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SINGAPORE POST LIMITED - SG1N89910219 - S08

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Announcement Details

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Annual Reports and Related Documents

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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

31/03/2024

Attachments

[SingPost_AR2024.pdf]

[SingPost_AGMNoticeBooklet2024.pdf]

[SingPost_Letter_to_Shareholders2024.pdf]

Total size =20686K MB

Singapore POST

Reset for Growth

Annual Report | 2023.2024

OUR PURPOSE

Making Every Delivery Count
for People and Planet

Reset for Growth

CONTENTS

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 14 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.

Delivery Mastery

LEAD, BUILD AND CO-CREATE AS AN INTERNATIONAL LOGISTICS ENTERPRISE

We are at the heart of connecting people and businesses, providing reliable, seamless delivery across vast distances and timeframes. Building upon our foundation of unwavering dedication to making every delivery count, we are ready to journey on as a pure-play international logistics enterprise. Amidst the eCommerce surge, we have evolved over the recent years, enhancing our capabilities, expanding our vast global network and fostering strategic partnerships, to better serve the diverse needs of our customers worldwide.

2023.2024 | **11% Year-on-Year Growth in eCommerce Volumes in Singapore Post & Parcel business**

Unlocking Value

A STRATEGIC RESET FOR LONG-TERM GROWTH

Throughout our transformation journey over the recent years, we have orchestrated disciplined and systematic acquisitions, each harmonising to advance SingPost. Our strategic review acts as a guiding light, illuminating pathways for long-term growth as an international logistics powerhouse, unlocking the Group's intrinsic value.

2023.2024 | S$81.5 Million Net Profit Registered

Accelerating Digitalisation

IGNITE AN INNOVATIVE MINDSET FOR SINGPOST AND ACROSS OUR ECOSYSTEM

We embrace and accelerate digitalisation, igniting collaboration and innovation at speed and scale. By harnessing the power of a digital workspace, and leveraging cloud and generative Artificial Intelligence (AI), we enable operational efficiency and empower informed decision-making. Our innovative fourth-party logistics (4PL) platform, ARRIV, offers opportunities to deliver compelling value propositions, including exceptional customer experiences, operational efficiencies and best-in-class supply chain solutions.

2023.2024 | AI Adoption

Nurturing Well-being

BE STEWARDS OF OUR PEOPLE AND PLANET

We are committed to prioritising the well-being of our people and planet. We invest in developing our employees through upskilling initiatives, and fostering an agile digital-first mindset for growth. In pursuit of operating sustainably, we proactively incorporate strategies and practices that benefit the planet. By taking climate actions, establishing collaborative partnerships and fostering a culture of trust with our stakeholders, we are making strides in cultivating a great place to work, and creating a positive impact on both our people and the environment.

2023.2024 | **Winner of Best Innovation Strategy and Commitment to Sustainability at the World Post and Parcel Awards 2023**


100%
ELECTRIC
GREENING OUR
FUTURE OF POST
Singapore
POST

At a Glance

as at 31 March 2024

Revenue of
S$1.69
billion

S$81.5
million
net profit

110.2%
year-on-year
increase in net profit

Strategic Review:
5 **approved thrusts for**
3 **years ahead**

Adoption of
AI
and launched **ARRIV, a 4PL platform,** to address the needs of shippers and merchants

Among
top 5
logistics providers
in Australia by revenue

26%
reduction of total Scope 1 and 2 emissions
in Singapore from FY2018/19 baseline level[1]

0
work-related fatalities

Achieved
Cyber Trust Mark Certification
awarded by the **Cyber Security Agency of Singapore** highlighting good cybersecurity practices

Honoured to receive
Great Place to Work® Certification™
in the markets of Australia, China, Singapore, and Taiwan

1 Scope 1 and 2 GHG emissions in Singapore in FY2018/19 (baseline year) has been restated due to a recalculation of tenant electricity consumption data at owned properties, electricity consumption at leased properties and fuel consumption for our operations. This results in an overall reduction in the Scope 1 and 2 GHG emissions for the baseline year; and SingPost's FY2022/23 reduction for Scope 1 and 2 is restated as 22% from FY2018/19 (baseline year).

Achievements

Awarded Excellence in Motorcycle Fleet category, Merit in Light Goods Vehicle Fleet category, and Safe Driver Award in Light Goods Vehicle Fleet category at the Singapore Road Safety Awards 2023

Best Innovation Strategy (POPDrop) and Commitment to Sustainability (Carbon Efficient Ecosystem & Sustainable Packaging) at World Post and Parcel Awards 2023

Customer Care Award 2023 from Express Mail Service

eCommerce winner at National Business Award for POPDrop by Singapore Business Review

U Safe Champions Award at U Safe Forum & Awards 2024 by the National Trades Union Congress (NTUC) in Singapore

Rated 5 stars on the Australian FranData Franchise Rating Scale™

36 Star, 12 Gold, and 41 Silver awards at the Excellent Service Award 2023 by the Singapore Retailers Association (SRA)

Best Carrier at NORA (National Online Retailers Association) Solution Partner Awards 2023 in Australia

Winner of Sustainability, Inclusivity or Diversity Innovation Award 2024 Vendors in Partnership, Australia

Franchise Excellence Award by Australian Retail Innovators 2024

Board Statem

“ The Group achieved a net profit of S$81.5 million for the full year, an increase from S$38.8 million last year. Operating fundamentals of core businesses have improved, offset by the decline in operating profit from Famous Holdings. ”

ent

DEAR SHAREHOLDERS,

Despite the challenges of geopolitical uncertainty, supply chain disruptions and currency fluctuations, SingPost remained focused on the execution of the strategy and this is reflected in our improved results. The Group achieved a net profit of S$81.5 million for the full year, an increase from S$38.8 million last year. Operating fundamentals of core businesses have improved, offset by the decline in operating profit from Famous Holdings.

Notably, our investments in Australia have been a major contributor to these results. During the year, we moved to 100% ownership of Freight Management Holdings and completed the acquisition of Border Express, the benefits of which will flow through into the next financial year.

Progress has been made in addressing the structural decline in domestic mail. An uplift of postal rates and growth in eCommerce deliveries has seen the domestic postal business return to a profit in the second half of the year. We are working with the Government towards a sustainable commercial model to meet our return criteria and expect to begin implementing this in stages in the coming year.

For the first half of FY2023/24, 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 0.56 cents per ordinary share for your approval at the Annual General Meeting (AGM). This would bring the annual dividend for FY2023/24 to 0.74 cents per share.

BOARD STATEMENT

" With 2023 recorded as the warmest year on record, SingPost recognises the urgent need for sustainability, and our commitment extends beyond environmental stewardship to encompass broader responsibilities. Through collaborative partnerships and innovative strategies, we are resetting for sustainable growth, aligning our operations with the goal of net-zero emissions by 2030 in Singapore and globally by 2050. "

Unlocking Value

Over the last three years, SingPost has been transformed and the Board's priority is to see the value created, recognised, and unlocked.

In the course of the financial year, the Board completed a Strategic Review with the support of external advisors and management. The review was intended to address the significant gap between market value and the intrinsic value of SingPost.

Following consultation with our financial advisors, BofA Securities, the Board is of the view that the current share price does not appropriately reflect the intrinsic value of the Company. This is particularly apparent considering the value of the SingPost Centre, our Australia business and the Group's growth potential.

The Group will be reorganised into three business units of Singapore, Australia, and International, with each focused on their individual markets. The Group's vision is to position each business unit for growth in its respective market segment. The business units will each have the agility and empowerment to operate in their own markets, to develop market leadership and build on their core capabilities according to their individual strategies. This provides clarity on the valuation of the individual businesses against comparable market and sector ratings. The revised corporate structure creates flexibility and facilitates future optionalities.

A list of assets and businesses that are non-core to our strategy have been identified. These can be monetised to recycle the capital. This includes selected properties as well as various assets in our international footprint. Potential proceeds will be appropriately allocated by the Board to reduce debt, support growth investments, and return value to shareholders. The timing of any potential divestitures will be subject to market conditions, achieving appropriate valuations as well as necessary approvals from the authorities and shareholders. The intent of these efforts is to unlock value for shareholders.

The Group will continue to strengthen our balance sheet, review credit ratings and actively manage capital deployed in our portfolio of businesses with regular reviews of the financial performance and returns against set targets.

The dividend policy was also reviewed as part of the Strategic Review. From FY2024/25, the Board will adopt a dividend policy of paying out between 30% and 50% of underlying net profit. The Board believes this is a balanced policy taking into consideration the capital needs of the enterprise and sustainable returns to shareholders.

Sustainability

With 2023 recorded as the warmest year on record, SingPost recognises the urgent need for sustainability, and our commitment extends beyond environmental stewardship to encompass broader responsibilities. Through collaborative partnerships and innovative strategies, we are resetting for sustainable growth, aligning our operations with the goal of net-zero emissions by 2030 in Singapore and globally by 2050[2]. The Board through the Board Sustainability Committee (BSC) and the Board Risk and Technology Committee (BRTC), works closely with the Sustainability and leadership teams, to actively oversee the management and monitoring of environmental, social, and governance (ESG) factors, aligning to our goals and targets.

The practical applications of ESG efforts across the Group have already seen a 26% reduction of total Scope 1 and 2 emissions in Singapore from FY2018/19 baseline level[3], showcasing our progress in mitigating environmental impact. SingPost's dedication to sustainability was recognised with the Best Innovation Strategy and Commitment to Sustainability award at the World Post and Parcel Awards 2023.

Governance

The Board remains committed to upholding and improving the highest standards of governance. Throughout the financial year, SingPost remains steadfast in our dedication to transparency, accountability and ethical conduct in all aspects of our business practices.

SingPost's continued recognition and 8th place ranking in the Singapore Governance and Transparency Index in 2023 underscores our commitment to governance excellence. This accolade reflects our ongoing efforts to maintain robust governance structures and processes that ensure the integrity and reliability of our operations.

Board Renewal

During FY2023/24, SingPost welcomed Mr Gan Chee Yen, effective 31 October 2023, and Ms Yasmin Binti Aladad Khan, effective 1 January 2024, as Non-Executive, Independent Directors. We look forward to their valuable insights and contributions to further strengthen our Board as we move forward on the Group's next phase of growth. Please join me in extending a warm welcome to Chee Yen and Yasmin.

Appreciation

I want to thank my fellow Directors, the Group's management and staff, and our union for their hard work and support. They have demonstrated dedication, determination, and resilience through this transformation journey. Their unwavering commitment has been the cornerstone of our progress, and I am truly grateful for their invaluable contributions. On behalf of the Board, I also want to thank all shareholders for your continued support. We look forward to meeting you at this year's annual general meeting.

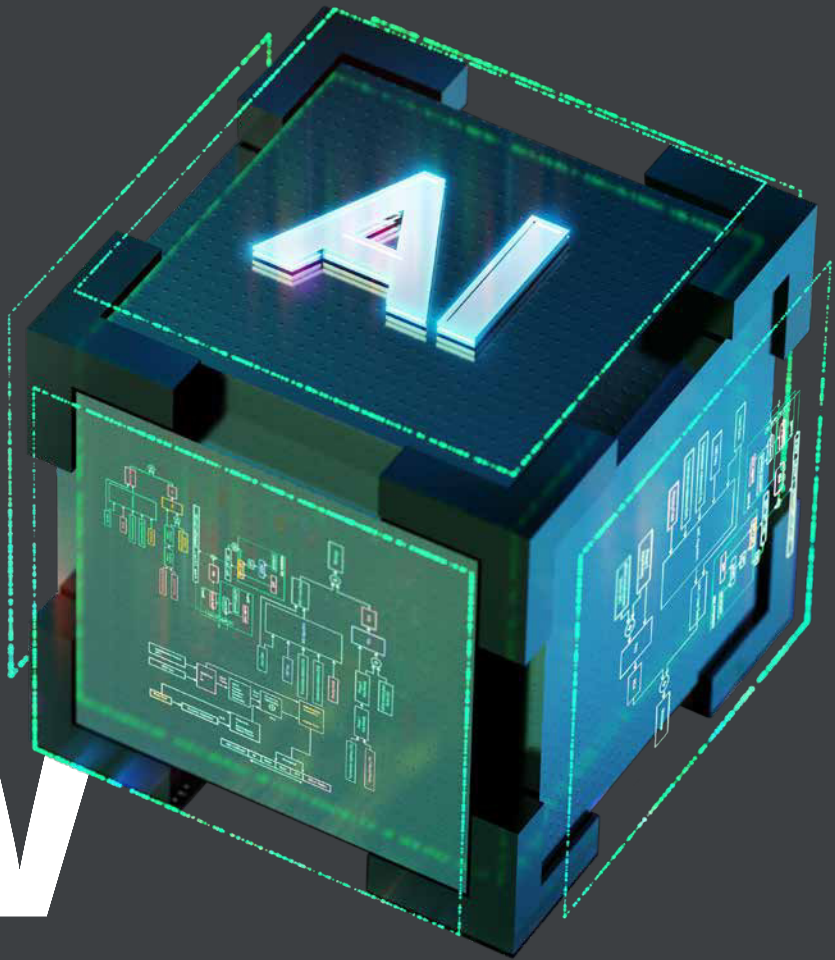
SIMON ISRAEL
Chairman

2 This applies to Singapore and International operations. For Australia operations, this target is currently under review, in consideration of recent business acquisition.

3 Scope 1 and 2 GHG emissions in Singapore in FY2018/19 (baseline year) has been restated due to a recalculation of tenant electricity consumption data at owned properties, electricity consumption at leased properties and fuel consumption for our operations. This results in an overall reduction in the Scope 1 and 2 GHG emissions for the baseline year; and SingPost's FY2022/23 reduction for Scope 1 and 2 is restated as 22% from FY2018/19 (baseline year).

GCEO Re

“Despite slower global trade and geopolitical tensions, SingPost demonstrated resilience. We achieved improved results, especially in the second half of the year, paving the way for us to be an international logistics enterprise focused on growth and sustainability.”



view

Throughout the year, we advanced our transformation and concluded our strategic review. Despite slower global trade and geopolitical tensions, SingPost demonstrated resilience. We achieved improved results, especially in the second half of the year, paving the way for us to be an international logistics enterprise focused on growth and sustainability. Net profit for the year had significantly improved, mainly due to an exceptional gain on the revaluation of our property portfolio. More importantly, our underlying performance improved 28% due to the contributions from our core businesses, which offset the decline of our freight forwarding business.

Our Business Achievements

As part of our transformation, SingPost has been pursuing disciplined and systematic acquisition growth since 2020, successfully establishing a significant and profitable logistics business, primarily in Australia. Today, our overseas logistics revenues contribute to more than 85% of total Group revenue and operating profit.

In Australia, we made strategic moves aligned with the Group's ambitions to deliver enhanced value to its customers and partners through the expansion of the logistics network and driving synergies across operations. We took 100% ownership in the FMH Group and completed the acquisition of Border Express, which significantly enhanced our network and reach. We are now focused on integrating the FMH Group, Border Express and CouriersPlease, to unlock synergies across our businesses. Our Australia business is now one of the top five logistics companies in Australia in terms of revenue.

The International business unit continued to strengthen cross-border eCommerce logistics capabilities with innovative solutions and proactively opened new routes to capture growth in various markets. Volumes from hybrid and commercial lanes have more than doubled in H2 FY2023/24, cushioning the impact of the drop in volumes through traditional postal channels. We have diversified our customer base and established strategic partnerships across various markets, including Indonesia, China, Vietnam and the United Kingdom.

The Singapore business delivered a profitable H2 FY2023/24 on the back of growth in eCommerce and a postal rate adjustment in October 2023. Total eCommerce volumes rose 11% year-on-year attributable to new customer signings and increased volumes from existing customers. SingPost is working on a framework for the domestic postal service's long-term commercial viability while offering customers greater convenience and cost-effectiveness.

GCEO REVIEW

From Transformation to Strategic Reset

Since we began our business transformation journey, SingPost has evolved into a logistics enterprise. Following our Board's strategic review, we will strengthen our balance sheet, actively manage capital deployed in our portfolio of businesses and recycle capital from non-core businesses and assets. The Group will be reorganised into three business units: Singapore, Australia, and International. Each business will strive for market leadership, building on the core capabilities aligned to its strategies.

The Singapore business unit will focus on being the leader in deliveries, leveraging the core capability and strength of its postal network to capture the growth of eCommerce logistics, innovating and transforming Singapore's urban logistics landscape. The Australia business unit will leverage its asset-light hybrid 4PL and 3PL capabilities and strengthen its position as one of Australia's top five logistics companies by revenue. The International business unit will focus on serving cross-border eCommerce customers through an asset-light model and its 4PL platform.

Overall, the strategic review provides SingPost with the pathways to drive growth, create sustainable returns and enhance shareholder value.

Strengthening Digital Capabilities

SingPost is committed to staying at the forefront of technology and security developments. As we accelerate our digital transformation, notable milestones include obtaining the Cyber Trust Mark certification, a 30% increase in the speed of customers' onboarding experiences onto the SPNET platform and the successful migration to a secure, fully cloud-based infrastructure for scalability. We will continually strive to achieve the highest security standards, attain IT cost optimisation, and spearhead AI, automation, analytics and innovation initiatives with industry and technology leaders.

"As we accelerate our digital transformation, notable milestones include obtaining the Cyber Trust Mark certification, a 30% increase in the speed of customers' onboarding experiences onto the SPNET platform and the successful migration to a secure, fully cloud-based infrastructure for scalability."

Sustainability and Employee Engagement

We continued to incorporate environmentally friendly practices into our operations. Notably, our efforts have led to a 26% reduction of total Scope 1 and 2 emissions in Singapore from FY2018/19 baseline level[4]. During the year, we also focused on our employees, a key stakeholder, by gathering feedback to deepen our understanding of their expectations and aspirations. We introduced a comprehensive mental wellness framework to support staff well-being staff and adopted immersive training to promote safe workplaces. We are honoured to be recognised as a Great Place to Work® Certified™ Company in multiple markets, including Australia, China, Singapore, and Taiwan.

