of transfer of revaluation gain on property, plant and equipment and other capital reserve of S$Nil (2022: S$6,017,000) (Note 32(iv) and (v)) directly to retained earnings.

(2) On 31 March 2023, the Group completed its acquisition of additional 37% equity interest in FMH through exercising of a put option written with the non-controlling shareholder. The fair value loss of put option redemption liability of S$22.9 million included as part of the S$21.7 million loss above arises from fair value movement of this liability from 1 April 2022 to 31 March 2023..

(3) Total impairment charges amounted to S$916,000 (2022: S$14,187,000).

(4) Before considering the effect of the reversal of tax provision of S$5,200,000 for the preceding financial year ended 31 March 2022. (Note 12).

10. INTEREST INCOME AND INVESTMENT INCOME (NET)

	Group	
	2023	2022
	S$'000	S$'000
Interest income		
– Bank deposits	**7,378**	1,113
– Bonds at amortised cost	**77**	436
– Others	**45**	211
	7,500	1,760
Currency exchange (losses) / gains – net	**(5,352)**	1,598
Others	**–**	8
	2,148	3,366

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

11. FINANCE EXPENSES

	Group	
	2023	2022
	S$'000	S$'000
Interest expense:		
– Fixed rate notes	**9,555**	6,352
– Bank borrowings	**4,740**	2,036
– Interest on lease liabilities	**4,031**	4,043
– Significant financing component from contracts with customers	**717**	996
– Other borrowing cost	**580**	1,352
	19,623	14,779

12. INCOME TAX EXPENSE

	Group	
	2023	2022
	S$'000	S$'000
Tax expense attributable to profit is made up of:		
– Current income tax	**32,768**	24,486
– Deferred income tax (Note 30)	**(3,048)**	462
	29,720	24,948
(Over) / Under provision in preceding financial years:		
– Current income tax	**(1,612)**	(5,325)
– Deferred income tax (Note 30)	**1,141**	–
	29,249	19,623

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	
	2023	2022
	S$'000	S$'000
Profit before tax	**68,009**	107,366
Tax calculated at a tax rate of 17% (2022: 17%)	**11,562**	18,252
Effects of:		
– Tax effect of share of results of associated companies and joint ventures	**(4)**	(824)
– Different tax rates in other countries	**7,897**	10,451
– Withholding tax deducted at source	**564**	642
– Singapore statutory stepped income exemption	**(108)**	(160)
– Tax incentive	**(461)**	(170)
– Income not subject to tax	**(3,043)**	(12,012)
– Expenses not deductible for tax purposes	**10,106**	7,044
– Utilisation of tax losses and capital allowances	**(402)**	(743)
– Deferred income tax assets not recognised	**3,609**	2,468
– Overprovision in preceding financial years	**(471)**	(5,325)
Tax charge	**29,249**	19,623

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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	
	2023	2022
Net profit attributable to equity holders of the Company (S$'000)	**24,679**	83,112
Less: Distribution to perpetual securities holders of the Company (S$'000)	**(10,726)**	(13,652)
Net profit attributable to ordinary shareholders of the Company (S$'000)	**13,953**	69,460
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,249,700**	2,249,577
Basic earnings per share (cents per share)		
– Excluding distribution to perpetual securities holders	**0.62**	3.09
– Including distribution to perpetual securities holders	**1.10**	3.69

(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 2023 and 2022.

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Cash at bank and on hand	**265,851**	176,101	**146,364**	97,945
Deposits with financial institutions	**229,845**	104,337	**228,707**	102,653
	495,696	280,438	**375,071**	200,598

Deposits with financial institutions earn interest ranging from 3.80% to 4.21% (2022: 0.13% to 1.07%) per annum. Tenure for these deposits range from 30 to 92 days (2022: 15 to 92 days).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

15. FINANCIAL ASSETS

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Current				
Financial assets at amortised cost				
– Bonds – quoted in Singapore	**–**	8,006	**–**	8,006
	–	8,006	**–**	8,006
Non-current				
Financial assets designated as FVTOCI				
– Equity investments – unquoted	**42,076**	90,631	**–**	–
	42,076	90,631	**–**	–

The Group carries an investment in Shenzhen 4PX Information Technology Co., Limited ("4PX") classified as an equity investment designated at FVTOCI amounting to S$41.9 million (2022: S$90.4 million) for which fair value hedge accounting (Note 17) has been applied during the current financial year. During the full year ended 31 March 2023, the fair value loss arising from the investment is S$48.5 million (2022: S$10.4 million).

As at 31 March 2022, the debt securities were corporate bonds at fixed rates between 3.2% to 3.7% per annum and due between 3 June 2022 and 29 August 2022.

The fair values of the financial assets at the end of the reporting period are as follows:

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Current				
Financial assets at amortised cost				
– Bonds – quoted in Singapore	**–**	8,170	**–**	8,170
	–	8,170	**–**	8,170
Non-current				
Financial assets designated as FVTOCI				
– Equity investments – unquoted	**42,076**	90,631	**–**	–
	42,076	90,631	**–**	–

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 2023

16. TRADE AND OTHER RECEIVABLES – CURRENT

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Trade receivables				
– Subsidiaries	**–**	–	**30,856**	14,802
– Companies related by a substantial shareholder	**652**	1,406	**652**	1,406
– Non-related parties	**226,225**	227,148	**80,917**	82,234
	226,877	228,554	**112,425**	98,442
Less: Allowance for impairment of receivables – non-related parties	**(2,667)**	(5,282)	**(1,207)**	(4,436)
Trade receivables – net	**224,210**	223,272	**111,218**	94,006
Non-trade receivables from subsidiaries	**–**	–	**2,299**	4,845
Loans to associated companies	**–**	5,633	**–**	–
Less: Allowance for impairment of loan to associated companies	**–**	(2,390)	**–**	–
Less: Asset held for sale (Note 19)	**–**	(2,928)	**–**	–
	–	315	**2,299**	4,845
Staff loans (Note 20(a))	**2**	8	**2**	8
Interest receivable	**957**	71	**957**	66
Grant receivables	**–**	356	**–**	356
Other receivables	**4,662**	10,038	**2,656**	2,495
	229,831	234,060	**117,132**	101,776

As at 1 April 2021, the Group's and Company's trade receivables arising from contracts with customers amounted to S$164.9 million (net of loss allowance of S$3.2 million) and S$108.1 million (net of loss allowance of S$2.6 million) respectively.

Non-trade receivables from subsidiaries are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

17. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract notional amount 2023 S$'000	**Fair value assets / (liabilities) 2023 S$'000**	Contract notional amount 2022 S$'000	Fair value (liabilities) 2022 S$'000
Group				
Hedge instruments relating to fair value hedge				
Equity option	**–**	**56,879**	–	–
Other non-hedging derivatives				
Interest rate swaps	**155,733**	**(281)**	–	–
Currency forwards	**138,262**	**(760)**	146,309	(161)
Total derivative financial instruments	**293,995**	**55,838**	146,309	(161)

	Contract notional amount 2023 S$'000	**Fair value (liabilities) 2023 S$'000**	Contract notional amount 2022 S$'000	Fair value (liabilities) 2022 S$'000
Company				
Other non-hedging derivatives				
Currency forwards	**138,262**	**(760)**	146,309	(161)
Total derivative financial instruments	**138,262**	**(760)**	146,309	(161)

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

17. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Equity option

The Group has equity option over its investment in 4PX classified as hedging instruments relating to fair value hedge amounting to S$56.9 million which hedges the fair value changes arising from the financial assets designated at FVTOCI (Note 15). During the financial year ended 31 March 2023, the fair value gain arising from the hedging instrument is S$56.9 million (2022: S$Nil).

Under the revised shareholders' agreement contract, the Group has the right to sell its existing interest in 4PX ("put option") and the obligation to sell the same interest upon exercise of an option by 4PX's existing shareholder ("call option") based on an agreed exercise price. The options have been granted to the Group but the ability to exercise the options are contingent upon occurrence of future events. The contract enables the Group to mitigate the risk of fair value change of its investment in 4PX.

The fair value of put and call options at the reporting date is determined by discounting the future cash flows and offset against the fair value of 4PX at the reporting date and the probability of occurrence of the contingent event. The interest rate is based on the risk free rate at the end of the reporting period.

As the critical terms of the option contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the option contracts and the value of 4PX will systematically change in opposite direction in response to movements in the underlying fair value of the company.

The main source of hedge ineffectiveness in this hedge relationship is the effect of the counterparty and the Group's own credit risk on the fair value of the put option, which is not reflected in the fair value of the hedged item attributable to the change in fair value. No other sources of ineffectiveness emerged from these hedging relationships.

Interest rate swaps

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract. The average interest rate is based on the outstanding balances at the end of the reporting period.

Interest rate swap contract assets and liabilities are included in the line 'Derivative financial instruments' (either as assets or as liabilities) within the consolidated statement of financial position.

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is based on the AUD Bank Bill Swap Rate. The Group will settle the difference between the fixed and floating interest rate on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

17. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Interest rate swaps (continued)

The fair values of derivative financial instruments are shown on the statement of financial position as follows:

	Group		Company	
	2023 S$'000	2022 S$'000	**2023 S$'000**	2022 S$'000
Current assets				
Other non-hedging derivatives				
Currency forwards	**372**	391	**372**	391
Non-current asset				
Hedge instrument relating to fair value hedge				
Equity option	**56,879**	–	**–**	–
	57,251	391	**372**	391
Current liabilities				
Other non-hedging derivatives				
Interest rate swap	**(281)**	–	**–**	–
Currency forwards	**(1,132)**	(552)	**(1,132)**	(552)
	(1,413)	(552)	**(1,132)**	(552)

The following table details the option contracts outstanding at the end of the reporting period, as well as information regarding their related hedged items. Option assets and liabilities are presented in the line 'Derivative financial instruments' (either as assets or as liabilities) within the consolidated statement of financial position.

	Fair value gains on hedging instrument 2023 S$'000	**Carrying amount of hedging Instrument 2023 S$'000**	Hedged Item	**Fair value losses on hedged item 2023 S$'000**	**Carrying amount of hedged item 2023 S$'000**
Group					
Hedge instruments relating to fair value hedge					
Equity option	56,879	56,879	*Equity investments at FVTOCI*	(48,532)	41,865
Total	56,879	56,879		(48,532)	41,865

18. OTHER ASSETS

	Group		Company	
	2023 S$'000	2022 S$'000	**2023 S$'000**	2022 S$'000
Current				
Deposits	**4,889**	4,431	**1,637**	1,689
Prepayments	**20,505**	30,904	**6,214**	7,220
	25,394	35,335	**7,851**	8,909
Non-current				
Deposits	**5,832**	7,076	**–**	–
	5,832	7,076	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

19. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

2023

As at 31 March 2023, the Group and Company have a property which land has been gazetted for compulsory acquisition by the Singapore government. The major classes of assets comprising the "non-current assets held for sale" were as follows:

	Group and Company **2023** **S$'000**
Assets classified as held for sale	
Investment property (Note 23)	**10,914**
Property, plant and equipment (Note 24)	**786**
	11,700

The assets classified as held for sale were included in Property segment for the purpose of segmental reporting.

2022

As at 31 March 2022, the Group had entered into various sales and purchase agreements to divest a foreign subsidiary and an associated company. Accordingly, the Group's assets classified as held for sale and liabilities directly associated with assets classified as held for sale comprised the assets and liabilities of the foreign subsidiary and associated company.

The divestment of the foreign subsidiary and the associated company was completed during the current financial year.

	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

The assets and liabilities classified as held for sale were included in the Logistics segment for the purpose of segmental reporting.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

20. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Loans to subsidiaries	**–**	–	**264,469**	259,265
Less: Allowance for impairment	**–**	–	**(46,366)**	(46,480)
	–	–	**218,103**	212,785
Claimant Loan	**4,810**	4,810	**–**	–
Staff loans (Note 20(a))	**135**	135	**135**	135
	4,945	4,945	**218,238**	212,920

Loans to subsidiaries of S$11,641,000 (2022: S$11,999,000) 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$41,924,000 (2022: $35,902,000) 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.

Loan to a subsidiary of S$Nil (2022: S$1,749,000) is non-trade related, unsecured, interest bearing at 1.94% to 2.96% per annum. The carrying amount of the loan approximates its fair value. In 2022, the settlement of the loan was not foreseen within the next twelve months. The loan was repaid during the current financial year.

Loans to subsidiaries of S$164,538,000 (2022: S$163,135,000) are non-trade related, unsecured, interest bearing at 2.52% to 4.65% per annum and not expected to be repayable in the next twelve months. The fair value of the loans is S$160,561,000 (2022: S$157,631,000). The fair value of the loans is computed based on cash flows discounted at the difference between market and existing borrowing rates of 2.992% to 3.777% (2022: 1.501% to 2.088%). The fair value is within Level 2 of the fair value hierarchy.

The Claimant Loan is unsecured, interest bearing at 1.7% to 5.2% per annum (2022: 1.1% to 1.5% 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	
	2023	2022
	S$'000	S$'000
Not later than one year (Note 16)	**2**	8
Later than one year (Note 20)	**135**	135
– Between one and five years	**1**	1
– Later than five years	**134**	134
	137	143

As at the end of the reporting period, no loan was made to the key management personnel of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

21. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Investments in associated companies (Note (a))	**31,939**	34,072	**21,891**	21,891
Investment in joint ventures (Note (b))	**10**	–	**–**	–
	31,949	34,072	**21,891**	21,891

(a) <u>*Associated companies*</u>

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Equity investment at cost			**21,891**	21,891
Beginning of financial year	**34,072**	97,469		
Reclassification to assets held for sale (Note 19)	**–**	(1,341)		
Deemed disposal of an associated company	**–**	(59,983)		
Impairment of associated companies (Note (i), 9)	**–**	(2,700)		
Share of profit	**23**	4,847		
Dividends received	**–**	(1,796)		
Currency translation differences	**(2,156)**	(2,424)		
End of financial year	**31,939**	34,072		

(i) During the preceding financial year ended 31 March 2022 the Group recognised impairment losses of S$2,700,000 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$27,845,000 (2022: S$30,627,000), for which the published price quotations are S$49,755,000 (2022: S$57,713,000) 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 44.

(b) <u>*Joint ventures*</u>

Details of joint ventures are disclosed in Note 44.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

22. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023	2022
	S$'000	S$'000
Equity investments at cost		
Beginning of financial year	**379,367**	371,455
Additional capital injection into a subsidiary	**–**	45,540
Investment written off	**(268)**	(37,628)
	379,099	379,367
Less: Allowance for impairment	**(17,786)**	(18,054)
End of financial year	**361,313**	361,313

Details of the subsidiaries are included in Note 44. 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 2023, the Company has written off allowance for impairment amounting to S$268,000 (2022: S$37,628,000) against the cost of investment in a subsidiary.

Impairment of S$6,624,000 primarily from a subsidiary which is the holding company of General Storage Company Pte Ltd (Note 41) and various property holding companies, was recognised during the financial year ended 31 March 2022. No further impairment was recognised during the financial year ended 31 March 2023.