In Appreciation

As we move forward, I am grateful for the leadership team's expertise and the support of our Board of Directors. I would also like to express my appreciation to our shareholders, customers, union partners, and fellow SingPosters for their continued support. Your trust and collaboration are integral to our continued success. Together as one, SingPost is well-positioned to deliver value and excellence.

PHANG HENG WEE, VINCENT
Group Chief Executive Officer

4 Scope 1 and 2 GHG emissions in Singapore in FY2018/19 (baseline year) has been restated due to a recalculation of tenant electricity consumption data at owned properties, electricity consumption at leased properties and fuel consumption for our operations. This results in an overall reduction in the Scope 1 and 2 GHG emissions for the baseline year; and SingPost's FY2022/23 reduction for Scope 1 and 2 is restated as 22% from FY2018/19 (baseline year).

1 **Simon Israel**
Chairman,
Non-Executive,
Non-Independent Director

2 **Phang Heng Wee, Vincent**
Group Chief Executive Officer,
Executive, Non-Independent Director

3 **Chu Swee Yeok**
Non-Executive,
Independent Director

4 **Fang Ai Lian**
Non-Executive,
Lead Independent Director

5 **Elizabeth Kong Sau Wai**
Non-Executive,
Independent Director

6 **Lim Cheng Cheng**
Non-Executive,
Non-Independent Director

7 **Bob Tan Beng Hai**
Non-Executive,
Independent Director

8 **Gan Chee Yen**
Non-Executive,
Independent Director

9 **Yasmin Binti Aladad Khan**
Non-Executive,
Independent Director


1


2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SIMON ISRAEL, 71
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 2024)
Nil

Present Principal Commitments (as at 31 March 2024)
Nil

Past Directorships in listed companies held over the preceding five years (from 1 April 2019 to 31 March 2024)
Fonterra Co-operative Group Limited
Singapore Telecommunications Limited (Chairman)

Past Principal Commitments held over the preceding five years (from 1 April 2019 to 31 March 2024)
Fonterra Co-operative Group Limited (Director)
Singapore Telecommunications Limited (Chairman)

PHANG HENG WEE, VINCENT, 50
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 2024)
Nil

Present Principal Commitments (as at 31 March 2024)
Nil

Past Directorships in listed companies held over the preceding five years (from 1 April 2019 to 31 March 2024)
Nil

Past Principal Commitments held over the preceding five years (from 1 April 2019 to 31 March 2024)
Singapore Post Limited (CEO, Postal Services and CEO Singapore)

CHU SWEE YEOK, 61
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 2024)
Nil

Present Principal Commitments (as at 31 March 2024)
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 2019 to 31 March 2024)
Pegasus Asia

Past Principal Commitments held over the preceding five years (from 1 April 2019 to 31 March 2024)
EDBI Pte Ltd (Chief Executive Officer & President & Executive Director)

Board of Directors

BOARD OF DIRECTORS

FANG AI LIAN, 74
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 2024)
Cromwell EREIT Management Pte. Ltd. (Manager of Cromwell European REIT)

Present Principal Commitments (as at 31 March 2024)
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 2019 to 31 March 2024)
Banyan Tree Holdings Limited
Metro Holdings Ltd

Past Principal Commitments held over the preceding five years (from 1 April 2019 to 31 March 2024)
Board of Trustees of Singapore University of Technology & Design (Board Member)
Far East Organization Group (Advisor)
Tote Board (Board Member)

ELIZABETH KONG SAU WAI, 42
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 2024)
Nil

Present Principal Commitments (as at 31 March 2024)
3M Innovation Singapore (Asia General Counsel, Safety and Industrial, Transportation and Electronics and Enterprise Supply Chain)

Past Directorships in listed companies held over the preceding five years (from 1 April 2019 to 31 March 2024)
Nil

Past Principal Commitments held over the preceding five years (from 1 April 2019 to 31 March 2024)
Clifford Chance Pte Ltd (Counsel)

LIM CHENG CHENG, 52
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 2024)
Nil

Present Principal Commitments (as at 31 March 2024)
Singapore Telecommunications Limited (Group Chief Corporate Officer)

Past Directorships in listed companies held over the preceding five years (from 1 April 2019 to 31 March 2024)
Nil

Past Principal Commitments held over the preceding five years (from 1 April 2019 to 31 March 2024)
Board of Governors of Raffles Girl's School (Member)
Singapore Telecommunications Limited (Group Chief Financial Officer)

BOB TAN BENG HAI, 72
Non-Executive, Independent Director

Date of first appointment as a director
10 October 2016
Date of last re-election as a director
19 July 2023

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 2024)
Managers of CapitaLand Ascott Trust (Chairman)*
SBS Transit Ltd (Chairman)

Present Principal Commitments (as at 31 March 2024)
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 2019 to 31 March 2024)
Sembcorp Marine Ltd

Past Principal Commitments held over the preceding five years (from 1 April 2019 to 31 March 2024)
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.

Mr Tan have stepped down as Chairman of CapitaLand Ascott Trust Management Limited and CapitaLand Ascott Business Trust Management Pte. Ltd. with effect from 22 April 2024.

GAN CHEE YEN, 65
Non-Executive, Independent Director

Date of first appointment as a director
31 October 2023
Date of last re-election as a director
N.A.

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

Academic & Professional Qualification(s)
Bachelor of Accountancy, National University of Singapore
Chartered Accountant (Singapore), Institute of Singapore Chartered Accountants
Programme for Management Development, Harvard Business School, United States

Present Directorships in other listed companies (as at 31 March 2024)
Nil

Present Principal Commitments (as at 31 March 2024)
V3 Capital Investments Pte. Ltd. (Chairman & Director)

Past Directorships in listed companies held over the preceding five years (from 1 April 2019 to 31 March 2024)
CEI Limited (now known as CEI Pte. Ltd.)

Past Principal Commitments held over the preceding five years (from 1 April 2019 to 31 March 2024)
Fullerton Financial Holdings (International) Pte. Ltd. (Chief Executive Officer & Executive Director)
Pacific International Lines (Private) Limited (Co-President & Executive Director)
V3 Fintech Pte. Ltd. (Senior Advisor)

YASMIN BINTI ALADAD KHAN, 66
Non-Executive, Independent Director

Date of first appointment as a director
1 January 2024
Date of last re-election as a director
N.A.

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

Academic & Professional Qualification(s)
Master of Business Administration, Aston University, Birmingham, United Kingdom

Present Directorships in other listed companies (as at 31 March 2024)
Nil*

Present Principal Commitments (as at 31 March 2024)
Nil

Past Directorships in listed companies held over the preceding five years (from 1 April 2019 to 31 March 2024)
Digi.Com Berhad (now known as CelcomDigi Berhad)

Past Principal Commitments held over the preceding five years (from 1 April 2019 to 31 March 2024)
DHL Express (Managing Director, Emerging Markets and Executive Vice President)
DHL Express (Singapore) Pte Ltd (Executive Vice President, Commercial, Asia Pacific, Singapore)

* Ms Yasmin was appointed as director of PT XL Axiata TBK with effect from 3 May 2024.

VINCENT PHANG
Group Chief Executive Officer

VINCENT YIK
Group Chief Financial Officer

SEHR AHMED
Group Chief People Officer

Executive Team

SIMON SLAGTER
Group Chief Executive Officer, FMH Group

RICHARD THAME
Chief Executive Officer, CouriersPlease

LEE ENG KEAT
Head, Strategy, Communications & Property

NOEL SINGGIH
Group Chief Information Officer

JONATHAN OOI
Chief Legal Officer
and Company Secretary

MICHELLE LEE
Chief Sustainability Officer

SHAHRIN ABDOL SALAM
Chief Executive Officer,
Singapore
(effective May 2024)*

LI YU
Chief Executive Officer,
International

* Shahrin Abdul Salam was appointed on 1 May 2024. Neo Su Yin departed the Company on 30 April 2024.

FY2023/24 Key Highlights

May

Initiated SingPost's strategic review.

JUN

Celebrated 165 years of postal services in Singapore with a public open house, one of the many activities throughout 2023.

Accelerated SingPost's digital transformation through strategic collaboration with tech giants, including Google Cloud, Boomi, and Oracle among others.

OCT

Adjusted the postal rate, the first in the last nine years, in Singapore.

DEC

Acquired the remaining 12% stake in Australian-based FMH Group. SingPost now fully owns FMH Group.

23

24

MAR

Successfully acquired Border Express by FMH Group, following the completion of the conditional sale and purchase agreement on 1 March 2024.

Announced the intention of merging CouriersPlease, another SingPost subsidiary in Australia, with FMH Group.

Completed strategic review to reset for growth. SingPost will scale as a pure-play logistics enterprise serving international markets and delivering sustainable growth to create long-term value for shareholders.

Launched the first independent POPStop at Tampines MRT station in Singapore to support eCommerce growth, featuring an AI assistant to attend to common queries and dispense labels.

STRATEGIC REVIEW FOR FY2023/24

Strategic Reset: Transformation Towards a Sustainable Future

SingPost is guided by our purpose – making every delivery count for people and planet. To that end, the Group is on a transformation journey to pivot to logistics while building on our pervasive postal capabilities locally and worldwide. The Group is also driving innovation and digitalisation to leverage our core competencies and advantages across our markets.

Over the past few years, SingPost had transitioned from a traditional postal organisation to a technology-driven international logistics enterprise, with significant revenue streams generated overseas.

This progressive development has yielded positive results for the Group and established a strong foundation for growth to capitalise on the burgeoning eCommerce growth worldwide as an international logistics enterprise. However, despite the growth of our business and operations, the share price failed to reflect SingPost's true value, prompting the need for strategic realignment.

Strategic Review to Unlock Shareholder Value

To navigate these challenges and unlock shareholder value, SingPost initiated a comprehensive strategic review to enhance shareholder returns and ensure the Group's valuation accurately reflected our intrinsic worth.

SingPost completed our strategic review and announced in March 2024 the clear pathways it will undertake to excel in the evolving logistics industry. By capitalising on its strengths, adopting new technological advancements, and making sustainability a priority, the Group will be in a solid position to lead as a technology-driven logistics enterprise, generating sustainable growth and value for its shareholders in the years to come.

Pathways for Growth

The strategic review culminated in the identification of five key thrusts that SingPost will undertake to drive growth and unlock value over the next three years:

1. **Reorganisation of the Group**
   SingPost will reorganise into three distinct business units: Singapore, Australia, and International. This restructuring aims to empower each unit to operate independently in their respective markets, fostering agility and market leadership.

2. **Strategic Management of Capital**
   Active capital management will be a priority, with a focus on optimising returns and recycling capital from non-core assets. This approach will support growth investments, debt reduction, and shareholder value enhancement.

3. **Transforming Urban Logistics in Singapore**
   The Singapore business unit will focus on becoming the country's leading provider of delivery services, leveraging its postal network to capture the burgeoning eCommerce market. Efforts will be made to enhance service efficiency and sustainability.

4. **Achieving Scale in Australia**
   In Australia, SingPost will capitalise on its hybrid logistics capabilities to strengthen its position among the top logistics companies. Strategic partnerships and M&A opportunities will be pursued to maximise value and establish an independent valuation benchmark.

5. **Building Technology-Driven Excellence for Cross-Border Customers**
   The International business unit will prioritise serving cross-border eCommerce customers through innovative solutions like the ARRIV platform. Expansion of eCommerce hubs in key geographies will enhance supply chain connectivity and customer experience.

Progressing with Promise and Purpose

SingPost is committed to making every delivery count for people and planet. The Group is moving forward with promise and purpose, with a bright future ahead.

SingPost is well-positioned to lead the logistics industry with innovation, efficiencies, synergies, and sustainability. With every parcel delivered and every connection made, we are charting a course towards a future defined by growth, resilience, and shareholder value.

INTERNATIONAL BUSINESS UNIT

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In FY2023/24, persistent inflation, climate-related disasters, and geo-political tensions caused ongoing disruption to supply chains across the globe. Despite these challenges, the Asia Pacific regional economy displayed resilience, with projected growth rates[5] of 4.9% in 2023 and 4.8% in 2024, driven notably by robust performances in China.

SingPost's International business unit (International) leveraged its strengths in international post and parcel network, and strategic partnerships within eCommerce supply chains to cater to the diverse cross-border needs of our customers worldwide.

Having established operational hubs strategically located in China, Singapore, Australia, and the United Kingdom (UK), International continued its growth trajectory, making progress on re-engineering its operations, focusing on enhancing commercial offerings, reducing conveyancing costs, and implementing operational efficiencies throughout the fiscal year.

With sustained business volumes and a concerted drive for synergies across operations within Asia Pacific, particularly with both the Singapore and Australia business units, the International unit has orchestrated a robust and efficient cross-border eCommerce logistics network for global customers.

5 Asian Development Outlook (ADO) December 2023.

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INTERNATIONAL BUSINESS UNIT

Shaping the Future of Logistics with 4PL

Today's eCommerce sector stands at the cusp of a new era. It is an integral aspect of the modern-day retail commerce experience and presents significant opportunities worldwide in the interplay between eCommerce and the logistics network. Shippers and merchants need a multimodal logistics infrastructure to support warehousing, international shipping, customs clearances, and managing diverse consumer expectations across various markets to support growth.

In response to the evolving landscape of eCommerce and logistics, SingPost introduced ARRIV, our 4PL platform designed to address the complex needs of shippers and merchants. ARRIV aims to enhance customer satisfaction, operational efficiency, and sustainable growth by leveraging data insights, decision support algorithms, and cutting-edge technologies such as artificial intelligence (AI), automation, and the Internet of Things (IoT).

Through ARRIV, SingPost aims to reshape traditional processes, enable real-time tracking, predictive analytics, and enhance visibility across the supply chain, ultimately offering end-customers hyper-personalised delivery experiences.

Additionally, our International team is actively exploring opportunities to further enhance the eCommerce supply chain network, focusing on driving expansion through key hubs in Singapore, Hong Kong, and Europe.

Expanding Presence in the Greater Bay Area, China

SingPost announced significant strides in expanding our presence in China during the 2023 China (Shenzhen) Cross-Border eCommerce Fair (CCBEC). The Group, through Quantium Solutions (QS), officially opened a wholly owned entity in Shenzhen, China, within FY2023/24, creating a dual hub with its present Hong Kong facility.

This additional capacity will strengthen SingPost's logistics capabilities in the Greater Bay Area of China and the wider global market by delivering unprecedented value to customers in the growing cross-border eCommerce business.

Cultivating Mutually Beneficial Partnerships

SingPost has announced a strategic partnership with a leading one-stop cross-border logistics intelligence service platform, aimed at bolstering the quality and capabilities of the global cross-border eCommerce landscape.

This collaboration allows the platform to embrace SingPost's global advantages, advanced logistics systems, comprehensive network, and robust logistics solutions, encompassing transportation, cargo clearance, and terminal delivery. Together, SingPost's partnerships aim to ensure swift delivery of goods to customers across markets in Europe, the United States, the Middle East, and Asia Pacific, providing fast, efficient, and secure cross-border logistics solutions tailored to meet customer needs.

With China's cross-border eCommerce market witnessing significant expansion, evidenced by the General Administration of Customs report indicating a record-breaking scale exceeding RMB 2 trillion in 2022, our partnerships stand to benefit from mutual expertise and resources in international cross-border eCommerce logistics, driving mutual business growth and success.

INTERNATIONAL BUSINESS UNIT

In FY2023/24, SingPost forged a strategic alliance with a leading global mobile eCommerce platform, to enhance parcel delivery experiences across Australia. By capitalising on SingPost's world-class logistics capabilities, delivery times have been significantly reduced from the prior three-week timescales. This advancement offers the platform's customers the benefit of expedited deliveries, arriving considerably sooner than anticipated.

Further, we have bolstered parcel tracking systems, granting customers the transparency to monitor their shipments from warehouse dispatch to their doorsteps. In Australia, SingPost's subsidiary, CouriersPlease, is instrumental in managing import clearance and executing last-mile delivery solutions, refining the overall process for the platform's consumers and merchants alike. This partnership is a testament to SingPost's dedication to maintaining a position at the forefront of the international cross-border eCommerce logistics landscape.

Additionally, SingPost has entered into a Memorandum of Understanding (MOU) with PT Pos Logistik Indonesia (Pos Logistics), to catalyse the expansion of eCommerce exports from Indonesia. Pos Logistics, renowned for its third-party logistics solutions, services both B2B and B2C sectors with proficiency. As the Indonesian eCommerce market burgeons, our collaborative efforts are directed towards establishing an effective supply chain from Indonesia to pivotal markets including Europe, Australia, the Middle East, and Asia. The suite of services encompassing linehaul, warehousing and route optimisation underscores SingPost's commitment to innovation and the strategic widening of our logistics network globally.

Industry Engagement and Outreach

Constant engagement with the global logistics industry is essential. Not only does it ensure that SingPost is on the pulse of the industry, but it also shapes our growth and development. At the Universal Postal Union's 4th Extraordinary Congress held in Riyadh, Saudi Arabia, the key theme was *People, purpose, progress – The next chapter for the postal sector*.

SingPost was an active participant, with Mr Li Yu, Chief Executive Officer, International, speaking to participants and highlighting the imperative for the postal sector to disrupt and shift mindsets.

The discussion also delved into the pivotal role of the postal sector in addressing broader challenges faced by governments and policymakers, eCommerce and customer-centric strategies, sustainability, and the impact of AI and digital transformation to the sector's future.

In Europe, SingPost participated in the UK's largest eCommerce event, eCommerce Expo, attended by an estimated over 12,000 professionals from the retail industry and over 200 solution-providers. Our International team led with an exhibition featuring our eCommerce logistics and cross-border solutions and held meetings with partners, including IMRG, Morning Global and EnterpriseSG – Europe.

In February 2024, SingPost exhibited at Tokyo Big Sight, Japan's eCommerce Fair, alongside over 100 exhibitors. The event was attended by more than 6,600 industry leaders, managers and experts. Our Japan team met many prospective customers and saw the increasing demand for cross-border solutions and returns management.