Carrying value of non-controlling interests

	2023	2022
	S$'000	S$'000
Quantium Solutions International Pte Ltd ("QSI")	**36,792**	38,276
Freight Management Holdings Pty Ltd ("FMH")	**8,744**	31,097
Other subsidiaries with immaterial non-controlling interests	**5,893**	6,707
	51,429	76,080
Less: Put option liability to acquire non-controlling interests	**(58,819)**	(241,385)
Total	**(7,390)**	(165,305)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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	
	2023	2022
	S$'000	S$'000
Current		
Assets	**46,088**	43,132
Liabilities	**(42,027)**	(30,939)
Total current net assets	**4,061**	12,193
Non-current		
Assets	**106,676**	103,355
Liabilities	**(2,525)**	(2,971)
Total non-current net assets	**104,151**	100,384
Net assets	**108,212**	112,577

Summarised income statement

	QSI	
	2023	2022
	S$'000	S$'000
Revenue	**89,075**	102,360
Loss before income tax	**(17,941)**	(7,908)
Income tax expense	**(234)**	(546)
Post-tax loss	**(18,175)**	(8,454)
Other comprehensive income / (loss)	**13,810**	(5,132)
Total comprehensive loss	**(4,365)**	(13,586)
Total comprehensive loss allocated to non-controlling interests	**(1,484)**	(4,620)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

22. INVESTMENTS IN SUBSIDIARIES (continued)

Summarised financial information of subsidiaries with material non-controlling interests (continued)

Summarised cash flows

	QSI	
	2023	2022
	S$'000	S$'000
Cash flows from operating activities		
Cash generated from operations	**7,562**	2,757
Income tax paid	**(453)**	(321)
Net cash provided by operating activities	**7,109**	2,436
Net cash used in investing activities	**(67)**	(2,334)
Net cash used in financing activities	**(5,891)**	(2,806)
Net increase / (decrease) in cash and cash equivalents	**1,151**	(2,704)
Cash and cash equivalents at beginning of year	**14,567**	17,271
Cash and cash equivalents at end of year	**15,718**	14,567

Summarised statement of financial position

	FMH	
	2023	2022
	S$'000	S$'000
Current		
Assets	**95,964**	88,955
Liabilities	**(83,967)**	(119,762)
Total current net assets / (liabilities)	**11,997**	(30,807)
Non-current		
Assets	**132,036**	125,212
Liabilities	**(71,163)**	(30,942)
Total non-current net assets	**60,873**	94,270
Net assets	**72,870**	63,463

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

22. INVESTMENTS IN SUBSIDIARIES (continued)

Summarised financial information of subsidiaries with material non-controlling interests (continued)

Summarised income statement

	FMH	
	2023	2022
	S$'000	S$'000
Revenue	**595,301**	178,662
Profit before income tax	**46,613**	11,523
Income tax expense	**(13,158)**	(4,158)
Post-tax profit	**33,455**	7,365
Other comprehensive (loss) / income	**(2,603)**	1,680
Total comprehensive income	**30,852**	9,045
Total comprehensive income allocated to non-controlling interests	**15,117**	4,432
Dividend paid to non-controlling interests	**6,577**	–

Summarised cash flows

	FMH	
	2023	2022
	S$'000	S$'000
Cash flows from operating activities		
Cash generated from operations	**38,485**	13,512
Income tax paid	**(15,237)**	(6,304)
Net cash provided by operating activities	**23,248**	7,208
Net cash used in investing activities	**(8,859)**	(7,846)
Net cash provided by financing activities	**6,213**	745
Net increase in cash and cash equivalents	**20,602**	107
Cash and cash equivalents at beginning of year	**107**	–
Cash and cash equivalents at end of year	**20,709**	107

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

23. INVESTMENT PROPERTIES

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**956,610**	1,010,804	**945,274**	956,362
Additions	**–**	70	**–**	70
Reclassification from / (to) property, plant and equipment (net) (Note 24)	**1,353**	(3,172)	**52**	(12,417)
Reclassification from right-of-use (Note 25)	**157**	950	**–**	–
Reclassification to held for sale (Note 19)	**(10,914)**	–	**(10,914)**	–
Loss of control of a subsidiary (Note 41)	**–**	(53,321)	**–**	–
Fair value gain recognised in profit or loss (Note 9)	**18,565**	1,279	**18,621**	1,259
End of financial year	**965,771**	956,610	**953,033**	945,274

As at 31 March 2023, the right-of-use asset presented as investment properties has carrying amount of S$2.4 million (2022: S$2.3 million).

The following amounts are recognised in profit or loss:

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Rental and property-related income	**59,440**	61,139	**58,314**	55,964
Direct operating expenses arising from:				
– Investment properties that generated income	**(15,184)**	(15,416)	**(14,201)**	(13,409)

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
110 Alexandra Road [1]	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
373 Tanjong Katong Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

23. INVESTMENT PROPERTIES (continued)

Location	Description / existing use	Tenure
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
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) Reclassified to held for sale (Note 19) as at 31 March 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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
2023			
– Commercial and retail / warehousing			
– Singapore	**–**	**2,484**	**963,287**
2022			
– Commercial and retail / warehousing			
– Singapore	–	2,484	954,126

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 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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) 2023	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2023	Relationship of unobservable inputs to fair value
Group					
Building for commercial and retail (Singapore Post Centre)	**850,170** (2022: 831,754)	Capitalisation / income approach	Capitalisation rate	**3.75-6.00%** (2022: 3.75-6.00%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.00-7.50%** (2022: 7.00-7.50%)	The higher the discount rate, the lower the valuation
Building for commercial and retail (13 (2022: 14) SLA Properties)	**94,544** (2022: 105,279)	Capitalisation / income approach	Capitalisation rate	**4.25-4.75%** (2022: 4.25-4.75%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.25-7.50%** (2022: 7.25-7.50%)	The higher the discount rate, the lower the valuation
Warehousing – Singapore	**18,573** (2022: 17,093)	Capitalisation / income approach	Capitalisation rate	**6.25-6.50%** (2022: 6.25-6.50%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.50-7.75%** (2022: 7.50-7.75%)	The higher the discount rate, the lower the valuation
	963,287				

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

23. INVESTMENT PROPERTIES (continued)

Valuation techniques and inputs used in Level 3 fair value measurements (continued)

Description	Fair value (S$'000) 2023	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2023	Relationship of unobservable inputs to fair value
Company					
Building for commercial and retail (Singapore Post Centre)	**856,005** (2022: 837,511)	Capitalisation / income approach	Capitalisation rate	**3.75-6.00%** (2022: 3.75-6.00%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.00-7.50%** (2022: 7.00-7.50%)	The higher the discount rate, the lower the valuation
Building for commercial and retail (13 (2022: 14) SLA Properties)	**94,544** (2022: 105,279)	Capitalisation / income approach	Capitalisation rate	**4.25-4.75%** (2022: 4.25-4.75%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.25-7.50%** (2022: 7.25-7.50%)	The higher the discount rate, the lower the valuation
	950,549				

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 2023 and 2022, the fair values of the Group's investment properties have been determined by Colliers International Consultancy & Valuation (Singapore) Pte. Ltd.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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							
2023							
Cost							
Beginning of financial year	**82,011**	**377,065**	**48,112**	**192,248**	**50,205**	**8,381**	**758,022**
Additions	**–**	**–**	**–**	**11,365**	**7,550**	**5,096**	**24,011**
Reclassification to asset held for sale (Note 19)	**(540)**	**(454)**	**–**	**–**	**–**	**–**	**(994)**
Reclassifications from / (to) investment properties							
– At fair value (Note 23)	**745**	**(2,098)**	**–**	**–**	**–**	**–**	**(1,353)**
– Transfer from valuation reserve (Note 32(v))	**–**	**298**	**–**	**–**	**–**	**–**	**298**
Write off	**–**	**–**	**–**	**(2,224)**	**–**	**(2,574)** [(1)]	**(4,798)**
Disposals	**–**	**–**	**(114)**	**(13,328)**	**(2,455)**	**–**	**(15,897)**
Acquisition of subsidiaries (Note 40)	**–**	**–**	**–**	**984**	**2,362**	**366**	**3,712**
Transfers	**–**	**788**	**48**	**3,669**	**–**	**(4,505)**	**–**
Currency translation differences	**–**	**–**	**–**	**(8,982)**	**(7,003)**	**(8)**	**(15,993)**
End of financial year	**82,216**	**375,599**	**48,046**	**183,732**	**50,659**	**6,756**	**747,008**
Accumulated depreciation and accumulated impairment losses							
Beginning of financial year	**27,972**	**149,851**	**28,536**	**118,526**	**20,683**	**–**	**345,568**
Depreciation charge	**1,635**	**8,198**	**4,583**	**20,145**	**6,409**	**–**	**40,970**
Write off	**–**	**–**	**–**	**(2,195)**	**–**	**–**	**(2,195)**
Disposals	**–**	**–**	**(81)**	**(12,648)**	**(2,220)**	**–**	**(14,949)**
Reclassification to asset held for sale (Note 19)	**(134)**	**(74)**	**–**	**–**	**–**	**–**	**(208)**
Impairment	**–**	**–**	**–**	**–**	**–**	**425**	**425**
Currency translation differences	**–**	**–**	**–**	**(4,806)**	**(4,725)**	**–**	**(9,531)**
End of financial year	**29,473**	**157,975**	**33,038**	**119,022**	**20,147**	**425**	**360,080**
Net book value							
End of financial year	**52,743**	**217,624**	**15,008**	**64,710**	**30,512**	**6,331**	**386,928**

(1) The balance comprises S$1.0 million and S$1.6 million which are presented as part of 'impairment charge of property, plant and equipment' and 'restructuring of operations' respectively in Note 9 to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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							
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(v))	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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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							
2023							
Cost							
Beginning of financial year	**61,929**	**227,461**	**64,648**	**156,949**	**25,463**	**1,382**	**537,832**
Additions	**–**	**–**	**–**	**742**	**3,580**	**4,428**	**8,750**
Reclassifications from / (to) investment properties							
– At fair value (Note 23)	**745**	**(797)**	**–**	**–**	**–**	**–**	**(52)**
Reclassification to asset held for sale (Note 19)	**(540)**	**(454)**	**–**	**–**	**–**	**–**	**(994)**
Disposals	**–**	**–**	**(114)**	**(11,279)**	**(1,687)**	**–**	**(13,080)**
Transfers	**–**	**381**	**48**	**3,669**	**–**	**(4,098)**	**–**
End of financial year	**62,134**	**226,591**	**64,582**	**150,081**	**27,356**	**1,712**	**532,456**
Accumulated depreciation and accumulated impairment losses							
Beginning of financial year	**21,825**	**100,578**	**28,536**	**123,430**	**17,645**	**–**	**292,014**
Reclassification to asset held for sale (Note 19)	**(134)**	**(74)**	**–**	**–**	**–**	**–**	**(208)**
Depreciation charge	**803**	**3,586**	**4,583**	**11,448**	**2,723**	**–**	**23,143**
Disposals	**–**	**–**	**(81)**	**(11,039)**	**(1,539)**	**–**	**(12,659)**
Impairment	**–**	**–**	**–**	**–**	**–**	**425**	**425**
End of financial year	**22,494**	**104,090**	**33,038**	**123,839**	**18,829**	**425**	**302,715**
Net book value							
End of financial year	**39,640**	**122,501**	**31,544**	**26,242**	**8,527**	**1,287**	**229,741**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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(v))	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

The Group has recognised impairment loss in the current financial year amounting to S$1,441,000 (2022: S$4,374,000) mainly attributable to systems and platform costs that are no longer in use

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

25. RIGHT-OF-USE ASSETS

	Properties S$'000	Motor vehicles S$'000	Equipment S$'000	Total S$'000
Group				
2023				
Cost				
Beginning of financial year	**112,032**	**2,490**	**1,604**	**116,126**
Additions	**38,070**	**784**	**224**	**39,078**
Reclassifications to investment properties				
– At fair value (Note 23)	**(157)**	**–**	**–**	**(157)**
Disposals	**(4,673)**	**(884)**	**(353)**	**(5,910)**
Currency translation differences	**(14,930)**	**(239)**	**(112)**	**(15,281)**
End of financial year	**130,342**	**2,151**	**1,363**	**133,856**
Accumulated depreciation				
Beginning of financial year	**41,999**	**1,600**	**1,261**	**44,860**
Depreciation charge	**32,695**	**856**	**408**	**33,959**
Disposals	**(4,655)**	**(883)**	**(347)**	**(5,885)**
Currency translation differences	**(10,549)**	**(86)**	**(8)**	**(10,643)**
End of financial year	**59,490**	**1,487**	**1,314**	**62,291**
Net book value				
End of financial year	**70,852**	**664**	**49**	**71,565**
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(v))	(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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

25. RIGHT-OF-USE ASSETS (continued)

	Properties S$'000	Motor vehicles S$'000	Equipment S$'000	Total S$'000
Company				
2023				
Cost				
Beginning of financial year	**30,877**	**1,544**	**363**	**32,784**
Additions	**29,879**	**–**	**28**	**29,907**
Disposals	**(2,513)**	**(718)**	**(47)**	**(3,278)**
End of financial year	**58,243**	**826**	**344**	**59,413**
Accumulated depreciation				
Beginning of financial year	**11,937**	**1,076**	**124**	**13,137**
Depreciation charge	**10,776**	**357**	**162**	**11,295**
Disposals	**(2,513)**	**(718)**	**(47)**	**(3,278)**
End of financial year	**20,200**	**715**	**239**	**21,154**
Net book value				
End of financial year	**38,043**	**111**	**105**	**38,259**
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

The Group and Company leases several properties, motor vehicles and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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
2023				
Leasehold land	**52,744**	**1,635**	**39,641**	**803**
Plant and machinery	**4,005**	**193**	**89**	**12**
Total	**56,749**	**1,828**	**39,730**	**815**
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

There is no addition to the above right-of-use assets for the years ended 31 March 2023 and 2022.

26. INTANGIBLE ASSETS

	Group	
	2023 S$'000	2022 S$'000
Composition:		
Goodwill on acquisitions (Note (a))	**415,659**	430,120
Customer relationships (Note (b))	**21,258**	28,357
Acquired software licences (Note (c))	**15,309**	15,028
Trademarked brands (Note (d))	**48,732**	55,936
	500,958	529,441

(a) *Goodwill on acquisitions*

	Group	
	2023 S$'000	2022 S$'000
Cost		
Beginning of financial year	**450,720**	291,503
Acquisition of subsidiaries (Note 40)	**16,287**	184,202
Loss of control of subsidiary (Note 41)	**–**	(28,336)
Currency translation differences	**(30,748)**	3,351
End of financial year	**436,259**	450,720
Accumulated impairment		
Beginning and end of financial year	**(20,600)**	(20,600)
Net book value	**415,659**	430,120

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

26. INTANGIBLE ASSETS (continued)

(a) *Goodwill on acquisitions* (continued)

Impairment tests for goodwill

During the year, goodwill arising from acquisition of subsidiaries is allocated to the Group's five (2022: four) cash-generating units or groups of cash-generating units as follows:

	Group	
	2023	2022
	S$'000	S$'000
Quantium Solutions International group	**77,858**	77,858
Parcel Santa Pte Ltd	**3,268**	–
Famous Holdings group	**86,482**	88,305
Couriers Please Holdings group	**65,452**	74,595
Freight Management Holdings group	**182,599**	189,362
	415,659	430,120

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 (2022: five-year period). Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below.

Key assumptions used for value-in-use calculations for goodwill include:

	Quantium Solutions International Group	Freight Management Holdings Group	Famous Holdings Group	Couriers Please Holdings Group	Parcel Santa Pte Ltd
2023					
Terminal growth rate	**2.4%**	**2.3%**	**1.4%**	**2.3%**	**2.5%**
Discount rate	**10.6%**	**9.6%**	**10.2%**	**9.4%**	**9.8%**
2022					
Terminal growth rate	2.3%	2.6%	1.4%	2.6%	–
Discount rate	7.9%	6.0%	7.7%	7.1%	–

For the impairment test carried out as at 31 March 2023 for Freight Management Holdings Group which comprised 44% of the goodwill recognised on the statement of financial position, a further decrease in the terminal growth rate to 0.6% or an increase in the discount rate by 0.9% would result in the Group's recoverable amount being equal to its carrying amount (comprising goodwill and other intangible assets including trademarked brand with indefinite useful life (Note 26(d)).

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 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

26. INTANGIBLE ASSETS (continued)

(b) *Customer relationships*

	Group	
	2023	2022
	S$'000	S$'000
Cost		
Beginning of financial year	**29,892**	–
Acquisition of subsidiaries (Note 40)	**981**	29,106
Currency translation differences	**(3,222)**	786
End of financial year	**27,651**	29,892
Accumulated amortisation and impairment		
Beginning of financial year	**(1,535)**	–
Amortisation charge	**(4,858)**	(1,535)
End of financial year	**(6,393)**	(1,535)
Net book value	**21,258**	28,357

(c) *Acquired software licences*

	Group	
	2023	2022
	S$'000	S$'000
Cost		
Beginning of financial year	**16,191**	51
Acquisition of subsidiaries (Note 40)	**193**	13,419
Additions	**4,441**	2,404
Write-off	**–**	(51)
Currency translation differences	**(2,026)**	368
End of financial year	**18,799**	16,191
Accumulated amortisation and impairment		
Beginning of financial year	**(1,163)**	(51)
Write-off	**–**	51
Amortisation charge	**(2,327)**	(1,163)
End of financial year	**(3,490)**	(1,163)
Net book value	**15,309**	15,028

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

26. INTANGIBLE ASSETS (continued)

(d) Trademarked brands

	Group	
	2023	2022
	S$'000	S$'000
Cost		
Beginning of financial year	**56,082**	40,964
Acquisition of subsidiaries (Note 40)	**84**	15,095
Currency translation differences	**(6,832)**	23
End of financial year	**49,334**	56,082
Accumulated amortisation and impairment		
Beginning of financial year	**(146)**	–
Amortisation charge	**(456)**	(146)
End of financial year	**(602)**	(146)
Net book value	**48,732**	55,936

Trademarked brands amounting to S$35,596,000 (2022: S$40,568,000) and S$11,568,700 (2022: S$13,185,000) have indefinite useful lives and are included in the Couriers Please Holdings group and Freight Management Holdings group 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 2023

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Current				
Trade payables				
– Subsidiaries	**–**	–	**22,422**	15,384
– Companies related by a substantial shareholder	**268**	363	**210**	352
– Non-related parties	**371,023**	371,006	**289,950**	279,718
	371,291	371,369	**312,582**	295,454
Accrual for other operating expenses	**91,351**	107,545	**57,907**	52,564
Contingent consideration payable (Note (a))	**28,608**	6,272	**–**	–
Provision for restructuring (Note (b))	**379**	379	**–**	–
Provision for reinstatement costs (Note (c))	**1,146**	1,193	**414**	472
Put option redemption liabilities (Note (e))	**66,164**	117,647	**–**	–
Customers' deposits	**5,342**	6,852	**5,342**	6,852
Collections on behalf of third parties	**14,215**	4,796	**14,215**	4,796
Deposits	**16,058**	14,133	**15,291**	13,268
Other creditors	**37,985**	37,314	**10,335**	18,946
	632,539	667,500	**416,086**	392,352
Non-current				
Loans from a subsidiary (Note (d))	**–**	–	**602,683**	353,058
Accrual for operating expenses	**3,892**	4,310	**–**	–
Contingent consideration payable (Note (a))	**–**	1,699	**–**	–
Provision for reinstatement costs (Note (c))	**9,229**	9,265	**1,882**	1,890
Put option redemption liabilities (Note (e))	**6,663**	131,568	**–**	–
Post-employment benefits (Note 35)	**1,832**	1,725	**–**	–
	21,616	148,567	**604,565**	354,948
Total trade and other payables	**654,155**	816,067	**1,020,651**	747,300

(a) *Contingent consideration payable*

As at 31 March 2023, the fair value of contingent consideration payable arising from the acquisition of subsidiaries amounted to S$28,608,000 (2022: S$7,971,000). 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

27. TRADE AND OTHER PAYABLES (continued)

(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.

Movement in this provision is as follows:

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**10,458**	11,514	**2,362**	2,617
Loss of control of subsidiaries	**–**	(2,224)	**–**	–
Acquisition of subsidiaries	**–**	122	**–**	–
(Utilisation) / Additions	**(83)**	1,046	**(66)**	(255)
End of financial year	**10,375**	10,458	**2,296**	2,362

(d) *Loans from a subsidiary*

Loans from a subsidiary comprise:

(i) S$250,000,000 (2022: S$250,000,000) which is non-trade related, unsecured, interest bearing at 2.83% (2022: 2.83%) per annum and repayable by 19 November 2030;

(ii) S$2,683,000 (2022: S$3,058,000) which is non-trade related, unsecured, interest bearing at 3.77% (2022: 2.29%) per annum and repayable by 28 March 2026; and

(iii) S$100,000,000 (2022: S$100,000,000) which is non-trade related, unsecured, interest bearing at 3.53% (2022: 3.53%) per annum and repayable by 29 March 2027.

(iv) S$250,000,000 (2022: S$Nil) which is non-trade related, unsecured, interest bearing at 4.65% per annum and repayable by 6 July 2027.

The fair value of the loans computed based on cash flows discounted at the difference between market and existing borrowing rates of 2.95% to 2.99% (2022: 2.39% to 2.41%) is S$512,756,000 (2022: S$295,449,000). 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 2023 and 2022. 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 from 1 July 2023 (2022: 30 June 2022 to 30 December 2026). The Group and the non-controlling shareholders agreed to certain modifications to the put option during the current financial year. The put option redemption liability is recorded at fair value as at 31 March 2023 and 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 2023

28. LEASE LIABILITIES / BORROWINGS

		Group		Company	
		2023	2022	**2023**	2022
		S$'000	S$'000	**S$'000**	S$'000
(a)	Lease liabilities				
	– Current	**32,152**	29,833	**12,257**	8,288
	– Non-current	**47,575**	53,612	**26,859**	12,115
		79,727	83,445	**39,116**	20,403
(b)	Borrowings [1]				
	– Other borrowings	**624,390**	517,008	**–**	50,000

[1] The analysis of the current and non-current borrowings is as follows:

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Current				
– Borrowings (secured)	**1,370**	27,527	**–**	–
– Borrowings (unsecured)	**–**	50,000	**–**	50,000
	1,370	77,527	**–**	50,000
Non-current				
– Borrowings (secured)	**39,809**	–	**–**	–
– Borrowings (unsecured)	**583,211**	439,481	**–**	–
	623,020	439,481	**–**	–
	624,390	517,008	**–**	50,000

Secured borrowings comprise external bank loans and are secured over trade receivables with carrying amount of S$75.5 million (2022: S$64.8 million), or property, plant and equipment with carrying amount of S$36.2 million (2022: S$36.4 million) at the end of the reporting period.

As at 31 March 2023, the Group's unsecured borrowings consist of S$250 million 10-year Notes, S$100 million 5-year Notes and A$264.4 million (S$235.2 million) 5-year term loan facilities.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

28. LEASE LIABILITIES / BORROWINGS (continued)

Fair value of non-current borrowings

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Non-current				
– Borrowings (secured)	**39,809**	–	**–**	–
– Borrowings (unsecured)	**551,912**	423,988	**–**	–
	591,721	423,988	**–**	–

The fair value of the Notes above are determined based on the over-the-counter quoted price. The fair value of external bank loans are 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 2022	Financing cash flows [i]	Acquisition of subsidiaries	Loss of control of subsidiaries	Foreign exchange movement	Other changes [ii]	31 March 2023
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Borrowings	**517,008**	**110,936**	**–**	**–**	**(20,512)**	**16,958**	**624,390**
Lease liabilities	**83,445**	**(25,532)**	**–**	**–**	**3,183**	**18,631**	**79,727**
	600,453	**85,404**	**–**	**–**	**(17,329)**	**35,589**	**704,117**

			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

[i] The cash flows consist of interest paid, 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 2023

29. CONTRACT LIABILITIES

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Advances received for post assurance collaboration (Note (a))	**15,394**	23,319	**15,394**	23,319
Advance billings (Note (b))	**21,820**	21,472	**18,324**	15,672
	37,214	44,791	**33,718**	38,991
Analysed as:				
Current	**30,037**	29,397	**26,541**	23,597
Non-current	**7,177**	15,394	**7,177**	15,394
	37,214	44,791	**33,718**	38,991

(a) Arises from definitive agreements with respect to the post assurance collaboration with HSBC Life (Singapore) Pte Ltd ("HSBC Life") (formerly known as AXA Life Insurance Singapore Private Limited) 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.

As at 1 April 2021, contract liabilities amounted to S$58.1 million.

The change in contract liabilities during the reporting period is due to recognition of advance billings and advances from HSBC Life 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	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Deferred income tax assets	**7,361**	8,657	**–**	–
Deferred income tax liabilities	**44,214**	48,816	**22,521**	22,478

Movement in the deferred income tax account is as follows:

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**40,159**	32,617	**22,478**	21,971
Acquisition of subsidiaries (Note 40)	**214**	8,682	**–**	
Loss of control of subsidiary (Note 41)	**–**	(1,879)	**–**	–
Tax (credited) / charged to profit or loss (Note 12)	**(1,907)**	462	**43**	507
Currency translation differences	**(1,613)**	277	**–**	–
End of financial year	**36,853**	40,159	**22,521**	22,478

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

30. DEFERRED INCOME TAXES (continued)

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$139,796,000 (2022: S$133,821,000) 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.

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$'000	Others S$'000	Total S$'000
2023			
Beginning of financial year	**24,056**	**25,173**	**49,229**
Acquisition of subsidiaries (Note 40)	**–**	**214**	**214**
Credited to profit or loss	**(1,195)**	**(1,293)**	**(2,488)**
Currency translation differences	**(28)**	**(2,284)**	**(2,312)**
End of financial year	**22,833**	**21,810**	**44,643**
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)
(Credited) / charged to profit or loss	(326)	83	(243)
Currency translation differences	22	260	282
End of financial year	24,056	25,173	49,229

Deferred income tax assets

	Provisions S$'000	Tax losses S$'000	Total S$'000
2023			
Beginning of financial year	**(6,580)**	**(2,490)**	**(9,070)**
Charged to profit or loss	**581**	**–**	**581**
Currency translation difference	**180**	**519**	**699**
End of financial year	**(5,819)**	**(1,971)**	**(7,790)**
2022			
Beginning of financial year	(2,088)	(2,596)	(4,684)
Acquisition of subsidiaries (Note 40)	(5,086)	–	(5,086)
Charged to profit or loss	646	59	705
Currency translation difference	(52)	47	(5)
End of financial year	(6,580)	(2,490)	(9,070)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

30. DEFERRED INCOME TAXES (continued)

Company

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Others S$'000	Total S$'000
2023			
Beginning of financial year	**21,973**	**921**	**22,894**
(Credited) / charged to profit or loss	**(1,181)**	**1,119**	**(62)**
End of financial year	**20,792**	**2,040**	**22,832**
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

Deferred income tax assets

	Provisions S$'000
2023	
Beginning of financial year	**(416)**
Charged to profit or loss	**105**
End of financial year	**(311)**
2022	
Beginning of financial year	(439)
Charged to profit or loss	23
End of financial year	(416)

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 2021 and 31 March 2022	**2,275,089**	**(25,512)**	**638,762**	**(29,724)**
Issuance of shares	**–**	**162**	**–**	**208**
As at 31 March 2023	**2,275,089**	**(25,350)**	**638,762**	**(29,516)**

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(a) *Treasury shares*

During the financial years ended 31 March 2023, 162,000 treasury shares (2022: Nil) amounting to S$208,000 were reissued.

(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 2023.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) *Share options* (continued)

- 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 2022, 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 2023, 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 1.4.22 ('000)	Granted during financial year ('000)	Options exercised ('000)	Options forfeited ('000)	Balance At 31.3.23 ('000)
Options Granted Under Singapore Post Share Options Scheme							
For employees (including executive directors)							
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	689	–	–	689	–
17.01.14	18.01.17 to 17.01.24	S$1.350	1,223	–	–	848	375
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	609	–	–	301	308
07.08.14	08.08.15 to 07.08.24	S$1.760	62	–	–	30	32
19.05.15	20.05.16 to 19.05.25	S$1.890	1,875	–	–	678	1,197
20.05.16	21.05.17 to 20.05.26	S$1.570	1,492	–	–	526	966
Total Share Options			6,807	–	–	3,554	3,253

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 2023

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 Plan commenced 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 ("AGM") held on 20 July 2017.

At the Company's AGM held on 21 July 2022, the shareholders approved the following:

(i) extension of the Plan for another 10 years up to 27 June 2033; and

(ii) alteration to the rules of the Plan to take into account amendments to the Listing Manual, as well as to streamline and rationalise certain provisions.

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 eleased 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 2022, a total of 5,839,118 restricted shares were granted.

During the financial year ended 31 March 2023, 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 2023

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 and Absolute Total Shareholder Returns. For Performance Share Award from financial year 2020/2021 onwards, an additional performance measure, CO2 Reduction from FY18/19, 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 2022, a total of 6,020,288 shares have been granted.

During the financial year ended 31 March 2023, 1,244,281 shares were granted. Details of the grants are as follows:

Date of Grant	Balance As At 1.4.22 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.23 ('000)
31.05.19	591	–	–	–	591
01.06.20	455	–	–	–	455
20.01.22	269	–	–	–	269
03.06.22	–	1,244	–	–	1,244
Total	**1,315**	**1,244**	**–**	**–**	**2,559**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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 2022, a total of 11,044,023 restricted shares have been granted.

During the financial year ended 31 March 2023, 3,897,113 shares were granted. Details of the grants are as follows:

Date of Grant	Balance As At 1.4.23 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.23 ('000)
31.05.19	1,143	–	–	262	881
01.06.20	1,944	–	–	590	1,354
20.01.22	1,140	–	–	372	768
03.06.22	–	3,897	–	1,330	2,567
Total	**4,227**	**3,897**	**–**	**2,554**	**5,570**

Of the outstanding options (including Performance Share Option Plan but excluding Restricted Share Plan) for 3,253,000 (2022: 6,807,000) shares, 3,253,000 (2022: 6,807,000) options are exercisable as at 31 March 2023. The weighted average share price during the financial year was S$0.59 (2022: S$0.68).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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)
2023				
Total fair value of options granted during financial year	**$154,789**	**$291,659**	**$145,830**	**$2,283,708**
Valuation Model	**Monte Carlo Simulation**	**Monte Carlo Simulation**	**Monte Carlo Simulation**	**Monte Carlo Simulation**
Weighted average share price at the grant dates	**S$0.67**	**S$0.67**	**S$0.67**	**S$0.67**
Expected volatility	**22.0%**	**22.0%**	**22.0%**	**22.0%**
Expected option life	**4 years**	**4 years**	**4 years**	**4 years**
Expected dividend yield	**3.56%**	**3.56%**	**3.56%**	**3.56%**
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%

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 2023

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) *Share options* (continued)

FMH Long Term Incentive Plan

The FMH Group Long Term Incentive Plan ("FMH LTIP") was implemented by FMH on 10 November 2022.

The objective of the FMH LTIP are to provide an incentive for eligible employees to remain in their employment in the long term and recognise the ongoing ability of eligible employees and their expected efforts and contribution in the long term to the performance and success of the FMH and its subsidiaries (the "FMH Group"). The LTIP provides eligible employees with the opportunity to acquire rights ("Rights") to receive fully paid ordinary shares in the capital of FMH ("FMH Shares").

Offers to participate in the FMH LTIP ("Offers", and each, an "Offer") may only be made by the Plan Committee (as defined below) to a person who is:

(a) a full time or part time employee (including an executive director) of the FMH Group;

(b) a non-executive director of the FMH Group;

(c) a casual employee of the FMH Group (being a person who is, or might reasonably expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full time position with the FMH Group); or a person who has entered into an arrangement with the FMH Group that will result in that person being covered by paragraphs (a) to (c), (each, an "Employee").

An employee whom the Plan Committee (see below) determines is to receive an Offer under the FMH LTIP will be referred to as an "Eligible Employee". An Eligible Employee may nominate a trust or trustee of a trust for which such Eligible Employee is the sole beneficiary ("Nominated Participant") to receive his or her Offer, provided that such nomination must be approved by the board of directors of FMH (the "FMH Board").