Celebrating SingPost's Triumphs

In FY2023/24, SingPost was the proud recipient of the EMS Customer Care Award in recognition of the Group's exceptional customer service performance. It is a prestigious award as Express Mail Service (EMS) is the largest global delivery network to provide last-mile priority postal express service for documents and merchandise through postal operators of the Universal Postal Union (UPU), connecting 175 countries and territories worldwide.

AUSTRALIA
BUSINESS UNIT

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Australia's economy is facing inflationary pressures, rising interest rates[6], and a limited labour market[7]. However, it is expected that in the coming years, there will be a shift towards a more sustainable balance between supply and demand in various sectors of the economy, which will help restore low and stable inflation levels as economic activity returns to normal[8].

The logistics and courier industry in Australia is highly competitive, with a mix of domestic and international players. In FY2023/24, SingPost's subsidiary, Freight Management Holdings Pty Ltd (**FMH Group**), welcomed MJ Luff and its associated entities (**Border Express**) into its portfolio. FMH Group also announced the intent of merging with CouriersPlease, another Australian subsidiary of SingPost Group.

These developments mark the latest phase of SingPost's expansion in Australia, in line with our strategic vision of building a comprehensive end-to-end B2B2C integrated logistics network, driven by technology, across the continent.

Collectively, SingPost's Australian business units will encompass over 3,000 employees and Franchise Partners, operating across 80 facilities, and serving more than 4,900 customers nationwide. With this trajectory of growth, FMH Group is now one of the top five logistics companies by revenue in Australia.

6 https://www.rba.gov.au/publications/smp/2023/may/
7 https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/apr-2023
8 https://www.rba.gov.au/media-releases/2024/mr-24-05.html

AUSTRALIA BUSINESS UNIT

Creating One of Australia's Top Five Logistics Companies

The acquisition of Border Express represents a significant milestone for SingPost, as it not only strengthens our market position in Australia but also contributes to immediate earnings growth. With Border Express onboard, the annual revenues of our Australian business units combined will exceed S$1 billion, marking a substantial expansion in our operational scale and financial performance. This strategic move underscores SingPost's commitment to enhancing our presence in the Australian market and delivering sustained value to our stakeholders.

Border Express was acquired by FMH Group, following the completion of the conditional sale and purchase agreement on 1 March 2024. At the time of acquisition, Border Express was Australia's sixth largest national transport and distribution service provider, with a network of 18 facilities, a fleet of over 700 vehicles, and a team of 1,700 employees and contractors.

The Company has established itself as a reliable partner to over 1,800 customers across many industries, including large retail and consumer brands.

SingPost is moving forward to integrate CouriersPlease into the FMH Group to drive synergies across our Australian business units. This move will create efficiencies and bring greater value to customers and partners. The integration will improve our productivity, enable leverage of our existing talent pool and enhance our operational capability in Australia.

The FMH Group vision is to create a new logistics ecosystem, where people and physical assets are connected through a ubiquitous technology platform, enabling true supply chain efficiency. FMH Group comprises 4PL efm Logistics, logistics technology provider Flip, third-party logistics provider (3PL) Logistics Holdings Australia, national bulk and B2B parcel delivery specialist Border Express, and B2C parcel delivery specialist CouriersPlease.

Group Chief Executive Officer - FMH
Simon Slagter

- **4PL**
- **Technology**
- **3PL**
- **B2C Parcel**
- **Bulk & B2B Parcel**

Continued Enhancement of Intelligent Software Platforms

Flip (as part of FMH Group) has continued development of its logistics platform, which is a comprehensive product suite designed to boost operational efficiency by widening and deepening the availability of descriptive and event data. In FY2023/24 there was a successful migration of additional senders onto the platform, with a significant boost in revenue flows.

Committed to delivering value through the intelligent platform, Flip recognises that technology requires constant evaluation and review to ensure it continues to enable the achievement of the strategic objectives of the FMH Group and its customers. In FY2023/24, the platform was enhanced with a greater focus on operational efficiency across the supply chain.

CouriersPlease Marked 40 Years of Success

CouriersPlease celebrated its 40th anniversary in 2023 with a special event attended by employees and partners, including its longest serving Franchise Partner with 40 years of dedicated service.

Also, CouriersPlease announced a fresh brand identity aimed at reinforcing its position as a challenger brand in the competitive delivery industry and facilitating global expansion. The brand refresh introduced a contemporary logo and colour scheme, symbolising the Company's commitment to its people-centric culture and sustainability initiatives.

The refreshed brand underscores CouriersPlease's green focus, highlighting initiatives such as Low CO_2 certification, Green Star-standard depots and trials of electric vehicle deliveries. To communicate this message, the rear of each van will feature the brand's sustainability message: **Delivering for People and Planet**.

For Franchise Partners who may be keen to join the fleet, the new CouriersPlease vans will be in white and will no longer require investments in a yellow vinyl wrap, significantly reducing costs for Franchise Partners. There is also a QR code for franchise applications on the new vans. Starting in December 2023, the updated brand is being rolled out in all depots across Australia, including Sydney, Melbourne, Brisbane, Adelaide, Canberra, Perth, and other major regional centres.

AUSTRALIA BUSINESS UNIT

Dandenong South, Melbourne

Pemulwuy, Sydney

Expanded Courier Network Across Australia

As one of Australia's leading franchised courier services, CouriersPlease announced the opening of its new sustainable depots in Sydney, Melbourne, and Perth in 2024. These depots, designed to improve parcel-handling capabilities, are crucial to its expansion plans to support customers and Franchise Partners in these key cities. With a remarkable 20% increase in parcel volumes in 2023 and a network covering over 1,200 couriers across 800+ active territories nationwide, CouriersPlease is now the proud courier partner to Australia's major retailers.

The newly built depots are designed to meet Green Star Standards, reflecting CouriersPlease's commitment to sustainability. The Melbourne depot, located in Dandenong South and covering an area of 15,550 sqm, includes rainwater reuse infrastructure, solar hot water and energy-efficient fittings. In Sydney's Pemulwuy, a massive 28,644 sqm depot scheduled for completion in mid-2024 boasts a range of sustainable features, including a 300kW solar system and recycled asphalt. Meanwhile, the High Wycombe depot in Perth, covering an area of 5,400 sqm and set to be completed in around mid-2024, will also adhere to Green Star Standards and include provisions for future solar installations and electric car charging points.

These new depots are part of CouriersPlease's strategic vision to keep up with the increasing parcel volumes while supporting Franchise Partners. With the growth of eCommerce, especially in urban areas, and the growing demand in rural areas, CouriersPlease is committed to sustainability and customer satisfaction.

In Australia, FMH Group's Logistics Holdings Australia (LHA) division has modernised its fleet with increased payload, multiple safety feature upgrades, and introduced a number of emission management initiatives, including driver management tools, low rolling resistance tyres and a push toward Euro 5 and Euro 6 emission standards in its truck fleet.

Community Outreach and Well-being

In FY2023/24, efm, the 4PL provider in the FMH Group, continued its partnership with leading charity for children facing cancer, Camp Quality. In creative sessions in each office, the efm team designed colourful birthday cards and fun welcome packs for the charity's young camp participants. This team activity was in addition to efm's financial contribution of A$50,000 to Camp Quality, supporting the organisation in its mission to bring positivity, fun and laugher back into the lives of kids facing cancer.

On World Mental Health Day in 2023, FMH Group's LHA invited representatives from Beyond Blue, an Australian mental health and well-being support organisation, to various depot sites to speak about their lived experience of mental health challenges and the various support resources and channels available. These sessions aimed to increase awareness, understanding and empathy about mental health in the workforce. LHA also provided attendees with educational resources to further support their knowledge-building, including informational brochures and contact information for accessing mental health services.

FMH Group has made accessible to employees an Employee Assistance Program (EAP), which provides confidential counselling services to employees facing personal or work-related mental health challenges, further reinforcing a culture that prioritises mental wellness.

Awards and Triumphs

CouriersPlease won the prestigious award of Best Carrier at the 2023 NORA Solution Partners Awards, presented by the National Online Retailers Association in Sydney. This accolade stands as a testament to the dedication and achievements of every team member and Franchise Partner within the organisation. Hosted annually, the awards recognise exemplary partnerships across the retail sector, with nominations voted on by retailers and reviewed by the NORA Advisory Council.

The Best Carrier award validates CouriersPlease's strength, synergy and dedication of its Franchise Partners and team members across Australia.

SINGAPORE
BUSINESS UNIT

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The Singapore economy grew by 1.1% in 2023, easing from the 3.8% expansion in 2022[9], with all sectors except for the manufacturing sector recording full-year expansions. Against this economic environment, SingPost faced challenges due to global economic uncertainty and geopolitical tensions that disrupted the supply chain in FY2023/24.

SingPost's Singapore business unit (Singapore) identified areas for growth, innovation and transformation. In particular, the positive trends in the eCommerce logistics business opens opportunities for growth. Additionally, SingPost worked with the regulator Infocomm Media Development Authority (IMDA) to conduct a review on the commercial viability of the domestic postal business and executed initial measures to increase postage rates in Q3 FY2023/24.

Transforming Urban Logistics and Deliveries in Singapore

The Singapore business unit continued to lead innovation, best-in-class service quality, and reliability. We continued our market leadership in domestic daily postal deliveries on our extensive network to every household and address in the country. Additionally, Singapore is complementing this unmatched expertise with innovative solutions for business clients.

Investment and innovation in the domestic urban logistics landscape are key priorities as eCommerce logistics continue to grow while letter mail volumes decline. Singapore aims to be a cost-efficient, high-quality, and low-carbon service provider for deliveries to meet evolving demands. An initiative aligned with these goals was the innovative solution, POPStops, which consists of dedicated counters in 52 post offices to support the rising eCommerce delivery.

9 https://www.mti.gov.sg/-/media/MTI/Resources/Economic-Survey-of-Singapore/2023/Economic-Survey-of-Singapore-2023/FullReport_AES2023.pdf

SINGAPORE BUSINESS UNIT

The introduction of POPStop marks a transformative milestone in redefining the last-mile delivery journey, empowering customers with enhanced convenience and flexibility in parcel handling.

A highly convenient parcel drop-off and return service, each POPStop counter is staffed by knowledgeable service ambassadors to provide customers with the personal touch. During the peak period from October to December 2023, Singapore set up a pop-up POPStop at Sim Lim Square, to support high volumes of deliveries.

The positive market reception to these POPStops motivated Singapore to further enhance our urban logistics with the launch of the first-of-its-kind POPStop featuring an AI assistant in a high-footfall location, an MRT station. This new POPStop served to elevate customer interactions while providing a highly convenient drop-off option for sellers, catering to Singapore's burgeoning eCommerce landscape.

With a forecasted eCommerce market growth rate exceeding 10% annually[10], Singapore seeks to strengthen our position in multiple ways, including enhanced skills and capabilities training with industry-leading partners and delivering advanced solutions to further the depth of its network. SingPost continues to shape the future of urban logistics while maintaining the sustainability of postal services through critical initiatives.

Adjustments for the Long-Term Sustainability of Post

In the prior fiscal year, the domestic postal business reported an operating loss of S$11 million, mainly attributable to the post office network sub-segment, which incurred a significant loss of S$21 million. Against the operational challenges, the profitability of the delivery business, which generated close to S$10 million in profit last year, was insufficient to offset the losses. The accelerated contraction in letter mail volume further exacerbated the financial strain on the postal services division.

In October 2023, the Singapore business undertook a crucial step towards ensuring the long-term sustainability of our delivery services by adjusting domestic service prices. The last significant rate increment was nine years ago in 2014. The increased rate is aligned with the increasing operational cost while we work on a sustainable model to maintain high-quality postal services and grow our eCommerce business.

The adjustments simplified the postage rate structure, eliminated weight criteria and increased user-friendliness. We also launched the pre-paid labels, enabling fully tracked deliveries. With the adjustments, local customers can enjoy effortless postage calculation with streamlined postage categories, and enhanced customer service experiences.

Overall, this strategic move successfully enabled the domestic postal delivery service to regain stability and improve the efficiency of our postal operations. However, the network of post offices remains challenging. Moving forward, Singapore will undergo a postal review and has plans to implement initiatives for domestic infrastructure optimisation, to enable long-term commercial viability.

10 https://www.statista.com/outlook/emo/ecommerce/singapore

Capturing Opportunities in eCommerce Logistics

On 3 October 2023, Singapore announced a partnership with SHEIN in which SingPost will deliver end-to-end eCommerce logistics services for the global fashion and lifestyle marketplace leader's Singapore operations. Through this partnership, which leverages SingPost's expertise as a leader in eCommerce logistics in Singapore, SHEIN's fulfilment operations will be streamlined, significantly enhancing speed and responsiveness to customer needs, thereby elevating overall satisfaction levels.

SingPost will enhance SHEIN's business with comprehensive eCommerce logistics services, encompassing customs clearance, last-mile fulfilment, and returns management. In addition to doorstep deliveries, SHEIN customers will benefit from enhanced convenience through out-of-home deliveries to letterboxes and collection points as well as access to SingPost's urban logistics network, including POPStation for product returns.

This collaboration is a win-win partnership as SHEIN will gain valuable insights into the local market landscape, including customer preferences, thereby enabling it to tailor its services to the specific needs of its Singapore-based customers. It will also boost SingPost's reach in the fashion and lifestyle business sector, empowering more businesses and brands to build their growth with our seamless eCommerce logistics service offerings in Singapore while driving greater adoption of letterbox deliveries for convenience, security, and a greener last-mile option.

Enhancing Cross-Border Services Through Partnership

SingPost announced a memorandum of understanding (MOU) with FedEx Express (FedEx) to trial the acceptance of FedEx parcels at post offices in FY2023/24. This initiative aims to enhance operational efficiencies and elevate the customer experience by providing additional drop-off locations for cross-border shipments.

In the trial facilitated by POPStop, a dedicated facility for eCommerce parcel-related transactions available in post offices, FedEx customers enjoyed the convenience of dropping off parcels at POPStop counters within six participating post offices across Singapore at no extra cost. Manned by SingPost staff, these POPStop counters guided customers in sending out parcels while supporting efficient delivery by handing them to FedEx daily.

This partnership enabled FedEx to explore the potential for simplifying cross-border trade for Singapore-based businesses using its global network and advanced digital tools. Simultaneously, it allows SingPost to maximise the utilisation of our postal network to deliver enhanced user experiences, underscoring our commitment to innovation and collaboration as we strive to meet evolving customer needs.

Commitment to Community Well-being

SingPost was invited to the Singapore Civil Defence Force (SCDF) Responders' and Partners' Appreciation (RPA) Event to receive recognition for our collaboration and assistance in establishing the Responders Network.

In FY2022/23, SingPost initiated the Automated External Defibrillator (AED)-on-Wheels programme, underscoring our dedication to community welfare and preparedness to aid during emergencies. With AEDs, first aid kits, and fire extinguishers onboard, our delivery staff and vehicles are poised to respond promptly to crises. Moreover, 164 SingPost postal delivery staff volunteered for SCDF training, acquiring vital lifesaving skills and emergency procedures.

For our SingPost frontliners, who stepped forward to serve the community, standing alongside the SCDF responders who share our commitment to community well-being was an honour and privilege.

SINGAPORE BUSINESS UNIT

Shaping the Growth of Our People

SingPost is committed to shaping a great workplace for all employees, one that prioritises the well-being, growth, and development of employees and offers an environment where each team member feels valued, supported, and empowered.

To that end, the Group renewed our strategic partnership with the Union of Telecoms Employees of Singapore (UTES), which it signed in 2022. At that time, it was a groundbreaking partnership with NTUC's junior membership arm, nEbO, and the Union of Telecoms Employees of Singapore (UTES) to offer young persons valuable insights and hands-on experience in the logistics sector through specially designed programmes.

In addition to the youth partnership, SingPost continues to renew our Company Training Committee (CTC) with UTES. Since its inception in 2019, the CTC has provided 10,000 training places for employees, focusing on digital training workshops and broader skill-enhancing programmes. Through concerted efforts, SingPost and UTES aim to expand the postal service industry and upgrade workers' skill sets to meet future job market demands. This partnership also enables SingPost's employees to access over 75,000 online courses in NTUC's LHUB GO for professional development.

Celebrating SingPost's Hallmark of Excellence

Throughout FY2023/24, SingPost garnered recognition across multiple domains, including customer care, innovation, eCommerce, safety, and service excellence.

SingPost was honoured with the EMS Customer Care Award, a prestigious accolade celebrating outstanding customer service performance within the global delivery network. This recognition underscores our commitment to delivering unparalleled service experiences, ensuring customer satisfaction and trust.

At the esteemed World Post and Parcel Awards 2023, SingPost proudly secured two accolades. The first, for Best Innovation Strategy, acknowledges our groundbreaking POPDrop initiative, a testament to our commitment to revolutionising last-mile delivery solutions. The second, for Commitment to Sustainability, recognises our efforts to champion eco-friendly practices and reduce our environmental footprint, from implementing carbon-efficient ecosystems to promoting sustainable packaging solutions.

SingPost's win at the National Business Award by Singapore Business Review in its E-Commerce category also signifies our pioneering efforts in leveraging technology and innovation to enhance customer convenience and efficiency, exemplified by our POPDrop Smart Posting Box.

Our commitment to safety was duly acknowledged with two prestigious awards. At the U Safe Forum & Awards 2024, hosted by the National Trades Union Congress (NTUC), SingPost was lauded for our progressive workplace practices and dedication to fostering safer and healthier workplaces for all employees. Furthermore, our excellence in fleet safety was recognised at the Singapore Road Safety Awards 2023, where we received accolades in both the Motorcycle Fleet and Light Goods Vehicle Fleet categories, with one of our dedicated staff members, Ms Nooraishah Binti Roslan, earning the esteemed Safe Driver Award.

Lastly, SingPost's stellar service standards were honoured at the Excellent Service Award 2023, organised by the Singapore Retailers Association. With a remarkable tally of 36 Star, 12 Gold, and 41 Silver awards, this recognition reflected our relentless pursuit of service excellence and our commitment to delivering exceptional customer experiences.