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) *Share options* (continued)

FMH Long Term Incentive Plan (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	LTI Plan Share Awards
2023	
Total fair value of options granted during financial year	**A$8,164,888**
Valuation Model	**Monte Carlo Simulation**
Weighted average share price at the grant dates	**A$24,171**
Expected volatility	**29.9%**
Expected option life	**3 years**
Expected dividend yield	**2.72%**

The volatility assumption is based on the average volatility of EBITDA and Return on Equity growth from FMH's peer companies during the past ten years.

The annual risk free rate is interpolated from the yield on Australia Government Bonds.

32. OTHER RESERVES

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
(a) Composition:				
Share option reserve	**4,301**	6,115	**4,301**	6,115
Fair value reserve	**(27,169)**	4,863	**(4,561)**	(4,561)
Currency translation reserve	**(19,414)**	(8,925)	**–**	–
Other capital reserve	**(118,451)**	34,513	**(104)**	–
Asset valuation reserve	**45,573**	45,275	**35,754**	35,754
Hedging reserve	**37,540**	–	**–**	–
	(77,620)	81,841	**35,390**	37,308

Other reserves are non-distributable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

32. OTHER RESERVES (continued)

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
(b) Movements:				
(i) Share option reserve				
Beginning of financial year	**6,115**	16,134	**6,115**	16,134
Employee share option scheme:				
– Value of employee services	**(1,814)**	(10,019)	**(1,814)**	(10,019)
– Profit and loss (Note 5)	**(440)**	(4,535)	**(440)**	(4,535)
– Retained earnings	**(1,374)**	(5,484)	**(1,374)**	(5,484)
End of financial year	**4,301**	6,115	**4,301**	6,115
(ii) Fair value reserve				
Beginning of financial year	**4,863**	13,668	**(4,561)**	–
Fair value gain / (loss)	**(48,532)**	(10,992)	**–**	(4,561)
Adjusted for non-controlling interests	**16,500**	2,187	**–**	–
End of financial year	**(27,169)**	4,863	**(4,561)**	(4,561)
(iii) Currency translation reserve				
Beginning of financial year	**(8,925)**	(5,051)	**–**	–
Disposal / liquidation of foreign subsidiaries	**(34)**	(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	**(12,350)** [(1)]	(2,131)	**–**	–
Adjusted for non-controlling interest interests interests	**1,895**	(1,434)	**–**	–
End of financial year	**(19,414)**	(8,925)	**–**	–
(iv) Other capital reserve				
Beginning of financial year	**34,513**	33,192	**–**	–
Additional interest in a subsidiary	**(152,860)**	–	**–**	–
Adjustment	**–**	1,139	**–**	–
Loss of control of subsidiary	**–**	182	**–**	–
Issuance of shares to employee	**(104)**	–	**(104)**	–
End of financial year	**(118,451)**	34,513	**(104)**	–

Other capital reserve mainly arises from changes in shareholding in subsidiaries which do not result in a loss of control

[(1)] The loss on the currency translation reserve for the year ended 31 March 2023 is mainly attributable to the translation differences arising from net investment in Australia entities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

32. OTHER RESERVES (continued)

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
(b) Movements (continued):				
(v) Asset valuation reserve				
Beginning of financial year	**45,275**	45,062	**35,754**	30,702
Revaluation gain on property, plant and equipment and right-of-use assets upon transfer to investment property (Notes 24 and 25)	**298**	6,412	**–**	5,052
Loss of control of subsidiary	**–**	(6,199)	**–**	–
End of financial year	**45,573**	45,275	**35,754**	35,754
(vi) Hedging reserve				
Beginning of financial year	**–**	–	**–**	–
Gain on fair value hedge of an equity instrument designated at FVTOCI	**56,879**	–	**–**	
Adjusted for non-controlling interests	**(19,339)**	–	**–**	–
End of financial year	**37,540**	–	**–**	–

33. PERPETUAL SECURITIES

(a) On 2 March 2012, the Company issued senior perpetual cumulative securities ("Perpetual Securities 2012") 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. Perpetual Securities 2012 bear distributions at a rate of 4.25% per annum, payable semi-annually. Perpetual Securities 2012 were fully redeemed on 2 March 2022.

(b) On 6 April 2022, a wholly owned subsidiary of the Group issued SGD Subordinated Perpetual Securities with an aggregate principal amount of S$250,000,000 ("Perpetual Securities 2022") under the S$1 billion Multicurrency Debt Issuance Programme which is guaranteed by the Company. Incremental costs incurred amounting to S$1,028,000 were recognised in equity as a deduction from proceeds. Perpetual Securities 2022 bear distributions at a rate of 4.35% per annum up to 6 July 2027, payable semi-annually. The distribution rate will be reset every 5 years starting 6 July 2027.

Subject to the relevant terms and conditions in the offering memorandum, the Group and 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 Group and Company are 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$10,726,000 (2022: S$13,652,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

34. DIVIDENDS

	2023 S$'000	2022 S$'000
Ordinary dividends paid		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 1.3 cent per share (2022: 0.6 cents)	**29,247**	13,497
Interim exempt (one-tier) dividend paid in respect of the first half of the current financial year of 0.18 cent per share (2022: 0.5 cent)	**4,049**	11,248
	33,296	24,745

Final dividend

At the Annual General Meeting on 19 July 2023, the Board will be recommending a final exempt (one-tier) dividend of 0.40 cents per ordinary share amounting to S$8.9 million for the financial year ended 31 March 2023. Including the interim dividend of 0.18 cents per share paid out in November 2022, total dividend would amount to 0.58 cents per share, or approximately 40% of the underlying net profit. 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 2024.

The underlying net profit is defined as net profit before exceptional items (Note 9). The Group's underlying net profit for the financial year ended 31 March 2023 amounted to $32,384,000 (2022: $81,254,000).

35. POST-EMPLOYMENT BENEFITS

The Group operates one defined benefit pension plan in Japan to provide pensions for employees upon retirement.

	Group	
	2023 S$'000	2022 S$'000
The amount recognised in the statement of financial position is determined as follows:		
Present value of unfunded obligations (Note 27)	**1,832**	1,725
The amounts recognised in profit or loss are as follows:		
Current service cost	**546**	749
Interest cost	**12**	10
	558	759
Beginning of financial year	**1,725**	1,817
Current service cost	**546**	749
Interest cost	**12**	10
Benefits paid	**(278)**	(693)
Currency translation differences	**(173)**	(158)
End of financial year	**1,832**	1,725
The significant actuarial assumptions used were as follows:		
Discount rate	**0.80%**	0.60%
Retirement age	**60**	60
Salary growth rates	**3.0%**	2.50%
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 2023

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	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Property, plant and equipment	**15,334**	21,588	**6,189**	6,758

Apart from the above, the Group was 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 40).

(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 2023, the Group is committed to S$0.7 million (2022: S$0.6 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**
2023		
Maturity analysis:		
Year 1	**46,705**	**45,415**
Year 2	**22,834**	**21,700**
Year 3	**10,777**	**10,246**
Year 4	**4,364**	**4,172**
Year 5	**3,261**	**3,149**
Year 6 onwards	**801**	**801**
	88,742	**85,483**
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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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"), Australia 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 2023

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										
2023										
Financial assets										
Cash and cash equivalents	**393,840**	**–**	**10,677**	**10,061**	**2,765**	**34,966**	**2,745**	**73**	**40,569**	**495,696**
Trade and other receivables	**62,407**	**7,428**	**13,693**	**–**	**4,836**	**101,662**	**1,750**	**28,995**	**14,005**	**234,776**
Other financial assets	**2,859**	**–**	**337**	**–**	**339**	**1,187**	**266**	**–**	**5,733**	**10,721**
Financial assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**41,865**	**211**	**42,076**
Derivative financial instruments	**–**	**–**	**306**	**–**	**–**	**–**	**–**	**56,879**	**66**	**57,251**
	459,106	**7,428**	**25,013**	**10,061**	**7,940**	**137,815**	**4,761**	**127,812**	**60,584**	**840,520**
Financial liabilities										
Derivative financial instruments	**–**	**–**	**–**	**(848)**	**–**	**(282)**	**–**	**–**	**(283)**	**(1,413)**
Borrowings	**(349,370)**	**–**	**–**	**–**	**–**	**(275,020)**	**–**	**–**	**–**	**(624,390)**
Lease liabilities	**(25,242)**	**–**	**(1,049)**	**–**	**(979)**	**(47,221)**	**(24)**	**–**	**(5,212)**	**(79,727)**
Trade and other payables	**(266,245)**	**(253,123)**	**(10,016)**	**–**	**(4,194)**	**(95,998)**	**(1,090)**	**–**	**(21,657)**	**(652,323)**
	(640,857)	**(253,123)**	**(11,065)**	**(848)**	**(5,173)**	**(418,521)**	**(1,114)**	**–**	**(27,152)**	**(1,357,853)**
Net financial assets/ (liabilities)	**(181,751)**	**(245,695)**	**13,948**	**9,213**	**2,767**	**(280,706)**	**3,647**	**127,812**	**33,432**	
Less: Net financial assets / (liabilities) denominated in the respective entities' functional currencies	**(181,751)**	**–**	**12,577**	**7,532**	**2,696**	**(92,317)**	**3.648**	**73**	**29,293**	
Less: Currency forwards	**–**	**(11,050)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	
Currency exposure	**–**	**(256,745)**	**1,371**	**1,681**	**71**	**(188,389)**	**(1)**	**127,739**	**4,139**	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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										
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 assets / (liabilities)	(323,041)	(236,623)	16,556	7,796	1,420	(405,856)	3,073	123,579	27,727	
Less: Net financial assets / (liabilities) 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 2023

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										
2023										
Financial assets										
Cash and cash equivalents	**372,545**	**–**	**729**	**935**	**21**	**25**	**–**	**–**	**816**	**375,071**
Trade and other receivables	**298,947**	**7,428**	**–**	**–**	**–**	**–**	**–**	**28,995**	**–**	**335,370**
Other financial assets	**1,637**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,637**
Financial assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Derivative financial instruments	**–**	**–**	**306**	**–**	**–**	**–**	**–**	**–**	**66**	**372**
	673,129	**7,428**	**1,035**	**935**	**21**	**25**	**–**	**28,995**	**882**	**712,450**
Financial liabilities										
Derivative financial instruments	**–**	**–**	**–**	**(848)**	**–**	**–**	**–**	**–**	**(284)**	**(1,132)**
Borrowings	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Lease liabilities	**(39,116)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(39,116)**
Trade and other payables	**(767,528)**	**(253,123)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,020,651)**
	(806,644)	**(253,123)**	**–**	**(848)**	**–**	**–**	**–**	**–**	**(284)**	**(1,060,899)**
Net financial assets / (liabilities)	**(133,515)**	**(245,695)**	**1,035**	**87**	**21**	**25**	**–**	**28,995**	**598**	
Less: Net financial assets / (liabilities) denominated in the respective entities' functional currencies	**(133,515)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	
Less: Currency forwards	**–**	**(11,050)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	
Currency exposure	**–**	**(256,745)**	**1,035**	**87**	**21**	**25**	**–**	**28,995**	**598**	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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										
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 assets / (liabilities)	(88,171)	(236,623)	(105)	566	11	1,894	–	29,781	(228)	
Less: Net financial assets / (liabilities) 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 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(a) *Market risk* (continued)

(i) *Currency risk* (continued)

If the SDR changes against the SGD by 2% (2022: 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	
	2023	2022
	S$'000	S$'000
Group and Company		
SDR against SGD		
– strengthened	**(5,135)**	(5,060)
– weakened	**5,135**	5,060

If the EUR changes against the SGD by 3% (2022: 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	
	2023	2022
	S$'000	S$'000
Group		
EUR against SGD		
– strengthened	**41**	(28)
– weakened	**(41)**	28
Company		
EUR against SGD		
– strengthened	**31**	(2)
– weakened	**(31)**	2

If the USD changes against the SGD by 3% (2022: 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	
	2023	2022
	S$'000	S$'000
Group		
USD against SGD		
– strengthened	**50**	237
– weakened	**(50)**	(237)
Company		
USD against SGD		
– strengthened	**3**	17
– weakened	**(3)**	(17)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

If the AUD changes against the SGD by 4% (2022: 4%) 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	
	2023	2022
	S$'000	S$'000
Group		
AUD against SGD		
– strengthened	**(7,536)**	(3,624)
– weakened	**7,536**	3,624
Company		
AUD against SGD		
– strengthened	**1**	76
– weakened	**(1)**	(76)

If the RMB changes against the SGD by 3% (2022: 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	
	2023	2022
	S$'000	S$'000
Group		
RMB against SGD		
– strengthened	**870**	591
– weakened	**(870)**	(591)
Company		
RMB against SGD		
– strengthened	**870**	596
– weakened	**(870)**	(596)

(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 4.9% to 5.1% (2022: 1.3% to 3.2%).

For the financial year ended 31 March 2023, if the interest rate had increased / decreased by 1% (2022: 1%) with all other variables being held constant, profit before tax will decrease/increase by S$2.0 million (2022: S$1.1 million).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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.

The Group 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.

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. As the equity investment has been designated as a hedged item for fair value hedge accounting, the Group’s exposure to equity price risk is mitigated and no sensitivity analyses was performed.

Further details of these equity investments and the hedging relationship can be found in Notes 15 and 17.

(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 2023, 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 2023

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	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
By geographical areas				
Singapore	**54,101**	44,923	**68,519**	46,401
Other countries	**170,109**	178,349	**42,699**	47,605
	224,210	223,272	**111,218**	94,006
By types of customers				
Related parties	**652**	1,406	**31,508**	16,208
Non-related parties:				
– Government bodies	**2,369**	1,992	**2,369**	1,992
– Banks	**6,248**	5,210	**6,230**	5,094
– Overseas postal administrations	**6,291**	9,147	**6,291**	9,147
– Other companies	**208,650**	205,517	**64,820**	61,565
	224,210	223,272	**111,218**	94,006

(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 2023

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
2023							
Group							
Trade receivables	16	N.A.	(i)	Lifetime ECL (simplified approach)	**226,877**	**(2,667)**	**224,210**
Other receivables	16,20	N.A.	(ii)	12m ECL and lifetime ECL	**10,566**	**–**	**10,566**
Other financial assets	18	N.A.	(ii)	12m ECL	**10,721**	**–**	**10,721**
						(2,667)	
Company							
Trade receivables	16	N.A.	(i)	Lifetime ECL (simplified approach)	**112,425**	**(1,207)**	**111,218**
Other receivables	16,20	N.A.	(ii)	12m ECL and lifetime ECL	**270,518**	**(46,366)**	**224,152**
Other financial assets	18	N.A.	(ii)	12m ECL	**1,637**	**–**	**1,637**
						(47,573)	
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)	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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				
2023				
Group				
Current (not past due)	*****	**170,382**	**–**	**170,382**
1 to 90 days past due	**1.2%**	**33,905**	**(423)**	**33,482**
More than 90 days past due	**9.9%**	**22,590**	**(2,244)**	**20,346**
		226,877	**(2,667)**	**224,210**
Company				
Current (not past due)	*****	**82,027**	**–**	**82,027**
1 to 90 days past due	**3.9%**	**10,964**	**(423)**	**10,541**
More than 90 days past due	**4.0%**	**19,434**	**(784)**	**18,650**
		112,425	**(1,207)**	**111,218**
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

* The expected weighted credit loss rate is assessed as negligible.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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:

	Trade receivables S$'000	Loans to associated companies S$'000
Group		
Balance as at 1 April 2021	3,172	746
Amount written off	(101)	–
Loss allowance recognised in profit or loss during the year	2,211	1,644
Balance as at 31 March 2022	5,282	2,390
Amount written off	(2,484)	(1,865)
Reversal of loss allowance recognised in profit or loss during the year	(131)	(525)
Balance as at 31 March 2023	2,667	–

	Trade receivables S$'000	Loans to subsidiaries S$'000
Company		
Balance as at 1 April 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
Amount written off	(3,229)	
Reversal of loss allowance recognised in profit or loss during the year	–	(114)
Balance as at 31 March 2023	1,207	46,366

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(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 2023, trade receivables from a customer represented 13% and 27% (2022: 13% and 32%) of the Group's and Company's trade receivables respectively and contributed revenue of S$174,809,000 (2022: S$231,498,000). The revenue is attributable to the Post and Parcel segment.

Bank deposits are placed in banks which are regulated.

(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.

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				
2023				
Trade and other payables	**(632,539)**	**(5,685)**	**(988)**	**(6,448)**
Lease liabilities	**(36,284)**	**(21,315)**	**(22,134)**	**(8,351)**
Borrowings	**(23,178)**	**(54,667)**	**(396,025)**	**(266,636)**
	(692,001)	**(81,667)**	**(419,147)**	**(281,435)**
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)
Company				
2023				
Trade and other payables	**(438,417)**	**(22,900)**	**(407,822)**	**(269,514)**
Lease liabilities	**(13,182)**	**(10,653)**	**(17,557)**	**–**
	(451,599)	**(33,553)**	**(425,379)**	**(269,514)**
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)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(d) *Liquidity risk* (continued)

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.

	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				
2023				
Cash and cash equivalents	**495,696**	**–**	**–**	**–**
Trade and other receivables	**230,648**	**4,810**	**1**	**134**
Other financial assets	**4,889**	**–**	**–**	**4,491**
	731,233	**4,810**	**1**	**4,625**
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

	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
Company				
2023				
Cash and cash equivalents	**375,071**	**–**	**–**	**–**
Trade and other receivables	**127,256**	**224,562**	**3,152**	**134**
Other financial assets	**1,637**	**–**	**–**	**–**
	503,964	**224,562**	**3,152**	**134**
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

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 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(d) *Liquidity risk* (continued)

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Less than 1 year				
Gross settled:				
Foreign exchange contracts forward				
– Gross inflow	**137,130**	145,757	**137,130**	145,757
– Gross outflow	**(137,890)**	(145,918)	**(137,890)**	(145,918)
	(760)	(161)	**(760)**	(161)

(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	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Net debt / (cash)	**128,694**	236,570	**(375,071)**	(150,598)
Total equity	**1,374,298**	1,142,101	**1,208,319**	1,233,674
Gearing ratio without perpetual securities	**9.4%**	20.7%	**(31.0%)**	(12.2%)
Net debt / (cash) plus perpetual securities	**380,198**	236,570	**(375,071)**	(150,598)
Total equity	**1,374,298**	1,142,101	**1,208,319**	1,233,674
Gearing ratio with perpetual securities	**27.7%**	20.7%	**(31.0%)**	(12.2%)

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 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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 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 2023

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				
2023				
Assets				
Financial assets designated as at FVTOCI	**–**	**–**	**42,076**	**42,076**
Derivative financial instruments	**–**	**372**	**56,879**	**57,251**
Liabilities				
Derivative financial instruments	**–**	**1,413**	**–**	**1,413**
Contingent consideration payable	**–**	**–**	**28,608**	**28,608**
Put option redemption liabilities	**–**	**–**	**72,827**	**72,827**
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
Company				
2023				
Assets				
Derivative financial instruments	**–**	**372**	**–**	**372**
Liabilities				
Derivative financial instruments	**–**	**1,132**	**–**	**1,132**
2022				
Assets				
Derivative financial instruments	–	391	–	391
Liabilities				
Derivative financial instruments	–	552	–	552

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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$'000	Financial assets at FVOCI – put option S$'000	Financial assets designated as at FVTOCI S$'000	Contingent consideration payable S$'000	Put option redemption liability S$'000
2023					
Beginning of financial year	**–**	**–**	**90,631**	**(7,971)**	**(249,215)**
Acquisition of additional interest in a subsidiary	**–**	**–**	**–**	**(18,696)**	**174,815**
Acquisition of subsidiary Fair value gains / (losses) recognised in	**–**	**–**	**–**	**(12,925)**	**–**
– Profit or loss	**–**	**–**	**–**	**1,284**	**(21,719)**
– Other comprehensive income	**–**	**56,879**	**(48,532)**	**–**	**–**
Settlement of contingent consideration	**–**	**–**	**–**	**10,697**	**–**
Currency translation differences	**–**	**–**	**(23)**	**(997)**	**23,292**
End of financial year	**–**	**56,879**	**42,076**	**(28,608)**	**(72,827)**
Total profit/(loss) for the year included in profit or loss for assets and liabilities held at the end of the financial year	**–**	**–**	**–**	**1,284**	**(21,719)**
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)]	(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)

(1) Call option was granted to the Group to acquire 13% equity interest in FMH which was exercised in 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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	–

There were no transfers between Levels 1, 2 and 3 during the year.

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) 2023	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2023	Relationship of unobservable inputs to fair value
Group					
Derivatives – equity option	**56,879** (2022: Nil)	Discounted cash flow approach	Risk-free rate	**2.6%** (2022: Nil)	The higher the discount rate, the lower the valuation.
Financial assets designated as at FVTOCI	**42,076** (2022: 90,631)	Market approach	Enterprise Value/Revenue multiple of comparable companies	**0.2 – 0.3x** (2022: 0.3 – 0.4x)	The higher the Enterprise Value/Revenue multiple, the higher the valuation
Put option redemption liabilities	**6,663** (2022: 7,830)	Discounted cash flow approach	Discount rate	**4.8 – 5.3%** (2022: 4.5 – 5.0%)	The higher the discount rate, the lower the valuation
	66,164 (2022: 241,385)	Monte Carlo simulation model	EBITDA volatility	**20.0%** (2022: 20.0%)	The higher the volatility, the higher the valuation
			Risk-free rate	**3.0 – 3.3%** (2022: 1.0 – 2.6%)	The higher the risk-free rate, the higher the valuation

Nil: Not applicable

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Financial assets at amortised cost	**741,193**	530,950	**712,078**	516,983
Financial liabilities at amortised cost	**550,888**	557,156	**1,020,651**	747,300
Financial liabilities at fair value through profit or loss	**101,435**	257,186	**–**	–

(h) *Offsetting financial assets and financial liabilities*

There were no financial instruments subject to enforceable master netting arrangement as at 31 March 2023 and 2022.

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	
	2023	2022
	S$'000	S$'000
Services rendered to an associated company	**–**	2,677
Services received from associated companies	**(6,765)**	(3,072)
Services rendered to related companies of a substantial shareholder	**11,974**	13,901
Services received from related companies of a substantial shareholder	**(14,526)**	(16,926)
Interest received from loans to associated companies	**17**	92

During the financial year ended 31 March 2023, the Company made payments on behalf of subsidiaries totalling S$2.0 million (2022: S$5.2 million) which were subsequently reimbursed.

Outstanding balances at 31 March 2023, 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 2023

38. RELATED PARTY TRANSACTIONS (continued)

(b) Key management personnel compensation is as follows:

	Group	
	2023	2022
	S$'000	S$'000
Salaries and other short-term employee benefits	**5,421**	3,793
Post-employment benefits	**92**	80
Share-based staff costs	**806**	74
	6,319	3,947

Included in the above is total compensation to non-executive directors of the Company amounting to S$1,240,410 (2022: S$1,222,800) based on the non-executive director remuneration framework.

The key management personnel for the financial year reflects the top 5 executive key management positions and the Group CEO as at the end of that financial year. This composition of the top 5 executive key management positions has changed during the financial year.

The total key management personnel compensation reflects the compensation of these 6 executive key management positions, 4 of whom were in service for the full financial year and 2 for a period of the financial year and for whom the remuneration is for the period of their appointment to the end of the financial year. (2022: 1 in service for the full financial year, 3 in service for the full financial year but in different capacities within the financial year and 2 for a period of the financial year and for whom the remuneration is for the period of their appointment to the end of the financial year).

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 unallocated corporate overhead items are categorised as Others.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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 2023 and 2022.

	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 2023							
Revenue:							
– External	**505,546**	**1,313,027**	**53,686**	**–**	**1,872,259**	**–**	**1,872,259**
– Inter-segment	**15,801**	**9,331**	**34,645**	**(59,777)**	**–**	**–**	**–**
	521,347	**1,322,358**	**88,331**	**(59,777)**	**1,872,259**	**–**	**1,872,259**
Operating (loss) / profit	**(15,874)**	**84,742**	**44,012**	**–**	**112,880**	**(19,714)**	**93,166**
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 / (loss)	24,851	44,295	52,867	–	122,013	(9,939)	112,074

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 2023 S$'000	2022 S$'000
Operating profit for reportable segments	**112,880**	122,013
Operating loss for all other segments	**(19,714)**	(9,939)
Exceptional items	**(7,705)**	1,858
Finance expenses	**(19,623)**	(14,779)
Interest income and investment income (net)	**2,148**	3,366
Share of profit of associated companies and joint venture	**23**	4,847
Profit before tax	**68,009**	107,366
Tax expense	**(29,249)**	(19,623)
Profit after tax	**38,760**	87,743

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

39. SEGMENT INFORMATION (continued)

(b) Segment assets

The following is an analysis of the Group's segment assets as at 31 March 2023 and 2022 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 2023						
Segment assets	**240,885**	**1,007,617**	**1,174,111**	**2,422,613**	**40,518**	**2,463,131**
Segment assets include:						
Investment in associated companies	**–**	**3,018**	**–**	**3,018**	**28,931**	**31,949**
Intangible assets	**4,329**	**496,629**	**–**	**500,958**	**–**	**500,958**
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

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 2023 S$'000	Group 2022 S$'000
Segment assets for reportable segments	**2,422,613**	2,423,123
Segments assets for all other segments	**40,518**	48,390
Unallocated:		
Cash and cash equivalents	**374,267**	199,494
Financial assets	**–**	8,006
Derivative financial instruments	**372**	391
Total assets	**2,837,770**	2,679,404

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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					
2023					
Depreciation and amortisation	**22,874**	**45,986**	**11,601**	**2,109**	**82,570**
Additions to [1]:					
– Property, plant and equipment	**6,789**	**15,073**	**385**	**1,764**	**24,011**
– Right-of-use assets	**3,292**	**35,786**	**–**	**–**	**39,078**
– Intangible assets	**–**	**4,441**	**–**	**–**	**4,441**
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

[1] Net of inter-segment elimination

In addition to the depreciation and amortisation reported above, impairment losses of S$1.4 million (2022: S$4.4 million) and S$Nil (2022: S$5.5 million) were recognised in respect of property, plant and equipment and assets classified as held for sale respectively. There was a reversal of impairment losses of S$0.5 million recognised in respect of investment in and loan to associated companies in the current financial year (2022: impairment loss of S$4.3 million).

These impairment (losses) / reversals were attributable to the following reportable segments:

	Group	
	2023 S$'000	2022 S$'000
Post and Parcel	**–**	(5,093)
Logistics	**(491)**	(9,813)
Property	**–**	719
Others	**(425)**	–
	(916)	(14,187)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

39. SEGMENT INFORMATION (continued)

(d) *Revenue from major products and services*

The Group's revenue from its major products and services are disclosed in Note 4.

(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 32% (2022: 43%) 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	
	2023	2022
	S$'000	S$'000
Revenue:		
Singapore	**594,562**	717,076
Australia	**857,800**	460,962
Other countries	**419,897**	487,541
	1,872,259	1,665,579

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$505,546,000 (2022: S$604,784,000) are revenues of approximately S$174,809,000 (2022: S$231,498,000) derived from the Group's largest customer in the respective years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

40. ACQUISITION OF SUBSIDIARIES

2023

(a) *During the current financial year, the following acquisitions were completed:*

Parcel Santa Pte. Ltd.

On 1 April 2022, the Group acquired 100% shares and voting interest in Parcel Santa Pte. Ltd. ("Parcel Santa"). Parcel Santa is the sole provider of smart locker systems for private residences in Singapore.

Spectrum Transport Consol 1 Pty Ltd, Spectrum Transport QLD Pty Ltd, Spectrum Transport NSW Pty Ltd, Spectrum Transport VIC Pty Ltd and Spectrum Transport Equipment Pty Ltd ("Spectrum Group")

On 30 June 2022, the Group acquired 100% of the shares and voting interest in Spectrum Group through its subsidiary, FMH. The Spectrum Group is a specialist carrier providing Business to Business Metro distribution in Brisbane, Sydney and Melbourne with a focus on fast-moving consumer goods ("FMCG") product.

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:

		Parcel Santa S$'000	Spectrum Group S$'000
(i)	*Purchase consideration*		
	Cash paid to vendor	5,224	3,796
	Contingent consideration (Note (a)(iv))	–	12,925
	Total purchase consideration	**5,224**	**16,721**
(ii)	*Effect on cash flows of the Group*		
	Effect on cash flows of the Group	5,224	3,796
	Less: Cash and cash equivalent balances acquired	(55)	(983)
	Cash outflow on acquisition	**5,169**	**2,813**
(iii)	*Identifiable assets acquired and liabilities assumed, at fair value-*		
	Current assets		
	Cash and cash equivalents	55	983
	Trade and other receivables	337	2,806
	Other current assets	12	203
		404	3,992
	Non-current assets		
	Property, plant and equipment	890	2,822
	Intangible assets	1,258	–
		2,148	2,822
	Current liabilities		
	Trade and other payables	352	1,989
	Current income tax liabilities	2	9
	Other creditors and accruals	28	1,114
		382	3,112
	Non-current liability		
	Deferred tax liabilities	214	–
	Total identifiable assets acquired and liabilities assumed	1,956	3,702
	Add: Goodwill arising on acquisition (Note (a)(v))	3,268	13,019
	Consideration	5,224	16,721

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

40. ACQUISITION OF SUBSIDIARIES (continued)

2023 (continued)

(a) During the current financial year, the following acquisitions were completed: (continued)

Spectrum Transport Consol 1 Pty Ltd, Spectrum Transport QLD Pty Ltd, Spectrum Transport NSW Pty Ltd, Spectrum Transport VIC Pty Ltd and Spectrum Transport Equipment Pty Ltd ("Spectrum Group") (continued)

(iii) Identifiable assets acquired and liabilities assumed, at fair value- (continued)

The fair value of the financial assets includes receivables acquired (which principally comprised trade receivables) as below:

	Parcel Santa S$'000	Spectrum Group S$'000
Trade receivables		
Gross contractual value	**337**	**2,806**
Less: Loss allowance	**–**	**–**
	337	**2,806**

(iv) Contingent consideration

The contingent consideration is dependent on the Earnings before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of Spectrum Group for the period from 1 July 2022 to 30 June 2023.

The contingent consideration was revalued as at 31 March 2023 to S$9,079,000 with a gain recognised for the year of S$3,102,000 in exceptional item arising from the decrease in consideration payable by FMH on the interest in Spectrum Group. The remaining movement is attributable to translation reserves arising from foreign currency revaluation.

(v) Goodwill arising on acquisition

The goodwill of S$3,268,000 arising on acquisition of Parcel Santa is attributable to the synergies expected to arise from combining the operations of the Group with Parcel Santa's network of parcel lockers.

The goodwill of S$13,019,000 arising on acquisition of Spectrum group is attributable to synergies expected to arise from combining operations of the Group with Spectrum Group's to help to expand the Group's reach and service offering to customers in FMCG industry.

None of the goodwill is expected to be deductible for tax purposes.