These accolades validate our efforts and inspire us to continue pushing the boundaries of excellence, innovation, and sustainability in the logistics industry, reaffirming our position as a leader in the field.

Commemorating 165 Years of Postal Excellence in Singapore

In 2023, SingPost celebrated a significant milestone - 165 years of exemplary postal services in Singapore. To honour this occasion, special events and activities were organised for various stakeholders, including customers, partners, employees, and members of the public.

SingPost hosted a commemorative gathering at the iconic Fullerton Hotel, the historic site of Singapore's former General Post Office, where employees, customers, and partners convened for joyous festivities, including the Singapore STAR Awards ceremony. The event underscored SingPost's ongoing commitment to expanding our network, embracing technological advancements, and fostering endless opportunities for our customers. Each delivery has been instrumental, not only for individuals but also for our planet's well-being.

In the year, Singaporeans of all ages were invited to an Open House at SingPost Centre to explore behind-the-scenes mail delivery and learn about our rich heritage. The event featured family-friendly carnival activities, heritage exhibitions, vintage stamp displays, and guided tours of the mail processing centre. There was also a pop-up philatelic store with exclusive stamp collections.

Since the inauguration of postal services in Singapore in 1858, SingPost has remained dedicated to serving the community. As part of our commemorative activities, SingPost organised the Packaton initiative, distributing 1,858 care packs to underprivileged families across the island. Over 80 dedicated staff volunteers worked tirelessly to prepare and distribute these essential care packs, providing much-needed support to those in need. Despite the challenges, the spirit of goodwill prevailed, with volunteers and recipients sharing smiles and warmth.

During the festive season, SingPost continued our tradition of spreading joy through the Gift-A-Wish programme, bringing smiles to the faces of 165 children. Collaborating with organisations such as Child @Street 11, and Care Corner Singapore, SingPost collected wish lists for Christmas and enabled staff members to sponsor a child's wish. In addition to fulfilling these wishes, SingPost organised Christmas parties at care centres, fostering meaningful interactions between staff and beneficiaries while sharing the spirit of giving.

Property

List of Major Properties

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
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 Street 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

Sustainability Overview

DRIVING SUSTAINABILITY

Reset for Sustainable Growth

As SingPost expands globally, we recognise the critical imperative to prioritise and embrace sustainability. This commitment is driven by the urgent need to address the impact of climate change on a global scale and the increasingly rigorous environmental, social and governance (ESG) regulations across the different markets we operate in and requirements set out by the customers that we serve. Throughout FY2023/24, the Group intensified our ESG efforts as we reset for sustainable growth. With sustainability as a key priority, we aim to build resilience and unlock long-term value for our stakeholders.

The Group's FY2023/24 Sustainability Report provides stakeholders with detailed insights into the SingPost's sustainability performance and initiatives. This year's report encompasses the activities of the SingPost Group in Singapore and its key subsidiaries: FMH Group[11] (FMH) and CouriersPlease (CP) in Australia, and Quantium Solutions (QS) in seven markets outside of Singapore.

SUSTAINABILITY FRAMEWORK

Consistent Pathways for Change and Innovation

As SingPost moves forward on our transformation efforts, we remain consistent in our approach to sustainability. This approach is defined by three core pillars – ***Cherishing our Planet***, ***Collaborative Partnerships***, and ***Culture of Trust*** – which serve to ensure that we continue to maintain our adherence to the highest levels of governance and environmental and social responsibility on our growth journey.

Each pillar and its associated material matters are aligned with the United Nations Sustainable Development Goals (UN SDGs), ensuring that SingPost's commitment and contributions are aligned with global objectives of sustainable development for people and planet. The Group assesses the risks and opportunities within each pillar and sets targets to guide our sustainability journey.

11 FMH Group, a subsidiary of SingPost, completed the acquisition of Border Express on 1 March 2024. Border Express' data is excluded this year and will be included after the first full financial year of FMH Group ownership/control or when relevant processes and systems have been implemented for consistent data collection and consolidation across the Group.

The pillar *Cherishing Our Planet* reflects the care and concern of sustaining a liveable planet for future generations. As such, it prioritises climate action and resilience, resource efficiency, and responsible waste management.

The *Collaborative Partnerships* pillar is dedicated to transforming markets and delivering value for our communities and customers for future generations. It emphasises active participation within our ecosystem to drive responsible supply chain practices, foster product and service innovation, enhance customer experiences, and deliver positive value to our communities.

Lastly, the *Culture of Trust* pillar emphasises caring for and doing the right things for our stakeholders. It recognises the importance of employee engagement and robust talent practices, prioritises health and safety, ethical and transparent business practices, and the need to safeguard data privacy and cybersecurity.

The Board and management have maintained that the material ESG topics remain relevant with no changes to the material ESG topics for FY2023/24. Given evolving sustainability requirements and rapid harmonisation of reporting standards, the Group will embark on a double materiality assessment in the next financial year.

SUSTAINABILITY OVERVIEW

OUR SUSTAINABILITY JOURNEY IN FY2023/24

Proactivity Toward Positive Outcomes

Sustainability remains intrinsic to our purpose, values, and business operations. As the momentum behind addressing climate change and the broader spectrum of ESG responsibilities grow, we persist in driving positive outcomes and remaining dedicated to our sustainability efforts.

The Group recognises that our endeavours must extend beyond our direct operations to cover the entire life cycle of our services. As we move forward on *Cherishing the Planet*, we maintain our commitment to net-zero (Scope 1 and 2) by 2030 in Singapore and net-zero (Scope 1, 2 and 3) globally by 2050[12].

We continue to transition to less carbon-intensive transportation options and adopt low-carbon technology. Among the notable low-carbon initiatives in FY2023/24 is the continued progress to electrify our owned delivery fleet in Singapore and material handling equipment across the Group; as well as the expansion of onsite solar generation to two additional facilities - for SingPost Centre which is set to complete by end of 2024, and at Dandendong South in Australia. We have successfully reduced our Scope 1 and 2 carbon emissions by 26% from FY2018/19 baseline level[13] for our Singapore operations and by 11% for global operations compared to last year.

In Australia, we have progressed in understanding the carbon footprint of the local operations and explored decarbonisation pathways during the year. While the Group will take the following year to integrate newly acquired businesses, we have commenced a phased approach to developing our Scope 3 emissions inventory. This has enabled us to gain visibility of our value chain emissions and be more proactive and data-driven in identifying targeted initiatives to decarbonise our value chain.

SingPost is advancing customer-centric innovation and digitalisation across the business to drive long-term value through *Collaborative Partnerships* with our partners and customers. The Group has embraced technology, including digital analytics and AI, to boost customers' experience while driving operational efficiency and enhancing workplace safety. We continue to engage with our supply chain partners through our procurement processes to encourage the integration of ESG practices in their operations so as to build capabilities and resilience to uplift sustainability across the sector as a whole.

We are proud to be recognised for our commitment to continuous innovation and championing sustainability in the industry. We received two accolades at the esteemed World Post and Parcel Awards 2023, *Best Innovation Strategy* for our POPDrop initiative and *Commitment to Sustainability* for our efforts to champion sustainable practices, from implementing carbon-efficient ecosystems to promoting sustainable packaging solutions. In recognition of our logistics solutions excellence, CouriersPlease was also honoured the Best Carrier in 2023 National Online Retailers Association (NORA) Solution Partners Awards in Australia.

The Group is dedicated to building a *Culture of Trust*, with strong governance and an emphasis on our employees' development and well-being. In FY2023/24, SingPost undertook an initiative to gather feedback and voices from our employees to enable the management to glean valuable insights into our employees' expectations and aspirations. Based on the employee engagement survey conducted, SingPost has been recognised as a Great Place to Work® Certified™ Company in the markets of Australia, China, Singapore, and Taiwan.

We recognise that people are our most valuable asset and prioritise the safety, health and well-being of our employees. During the year, SingPost introduced a mental wellness framework that aims to foster a culture that values and supports mental health in the workplace, empower our employees with the essential knowledge and tools to manage their mental well-being and establish relevant support networks and platforms for support, prevention,active intervention, recovery and maintenance. We are proud to have received recognition in Singapore at the U Safe Forum & Awards 2024, hosted by the National Trades Union Congress (NTUC), for our progressive workplace practices and dedication to fostering safer and healthier workplaces for all employees. SingPost has also transitioned our Group safety reporting system to a digital, cloud-based platform with mobile application capabilities to enhance safety performance monitoring with consolidated data analytics and improve response times to reinforce safety at the workplace.

These achievements in FY2023/24 underscore SingPost's steadfast dedication to sustainability, innovation, employee recognition, safety, diversity, and corporate governance. By consistently upholding these principles, we position ourselves as an industry leader and catalyst for positive change as we fulfil our purpose of Making Every Delivery Count for People and Planet.

More details on sustainability are available in SingPost's Sustainability Report FY2023/24 on **www.singpost.com** and pages 53 to 57 of this report.

12 This applies to Singapore and International operations. For Australia operations, this target is currently under review, in consideration of recent business acquisition.

13 Scope 1 and 2 GHG emissions in Singapore in FY2018/19 (baseline year) has been restated due to a recalculation of tenant electricity consumption data at owned properties, electricity consumption at leased properties and fuel consumption for our operations. This results in an overall reduction in the Scope 1 and 2 GHG emissions for the baseline year; and SingPost's FY2022/23 reduction for Scope 1 and 2 is restated as 22% from FY2018/19 (baseline year).

CHERISHING OUR PLANET

Climate Action and Resilience

As we reset for growth, SingPost is dedicated to reshaping our business and operations for a future that is climate-resilient and sustainable. We are committed to our responsibility of mitigating climate change and have been working on our decarbonisation pathways in line with our net-zero carbon emission targets. SingPost has also commenced climate scenario analysis for both physical and transitional climate risks and opportunities and formulating adaptation plans with the aim to build climate resilience across our operations.

Targets	FY2023/24 Progress and Performance
Net-zero (Scope 1 and 2) for operational emissions in Singapore by 2030[14,15]	In progress; on track SingPost has reduced our absolute Scope 1 and 2 Greenhouse Gas (GHG) emissions in Singapore collectively by 26% from the FY2018/19 baseline level, which is a 4% year-on-year improvement from last financial year[16].
Net-zero (Scope 1, 2 and 3) for global emissions by 2050[15,17]	SingPost has developed an overarching strategy and different pathways for emissions across our global operations. In FY2023/24, the Group has achieved an 11% year-on-year reduction of Scope 1 and 2 carbon emissions for our global operations. With greater clarity in our Scope 3 GHG emissions inventory, SingPost is better able to curate our decarbonisation strategies and identify necessary engagements with our stakeholders. While our goal is net-zero (Scope 1, 2 and 3) by 2050 for our global operations[17], SingPost will continue to explore ways to proactively reduce our carbon emissions sooner, wherever possible.

Resource Efficiency and Waste Management

SingPost recognises the vital role resource efficiency and responsible waste management play in shaping our environmental impact and carbon footprint. Our commitment to environmental sustainability and achieving net-zero for our global operations by 2050[17] drives our dedication to promoting a circular and low-carbon economy. SingPost is seizing the opportunity of evolving regulatory changes and shifting consumer preferences towards eco-conscious practices by offering sustainable packaging and lower carbon delivery options to promote sustainability in our business and for those we serve.

Targets	FY2023/24 Progress and Performance
Increase operational recycling rate to 30% by 2025	SingPost has achieved approximately 23% operational recycling rate in FY2023/24. We continue to explore ways to enhance our operational processes and systems, to further reduce our waste generation, increase waste recycled, and reuse wherever possible.

14 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.

15 SingPost's net-zero targets are based on a 'market-based' approach that reflects emissions from electricity generation that we have purposefully chose, enabling us to use purchasing decisions to drive decarbonisation in our value-chain.

16 Scope 1 and 2 GHG emissions in Singapore in FY2018/19 (baseline year) has been restated due to a recalculation of tenant electricity consumption data at owned properties, electricity consumption at leased properties and fuel consumption for our operations. This results in an overall reduction in the Scope 1 and 2 GHG emissions for the baseline year; and SingPost's FY2022/23 reduction for Scope 1 and 2 is restated as 22% from FY2018/19 (baseline year).

17 This applies to Singapore and International operations. For Australia operations, this target is currently under review, in consideration of recent business acquisition.

SUSTAINABILITY OVERVIEW

COLLABORATIVE PARTNERSHIPS

Responsible Supply Chain

Building and maintaining a responsible supply chain is crucial to our business. SingPost is committed to engaging with our supply chain partners to promote good ESG practices. This approach not only aligns with our sustainability ethos, but also presents us with the opportunity to elevate our entire supply chain. By raising awareness and influencing our supply chain partners to embrace and integrate ESG principles into their operations, SingPost endeavours to play a pivotal role in building the capabilities and resilience of our supply chain to evolving ESG expectations, strengthening the logistics sector's sustainability.

Targets	FY2023/24 Progress and Performance
Screen all suppliers on ESG criteria	All new suppliers[18] with contracts exceeding S$200,000 have been screened with ESG criteria, in line with the guidelines set out in the Supplier Code of Conduct. Continued work is underway for all new suppliers to undergo ESG criteria screening during the supplier registration process, while existing suppliers will be screened as feasible (e.g. during contract renewal).
Ensure all Tier 1[19] suppliers have an ESG Policy in place by 2023	Through a screening of potential supply partners[18] via a supplier registration process in FY2023/24, more than 60% of the respondents indicated they have a Social related policy and Corporate Governance related policy in place; and over 40% have an Environmental or Sustainability Policy. Of the Tier 1[18,19] suppliers identified for engagement, full transparency and understanding of suppliers' ESG policy and practices were secured for 15% of these suppliers. There are ongoing efforts to further engage with supply chain partners to support them in the journey towards sustainability with us.

Product and Service Innovation

As SingPost transforms into a global logistics enterprise, we strive to enhance our competitiveness and continually deliver value to our existing and potential customers. To this end, our investments in automation, digitalisation and partnerships for product and service innovation play a crucial role in enhancing productivity and boosting our ability to grow sustainably, providing long-term value for our stakeholders.

Targets	FY2023/24 Progress and Performance
Conduct at least one pilot innovation programme annually	Leveraged AI-powered Close Circuit Television (CCTV) systems through a pilot at the Airmail Transit Centre to strengthen workplace safety. Strategic alliance with Google Cloud and utilised AI tools to enhance operational efficiencies and productivity, and improve customer interactions.

18 This includes suppliers from Singapore and International operations.
19 Tier 1 suppliers refer to suppliers that supply at least 80% of total spend amount, identified as at 30 September 2023.

Customer Experience

As SingPost's business evolves and expands our reach, new opportunities emerge for us to better serve our evolving customer base. We are proactively redesigning our strategies to create a truly seamless, omnichannel experience and investing in digital technology to enhance customer experience.

Targets	FY2023/24 Progress and Performance
Exceed Infocomm Media Development Authority (IMDA) Postal Quality of Service (QoS) standards for Singapore as one of the essential services serving the nation	All requirements under the Postal QoS standards established by IMDA from January to December 2023 were met and the delivery of local basic letters and incoming basic letters received and delivered by next working day were exceeded.
Achieving high service quality and reliability by meeting or exceeding customers' expectations and striving for continual improvement	Total Customer is a core value for our business, and this was demonstrated by our improved customer satisfaction and Net Promoter Scores in FY2023/24[20]. We were honoured to receive several awards in 2023 as a testament to our exceptional customer service including the Express Mail Service (EMS) Customer Care Award 2023; and CouriersPlease was honoured as the Best Carrier in 2023 by the National Online Retailers Association Solution Partners Awards in Australia. This year, 89 SingPost employees also attained the Excellent Service Award (EXSA) 2023, including 36 Star, 12 Gold, and 41 Silver awards.

Community Investment

Our commitment to community engagement is integral to our broader objectives of innovation, sustainable growth, and creation of long-term stakeholder value. By embedding a culture of giving within the Group and leveraging our capabilities in eCommerce and logistics, SingPost strives to make a significant positive impact on the communities we engage with.

We are guided by our Community Investment Framework, in our interaction with relevant communities, which is aligned with the UN SDGs, focusing on three areas: Community Resilience and Well-being, Digital Inclusion, and Environmental Stewardship. For more details of our community engagement activities, refer to pages 58 to 59 of this report and pages 54 to 60 of our Sustainability Report FY2023/24.

Target	FY2023/24 Progress and Performance
Progressively develop targets as flagship programmes are identified	Celebrated 165 years of postal services in Singapore through various events including the SingPost Open House, which included efforts in digital literacy training and the SingPost Packathon, leveraging our logistics capabilities to deliver 1,858 care packages to communities in need. Supported mangrove restoration in Khlong Khon, Samut Songkhram Province, Thailand, where over 70 employees planted 500 mangrove tree saplings.

20 This applies to Singapore and International operations.

SUSTAINABILITY OVERVIEW

CULTURE OF TRUST

Employee Engagement and Talent Practices

SingPost invests in the professional and personal development of our workforce, providing training and development programmes in key areas such as digitalisation, innovation, and leadership, to equip them with future-ready skills to meet the demands of tomorrow. Learning opportunities are available to all through curated learning pathways. For more details of the training and development programmes for our employees, please refer to pages 62 to 68 of our Sustainability Report FY2023/24.

Targets	FY2023/24 Progress and Performance
Achieve an employee engagement survey completion rate of 70% by 2025 **Achieve an employee engagement score above the market benchmark by 2025**	An employee engagement survey was conducted in FY2023/24 with a 90% completion rate across the entire enterprise[21]. SingPost has been recognised as a Great Place to Work® Certified™ Company in the markets of Australia, China, Singapore, and Taiwan.
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 ~36% women representation in senior management in FY2023/24.

Health and Safety

Safety is one of SingPost's core values and ensuring the health and safety of our employees and stakeholders is paramount to the Group's business sustainability. We take proactive steps to further enhance the high workplace health and safety standards expected of us, and to build a culture of safety anchored by our Workplace Safety and Health management system to make every delivery count while doing so safely.