(vi) Acquisition-related cost

Acquisition-related costs of S$235,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

40. ACQUISITION OF SUBSIDIARIES (continued)

2023 (continued)

(a) *During the current financial year, the following acquisitions were completed:* (continued)

Spectrum Transport Consol 1 Pty Ltd, Spectrum Transport QLD Pty Ltd, Spectrum Transport NSW Pty Ltd, Spectrum Transport VIC Pty Ltd and Spectrum Transport Equipment Pty Ltd ("Spectrum Group") (continued)

(vii) *Impact of acquisition on the results of the Group*

Parcel Santa contributed S$1,430,000 revenue and a net loss of S$691,000 to the Group's profit for the period between the date of acquisition and the reporting date. Spectrum Group contributed S$21,957,000 revenue and S$2,237,000 to the Group's profit for the period between the date of acquisition and the reporting date.

If the acquisition of Spectrum Group had been completed on the first day of the financial year, consolidated revenue and consolidated net profit for the year ended 31 March 2023 would have increased by S$7,667,000 and S$584,000 respectively.

2022

(b) *During the preceding financial year ended 31 March 2022, the following acquisitions were completed:*

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.

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:

		FMH S$'000	Andromeda S$'000
(i)	*Purchase consideration*		
	Cash paid to vendor	109,594	1,984
	Contingent consideration (Note (b)(iv))	6,101	1,641
	Total purchase consideration	115,695	3,625
(ii)	*Effect on cash flows of the Group*		
	Effect on cash flows of the Group	109,594	1,984
	Less: Cash and cash equivalent balances acquired	–	(94)
	Cash outflow on acquisition	109,594	1,890

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

40. ACQUISITION OF SUBSIDIARIES (continued)

2022 (continued)

(b) *During the preceding financial year ended 31 March 2022, the following acquisitions were completed:* (continued)

Andromeda Nominees Pty Ltd (continued)

	FMH At fair value S$'000	Andromeda At provisional fair value S$'000
(iii) *Identifiable assets acquired and liabilities assumed-*		
Current assets		
Cash and cash equivalents	–	94
Trade and other receivables	75,152	1,631
	75,152	1,725
Non-current assets		
Property, plant and equipment	31,613	784
Right-of-use assets	23,392	1,248
Intangible assets	57,620	–
Deferred income tax assets	5,086	–
Other non-current assets	98	–
	117,809	2,032
Current liabilities		
Trade and other payables	68,245	2,513
Current income tax liabilities	10,979	–
Lease liabilities	9,146	–
Borrowings	14,455	9
	102,825	2,522
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	1,235
Add: Goodwill arising on acquisition (Note (b)(v))	181,812	2,390
Less: Fair value of previously held interest	(93,869)	–
Less: Non-controlling interest (Note (b)(vi))	(26,665)	–
Consideration	115,695	3,625

The fair value of the financial assets includes receivables acquired (which principally comprised trade receivables) as below:

	FMH S$'000	Andromeda S$'000
Trade receivables		
Gross contractual value	56,723	–
Less: Loss allowance	(828)	–
	55,895	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

40. ACQUISITION OF SUBSIDIARIES (continued)

2022 (continued)

(b) *Andromeda Nominees Pty Ltd* (continued)

(iv) *Contingent consideration*

In respect of FMH, 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.

In respect of Andromeda, 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.

(v) *Goodwill arising on acquisition*

In respect of FMH, 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.

In respect of Andromeda, 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.

(vi) *Non-controlling interest*

The non-controlling interest (49% ownership interest in FMH) 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 2023

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
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).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

41. LOSS OF CONTROL OF SUBSIDIARIES (continued)

(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)

42. CONTINGENT LIABILITIES

1st Arbitration

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 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

42. CONTINGENT LIABILITIES (continued)

2nd Arbitration

In addition to the 1st Arbitration, a second arbitration was commenced by the Claimant against FHPL and SingPost Logistics Investments Pte Ltd ("SPLI"), a subsidiary of the company, on 15 and 16 September 2021 (viz., the 2nd Arbitration), in which the Claimant alleged breaches of a shareholders' agreement (viz., the SHA), minority oppression, the existence of a conspiracy, and his purported entitlement to dividends. On 29 March 2023, the arbitral tribunal issued an award dismissing all of the Claimant's claims against SPLI and FHPL in the 2nd Arbitration (the "Final Partial Award"). The Final Partial Award was declared as immediately enforceable and matters relating to costs were reserved to a further award.

3rd Arbitration

A third arbitration was separately commenced by the Claimant against SPLI on 22 February 2022 (viz., the 3rd Arbitration), in which the Claimant alleged breaches of the SHA 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 Claimant had initially quantified his claim at S$16,514,000 plus interest, based on his Statement of Claim filed on 8 August 2022. Based on the revised Statement of Claim and supporting documentation re-filed by the Claimant on 29 October 2022 and 1 November 2022, the Claimant changed the quantum of his claim to S$13,997,000 plus interest.

High Court Proceedings and 4th Arbitration

The Claimant had also commenced proceedings against the Company in the High Court. Based on the Statement of Claim which was served on the Company on 26 September 2022, it was alleged that the Claimant suffered loss and damage as a result of the Company's conduct in the 1st Arbitration. The Claimant had alleged that the Company had engaged in fraud and/or concealed material evidence as regards the independence of a mutually appointed human resource consultant for the provision of market benchmarks on certain key management roles under the share purchase agreement in relation to FHPL and its subsidiaries (the "SPA"), and which allegedly has had an impact on the decisions of the arbitral tribunal in the partial awards in respect of the 1st Arbitration. The Claimant had sought declarations from the High Court that the partial awards issued in the 1st Arbitration are null and void and/or unenforceable as against him and that the human resource consultant was not properly appointed under the SPA. He further claimed for damages to be assessed and for interest, costs and such other relief as the High Court deems just. Subsequently, the Claimant served a Notice of Arbitration on the Company on 28 December 2022 (viz., the 4th Arbitration) and has since discontinued his claim in the High Court. The allegations in the Notice of Arbitration are similar to those in the discontinued claim in the High Court, and the Claimant is seeking for damages to be assessed. Given the nature of the relief being sought by the Claimant, the potential financial impact of the 4th Arbitration cannot be quantified at this stage.

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

For the financial year ended 31 March 2023

43. 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 2023

- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*

Effective for financial year beginning on 1 April 2024

- Amendments to SFRS(I) 1-1: *Non-current Liabilities with Convenant*
- Amendments to SFRS(I) 1-1: *Classification of liabilities as current or non- current*

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 except for the following:

Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants

The amendments issued by Accounting Standards Committee (AS Committee) in December 2022 (2022 amendments) specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The right to defer settlement is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity disclose information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period.

This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting period beginning on 1 April 2024, with earlier application permitted. If an entity applies the 2022 amendments for an earlier period, it is also required to apply the 2020 amendments for the same period.

Amendments to SFRS(I) 1-12: International Tax Reform – Pillar Two Model Rules

The amendments issued by AS Committee in May 2023 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules. Such tax law, and the income taxes arising from it, are hereafter referred to as 'Pillar Two legislation' and 'Pillar Two income taxes'

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

43. PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE (continued)

These amendments introduce:

- An exception to the requirements in SFRS(I) 1-12 that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes. An entity has to disclose that it has applied the exception.

- A disclosure requirement that an entity has to disclose separately its current tax expense (income) related to pillar two income taxes.

- A disclosure requirement that state that in periods in which pillar two legislation is enacted or substantively enacted, but not yet in effect, an entity discloses known or reasonably estimable information that helps users of financial statements understand the entity's exposure to pillar two income taxes arising from that legislation.

When an entity applies the exception, it is required to disclose that it has applied the exception immediately upon issuance of the amendments and retrospectively in accordance with SFRS(I) 1-8. The Group has subsidiaries which operate in jurisdiction where Pillar Two legislation has been substantively enacted and has applied the exception. The remaining disclosure requirements are required for annual reporting period beginning on 1 April 2023.

Management is closely monitoring the progress of the legislative process in each jurisdiction the Group operates in and has yet to complete its detailed assessment.

44. LISTING OF COMPANIES IN THE GROUP

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2023	2022	**2023**	2022
			%	%	**%**	%
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. (9)	Dormant	Singapore	**–**	100	**–**	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

44. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2023	2022	**2023**	2022
			%	%	**%**	%
SUBSIDIARIES (continued) 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 (Taiwan) Co., Ltd.	Provision of delivery services and eCommerce logistics solutions	Taiwan	**100**	66	**–**	34
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
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 (7)	Dormant	India	**66**	66	**34**	34
Quantium Express Solutions (India) Private Limited (7)	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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

44. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2023 %	by the Group 2022 %	by the NCI 2023 %	by the NCI 2022 %
SUBSIDIARIES (continued) Held by subsidiaries (continued)						
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 (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	Investment holding and provision of integrated supply chain and distribution services	Australia	**88**	51	**12**	49
efm Logistics Pty Ltd (formerly efm Logistics Services Group Pty Ltd)	Provision of logistics consulting and warehousing services	Australia	**88**	51	**12**	49
LHA Network Services Pty Ltd (formerly efm Logistics Pty Ltd)	Provision of logistics consulting and warehousing services	Australia	**88**	51	**12**	49
Logistics Holdings Australia Pty Ltd	Provision of logistics services	Australia	**88**	51	**12**	49
Logistics Holdings Industrial Pty Ltd	Provision of logistics services	Australia	**88**	51	**12**	49
BagTrans Group Pty Ltd	Investment holding	Australia	**88**	51	**12**	49
BagTrans Logistics Pty Ltd	Investment holding	Australia	**88**	51	**12**	49

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

44. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2023 %	by the Group 2022 %	by the NCI 2023 %	by the NCI 2022 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
BagTrans Pty Limited	Provision of logistics services	Australia	**88**	51	**12**	49
BTH2 Pty. Limited	Provision of logistics services	Australia	**88**	51	**12**	49
BagTrans Holdings Pty Limited	Provision of logistics services	Australia	**88**	51	**12**	49
BagTrans Operations (Depot) Pty Ltd [(7)]	Provision of logistics services	Australia	**88**	51	**12**	49
BagTrans Operations (Local) Pty Ltd	Provision of logistics services	Australia	**88**	51	**12**	49
BagTrans Operations (Management) Pty Ltd	Provision of management and consultancy services to related entities	Australia	**88**	51	**12**	49
Flemington Fields Pty Ltd	Provision of logistics services	Australia	**88**	51	**12**	49
Otway Logistics Pty Ltd	Investment holding	Australia	**88**	51	**12**	49
Niche Logistics Pty Ltd	Provision of freight logistics services	Australia	**88**	51	**12**	49
Flip Group Technologies Pty Ltd	Provision of management and system support related services to its related entities	Australia	**88**	51	**12**	49
Flip Technologies Pty Ltd	Provision of management and system support related services to its related entities	Australia	**88**	51	**12**	49
Andromeda Nominees Pty. Ltd.	Provision of logistics services	Australia	**88**	51	**12**	49
Spectrum Transport Consol 1 Pty Ltd (formerly A.C.N. 660 608 417 Pty Ltd)	Investment holding	Australia	**88**	–	**12**	–
Spectrum Transport QLD Pty Ltd (formerly Belperio Transport QLD Pty Ltd)	Provision of logistics services	Australia	**88**	–	**12**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

44. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group **2023** %	by the Group 2022 %	by the NCI **2023** %	by the NCI 2022 %
SUBSIDIARIES (continued) Held by subsidiaries (continued)						
Spectrum Transport NSW Pty Ltd (formerly Belperio Transport NSW Pty Ltd)	Provision of logistics services	Australia	**88**	–	**12**	–
Spectrum Transport VIC Pty Ltd	Provision of logistics services	Australia	**88**	–	**12**	–
Spectrum Transport Equipment Pty Ltd	Provision of logistics services	Australia	**88**	–	**12**	–
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 (8)	Freight forwarding	China	**–**	100	**–**	–
Famous Container Lines Co Ltd (8)	Freight forwarding	China	**–**	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**	85	**15**	15
FPS Famous Pacific Shipping B.V. (1)	Logistics services	Netherlands	**85**	85	**15**	15
Trans Ocean Pacific Forwarding B.V. (1)	Logistics services	Netherlands	**85**	85	**15**	15
Famous Pacific Shipping (NZ) Limited	Freight forwarding	New Zealand	**100**	100	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

44. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2023 %	by the Group 2022 %	by the NCI 2023 %	by the NCI 2022 %
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	**–**	–
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. [(9)]	Dormant	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 specialising in the provision of online shopping platforms and services	Malaysia	**100**	100	**–**	–
SingPost Distribution Pte. Ltd. [(9)]	Dormant	Singapore	**–**	100	**–**	–
TradeGlobal Asia Holdings Limited [(3)]	Investment holding	Hong Kong	**100**	100	**–**	–
Parcel Santa Pte. Ltd. [(10)]	Provision of eCommerce logistics solutions	Singapore	**100**	–	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

44. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2023 %	2022 %
ASSOCIATED COMPANIES				
Held by the Company				
GDEX Berhad ^	Investment holding	Malaysia	**12.27**	12.12
Held by 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
Morning Express & Logistics Limited (6)	Provision of courier services and provision of management services to its related company	Hong Kong	**33**	33
JOINT VENTURES				
Held by subsidiaries				
PT Trio SPeCommerce Indonesia (1)	Dormant	Indonesia	**33**	33
Paya Lebar Central Partnership Limited	Provision of management consultancy services	Singapore	**33.33**	33.33

Notes
All companies as at 31 March 2023 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 2023
(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) Divested during the financial year ended 31 March 2023
(6) Audited by HKCMCPA Company Limited
(7) Placed under members' voluntary liquidation since financial year ended 31 March 2021
(8) Divested during the financial year ended 31 March 2023
(9) Struck off pursuant to Section 344A of the Companies Act 1967 of Singapore during the financial year ended 31 March 2023
(10) Acquired during the financial year ended 31 March 2023
\+ 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 2023

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*

	2023 **S$'000**	2022 S$'000
Fees on audit services paid / payable to :		
– Auditor of the Company*	**1,510**	1,220
– Other auditor	**255**	443
Fees on non-audit services paid / payable to :		
– Auditor of the Company*	**64**	68
– Other auditor	**3**	126
	1,832	1,857

* 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 2023, 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 has been fully utilised and in accordance with the intended use of proceeds, 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	75% / S$138.0 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 2023

4. INTERESTED PERSON TRANSACTIONS

During the full year ended 31 March 2023, 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$100,000)	
		2023 S$'000	2022 S$'000	**2023 S$'000**	2022 S$'000
Sales					
Singapore Telecommunications Group	Each interested person is an associate of Singapore Post Limited's controlling shareholder, Temasek Holdings (Private) Limited	**–**	–	**12,625 ***	–
SP Group		**–**	–	**–**	848 *
Starhub Group		**–**	–	**140**	366
		–	–	**12,765**	1,214
Purchases					
CapitaLand Group	Each interested person is an associate of Singapore Post Limited's controlling shareholder, Temasek Holdings (Private) Limited	**–**	–	**3,679 ***	1,327 *
Mapletree Industrial Trust		**–**	–	**–**	1,407 *
PSA Corporation		**–**	–	**–**	2,378 *
Sembcorp Group		**–**	–	**13,782 ***	9,390
Singapore Airlines Group		**–**	–	**–**	21,266
Singapore Technologies Telemedia Pte Ltd		**–**	–	**–**	216 *
Singapore Telecommunications Group		**–**	–	**28,304 ***	–
SMRT Corporation		**–**	–	**–**	741 *
Starhub Group		**–**	–	**–**	193 *
		–	–	**45,765**	36,918
Total interested person transactions		**–**	–	**58,530**	38,132

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 1 month to 5 years) or annual values for open-ended contracts.

* Include contracts of duration exceeding one year.

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Name of Director	Bob Tan Beng Hai
Date of Appointment	10 October 2016
Date of last re-appointment (if applicable)	15 July 2021
Age	71
Country of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Mr Tan 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 66 to 68 of the Annual Report.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive, Independent Director Chairman of the Compensation Committee Member of the Audit Committee Member of the Board Risk and Technology Committee
Professional qualifications	Fellow, Institute of Chartered Accountants in England and Wales Fellow, Singapore Institute of Directors
Working experience and occupation(s) during the past 10 years	Chairman and director of various listed and non-listed public companies
Shareholding interest in the listed issuer and its subsidiaries?	No
Shareholding Details	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
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Name of Director	Bob Tan Beng Hai
Past (for the last 5 years)	• Singapore Manufacturing Federation (Member of Board of Governors) • Singapore LNG Corporation Pte Ltd (Chairman) • Institute of Technical Education (Chairman and Board Member) • Inland Revenue Authority of Singapore (Board Member) • SINGEX Holdings Pte Ltd (Chairman) • Sembcorp Marine Ltd (Director) • NTUC Club Management Council (Member) • Ong Teng Cheong Labour Leadership Institute (Board Member)
Present	Other principal commitments: • Jurong Engineering Ltd (Chairman) • Sentosa Development Corporation (Chairman) • Managers of CapitaLand Ascott Trust (Chairman)* • SBS Transit Ltd (Chairman) Other listed companies: • Managers of CapitaLand Ascott Trust (Chairman)* • SBS Transit Ltd (Chairman) Other non-listed companies: • Monetary Authority of Singapore (Member of Corporate Governance Advisory Committee) • Monetary Authority of Singapore (Member of Securities Industry Council) * Managers of CapitaLand Ascott Trust comprising CapitaLand Ascott Trust Management Limited (Manager of CapitaLand Ascott Real Estate Investment Trust, or "CapitaLand Ascott REIT") and CapitaLand Ascott Business Trust Management Pte. Ltd. (Trustee-Manager of CapitaLand Ascott Business Trust, or "CapitaLand Ascott BT"). CapitaLand Ascott Trust is a stapled group comprising CapitaLand Ascott REIT and CapitaLand Ascott BT.
(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
(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

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Name of Director	Bob Tan Beng Hai
(c) Whether there is any unsatisfied judgment against him?	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
(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
(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
(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
(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
(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

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Name of Director	Bob Tan Beng Hai
(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
(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
(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
(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
(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

SHAREHOLDING STATISTICS

As at 25 May 2023

No. of Issued Shares	:	2,275,089,525
No. of Issued Shares excluding Treasury Shares	:	2,249,740,048
No. of Treasury Shares held	:	25,349,477
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	:	34,589

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	–	494,980,081 [(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	83	0.24	3,006	0.00
100 – 1,000	4,166	12.04	3,836,154	0.17
1,001 – 10,000	19,233	55.60	105,790,102	4.70
10,001 – 1,000,000	11,039	31.92	571,906,546	25.42
1,000,001 and above	68	0.20	1,568,204,240	69.71
	34,589	100.00	2,249,740,048	100.00

Note

* the percentage of issued ordinary shares is calculated based on the number of issued ordinary shares as at 25 May 2023, excluding any ordinary shares held in treasury as at that date.

SHAREHOLDING STATISTICS

As at 25 May 2023

MAJOR SHAREHOLDERS LIST – TOP 20

No.	Name	No. of Shares Held	%*
1	Singapore Telecommunications Limited	494,000,000	21.96
2	Raffles Nominees (Pte) Limited	386,938,828	17.20
3	Citibank Nominees Singapore Pte Ltd	214,203,929	9.52
4	DBS Nominees Pte Ltd	134,889,205	6.00
5	DBSN Services Pte Ltd	38,564,595	1.71
6	HSBC (Singapore) Nominees Pte Ltd	33,629,183	1.49
7	United Overseas Bank Nominees (Private) Limited	29,246,265	1.30
8	Phillip Securities Pte Ltd	19,433,307	0.86
9	OCBC Nominees Singapore Private Limited	18,265,300	0.81
10	Heng Siew Eng	12,487,200	0.56
11	BPSS Nominees Singapore (Pte.) Ltd.	12,449,067	0.55
12	OCBC Securities Private Ltd	10,674,430	0.47
13	Toh Capital Pte Ltd	10,326,800	0.46
14	Yongsheng (S) Holdings Pte Ltd	10,000,000	0.44
15	CGS-CIMB Securities (Singapore) Pte Ltd	8,436,680	0.38
16	IFast Financial Pte Ltd	8,315,599	0.37
17	UOB Kay Hian Pte Ltd	8,224,300	0.37
18	Soon Li Heng Civil Engineering Pte Ltd.	8,000,000	0.36
19	Maybank Securities Pte. Ltd.	7,501,455	0.33
20	Sunrise Textile Accessories (Pte.) Ltd	6,900,000	0.31
		1,472,486,143	65.45

Note

* the percentage of issued ordinary shares is calculated based on the number of issued ordinary shares as at 25 May 2023, 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 25 May 2023, 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.

CONTACT POINTS

REGISTERED OFFICE
Singapore Post Limited
10 Eunos Road 8
Singapore Post Centre
Singapore 408600

Email : investor@singpost.com
Website : www.singpost.com

COMPANY SECRETARY
Jonathan Ooi Wei Hsin

SHARE REGISTRAR
M & C Services Private Limited
112 Robinson Road, #05-01
Singapore 068902

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

AUDITORS
Deloitte & Touche LLP
6 Shenton Way,
OUE Downtown 2, #33-00
Singapore 068809

Tel : +65 6224 8288
Fax : +65 6538 6166

AUDIT PARTNER
Yang Chi Chih
Appointed with effect from financial year ended 31 March 2023

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Singapore Post Limited
Co. Reg. No. 199201623M

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10 Eunos Road 8
Singapore Post Centre
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SINGAPORE POST LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 199201623M

20 June 2023

Dear Shareholder

We are pleased to enclose printed copies of the Notice and Proxy Form for the upcoming 31st Annual General Meeting of Singapore Post Limited ("**SingPost**") which will be held, in a hybrid format, at Suntec Singapore Convention & Exhibition Centre, Level 3, Summit 1, 1 Raffles Boulevard, Suntec City, Singapore 039593 and using virtual meeting technology on Wednesday, 19 July 2023 at 2.30 p.m. (Singapore time)[1].

In line with the SingPost Group's sustainability strategy, we have discontinued the practice of mailing SingPost's Annual Reports to shareholders. Instead, SingPost's Annual Report for the financial year ended 31 March 2023, and its Letter to Shareholders dated 20 June 2023 (in relation to the proposed renewal of the shareholders mandate for interested person transactions and the proposed renewal of the share purchase mandate), will be available for download from SingPost's corporate website from the date of this letter.

The Annual Report and the Letter to Shareholders 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. You will need an internet browser and PDF reader to view these documents.

- To access the Annual Report, click on the hyperlink for "DOWNLOAD FULL ANNUAL REPORT" under "FY2022/23".

- To access the Letter to Shareholders, click on the hyperlink for "Letter to Shareholders" under "FY2022/23 AGM".

We hope that you will join our sustainability efforts. If you still wish to receive a printed copy of the Annual Report and the Letter to Shareholders for this year, please complete the Request Form below and return it to SingPost no later than 6 July 2023.

By completing, signing and returning the Request Form to us, you agree and acknowledge that we and/or our service provider(s) may collect, use and disclose your personal data, as contained in your submitted Request Form or which is otherwise collected from you (or your authorised representative(s)), for the purpose of processing and effecting your request.

Yours faithfully
For and on behalf of
Singapore Post Limited

Jonathan Ooi Wei Hsin (Mr)
Company Secretary

Request Form

To: Singapore Post Limited

Please send me a printed copy of each of the Annual Report for the financial year ended 31 March 2023 and the Letter to Shareholders dated 20 June 2023.

Name of Shareholder: ______________________________

Company Registration Number (if applicable): ______________________________

Mailing Address: ______________________________

Signature(s): ______________________ Date: ______________________

Note: This request is valid for the Annual Report 2022/23 and Letter to Shareholders dated 20 June 2023 only.

[1] Please refer to the announcement dated 20 June 2023 which sets out the arrangements by which shareholders, including CPF and SRS investors, may participate in the Annual General Meeting in person or using virtual meeting technology. This announcement may be accessed at SingPost's corporate website at the URL https://www.singpost.com/about-us/investor-relations/shareholder-meetings and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

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SINGAPORE POST LIMITED

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 31st ANNUAL GENERAL MEETING of Singapore Post Limited ("**Company**") will be held at Suntec Singapore Convention & Exhibition Centre, Level 3, Summit 1, 1 Raffles Boulevard, Suntec City, Singapore 039593 and using virtual meeting technology on Wednesday, 19 July 2023 at 2.30 p.m. (Singapore time) to transact the following business:

ROUTINE BUSINESS

1. To receive and adopt the audited Financial Statements for the financial year ended 31 March 2023, and the Directors' Statement and Independent Auditor's Report thereon. (Ordinary Resolution 1)

2. To declare a final tax exempt one-tier dividend of 0.4 cents per ordinary share in respect of the financial year ended 31 March 2023. (Ordinary Resolution 2)

3. To re-elect Mr Bob Tan Beng Hai, a director who retires in accordance with Article 98(b) of the Company's Constitution and who, being eligible, offers himself for re-election. (Ordinary Resolution 3)

4. To approve directors' fees payable by the Company of S$1,240,410 for the financial year ended 31 March 2023 (2022: S$1,222,800). (Ordinary Resolution 4)

5. To re-appoint Deloitte & Touche LLP as Auditor of the Company and to authorise the directors to fix its remuneration. (Ordinary Resolution 5)

EXPLANATORY NOTES ON ROUTINE BUSINESS TO BE TRANSACTED

Ordinary Resolution 3

Mr Bob Tan Beng Hai will, upon re-election as a director of the Company, remain as the chairman of the Compensation Committee and a member of the Audit Committee and the Board Risk and Technology Committee. Mr Tan is considered by the Board of Directors to be independent. Information relating to Mr Tan, including the information as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), can be found in the "Board of Directors" section and the "Additional Information on Director Seeking Re-Election" section of the Company's Annual Report 2022/23.

In relation to the retirement of directors by rotation at the 31st Annual General Meeting, Mr Chen Jun and Mr Steven Robert Leonard are also due to retire by rotation and they have each given notice to the Company that they do not wish to be re-elected to office thereat.

Ordinary Resolution 4

Additional information on the directors' fees (including information on the non-executive directors' remuneration framework) can be found in the "Corporate Governance Report" section of the Company's Annual Report 2022/23.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any amendments, the following Resolutions 6 to 8 as ordinary resolutions:

Authority to Issue Shares and to Make or Grant Convertible Instruments

6. That authority be and is hereby given to the directors to:

   (a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

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

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue or consolidation or sub-division of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. (Ordinary Resolution 6)

Proposed Renewal of the Shareholders Mandate for Interested Person Transactions

7. That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Company's Letter to Shareholders dated 20 June 2023 ("**Letter**") with any party who is of the class of interested persons described in the Appendix to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;

(b) the approval given in sub-paragraph (a) above ("**Shareholders Mandate**") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

(c) the directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he/she may consider expedient or necessary or in the interests of the Company to give effect to the Shareholders Mandate and/or this Resolution. (Ordinary Resolution 7)

Proposed Renewal of the Share Purchase Mandate

8. That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 ("**Act**"), the exercise by the directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and/or any other stock exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**"); and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally ("**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the directors pursuant to the Share Purchase Mandate may be exercised by the directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**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, Other Exchange 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;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Limit**" means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, whether pursuant to a market purchase or an off-market purchase, 105% of the Average Closing Price of the Shares; and

(d) the directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he/she may consider expedient or necessary or in the interests of the Company to give effect to the Share Purchase Mandate and/or this Resolution. (Ordinary Resolution 8)

BY ORDER OF THE BOARD

Jonathan Ooi Wei Hsin (Mr)
Company Secretary

Singapore
20 June 2023

EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED
STATEMENT PURSUANT TO ARTICLE 61 OF THE CONSTITUTION OF THE COMPANY

Ordinary Resolution 6

Ordinary Resolution 6 is to empower the directors to issue shares of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings), with a sub-limit of 10% for issues other than on a *pro rata* basis to shareholders of the Company. The 10% sub-limit for non-*pro rata* share issues is lower than the 20% sub-limit allowed under the Listing Manual of the SGX-ST. The Company is seeking approval from shareholders for a lower sub-limit for non-*pro rata* share issues as it does not anticipate that it will require a higher sub-limit before the next Annual General Meeting. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time that Ordinary Resolution 6 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time that Ordinary Resolution 6 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

Ordinary Resolution 7

Ordinary Resolution 7 is to renew the mandate to enable the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into certain interested person transactions with certain specified classes of interested persons as described in the Appendix to the Letter. Ordinary Resolution 7 will, if passed, continue to be in force until the conclusion of the next Annual General Meeting of the Company.

Ordinary Resolution 8

Ordinary Resolution 8 is to renew the mandate to enable the Company to purchase or otherwise acquire its issued Shares, on the terms and subject to the conditions set out in the Resolution.

The Company intends to use internal and external sources of funds to finance its purchase or acquisition of Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of Shares purchased or acquired, whether the purchase or acquisition is made out of profits or capital, the price at which such Shares were purchased or acquired and whether the Shares purchased or acquired are held in treasury or cancelled.

Based on the existing issued Shares of the Company as at 25 May 2023 ("**Latest Practicable Date**") (out of which 25,349,477 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 Annual General Meeting, (i) no further Shares are issued, (ii) no further Shares are purchased or acquired, or held by the Company as treasury shares, (iii) no treasury shares are transferred out of treasury or cancelled, and (iv) no Shares are held as subsidiary holdings, the purchase by the Company of 10% of its issued Shares (excluding the 25,349,477 Shares held in treasury as at that date) will result in the purchase or acquisition of 224,974,004 Shares.

In the case of both market purchases and off-market purchases by the Company and assuming that the Company purchases or acquires the 224,974,004 Shares at the Maximum Price of S$0.495 for one Share (being the price equivalent to 5% above the average of the last dealt prices 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 the 224,974,004 Shares is S$111,362,132.

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 March 2023 based on these assumptions are set out in paragraph 3.7 of the Letter.

Notes:

Format of Meeting

1. The Annual General Meeting will be held at Suntec Singapore Convention & Exhibition Centre, Level 3, Summit 1, 1 Raffles Boulevard, Suntec City, Singapore 039593 ("**Physical Meeting**") and using virtual meeting technology ("**Virtual Meeting**") on Wednesday, 19 July 2023 at 2.30 p.m. (Singapore time). Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the Annual General Meeting by attending the Physical Meeting in person or by participating in the Virtual Meeting using virtual meeting technology.

   Printed copies of this Notice and the accompanying proxy form will be sent by post to members. These documents will also be published on the Company's website at the URL https://www.singpost.com/about-us/investor-relations/shareholder-meetings and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

Arrangements for Participating in Meeting

2. Arrangements relating to:

   (a) in-person attendance at the Annual General Meeting by shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives (including arrangements by which they are to register in person for the Physical Meeting);

   (b) attendance at the Annual General Meeting by shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives using virtual meeting technology (including arrangements by which they are to pre-register at the pre-registration website at the URL https://conveneagm.com/sg/singpost2023 for access to the Virtual Meeting electronically via live audio-visual webcast or live audio-only stream);

   (c) submission of questions by shareholders, including CPF and SRS investors, in advance of, or at, the Annual General Meeting, and addressing of substantial and relevant questions in advance of, or at, the Annual General Meeting; and

   (d) voting at the Annual General Meeting (i) by shareholders or their duly appointed proxy(ies) (other than the Chairman of the Meeting) or representative(s); (ii) by CPF or SRS investors if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators; or (iii) by shareholders, or CPF or SRS investors, appointing the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting,

   are set out in the accompanying Company's announcement dated 20 June 2023. This announcement may be accessed at the Company's website at the URL https://www.singpost.com/about-us/investor-relations/shareholder-meetings and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

Appointment of Proxy(ies)

3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

   A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

4. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.