Targets	FY2023/24 Progress and Performance
Achieve zero major work-related injuries (including fatalities)	There were zero cases of fatalities and two high consequence work-related injuries for employees across SingPost Group. Refer to page 75 of our FY2023/24 Sustainability Report for more details.
Improve the year-on-year rate of recordable work-related injuries	The rate of work-related lost time injuries has improved for FY2023/24 to 1.72, as compared to 1.81 in FY2022/23 for employees across SingPost Group. Refer to page 75 of our FY2023/24 Sustainability Report. In FY2023/24, we have further progressed to align to the recordable work-related injuries definition of the Global Reporting Initiative (GRI) standards to include lost time injury, restricted work cases and medical treatment cases. In FY2023/24, the rate of recordable work-related injuries for employees across the Group per the new definition stands at 2.22. Like-for-like comparison based on the new definition will be made available in the next reporting cycle.

21 This includes employees in Singapore Post Limited, Quantium Solutions, and CouriersPlease.

Ethical and Transparent Business Practices

SingPost prioritises integrity and transparency as it is crucial for securing stakeholder trust and the Group's long-term success. We uphold ethical and transparent business practices with a zero-tolerance approach towards fraud, corruption, and unethical behaviour. Our values of trust, openness, and accountability are deeply embedded in our daily operations, interactions with our stakeholders and decision-making processes.

Targets	FY2023/24 Progress and Performance
Uphold zero corruption, unethical behaviour, and fraud incidents across SingPost's operations	In FY2023/24, there were zero incidents of corruption and two substantiated cases i.e. one case relating to unethical behaviour and one case relating to fraud. Appropriate actions have been taken on the matters, and operational measures were enhanced to prevent similar occurrences.
Inculcate zero tolerance for bribery and corruption in all employees and business partners	Anti-bribery and anti-corruption compliance declarations continue to be conducted as part of the annual Employee Code of Conduct declaration by all eligible[22] employees. 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	Annual training on anti-bribery and anti-corruption has been conducted as part of the annual employee code of conduct exercise for all eligible[22] employees.
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 FY2023/24.

Data Privacy and Cybersecurity

In this digital age, technology and digitalisation has become increasingly integral to our business growth and processes, enhancing the customer experience for every delivery. SingPost has remained steadfast in ensuring that we continually enhance the monitoring systems, refine response strategies and fortify resilience against evolving cyber threats. We focus on proactively strengthening our digital defences and upholding the highest standards of data privacy and protection to gain a competitive advantage by building customer trust.

Targets	FY2023/24 Progress and Performance
Uphold the highest standards of data privacy protection, including compliance with relevant laws	SingPost has complied with the Singapore Personal Data Protection Act and relevant data protection laws in the jurisdictions in which we operate in. SingPost also regularly reviews our personal data management policies and practices to improve our standards.
Establish a Cybersecurity Framework in line with industry standards	SingPost has ensured that our policies are aligned with industry standards, including the Cybersecurity Framework set forth by the National Institute of Standards and Technology (US NIST). Moreover, SingPost regularly reviews our policies to comprehensively reinforce benchmarks and standards, most recently aligning with the Cyber Trust Mark in Singapore. In FY2023/24, SingPost achieved the Singapore Cyber Trust Mark at the 'Advocate' tier.

22 Eligible employees refer to all full-time and part-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 Investment

SingPost endeavours to create a meaningful and positive influence within the communities we serve. We are guided by our Community Investment Framework which centres on the core areas of *Community Resilience and Well-being, Digital Inclusion,* and *Environmental Stewardship*.

Among the key initiatives for *Community Resilience and Well-being* include the fifth nation-wide distribution of Antigen Rapid Test (ART) kits to all households in Singapore, the ongoing Cheng San-Seletar programme in which our postal team members monitor irregularities in mail collection patterns to identify elderly and vulnerable residents who may require assistance, and our participation as first responders to medical emergencies in the Singapore Civil Defence Force's (SCDF) Automated External Defibrillators (AED)-on-Wheels programme. Through these concerted efforts, SingPost stands ready not only to respond to immediate needs, but also help to create the foundation for a stronger, more resilient society.

The Group is committed to fostering a more inclusive society. We launched a set of commemorative stamps in partnership with The Purple Parade to support inclusivity and recognise the rights and potential of persons with disabilities. The Purple Parade is a unifying national platform in Singapore and the largest ground-up movement that promotes awareness, fosters inclusion, and celebrates the abilities of persons with disabilities.

In Australia, the focus was on community and well-being. CouriersPlease continued to support the 'R U Ok?' Day initiative to encourage meaningful conversations for mental well-being and supported Movember to raise awareness of men's health issues and matched donations up to A$10,000 in November 2023. Additionally, efm, a part of the FMH Group, continued their partnership with Camp Quality, contributing A$50,000 to support the organisation in its mission to bring positivity, fun, and laughter back into the lives of kids facing cancer.

Celebrating 165 Years of Postal Services in Singapore

SingPost celebrated 165 years of postal services with various activities and events. These activities throughout 2023 included the SingPost Open House which drew a footfall of more than 100,000 people and in addition to showcase SingPost's history and services through guided tours, also provided a platform to educate the community on digital literacy and cybersecurity.

Another key event was the SingPost Packathon which included the packing and delivery of 1,858 care packages to beneficiaries from the three Community Chest's supported social services agencies and generated 1.54 million digital impressions. For the year-end festive season, the SingPost Gift-A-Wish initiative brought joy to 165 children from Care Corner Singapore, a non-profit organisation, and Child @Street 11, an early childhood education provider.

Marching Together as One at Singapore's National Day Parade 2023

At Singapore's National Day Parade in August 2023, SingPost proudly showcased our first physical marching contingent of 52 staff members.

It was a double celebration of national pride and the spirit of collaboration and dedication among our employees. The extensive preparation included 15 weekends of rehearsals, demonstrating our commitment and teamwork. Of special note was a mother-daughter duo within our contingent, highlighting the familial bonds among our staff and with the people of Singapore.

Supporting Mangrove Restoration in Thailand

In June 2023, more than 70 employees participated in a mangrove restoration project in Khlong Khon, Samut Songkhram Province, Thailand. SingPost staff planted 500 mangrove saplings

As mangroves are known to contribute significantly to coastal protection, biodiversity enhancement, and carbon storage, this project underscored our commitment to environmental restoration while providing an opportunity to foster teamwork.

Through this hands-on engagement with nature, SingPost demonstrates its commitment to environmental stewardship and corporate values, providing employees with valuable and meaningful experiences to deliver positive impact.

Investor Relations

At SingPost, corporate transparency through regular and open engagement with shareholders is important to us; we are committed to engaging with the investment community in an effective manner and keeping them apprised of the Group's latest developments.

Active Investor Engagement

Through our engagements with the investment community, we update investors 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 on the business and performance, our efforts in investor relations underscore the Group's commitment to creating long-term value for our stakeholders.

In FY2023/24, Management engaged with about 120 local and overseas institutional investors through face-to-face meetings and conference calls. We participated in investor conferences such as the DBS Vickers Pulse of Asia Conference and SGX-Maybank Securities Singapore Corporate Day, as well as webinars and forums for retail investors in Singapore and Malaysia hosted by CGS-CIMB, Maybank and Phillip Capital. In addition, annual meetings for retail investors are hosted with the Securities Investors Association Singapore (SIAS) to update investors on the Group's performance and to engage in active dialogue for views and feedback.

We actively develop and foster strong relationships with buy-side and sell-side analysts who play an important role in communicating key messages to the investing community, media, and the general public. Analysts' briefings are conducted following the release of half-year and full-year financial results, and these sessions are recorded as a webcast and made available to the wider investment community on a timely basis through our corporate website in the spirit of fair disclosure and to ensure wider reach. Investors may access an audio webcast or playback and the transcript of each results briefing under the Investor Relations section of SingPost's website as soon as practicable. Briefings are also made for quarterly business updates, as well as key corporate developments such as the strategic review announcement.

SingPost continued to hold a hybrid AGM for FY2022/23 in July 2023, 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 has adopted the hybrid format to enhance accessibility for shareholders and proxies by providing a choice to either attend in person or virtually.

Timely Information Dissemination

To ensure timely and accurate dissemination of information, the Investor Relations 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.

Shareholders and potential investors may also contact the Investor Relations team directly with any queries at **investor@singpost.com**. Contact details of the IR team are published on SingPost's corporate website. In addition, they may sign up for an email alert service to be updated with our announcements.

In recognition of the Group's corporate governance and sustainability progress, SingPost continues to maintain its ranking among the top 10 in The Singapore Governance and Transparency Index 2023.

Investor Relations Calendar of Events

Various events throughout FY2023/24 for shareholder engagement.

Q1 (April to June 2023)	**Q2** (July to September 2023)	**Q3** (October to December 2023)	**Q4** (January to March 2024)
Analysts & Investor Briefings: Full year FY2023/24 Results Release	Analysts & Investor Update: Q1 FY2023/24 Business Update	Analysts & Investor Briefings: H1 FY2023/24 Results Release	Analysts & Investor Update: Q3 FY2023/24 Business Update
SGX-Maybank Securities Singapore Corporate Day 2023	32nd Annual General Meeting (AGM)	Corporate Insights with CGS CIMB	Analysts & Investor Briefings: Strategic Review Update
	SingPost-SIAS Dialogue with retail shareholders	POEMS Guest Presentation	DBS Vickers Pulse of Asia Conference
		Non-Deal Roadshow with RHB Bank	SIAS Corporate Connect

Business Unit Highlights FY2023/24

POST & PARCEL

Revenue		Operating Profit	
FY2023/24	FY2022/23	FY2023/24	FY2022/23
S$499.4 million	S$508.7 million	S$7.5 million	(S$12.0 million)

Post and Parcel
registered revenue of
S$499.4 million
and operating profit
S$7.5 million

Key Highlights	Challenges Addressed
Domestic Post and Parcel revenue boosted on the back of eCommerce volume growth of 11%	Domestic postage rate adjustment in October 2023 mitigated the impact of the continued decline in volumes of letter mail and printed papers
Rolled out hybrid commercial-postal cross-border solutions	International Post and Parcel moderated conveyance costs and drove stringent cost management and operational synergies

LOGISTICS

Revenue		Operating Profit	
FY2023/24	FY2022/23	FY2023/24	FY2022/23
S$1.13 billion	S$1.31 billion	S$67.4 million	S$84.7 million

Logistics
demonstrated resilience amidst the challenging market environment, registered revenue of

S$1.13 billion

and operating profit

S$67.4 million

Key Highlights	Challenges Addressed
Continued growth in the Australia business from new customer acquisitions and volume growth	3PL margin compression due to higher operating costs
Higher FMH Group contribution on 4PL growth and inclusion of Border Express	Industry-wide contraction in sea freight rates and volumes post pandemic impacted Famous Holdings's contributions
CouriersPlease growth with full-year volume +13%	Quantium Solutions re-engineered as part of the new International business segment and low-yielding warehousing contracts phased out
Results included a one-month consolidation of Border Express following the completion of the acquisition on 1 March 2024	

PROPERTY

Revenue		Operating Profit	
FY2023/24	FY2022/23	FY2023/24	FY2022/23
S$56.0 million	S$50.5 million	S$42.2 million	S$40.2 million

Property
registered revenue of

S$56.0 million

and operating profit

S$42.2 million

Key Highlights	Challenges Addressed
Occupancy for the retail mall at 99.6%	Maintained stable revenue for the full year
Occupancy for office space at 94.8%	
Positive rental reversions at SingPost Centre	

GROUP FINANCIALS

INCOME STATEMENT

Revenue ($M) [1]
S$1,686.7m

FY2023/24	**1,686.7**
FY2022/23	1,872.3
FY2021/22	1,665.6
FY2020/21	1,404.7
FY2019/20	1,313.8

Operating Cash Flow ($M)
S$93.4m

FY2023/24	**93.4**
FY2022/23	115.7
FY2021/22	89.5
FY2020/21	215.4
FY2019/20	183.2

Operating Profit ($M) [1]
S$84.9m

FY2023/24	**84.9**
FY2022/23	93.2
FY2021/22	112.1
FY2020/21	79.3
FY2019/20	143.6

Return on Average Invested Capital (%)
3.7%

FY2023/24	**3.7**
FY2022/23	1.3
FY2021/22	4.6
FY2020/21	2.4
FY2019/20	4.6

Net Profit ($M) [3]
S$78.3m

FY2023/24	**78.3**
FY2022/23	24.7
FY2021/22	83.1
FY2020/21	47.6
FY2019/20	91.1

Dividend Per Share (cents)
0.74cents

FY2023/24	**0.74**
FY2022/23	0.58
FY2021/22	1.80
FY2020/21	1.10
FY2019/20	2.70

Underlying Net Profit ($M) [4]
S$41.5m

FY2023/24	**41.5**
FY2022/23	32.4
FY2021/22	81.3
FY2020/21	60.1
FY2019/20	100.2

Notes:
(1) For the financial year ended 31 March 2020, 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) Underlying net profit is defined as net profit before exceptional items, net of tax.

GROUP FIVE-YEAR FINANCIAL SUMMARY

	Financial Year ended 31 March				
	2024	2023	2022	2021	2020
Income Statement (S$ million)					
Revenue[1]	**1,686.7**	1,872.3	1,665.6	1,404.7	1,313.8
Operating profit[1]	**84.9**	93.2	112.1	79.3	143.6
EBITDA[1][2]	**201.3**	168.1	193.2	136.6	202.3
Net profit[3]	**78.3**	24.7	83.1	47.6	91.1
Exceptional items, net of tax (income / (loss))[1][4]	**36.8**	(7.7)	1.9	(12.5)	(9.1)
Underlying net profit[5]	**41.5**	32.4	81.3	60.1	100.2
Balance Sheet (S$ million)					
Total assets	**3,135.9**	2,837.8	2,679.4	2,721.8	2,751.6
Ordinary shareholders' equity	**1,131.9**	1,130.2	1,307.4	1,276.8	1,252.6
Total shareholders' equity	**1,421.0**	1,374.3	1,142.1	1,671.4	1,642.3
Cash and cash equivalents	**476.7**	495.7	280.4	501.2	493.0
Net debt / (cash)	**350.4**	128.7	236.6	(178.9)	(128.6)
Perpetual securities	**251.5**	251.5	–	346.8	346.8
Net debt / (cash) plus perpetual securities[6]	**601.9**	380.2	236.6	167.9	218.3
Cash Flow (S$ million)					
Net cash inflow from operating activities	**93.4**	115.7	89.5	215.4	183.2
Capital expenditure (cash)	**55.2**	28.4	24.3	21.9	27.1
Free cash flow[7]	**38.2**	87.3	65.3	193.6	156.0
Key Ratios					
EBITDA margin (%)[1]	**11.9**	9.0	11.6	9.7	15.4
Net profit margin (%)[1]	**4.6**	1.3	5.0	3.4	6.9
Return on average invested capital (%)	**3.7**	1.3	4.6	2.4	4.6
Return on average ordinary shareholders' equity (%)	**6.9**	2.0	6.4	3.8	7.2
Net debt to ordinary shareholders' equity (%)	**31.0**	11.4	18.1	N.M.[8]	N.M.[8]
Net debt / (cash) plus perpetual securities to total shareholders' equity (%)[6]	**42.4**	27.7	20.7	10.0	13.3
EBITDA to finance expense (number of times)[1]	**6.6**	8.6	13.1	12.4	16.0
Per Share Information (S cents)					
Earnings per share – basic	**3.0**	0.6	3.1	1.5	3.4
Earnings per share – underlying net profit[5]	**1.4**	1.0	3.0	2.0	3.8
Net assets per share	**61.5**	61.4	58.1	72.2	71.1
Dividend per share – ordinary	**0.74**	0.58	1.8	1.1	2.7

Notes:
(1) For financial year ended 31 March 2020, 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 liabilities, 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 2024 S$'000	2023 S$'000	Change %
Revenue	**1,686,743**	1,872,259	(9.9)
Operating profit	**84,924**	93,166	(8.8)
Share of profit of associate companies and joint ventures	**(1,543)**	23	N.M.
Profit after tax	**81,476**	38,760	110.2
Exceptional items, net of tax[1]	**36,833**	(7,705)	N.M.
Net profit attributable to equity holders	**78,333**	24,679	217.4
Underlying net profit[2]	**41,500**	32,384	28.1
Basic earning per share (cents)	**3.00**	0.62	N.M.
Underlying earnings per share (cents)[2]	**1.36**	0.96	41.7

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

REVENUE	Financial Year ended 31 March 2024 S$'000	2023 S$'000	Change %
Logistics	**1,165,290**	1,322,358	(11.9)
Post and Parcel	**514,104**	524,519	(2.0)
Property	**77,680**	76,633	1.4
Inter-segment eliminations*	**(70,331)**	(51,251)	37.2
	1,686,743	1,872,259	(9.9)

* 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 2024 S$'000	2023 S$'000	Change %
Logistics	**67,370**	84,742	(20.5)
Post and Parcel	**7,496**	(12,030)	N.M.
Property	**42,228**	40,168	5.1
Others#	**(32,170)**	(19,714)	63.2
	84,924	93,166	(8.8)

\# Others refer to unallocated corporate overhead items.
N.M. Not meaningful

FINANCIAL REVIEW AND OUTLOOK

Group

For the full year, Group revenue amounted to S$1.69 billion compared to S$1.87 billion last year, while operating profit decreased to S$84.9 million from S$93.2 million.

The decline was largely due to lower freight forwarding revenue and profit from Famous Holdings post pandemic which offset the improved performance in the Post and Parcel segment, as well as the Australia business in the Logistics segment.

For the second half, Group revenue was lower at S$859.5 million compared to S$913.4 million in the same period last year. The Group recorded an increase in operating profit to S$53.5 million from S$51.8 million for the period.

More details are provided below.

Logistics

Logistics revenue was lower at S$1.17 billion compared to S$1.32 billion while operating profit declined to S$67.4 million from S$84.7 million for the full year.

The Australia business, comprising FMH and CouriersPlease, posted revenue of A$921.3 million compared to A$866.7 million, and operating profit of A$63.2 million compared to A$62.3 million, for the full year. The continued growth in the Australia business was underpinned by new customer acquisitions and volume growth, despite challenging market conditions. The results included a 1-month consolidation of Border Express following the completion of the acquisition on 1 March 2024.

The operations of Quantium Solutions have been re-engineered as part of the new International business segment. Besides driving operational efficiency, low yielding warehousing contracts were phased out, resulting in an improved performance.

In the freight forwarding business, the industry-wide contraction in sea freight rates and volumes post pandemic has led to a decline in revenue and profit contributions from Famous Holdings group. Freight forwarding revenue was lower at S$263.1 million compared to S$417.7 million, while operating profit decreased to S$22.4 million from S$43.4 million for the full year.

Post and Parcel

Post and Parcel revenue for both domestic and international businesses declined to S$514.1 million from S$524.5 million for the full year. The segment recorded an operating profit of S$7.5 million largely contributed by the International business, compared to a segment loss of S$12.0 million last year.

The Domestic Post and Parcel business posted higher revenue on the back of eCommerce volume growth of 11% for the full year. It also had the benefit of the postage rate adjustment in October 2023 which helped to mitigate the impact of the continued decline in volumes of letter mail and printed papers. In the International Post and Parcel business, the moderating conveyance costs, stringent cost management, as well as operational synergies, contributed to an improved performance.

Property

Property revenue was stable at S$77.7 million for the full year, compared to S$76.6 million last year. This was due to positive rental reversions at SingPost Centre. Overall occupancy at SingPost Centre was 96.2% compared to 98.2% as at 31 March 2023, with the occupancy for the retail mall and office space running at 99.6% and 94.8% respectively.

FINANCIAL REVIEW AND OUTLOOK

Others

The Others segment refers to unallocated corporate overheads and trade related exchange differences. The increase in the full year was mainly due to spending on information technology as the Group invests in business and operational support systems, cyber security and other digital solutions.

Operating Expenses

Total operating expenses declined to S$1.61 billion from S$1.78 billion for the full year, largely due to lower volume related expenses which accounted for about 60% of total expenses.

Volume-related expenses, which include conveyance costs and outpayments for international deliveries, decreased to S$1.0 billion from S$1.2 billion for the full year, in tandem with lower air freight costs in the International cross-border business as well as lower sea freight rates and volumes in the freight forwarding business.

Labour and related expenses increased to S$365.1 million from S$350.7 million, largely due to wage increment and share option expenses.

Administrative expenses were higher at S$138.9 million compared to S$126.2 million, largely due to increases in property related expenses such as rental, as well as repairs and maintenance costs.

Depreciation and amortisation expenses were marginally lower at S$81.0 million compared to S$82.6 million for the full year.

Selling-related expenses increased to S$10.4 million from S$9.7 million due to higher promotion costs.

Impairment loss on trade and other receivables amounted to S$1.9 million for the full year on higher loss allowance for bad or doubtful debts compared to a reversal of S$0.1 million last year.

Share of (Loss) / Profit of Associated Companies and Joint Venture ("JV")

The Group recorded a share of loss amounting to S$1.5 million compared to share of profit of S$23,000 for the full year, largely due to the weaker performance of associated companies.

Exceptional Items

Exceptional items amounted to S$36.8 million for the full year, largely due to fair value gain on investment property amounting to S$38.4 million.

Interest Income and Investment Income

The increase in interest income and investment income to S$10.0 million from S$2.1 million for the full year was due to higher deposit rates and foreign exchange gain on investments.

Finance Expenses

Finance expenses increased to S$30.4 million from S$19.6 million as a result of higher interest expenses with additional borrowings.

FINANCIAL REVIEW AND OUTLOOK

Income Tax Expense

Income tax expense was lower at S$18.4 million compared to S$29.2 million, largely due to utilisation of tax losses within the Australia business, as well as reversal of unutilised tax provision in the previous year.

Non-controlling Interest

The decline in non-controlling interest to S$3.1 million from S$14.1 million was attributed to the increase in shareholdings in FMH to 100% during the year.

Net Profit

Consequently, net profit attributable to equity holders of the Company amounted to S$78.3 million for the full year, compared to S$24.7 million. Excluding exceptional items, underlying net profit was S$41.5 million for the full year, an increase from S$32.4 million last year.

	Financial Year ended 31 March		
	2024	2023	Change
CASH FLOW	**S$'000**	S$'000	%
Net cash inflow from operating activities	**93,388**	115,656	(19.3)
Net cash used in investing activities	**(145,907)**	(27,182)	N.M.
Net cash provided by financing activities	**33,561**	126,784	(73.5)
Net (decrease) / increase in cash and cash equivalents	**(18,958)**	215,258	N.M.
Cash and cash equivalents at beginning of year	**495,696**	280,438	76.8
Cash and cash equivalents at end of year	**476,738**	495,696	(3.8)
Free cash flow	**38,178**	87,227	(56.2)
Cash capital expenditure as a percentage of revenue	**-3.3%**	-1.5%	

Cash Flow

Operating cash flow before working capital changes as at 31 March 2024 was steady at S$159.2 million compared to S$156.6 million last year. Changes in net working capital of S$34.9 million were largely due to settlement of trade and other payables. Operating cash flow from operating activities were lower at S$93.4 million compared to S$115.7 million previously.

Net cash used in investing activities was S$145.9 million, compared to S$27.2 million in the previous period. The increase was largely due to the acquisition of Border Express and additions to property, plant and equipment, offset partially by the proceeds from the disposal of assets held for sale and interest received.

Net cash inflow from financing activities amounted to S$33.6 million, compared to S$126.8 million last year. Proceeds from bank loans were partially offset by the acquisition of the remaining 12% interest in FMH, interest payments, repayments of bank loans and lease liabilities, as well as dividends to shareholders and distributions to perpetual securities holders.

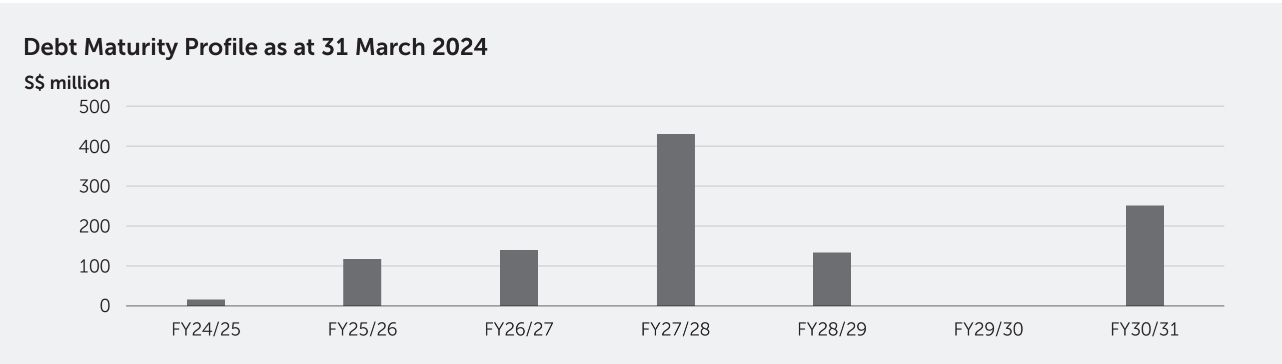
FINANCIAL REVIEW AND OUTLOOK

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.

	Financial Year ended 31 March		
	2024	2023	Change
GROUP DEBT AND PERPETUAL SECURITIES	**S$'000**	S$'000	%
Total debt	**827,133**	624,390	32.5
Cash	**476,738**	495,696	(3.8)
Net debt	**(350,395)**	(128,694)	172.3
Total shareholders' equity	**1,420,965**	1,374,298	3.4
Perpetual securities	**251,534**	251,504	0.0
Net debt plus perpetual securities to total shreholders' equity (%)	**42.4%**	27.7%	
EBITDA to finance expenses (number of times)	**6.6**	8.6	

Total borrowings were higher at S$827.1 million compared to S$624.4 million due to additional borrowings for the acquisitions of Border Express and the remaining 12% stake in FMH.



DIVIDEND	Cents per share
Interim dividend	0.18
Proposed final dividend*	0.56
Total dividends paid and proposed in relation to FY2023/24	**0.74**

* Subject to shareholders' approval at the AGM.

FINANCIAL REVIEW AND OUTLOOK

OUTLOOK

The economic and business landscape continues to be marked by ongoing challenges of slower global trade, inflationary pressures and geopolitical tensions. Nevertheless, the Group is focused on executing its five key strategic thrusts to establish itself as a global logistics enterprise over the next three years, creating and unlocking value for shareholders.

The strategic thrusts, listed below, were set out subsequent to the strategic review of the Group and its portfolio of businesses:

1. Reorganisation of the Group
2. Strategic capital management
3. Singapore: Transforming urban logistics and deliveries
4. Australia: Achieving scale
5. International: Building technology-driven excellence to serve cross-border customers

As part of the Group's reorganisation into the business segments of Singapore, Australia and International, as well as Corporate, the Group will revise its segmental reporting for financial disclosures in the financial year starting 1 April 2024 ("FY2024/25").

The Singapore business remains focused on eCommerce growth, building on market share and new customer acquisitions. The Group continues to work with the regulator to explore opportunities to optimise the post office network while continuing to maintain high service standards.

In Australia, the Group is consolidating its entities and businesses in the market as it builds a national B2B2C integrated logistics business, integrating FMH, Border Express and CouriersPlease into a single business. The combination of the assets, scale and technology of the Australia businesses is expected to enhance the enlarged FMH group's service offerings and improve efficiency, delivering revenue and operational synergies.

The International business continues to strengthen its cross-border eCommerce logistics capabilities to capitalise on the global eCommerce logistics market. It is innovating its eCommerce logistics services with the development of a 4PL platform and additional commercial offerings. The International business continues to explore strategic partnerships to enhance its cross-border eCommerce logistics capabilities.

The outlook of the sea freight forwarding industry remains challenging with continued uncertainty stemming from the Middle East developments. This continues to have an impact on the freight forwarding business.

The Group continues to explore opportunities to monetise non-core assets to unlock value for shareholders, manage its gearing and recycle capital into growth initiatives.

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 2024 with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (2018 Code). For the financial year ended 31 March 2024, 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 101.

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 applicable laws and regulations;
- 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; and
- overseeing the Group's sustainability and climate-related strategies, including the Group's material environmental, social and governance (ESG) commitments.

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; and
- 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); and
- 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 four 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, Ms Chu Swee Yeok and Mr Gan Chee Yen[1]. 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 the 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 for 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; and
(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 (chairman), Mr Bob Tan Beng Hai and Mr Gan Chee Yen[2].

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. It also provides oversight of the overall role of technology in driving the business strategies of the Group. 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;

Note:
(1) Mr Gan Chee Yen was appointed as a member of the AC with effect from 8 February 2024.
(2) Mr Gan Chee Yen was appointed as a member of the BRTC, in place of Ms Elizabeth Kong Sau Wai, with effect from 8 February 2024.

CORPORATE GOVERNANCE REPORT

(d) monitoring of the Group's current material risk exposures against the risk tolerance levels approved by the Board;
(e) review of the Group's overall risk assessment process that supports informed Board decision making;
(f) overseeing of Management in the design, implementation and monitoring of the risk management system;
(g) review of policies, Management's processes and reports concerning the adequacy and effectiveness of the Group's risk management framework including strategic, operational, compliance, IT and material 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; and
(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

The BSC comprises three members, the majority of whom are independent Directors. The members of the BSC are Mr Simon Israel (chairman), Ms Elizabeth Kong Sau Wai and Ms Yasmin Binti Aladad Khan[3].

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 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 four 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, Mr Simon Israel and Ms Yasmin Binti Aladad Khan[4].

Note:
(3) Ms Yasmin Binti Aladad Khan was appointed as a member of the BSC, in place of Mrs Fang Ai Lian, with effect from 8 February 2024.
(4) Ms Yasmin Binti Aladad Khan was appointed as a member of the CC with effect from 8 February 2024.

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; and
(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 four 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), Ms Elizabeth Kong Sau Wai, Ms Lim Cheng Cheng and Ms Yasmin Binti Aladad Khan(5).

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; and
(e) review of material litigation.

Nominations and Corporate Governance Committee

The NCGC comprises four 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, Ms Elizabeth Kong Sau Wai and Mr Gan Chee Yen(6). 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;

Notes:
(5) Ms Yasmin Binti Aladad Khan was appointed as a member of the FIC with effect from 8 February 2024.
(6) Mr Gan Chee Yen was appointed as a member of the NCGC with effect from 8 February 2024.

CORPORATE GOVERNANCE REPORT

(d) review and recommendation to the Board of the training and professional development programmes for Directors;
(e) conduct the evaluation of the Board's and Board Committees' performance including the appraisal of the Chairman;
(f) review of relevant policies of the Board covering the corporate governance principles applicable to the Board;
(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; and
(j) establish a formal and transparent search and nomination process for the selection and appointment of two new Directors to the Board.

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 2024, eight 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 2024, the non-executive Directors met five 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 held during the financial year ended 31 March 2024, and the Annual General Meeting (AGM) held in respect of the financial year ended 31 March 2023 (2023 AGM), is as follows:

					Board Committees					
Name of Director	Board	Non-Executive Directors	Board Strategy Workshop	AGM	AC	BRTC	BSC	CC	FIC	NCGC
Number of Meetings held	**8**	**5**	**1**	**1**	**8**	**4**	**4**	**3**	**8**	**3**
Directors in service as at 31 March 2024										
Simon Israel	8/8	5/5	1/1	1/1	–	–	4/4	3/3	8/8	3/3
Phang Heng Wee, Vincent	7/8	–	1/1	1/1	–	–	–	–	–	–
Chu Swee Yeok	8/8	5/5	1/1	1/1	7/8	4/4	–	–	–	–
Fang Ai Lian(1)	8/8	5/5	1/1	1/1	8/8	–	2/2	3/3	–	3/3
Elizabeth Kong Sau Wai(2)	8/8	5/5	1/1	1/1	–	3/3	4/4	–	8/8	3/3
Lim Cheng Cheng	8/8	5/5	1/1	1/1	–	–	–	–	7/8	–
Bob Tan Beng Hai	8/8	5/5	1/1	1/1	8/8	4/4	–	3/3	–	–
Gan Chee Yen(3)	5/5	2/2	1/1	–	1/1	–	–	–	–	–
Yasmin Binti Aladad Khan(4)	3/3	2/2	1/1	–	–	–	1/1	–	1/1	–

Notes:
(1) Mrs Fang Ai Lian was appointed as a member of the BSC with effect from 19 July 2023, and subsequently stepped down as a member of the BSC with effect from 8 February 2024.
(2) Ms Elizabeth Kong Sau Wai was appointed as a member of the BRTC with effect from 19 July 2023, and subsequently stepped down as a member of the BRTC with effect from 8 February 2024.
(3) Mr Gan Chee Yen was appointed as a non-executive independent Director of the Company with effect from 31 October 2023, and as a member of the AC, BRTC and NCGC with effect from 8 February 2024.
(4) Ms Yasmin Binti Aladad Khan was appointed as a non-executive independent Director of the Company with effect from 1 January 2024, and as a member of the BSC, CC and FIC with effect from 8 February 2024.

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, the 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. A new Director will also be required to undergo training on sustainability matters as prescribed by the SGX unless the NCGC is of the view that he/she has the requisite expertise in sustainability matters.

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

- A look into SingPost CyberSecurity by Board Members by Group Chief Information Officer, SingPost;
- Enterprise Risk Management Trends and Leading Practices by Board Members by PricewaterhouseCoopers Risk Services Pte Ltd;
- Top Executive WSH Programme (TEWP – In-Person Training) by NTUC LearningHub Pte Ltd;
- Top Executive WSH Programme (TEWP – Asynchronous E-Learning) by NTUC LearningHub Pte Ltd;
- Listed Entity Director (LED) Programme (Core) by Singapore Institute of Directors (SID):
  - Listed Entity Director Essentials;
  - Board Dynamics;
  - Board Performance;
  - Stakeholder Engagement;
  - Environmental, Social and Governance Essentials;
- LED – Remuneration Committee Essentials by SID;
- Sustainability Training for Directors of a REIT Manager by REIT Association of Singapore;
- Cyber Security Governance Role and Awareness by Cyber Security Agency of Singapore;
- Data & Digital Economy Masterclass on Cybersecurity Risk & Corporate Governance for Listed Companies by Rajah & Tann Singapore LLP; and
- Inaugural Board Seminar 2024 by Public Service Division.

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 and Mr Phang Heng Wee, Vincent (who is the Group CEO) as non-independent. The other six 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.

Mr Gan Chee Yen is a non-executive director of Heliconia Capital Management Pte. Ltd. (Heliconia) and Surbana Jurong Private Limited (Surbana Jurong), both of which are subsidiaries of Temasek Holdings (Private) Limited (Temasek), a substantial shareholder of the Company. Mr Gan Chee Yen's roles in Heliconia and Surbana Jurong are non-executive in nature and he is not involved in their day-to-day conduct of business. He is also not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of Temasek in relation to the affairs of Heliconia, Surbana Jurong and/or the Company. The NCGC and the Board (with Mr Gan Chee Yen abstaining) are satisfied that the above relationships will not interfere with Mr Gan Chee Yen's independent judgement and ability to act in the interests of SingPost, and he is therefore considered to be an independent Director.

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 2024.

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 2024, six 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 (five 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 42 to 74 years.

The Board has maintained its targets for gender, skill sets, sectoral experience and age diversity for the year ended 31 March 2024, and will endeavour to maintain these diversity targets for the financial year ending 31 March 2025.

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. Please see pages 83 to 84 below under "Succession Planning and Nomination Process" for a description of how the appointment of Mr Gan Chee Yen and Ms Yasmin Binti Aladad Khan as Directors during the year ended 31 March 2024 reinforced diversity on the Board. Further details on all of the Directors can also be found on pages 20 to 23 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 Infocomm Media Development Authority (IMDA). The Company duly sought and obtained the approval of IMDA in respect of all new appointments effected during the financial year ended 31 March 2024.