5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted personally or by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or

   (b) if submitted electronically, be submitted:

      (i) via email to the Company's Share Registrar at GPE@mncsingapore.com; or

      (ii) via the online process through the pre-registration website at the URL https://conveneagm.sg/singpost2023,

   and in each case, must be lodged or received (as the case may be) not less than 72 hours before the time appointed for holding the Annual General Meeting.

6. CPF and SRS investors:

   (a) may vote at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 7 July 2023.

Access to Documents

7. The Company's Annual Report 2022/23 and the Letter to Shareholders dated 20 June 2023 (in relation to the proposed renewal of the shareholders mandate for interested person transactions and the proposed renewal of the share purchase mandate) have been published and may be accessed at the Company's website as follows:

   (a) the Company's Annual Report 2022/23 may be accessed at the URL https://www.singpost.com/about-us/investor-relations/annual-reports by clicking on the hyperlink for "DOWNLOAD FULL ANNUAL REPORT" under "FY2022/23"; and

   (b) the Letter to Shareholders dated 20 June 2023 may be accessed at the URL https://www.singpost.com/about-us/investor-relations/shareholder-meetings by clicking on the hyperlink for "Letter to Shareholders" under "FY2022/23 AGM".

   The above documents will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. Members may request for printed copies of these documents by completing and returning the request form (sent to them by post together with printed copies of this Notice and the accompanying proxy form) no later than 6 July 2023.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"); (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Photographic, sound and/or video recordings of the Annual General Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared for the Annual General Meeting. Accordingly, the personal data of a member and/or of his/her/its proxy(ies) or representative(s) (such as his/her name, his/her presence at the Annual General Meeting and any questions he/she may raise or motions he/she may propose) may be recorded by the Company for such purpose.

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SINGAPORE POST LIMITED

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

31st ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT

1. The Annual General Meeting will be held at Suntec Singapore Convention & Exhibition Centre, Level 3, Summit 1, 1 Raffles Boulevard, Suntec City, Singapore 039593 ("**Physical Meeting**") and using virtual meeting technology ("**Virtual Meeting**") on Wednesday, 19 July 2023 at 2.30 p.m. (Singapore time). Printed copies of the Notice of Annual General Meeting and this proxy form will be sent by post to members. These documents will also be published on the Company's website at the URL https://www.singpost.com/about-us/investor-relations/shareholder-meetings and the SGX website at the URL https://www.sgx.com/securities/company-announcements.
2. Arrangements relating to:
   (a) in-person attendance at the Annual General Meeting by shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives (including arrangements by which they are to register in person for the Physical Meeting);
   (b) attendance at the Annual General Meeting by shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives using virtual meeting technology (including arrangements by which they are to pre-register at the pre-registration website at the URL https://conveneagm.com/sg/singpost2023 for access to the Virtual Meeting electronically via live audio-visual webcast or live audio-only stream);
   (c) submission of questions by shareholders, including CPF and SRS investors, in advance of, or at, the Annual General Meeting, and addressing of substantial and relevant questions in advance of, or at, the Annual General Meeting; and
   (d) voting at the Annual General Meeting (i) by shareholders or their duly appointed proxy(ies) (other than the Chairman of the Meeting) or representative(s); (ii) by CPF or SRS investors if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators; or (iii) by shareholders, or CPF or SRS investors, appointing the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting,

   are set out in the accompanying Company's announcement dated 20 June 2023. This announcement may be accessed at the Company's website at the URL https://www.singpost.com/about-us/investor-relations/shareholder-meetings and the SGX website at the URL https://www.sgx.com/securities/company-announcements.
3. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).
4. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors. CPF and SRS investors:
   (a) may vote at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 7 July 2023.
5. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 20 June 2023.

I/We ______________________ NRIC/Passport/Co. Reg. No. ______________

of ______________________________________

being a member/members of Singapore Post Limited ("**Company**") hereby appoint:

Name	Address	Email Address^	NRIC/Passport No.	Proportion of Shareholdings (%)
and/or (delete as appropriate)				

^ Appointed proxy(ies) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted instrument appointing a proxy(ies)) to pre-register at the pre-registration website at the URL https://conveneagm.sg/singpost2023 if they wish to attend the Virtual Meeting using virtual meeting technology. Appointed proxy(ies) who wish to attend the Physical Meeting can register in person at the Physical Meeting.

or if no proxy is named, the Chairman of the Meeting, as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the 31st Annual General Meeting of the Company to be held at Suntec Singapore Convention & Exhibition Centre, Level 3, Summit 1, 1 Raffles Boulevard, Suntec City, Singapore 039593 and using virtual meeting technology on Wednesday, 19 July 2023 at 2.30 p.m. (Singapore time) and at any adjournment thereof.

No.	Ordinary Resolutions	For	Against	Abstain
	Routine Business			
1.	To receive and adopt the audited Financial Statements, Directors' Statement and Independent Auditor's Report			
2.	To declare a final tax exempt one-tier dividend of 0.4 cents per ordinary share			
3.	To re-elect Mr Bob Tan Beng Hai as director			
4.	To approve directors' fees payable by the Company			
5.	To re-appoint Deloitte & Touche LLP as Auditor of the Company and to authorise the directors to fix its remuneration			
	Special Business			
6.	To authorise directors to issue shares and to make or grant instruments convertible into shares			
7.	To approve the proposed renewal of the Shareholders Mandate for Interested Person Transactions			
8.	To approve the proposed renewal of the Share Purchase Mandate			

Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes **For** or **Against** a resolution, please indicate with an "X" in the **For** or **Against** box provided in respect of that resolution. Alternatively, please indicate the number of votes **For** or **Against** in the **For** or **Against** box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with an "X" in the **Abstain** box provided in respect of that resolution. Alternatively, please indicate the number of shares that your proxy/proxies is directed to abstain from voting in the **Abstain** box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the Annual General Meeting.

Dated this ________ day of ______________ 2023

Total Number of Shares Held	

____
Signature(s) of Member(s) or Common Seal

IMPORTANT: Please read Notes

____
Contact Number / Email Address of Member(s)

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BUSINESS REPLY SERVICE
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SINGAPORE POST LIMITED
c/o M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

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Notes:

1. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy(ies) will be deemed to relate to all the shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

   A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.
3. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
4. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted personally or by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or

   (b) if submitted electronically, be submitted:

   (i) via email to the Company's Share Registrar at GPE@mncsingapore.com; or

   (ii) via the online process through the pre-registration website at the URL https://conveneagm.sg/singpost2023,

   and in each case, must be lodged or received (as the case may be) not less than 72 hours before the time appointed for holding the Annual General Meeting.
5. Completion and return of the instrument appointing a proxy(ies) does not preclude a member from attending, speaking and voting at the Annual General Meeting. A member who attends the Physical Meeting in person or accesses the Virtual Meeting via the live audio-visual webcast or live audio-only stream of the Annual General Meeting proceedings may revoke the appointment of a proxy(ies) at any time before voting commences and in such an event, the Company reserves the right to refuse entry by the proxy(ies) into the Physical Meeting and/or terminate the proxy(ies)' access to the live audio-visual webcast and live audio-only stream of the Annual General Meeting proceedings.
6. The instrument appointing a proxy(ies) must, if submitted personally or by post, or electronically via email, be signed under the hand of the appointor or of his/her attorney duly authorised in writing, or if submitted electronically via the online process through the pre-registration website at the URL https://conveneagm.sg/singpost2023, be authorised by the appointor via the online process through the website. Where the instrument appointing a proxy(ies) is executed by a corporation, it must, if submitted personally or by post, or electronically via email, be executed either under its seal or under the hand of an officer or attorney duly authorised, or if submitted electronically via the online process through the pre-registration website at the URL https://conveneagm.sg/singpost2023, be authorised by the appointor via the online process through the website. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted personally or by post, be lodged with the instrument or, if the instrument is submitted electronically via email or via the online process through the pre-registration website at the URL https://conveneagm.sg/singpost2023, be emailed or uploaded (as the case may be) with the instrument, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act 1967.
8. The Company shall be entitled to reject an instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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SINGAPORE POST LIMITED

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

LETTER TO SHAREHOLDERS DATED 20 JUNE 2023

IN RELATION TO

(1) THE PROPOSED RENEWAL OF THE SHAREHOLDERS MANDATE FOR INTERESTED PERSON TRANSACTIONS; AND

(2) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE.

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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

20 June 2023

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 31st Annual General Meeting of the Company dated 20 June 2023 (the "**Notice**") convening the 31st Annual General Meeting of the Company to be held on 19 July 2023 (the "**2023 AGM**");

(b) Ordinary Resolution 7 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; and

(c) Ordinary Resolution 8 relating to the proposed renewal of the Share Purchase Mandate (as defined in paragraph 3.1 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 7 and 8, 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.

2. THE PROPOSED RENEWAL OF THE SHAREHOLDERS MANDATE

2.1 **Shareholders Mandate**. At the annual general meeting of the Company held on 21 July 2022 (the "**2022 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 22 June 2022 (the "**2022 Letter**").

2.2 **Proposed Renewal of the Shareholders Mandate**. At the 2022 AGM, the Shareholders Mandate was expressed to take effect until the conclusion of the next Annual General Meeting of the Company, being the 2023 AGM. Accordingly, the Directors of the Company (the "**Directors**") propose that the Shareholders Mandate be renewed at the 2023 AGM, to take effect until the 32nd 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 **The Appendix**. 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 the Appendix 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 2022 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 the Appendix to this Letter), will abstain from voting their Shares, if any, in respect of Ordinary Resolution 7, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2023 AGM. The Company will disregard any votes cast by Temasek, Singtel and their respective associates on Ordinary Resolution 7.

The Directors, being Interested Persons (as described in paragraph 4.1 of the Appendix to this Letter), will abstain, and will procure their associates to abstain, from voting their Shares, if any, in respect of Ordinary Resolution 7, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2023 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 7.

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 7, 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 7.

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 2022 AGM. The authority and limitations on the Share Purchase Mandate were set out in the 2022 Letter and Ordinary Resolution 12 set out in the Notice of the 2022 AGM.

The Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution 12 at the 2022 AGM and will expire on the date of the forthcoming 2023 AGM to be held on 19 July 2023. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the 2023 AGM.

As at 25 May 2023 (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 2022 AGM.

As at the Latest Practicable Date, the Company had 25,349,477 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 2023 AGM, are substantially the same as were previously approved by Shareholders at the 2022 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 2023 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 25,349,477 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 2023 AGM, (i) no further Shares are issued, (ii) no further Shares are purchased or acquired, or held by the Company as treasury shares, (iii) no treasury shares are transferred out of treasury or cancelled, and (iv) no Shares are held as subsidiary holdings, not more than 224,974,004 Shares (representing 10% of the Shares in issue as at that date and disregarding the 25,349,477 Shares held in treasury as at that date) 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 2023 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 2024 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.

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 "**Take-over 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 2023, are based on the assumptions set out below:

3.7.1 ***Maximum Price Paid for Shares Purchased or Acquired***

In the case of both Market Purchases and Off-Market Purchases by the Company and assuming that the Company purchases or acquires 224,974,004 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$0.495 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 224,974,004 Shares is S$111,362,132.

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 2023 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 2023 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 2024 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 2023				
Share capital	638,762	594,217	638,762	594,217
Capital reserves	(118,451)	(118,451)	(104)	(104)
Other reserves	40,831	40,831	35,494	35,494
Revenue reserves	598,558	531,741	563,683	496,866
	1,159,700	1,048,338	1,237,835	1,126,473
Treasury shares	(29,516)	(29,516)	(29,516)	(29,516)
Ordinary equity	1,130,184	1,018,822	1,208,319	1,096,957
Perpetual securities	251,504	251,504	–	–
	1,381,688	1,270,326	1,208,319	1,096,957
Net tangible assets (NTA)	873,340	761,978	1,208,319	1,096,957
Current assets	763,506	652,144	512,131	400,769
Current liabilities	719,870	719,870	465,165	465,165
Total borrowings	624,390	624,390	–	–
Cash and cash equivalents	495,696	384,334	375,071	263,709
Number of shares ('000)	2,249,740	2,024,766	2,249,740	2,024,766
Financial ratios				
Basic earnings per share (cents)	0.62	0.63	0.37	0.37
NTA per share (cents)	38.8	37.6	53.7	54.2
Gross gearing (%)	55.2	61.3	–	–
Net debt gearing (%)	11.4	23.6	n.m.	n.m.
Current ratio (%)	106.1	90.6	110.1	86.2

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 2023				
Share capital	638,762	638,762	638,762	638,762
Capital reserves	(118,451)	(118,451)	(104)	(104)
Other reserves	40,831	40,831	35,494	35,494
Revenue reserves	598,558	598,558	563,683	563,683
	1,159,700	1,159,700	1,237,835	1,237,835
Treasury shares	(29,516)	(129,585)	(29,516)	(129,585)
Ordinary equity	1,130,184	1,030,115	1,208,319	1,108,250
Perpetual securities	251,504	251,504	–	–
	1,381,688	1,281,619	1,208,319	1,108,250
Net tangible assets (NTA)	873,340	773,271	1,208,319	1,108,250
Current assets	763,506	663,437	512,131	412,062
Current liabilities	719,870	719,870	465,165	465,165
Total borrowings	624,390	624,390	–	–
Cash and cash equivalents	495,696	395,627	375,071	275,002
Number of shares ('000)	2,249,740	2,047,581	2,249,740	2,047,581
Financial ratios				
Basic earnings per share (cents)	0.62	0.62	0.37	0.37
NTA per share (cents)	38.8	37.8	53.7	54.1
Gross gearing (%)	55.2	60.6	–	–
Net debt gearing (%)	11.4	22.2	n.m.	n.m.
Current ratio (%)	106.1	92.2	110.1	88.6

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 25,349,477 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 as at that date will be reduced from 227,508,952 Shares to 202,159,475 Shares. The financial effects under Scenario A is computed based on 224,974,004 Shares purchased and cancelled. The financial effects under Scenario B is computed based on 202,159,475 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 494,980,081 Shares (including the Shares held by Singtel) representing approximately 22.00% 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 4A 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 Take-over 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 Take-over 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 Take-over Code.

3.10.2 ***Persons Acting in Concert***

Under the Take-over 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 Take-over 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 Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

3.10.3 ***Effect of Rule 14 and Appendix 2***

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over 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 Take-over 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 4.2 below, none of the Substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase by the Company of the maximum limit of 10% of its issued Shares (excluding treasury 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 Take-over 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. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

4.1 **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				
	Direct interest	**Deemed interest**	**Total interest**	**% of issued Shares**[(1)]	**Number of Shares comprised in outstanding share awards**
Simon Israel	–	–	–	–	–
Phang Heng Wee, Vincent	–	–	–	–	2,600,371[(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 2,600,371 Shares:

(a) 309,799 Shares are comprised in performance and restricted share awards granted to Phang Heng Wee, Vincent pursuant to the Singapore Post Restricted Share Plan 2013 (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;

(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; and

(d) 1,559,344 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 2022 to 31 March 2026. 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.

4.2 **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	–	494,980,081[2]	494,980,081	22.00
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.

5. DIRECTORS' RECOMMENDATIONS

5.1 **The Proposed Renewal of the Shareholders Mandate**. All the Directors are Interested Persons (as described in paragraph 4.1 of the Appendix to this Letter). Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of Ordinary Resolution 7, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2023 AGM.

5.2 **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 8, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2023 AGM.

6. INSPECTION OF DOCUMENTS

The Annual Report of the Company for the financial year ended 31 March 2023 and the 2022 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.

7. 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

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 2023, the consolidated NTA of the SingPost Group was S$873,340,000. 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 2024 are published, 5% of the latest audited consolidated NTA of the SingPost Group would be S$43,667,000.

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 Shareholders 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 19 July 2023 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.

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