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.

CORPORATE GOVERNANCE REPORT

Mr Gan Chee Yen and Ms Yasmin Binti Aladad Khan were appointed as non-executive independent Directors with effect from 31 October 2023 and 1 January 2024, respectively. In assessing Mr Gan Chee Yen's and Ms Yasmin Binti Aladad Khan's suitability for appointment as Directors, the NCGC considered, *inter alia*, whether their competencies, skills and experiences would complement those of the existing Directors using the Board Composition Matrix and New Director Critical Scorecard, the diversity targets set under the Policy on Diversity and Inclusivity, and their independence from the Company, its related corporations, its substantial shareholder and its officers. The Company relied on the business networks of the Board and independent professional search agencies to identify potential candidates for appointment to the Board. Mr Gan Chee Yen and Ms Yasmin Binti Aladad Khan were identified through a professional search firm.

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

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 2024, 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 2024.

CORPORATE GOVERNANCE REPORT

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 Director re-election rule). The Constitution also requires a Director to retire and stand for re-election at the AGM if, were he/she not to do so, he/she would at the next AGM have held office for more than three years (over three years re-election rule). Finally, the Constitution requires one-third of the remaining Directors starting from those with the longest term in office since their appointment or re-election to retire from office by rotation at each AGM (1/3 rotation rule). Retiring Directors are eligible for re-election.

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

At the forthcoming AGM, Mr Gan Chee Yen and Ms Yasmin Binti Aladad Khan will retire pursuant to the new Director re-election rule. Ms Elizabeth Kong Sau Wai will retire pursuant to the over three years re-election rule, and Ms Lim Cheng Cheng and Mrs Fang Ai Lian will retire pursuant to the 1/3 rotation rule. All of them, being eligible for re-election, have offered themselves for re-election. The Board has endorsed the recommendations of the NCGC for their re-election.

Name of Director	Retiring and standing for re-election pursuant to:
Mr Gan Chee Yen (appointed on 31 October 2023)	new Director re-election rule (Article 104)
Ms Yasmin Binti Aladad Khan (appointed on 1 January 2024)	new Director re-election rule (Article 104)
Ms Elizabeth Kong Sau Wai (last re-elected on 15 July 2021)	over three years re-election rule (Article 98(a))
Ms Lim Cheng Cheng (last re-elected on 21 July 2022)	1/3 rotation rule (Article 98(b))
Mrs Fang Ai Lian (last re-elected on 21 July 2022)	1/3 rotation rule (Article 98(b))

The profiles of the Directors are set out on pages 20 to 23 of this Annual Report. In addition, the Notice of AGM sets out information on the Directors seeking re-election at the AGM. Detailed information on the Directors (including information as set out in Appendix 7.4.1 of the Listing Manual of the SGX) can be found in the "Additional Information on Directors Seeking Re-Election" section on pages 246 to 261 of this Annual Report.

CORPORATE GOVERNANCE 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 2024. 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.

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.

CORPORATE GOVERNANCE REPORT

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, and ensures that the level and structure of remuneration align with the long-term interests of shareholders and risk management strategies.

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 2024, Mercer (Singapore) Pte Ltd and Willis Towers Watson Consulting (Singapore) Pte Ltd were engaged as the Company's remuneration consultants to provide advice on market practices and benchmark data for differentiated requirements to meet the diverse needs of the Group. 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.

Level and Mix of Remuneration

The remuneration of non-executive Directors is benchmarked to the market and 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, the 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.

CORPORATE GOVERNANCE REPORT

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 2024 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

The aggregate fees payable to non-executive Directors for the financial year ended 31 March 2024 is S$ 1,207,970. Details are set out in the table below:

Name of Directors	Directors' Fees (S$'000)(1)
Simon Israel	289.2
Chu Swee Yeok	145.8
Fang Ai Lian	180.3(2)
Elizabeth Kong Sau Wai	165.5(3)
Lim Cheng Cheng	111.0(4)
Bob Tan Beng Hai	160.6
Gan Chee Yen	46.0(5)
Yasmin Binti Aladad Khan	33.1(6)
Chen Jun	31.8(7)
Steven Robert Leonard	44.7(7)
Total	1,208.0

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) Mrs Fang Ai Lian served as a member of the BSC from 19 July 2023 to 8 February 2024, and her fee for appointment to the BSC has been pro-rated accordingly.

(3) Ms Elizabeth Kong Sau Wai served as a member of the BRTC from 19 July 2023 to 8 February 2024, and her fee for appointment to the BRTC has been pro-rated accordingly.

(4) Director's fee payable to Ms Lim Cheng Cheng will be paid fully in cash to Singapore Telecommunications Limited.

(5) Mr Gan Chee Yen was appointed as a Director with effect from 31 October 2023, and as a member of the AC, BRTC and NCGC with effect from 8 February 2024. His basic retainer fee and fees for appointment to the AC, BRTC and NCGC for the financial year ended 31 March 2024 have been pro-rated accordingly.

(6) Ms Yasmin Binti Aladad Khan was appointed as a Director with effect from 1 January 2024, and as a member of the BSC, CC and FIC with effect from 8 February 2024. Her basic retainer fee and fees for appointment to the BSC, CC and FIC for the financial year ended 31 March 2024 have been pro-rated accordingly.

(7) Mr Chen Jun and Mr Steven Robert Leonard retired as Directors at the conclusion of the 2023 AGM, and their basic retainer fee and fees for appointment to the Board Committees on which they served for the financial year ended 31 March 2024 have been pro-rated accordingly.

CORPORATE GOVERNANCE REPORT

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 2024.

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.

Long-term Incentives

Long-term incentives (LTI) are designed to reward, motivate and align employees' interests with that of shareholders. It is intended to retain key executives and employees, drive longer term business priorities and shareholder value creation. The long-term incentives are granted in the form of restricted shares with reference to the desired remuneration structure target and valued based on the Monte Carlo Model and Discounted Cash Flow 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. Details of the LTI awards can be found in the "Directors' Statement" section of the Annual Report.

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 2024, there were no termination, retirement and post-employment benefits granted to the Group CEO and key Management personnel.

CORPORATE GOVERNANCE REPORT

Remuneration of Executive Director / Group CEO

The following information relates to the remuneration of the Group CEO for the financial year ended 31 March 2024:

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$'000)	SingPost Restricted Share Plan[6] No. Awarded & Accepted ('000)	Value (S$'000)
Phang Heng Wee, Vincent *Group CEO*	850.0	313.8	17.7	45.7	1,227.2	1,136.3	470.1

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 2024:

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								
Noel Harriyono Singgih *Group Chief Information Officer*	46.0	48.4	1.8	3.8	100.0	699.2	294.9	–
S$750,000 to below S$1,000,000								
Li Yu *CEO, International*	60.3	34.2	1.6	3.9	100.0	446.0	184.6	–
Simon Slagter[8] *Group CEO, Freight Management Holdings Group*	63.0	30.7	2.7	3.6	100.0	–	–	1,275.9
S$500,000 to below S$750,000								
Neo Su Yin[9] *CEO, Singapore*	80.7	9.8	3.4	6.1	100.0	324.4	134.2	–
Yik Yen Shan, Vincent *Group CFO*	74.6	14.4	3.1	7.9	100.0	382.3	158.2	–

Aggregate compensation paid to the top five key Management positions as at 31 March 2024 (which includes fixed and variable pay, benefits, provident fund contribution and fair value of long-term incentive grants) is approximately S$6.02 million.

Notes:
(1) Fixed Component refers to base salary, fixed allowances and annual wage supplement, if applicable, for the financial year ended 31 March 2024.
(2) Variable Component refers to performance bonus paid in the financial year ended 31 March 2024.
(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) Restricted Share Awards granted in the financial year ended 31 March 2024. The restricted shares valuation adopted simulation methodologies consistent with assumptions that apply under the Discounted Cash Flow 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 2024.
(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 2024, which is paid by Freight Management Holdings Pty Ltd.
(9) Ms Neo Su Yin ceased to be the CEO, Singapore and left the Company on 1 May 2024.

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, all of whom are responsible for directing and monitoring the development, implementation and supervision of ERM practices across the Group.

Key Management 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, 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 key Management, 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 Group and has oversight over the Group's top tier risks, which are refreshed on an annual basis and presented to the Board, together with updates on Group ERM initiatives, on a quarterly basis.

During the financial year ended 31 March 2024, 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 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; and
- 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 2024, 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; and
- 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 102 to 110.

The Board has received written assurance from the Group CEO and the Group CFO that, as at 31 March 2024, 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 2024 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 2024 to address the risks (including sanctions-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 2024, 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 four 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 2024, 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 2024. 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 2024, 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 2024. Refer to page 123 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 2024. Refer to page 124 of the Annual Report.

Review of Interested Person Transactions

SingPost has established policies and procedures to govern and ensure that interested person transactions (IPTs) are entered into at arm's length, including comparisons against market rates and obtaining competitive quotes where applicable. The IAD regularly reviews the IPTs entered by the Group to verify the accuracy and completeness of the relevant IPT disclosures and ensures compliance with the requirements of Chapter 9 of the Listing Manual of the SGX, and the IAD's findings are reported to the AC for review. 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 Whistleblowing 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 whistleblowing 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. The annual internal audit plan also incorporates the periodic internal review of the Company's sustainability reporting process addressing sustainability risks. The Group's internal audit plan 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 and Improvement Programme (QAIP) to ensure conformance to IIA Standards. As part of the QAIP, internal Quality Assurance Reviews (QAR) are conducted on an annual basis and external QAR are carried out once every 5 years by external qualified professionals. An external QAR was conducted by Ernst & Young Advisory Pte. Ltd. during the financial year ended 31 March 2024, and SingPost IAD received the highest rating of "Generally Conforms" and continues to meet or exceed IIA Standards and its Code of Ethics in all key aspects. Similarly, the internal QAR conducted during the year concluded that the internal audit scope of activities "Generally 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 financial performance and position as well as business outlook. All price-sensitive and trade-sensitive information is publicly released via SGXNet prior to any meetings with 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 2023 AGM was held in a hybrid format to facilitate shareholders' participation and engagement. Shareholders, duly appointed proxy(ies) and representatives, and CPF and SRS investors were able to attend the 2023 AGM in person or, alternatively, participate in the 2023 AGM using virtual meeting technology, which enabled them to submit questions to the Chairman of the Meeting and vote at the 2023 AGM "live" via the online platform for the AGM. Having regard to the size of the Company's shareholder base and feedback from shareholders, the Company's AGM in respect of the financial year ended 31 March 2024 (2024 AGM) will again be held in a hybrid format.

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 who prefer to attend the AGM in person.

CORPORATE GOVERNANCE REPORT

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

With the strategic review of the Group's portfolio of businesses undertaken during the financial year ended 31 March 2024[1], the Board has reviewed and revised the Company's dividend policy. From the financial year commencing 1 April 2024, the Board will adopt a dividend policy of paying out between 30% and 50% of the Group's underlying net profit. The Board believes this is a balanced policy taking into consideration the capital needs of the enterprise and sustainable returns to shareholders.

The Company will continue to declare interim and final dividends following the end of the first half and full financial year results.

The dividend policy is published on the investor relations 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.

For the financial year ended 31 March 2024, the Board has proposed a final dividend of 0.56 cents per ordinary share, subject to shareholders' approval at the 2024 AGM. Including the interim dividend of 0.18 cents per share paid out in November 2023, total dividends for the financial year ended 31 March 2024 would be 0.74 cents per share, or approximately 40% of the underlying net profit. This represents an increase of 28% year-on-year.

Communication with Shareholders

The Company regularly engages the investment community comprising shareholders, current and prospective investors and analysts, and endeavors to ensure effective and fair communication with the stakeholders.

The Company's investor engagement activities and conduct are guided by the Investor Relations (IR) Policy, which sets out the principles and mechanisms for the Company to ensure regular and effective engagement and communication with the investment community. The IR policy is available on the Company's corporate website. The Company regularly reviews the framework it has put in place to ensure effective investor engagement.

The Company has a dedicated IR team which serves as the key interface for engagement with the investment community. Contact details of the IR team are published on the Company's corporate website, and the IR team will generally respond to investor queries via email within 3 working days. In addition, investors may sign up for an email alert service to be updated with the Company's announcements. The contact detail for the Lead Independent Director is also published on the Company's corporate website in case contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

The Company maintains regular dialogue with the investment community through investor events throughout the year to update 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, as well as participation in investor conferences and non-deal roadshows. Briefings for analysts are conducted for each financial results announcement and business update, as well as significant corporate developments. A live webcast and subsequent playback of briefings and transcripts are published under the IR section of the Company's corporate website as soon as practicable. The Board and Management also engage directly with shareholders at each shareholder meeting to understand their views and gather feedback, as well as to address any issues and concerns. In addition, the Company holds annual meetings for retail investors with the Securities Investors Association Singapore (SIAS).

During the financial year ended 31 March 2024, Management engaged with about 120 local and overseas institutional investors through face-to-face meetings and conference calls. The Company also participated in investor conferences such as the DBS Vickers Pulse of Asia Conference and SGX-Maybank Securities Singapore Corporate Day 2023, as well as webinars and forums for retail investors in Singapore and Malaysia hosted by CGS-CIMB, Maybank and Phillip Capital. In connection with the strategic review of the Group's portfolio of businesses undertaken in the financial year ended 31 March 2024[1], the Company had also actively sought the views of shareholders on the strategic review through a dedicated email channel.

[1] See the Company's announcement dated 19 March 2024, available at https://links.sgx.com/1.0.0/corporate-announcements/CR85V2HIKKI9DFS7/55f813b7d2b5ad20f08ba4a8f16a1b914618a1beb1fce3576687d577d132e4eb

CORPORATE GOVERNANCE REPORT

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 provides shareholders with updates on the interim performance and outlook in its first quarter and third quarter business updates.

The IR section of the Company's 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.

In recognition of the Company's corporate governance and sustainability efforts during the year, the Company continues to maintain its ranking among the top 10 in the Singapore Governance and Transparency Index 2023, ranking eighth in 2023. The Company has also been placed on the SGX Fast Track programme since 2021. The programme aims to affirm listed issuers that have been publicly recognised for high corporate governance standards and have maintained a good compliance track record.

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 established dedicated functions and arrangements, including participation between business and support units to manage its relationships with such groups. Dedicated functions include Sustainability, Investor Relations, Treasury, Communications, Safety and Human Resources. For each stakeholder group, the Company considers the basis of engagement, key areas of 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 during the financial year ended 31 March 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 remain relevant.

The basis for and methods of engagement with stakeholders, along with the key areas of focus for each stakeholder group, can be found in the Company's Sustainability Report for the financial year ended 31 March 2024 (including the maintenance of a current corporate website). SingPost publishes an online Sustainability Report annually within four months of its financial year end.

DEALINGS IN SECURITIES

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

The policy and guidelines applicable for the financial year ended 31 March 2024 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.

CORPORATE GOVERNANCE REPORT

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 2023/24
BOARD MATTERS	
The Board's Conduct of Affairs	
Principle 1	
1.1	Pages 72, 73, 77 and 95
1.2	Pages 79 to 83
1.3	Pages 72 and 73
1.4	Pages 73 to 77
1.5	Pages 77, 78 and 84
1.6	Pages 77 and 78
1.7	Page 78
Board Composition and Guidance	
Principle 2	
2.1	Pages 80 and 81
2.2	Pages 80 and 81
2.3	Pages 80 and 81
2.4	Pages 80 to 82
2.5	Pages 77 and 83
Chairman and Chief Executive Officer	
Principle 3	
3.1	Page 82
3.2	Page 82
3.3	Pages 83 and 98
Board Membership	
Principle 4	
4.1	Pages 76 to 77, 79, 83 to 86 and 246 to 261
4.2	Pages 76 and 83
4.3	Pages 83 to 85
4.4	Pages 76 and 80
4.5	Pages 20 to 23, 79 and 84
Board Performance	
Principle 5	
5.1	Page 86
5.2	Page 86
REMUNERATION MATTERS	
Procedures for Developing Remuneration Policies	
Principle 6	
6.1	Pages 76, 86 to 89
6.2	Page 75
6.3	Page 76
6.4	Page 87

Provision	Page reference in SingPost Annual Report 2023/24
Level and Mix of Remuneration	
Principle 7	
7.1	Pages 86, 87 and 89
7.2	Page 87
7.3	Pages 86 to 89
Disclosure on Remuneration	
Principle 8	
8.1	Pages 88 to 90
8.2	Page 89
8.3	Pages 87 to 90 and 115 to 120
ACCOUNTABILITY AND AUDIT	
Risk Management and Internal Controls	
Principle 9	
9.1	Pages 74, 75, 91 to 92 and 102 to 110
9.2	Page 92
Audit Committee	
Principle 10	
10.1	Pages 74, 93, 95 and 96
10.2	Pages 74 and 93
10.3	Page 93
10.4	Pages 95 and 96
10.5	Page 93
SHAREHOLDER RIGHTS AND ENGAGEMENT	
Shareholder Rights and Conduct of General Meetings	
Principle 11	
11.1	Pages 96 and 97
11.2	Page 97
11.3	Pages 78 and 97
11.4	Page 97
11.5	Page 97
11.6	Page 98
Engagement with Shareholders	
Principle 12	
12.1	Pages 98 and 99
12.2	Pages 98 and 99
12.3	Page 98
MANAGING STAKEHOLDERS RELATIONSHIPS	
Engagement with Stakeholders	
Principle 13	
13.1	Page 99
13.2	Page 99
13.3	Page 99

ENTERPRISE RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT (ERM) APPROACH

ERM Framework of the SingPost Group

The Group's ERM framework is modelled based on the ISO 31000:2018 Risk Management – Guidelines, and covers the key strategic, operational, financial, compliance, and information technology risks facing the Group. 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 OBJECTIVES AND STRATEGY

ERM Governance

- Risk governance principles
- Risk governance structure
- Risk roles and responsibilities

ERM Process

- Communication and consultation
- Establish context and risk parameters
- Risk assessment
- Risk treatment action plans

Risk Monitoring and Review

- Monitoring of risks
- Risk reporting to key Management, Board Risk & Technology Committee, and Board

ERM FRAMEWORK

RISK GOVERNANCE

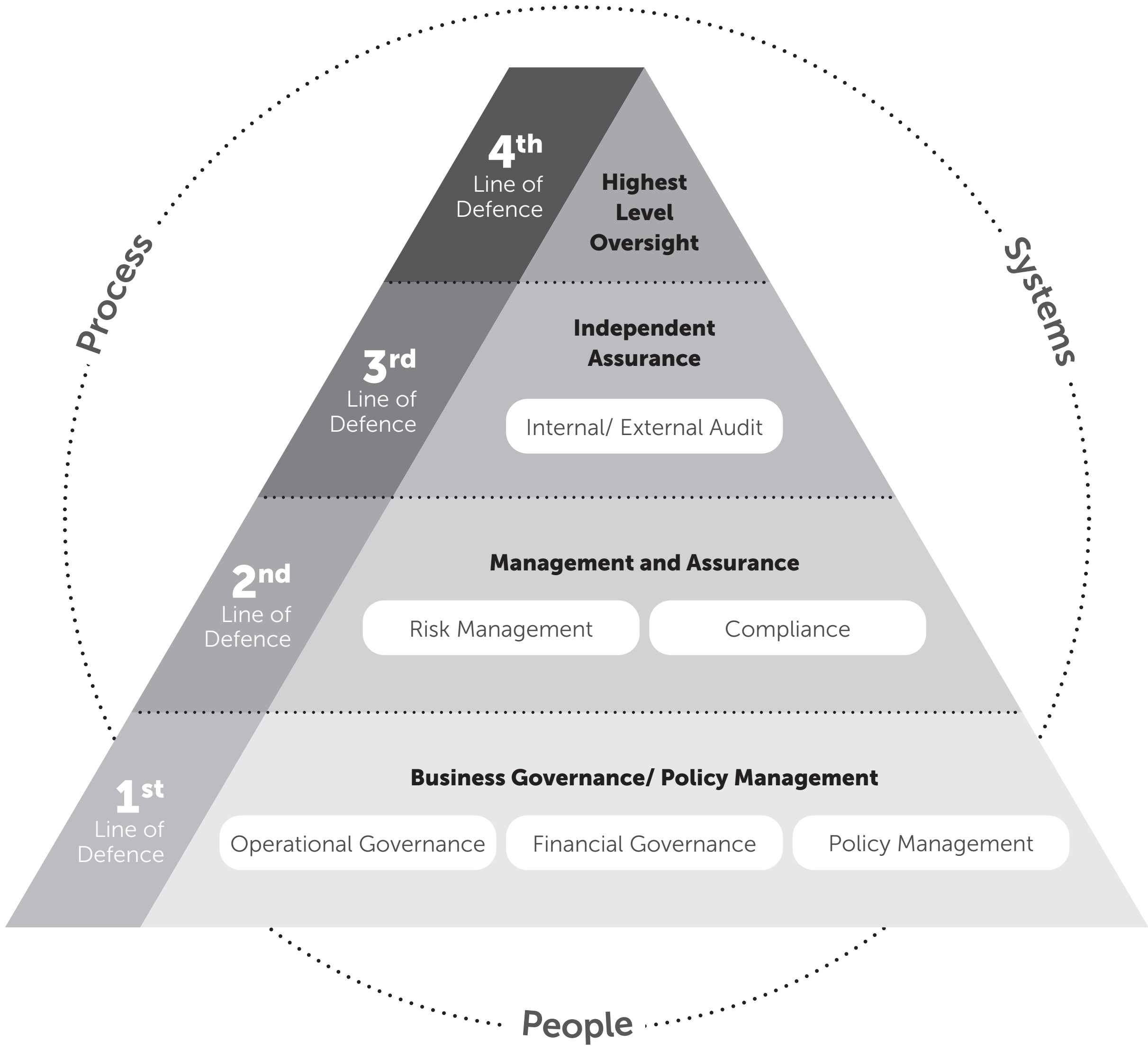
The Group's ERM programme and internal controls are reviewed on a regular basis and, where appropriate, refined by key Management with guidance from the Board Risk and Technology Committee (BRTC) and the Board.

The Board, through the BRTC, has overall responsibility for risk governance and ensures that the Group 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.

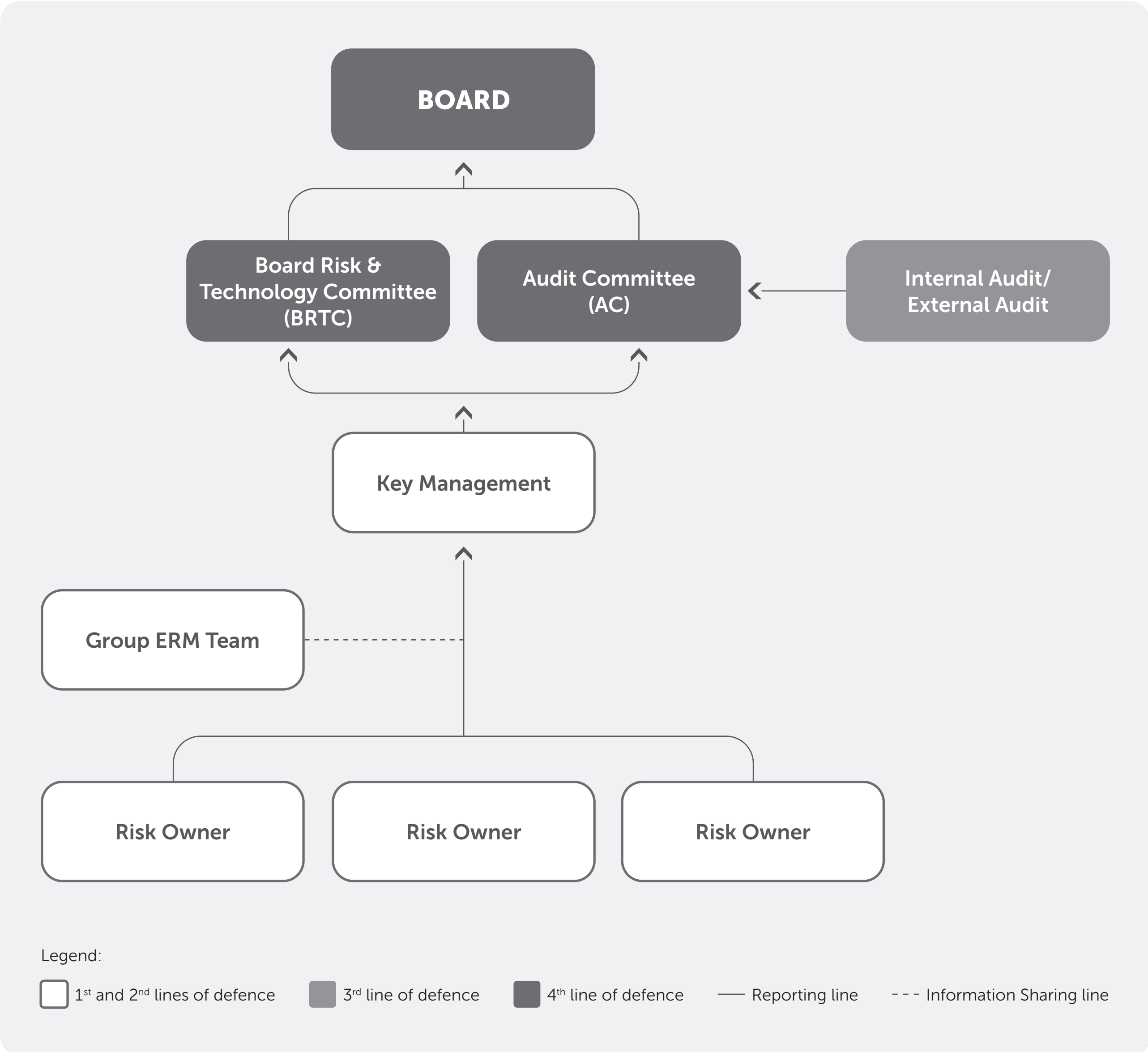


4 LINES OF DEFENCE

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 2024:

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**
   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 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. • Improving process automation along with application of smart technologies in infrastructure to enhance efficiency.
Merger & Acquisition (The Group recognises the risk arising from the process of acquiring 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 and reporting requirements. • Appointing members of the Group's management to the Boards of acquired businesses and/or appointing management team members, in order to transfer the Group's culture, values and processes to the acquired businesses.
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.)	• Screening during onboarding and periodically reviewing the credit worthiness of customers. • Applying suitable credit terms on customers based on the credit risk exposure analysis on the latter. • Ensuring strict compliance of credit policy with deviations granted only on exceptional basis and in accordance with approved authorisation matrix. • Escalating outstanding receivables to key Management on monthly- and quarterly-basis. • Placing trade credit insurance to lower risk exposures.

ENTERPRISE RISK MANAGEMENT

OPERATIONAL RISKS

The Group's operations are exposed to a variety of operational risks relating to workplace safety and health, and talent retention.

Risk Name	The Group manages by
Environment, Health & Safety (The Group recognises the importance of taking reasonably practicable safety and health measures at its workplaces and business activities to prevent severe injury or death of staff and/or customers.)	• Establishing Environment, Health & Safety (EHS) policies and procedures to guide businesses on approach and expectations. • Regular monitoring, reviews and updates of WSH performance and improvement strategies at safety consultation forums/ safety committee meetings (where applicable), Management meetings, to Board Sustainability Committee and the Board • Collecting and reviewing observations and incident data, near misses; investigating incidents and mapping action plans for improvements and prevention. • Conducting safety awareness training, communications and workshops for employees. • Conducting EHS inspections at all workplaces to identify hazards and ensure compliance to relevant EHS laws and 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 to provide a holistic organisational view of talent pipelines and bench strength. • Offering the identified pool of talent accelerated development opportunities that include formal learning, coaching and mentoring, as well as action learning projects, to enhance their skills and competencies. • Succession planning for key executive and critical roles identified across the business to raise awareness of and systematically mitigate risks arising from potential unavailability of talent. • Applying pay differentiation to encourage top performers.
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 policies and procedures to respond to disruptive events. • Training personnel of the business continuity plans. • Reviewing and monitoring the effectiveness of the business continuity plans through annual exercises.

ENTERPRISE RISK MANAGEMENT

COMPLIANCE RISKS

The Group's business operations are exposed to a variety of compliance risks relating to postal regulations 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 be 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 a governance structure to ensure oversight is provided by the Board and key Management on the adequacy and effectiveness of the Group's privacy programme and control measures. • Developing and implementing data privacy focused policies and procedures group wide. • Conducting regular mandatory training to all employees on the Group's data privacy framework and associated policies and procedures to create awareness and compliance. • Assigning clear lines of responsibilities to all employees to ensure adequate data governance across the Group.
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 training 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 the Group Internal Audit independently manages and investigates whistleblowing incidents, and all whistle-blowing reports received are reported to the Audit Committee on a quarterly basis. • Embedding the Code of Ethics into the Code of Conduct policy to give emphasis on ethical behaviour and integrity of employees. • 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 controls dealing with anti-money laundering and the financing of terrorism within the Group • Conducting comprehensive risks assessment to ensure compliance with the PSA regulations. • Conducting training to all employees on the applicable regulatory requirements of the PSA and associated policies and procedures to create awareness and compliance.

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 the 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. • Applying the Third-Party Due Diligence policy to guide all employees on the required measures and process for due diligence 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 comply with the Postal Services Act, Postal Licence conditions, Postal Competition Code, Postal Services Regulations, Postal Services Operations Code, Quality of Service (QoS) standards for basic letters delivery services, and any Directions and Guidelines issued by the Infocomm Media Development Authority (IMDA). Non-compliance with the above may result in the imposition of financial penalties.)	• Having proactive and regular engagements with the Postal Regulator and other government agencies. • Conducting internal communications campaigns to train, educate and reinforce best behaviour. • Sending regular reminders to employees 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.

INFORMATION TECHNOLOGY RISKS

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
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 and continuously improving our 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.)	• Designing and implementing high availability IT systems, coupled with periodic testing for system validation. • 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.

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 where he currently resides.

MR LI YU
Chief Executive Officer, International

Mr Li Yu was appointed as Chief Executive Officer (CEO), International of SingPost on 12 September 2022. He leads the development and growth of the international markets, advancing the cross-border eCommerce logistics business and orchestrating efficient supply chains for customers globally.

Li has over 18 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.

Li 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 and 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 at OUE Lippo Healthcare Limited. Prior to that, Vincent also previously held key executive roles, including 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. He is also a member of CPA Australia as well as the Institute of Singapore Chartered Accountants.

PROFILES OF KEY EXECUTIVES

MR SHAHRIN ABDOL SALAM, PBM
Chief Executive Officer, Singapore

Shahrin Abdol Salam joined SingPost on 1st April 2024 as Chief Executive Officer Designate, and was appointed as Chief Executive Officer, Singapore on 1st May 2024. He leads the development and growth of the Singapore business, shaping the urban infrastructure network and advancing the integration of postal and eCommerce logistics solutions for sustainable long-term growth.

With over 25 years of experience in strategic and operations management, Shahrin brings extensive leadership experience in steering national-level projects, and forging a culture of operational excellence that delivers delightful customer experience. Prior to joining SingPost, he held pivotal roles as both the Managing Director of SMRT's Thomson-East Coast Line and the Senior Vice President of Strategic Relations, SMRT Corporation. He is instrumental in driving the anchor network of MRT Lines in Singapore, and shaping the Rapid Transit System (RTS), fostering enhanced connectivity between Singapore and Malaysia. His earlier leadership position was with Dubai Government's Roads and Transport Authority, where he played a key role in shaping prominent projects such as the Dubai Metro and Dubai Tram systems. He also led the landmark development of Palm Jumeirah Monorail System project and Masdar City's Personal Monorail System project in the United Arab Emirates.

Shahrin is a member of the MINDS Board of Directors and serves on both the Audit and Risk Management Committees. He is also an active grassroots leader and was conferred the Pingat Bakti Masyarakat (Public Service Medal). He was honoured with the Berita Harian Achiever of the Year Award 2023 for his outstanding contributions, both professionally and in community work.

Shahrin holds a Masters of Science in Management of Technology from the National University of Singapore and a Bachelor degree in Electrical Engineering (Honours) from RMIT University, Australia.

MR SIMON SLAGTER
Group CEO at FMH Group

Simon commenced his career as a trainee with Deloitte and is a Chartered Accountant by profession with over 22 years' experience across a range of industries. He has been with the Group for more than 7 years in various executive positions including CFO and COO and has in-depth knowledge of the company and the logistics industry in Australia.

In his role as CEO of the Group, Simon has demonstrated leadership that has resulted in significant top line growth as well as bottom line profitability through the implementation of commercial programs of work through which the business has scaled. A big focus area was achievement of cultural alignment across the team that ensured a customer-centric approach was taken in all decision making.

Simon is fully committed to ensuring that the Group is successful in achieving its aspiration of true supply chain efficiency for its customers.

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

For the financial year ended 31 March 2024

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 2024.

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 127 to 243 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 2024, 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
Ms Elizabeth Kong Sau Wai
Mrs Fang Ai Lian
Ms Lim Cheng Cheng
Ms Chu Swee Yeok
Mr Gan Chee Yen (Appointed on 31 October 2023)
Ms Yasmin Binti Aladad Khan (Appointed on 1 January 2024)

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 116 to 120 of this statement.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2024

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

(a) According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967, none of the directors holding office at the end of the financial year had any interest in the shares and debentures of the Company and its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.3.2024	At 1.4.2023 or date of appointment, if later	**At 31.3.2024**	At 1.4.2023 or date of appointment, if later
Company				
Singapore Post Limited				
(No. of ordinary shares)				
Mr Gan Chee Yen	**10,000**	10,000	**2,000[(1)]**	2,000[(1)]

(1) Deemed interest through spouse

(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, unvested restricted shares and unvested performance share awards 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 116 to 120 of this statement.

	Number of unvested restricted shares held by director	
	At 31.3.2024	At 1.4.2023
Unvested performance share awards	**1,539,379**	1,734,359
Mr Phang Heng Wee, Vincent		
Unvested restricted shares awards	**1,887,455**	866,102
Mr Phang Heng Wee, Vincent		

(c) The directors' interests in the shares of the Company as at 21 April 2024 were the same as those as at 31 March 2024.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2024

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, Mrs Fang Ai Lian and Ms Yasmin Binti Aladad Khan (from 8 February 2024) during the financial year ended 31 March 2024.

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

The principal terms of the Scheme are as follows:

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

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

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

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

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

DIRECTORS' STATEMENT

For the financial year ended 31 March 2024

SHARE OPTIONS (continued)

- The share options granted to eligible employees (including executive directors) effective 26 June 2006 to 10 March 2014 have a four-year vesting schedule and the details are as follows:

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

- On 11 May 2012, 17 January 2014, 7 March 2014 and 1 April 2014, performance share options were granted to key management staff. Vesting of these options is based on the Company's performance against a set of stretched targets on the Group's profit and the Company's target share price performance.

- The total number of shares over which options may be granted under the Scheme on any date, when added to the nominal amount of shares issued and issuable and in respect of all options granted under the Scheme, shall not exceed 5.0 per cent of the issued share capital of the Company on the day preceding that date.

Since the adoption of the Scheme to 31 March 2023, a total of 178,687,936 share options have been granted. Details of the options are set out in the Directors' Statement for the respective financial years.

During the financial year ended 31 March 2024, 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 1.4.23 ('000)	Granted during financial year ('000)	Options exercised ('000)	Options forfeited ('000)	Balance At 31.3.24 ('000)
Options Granted Under Singapore Post Share Options Scheme For employees (including executive directors)							
17.01.14	18.01.17 to 17.01.24	S$1.350	375	–	–	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	308	–	–	–	308
07.08.14	08.08.15 to 07.08.24	S$1.760	32	–	–	–	32
19.05.15	20.05.16 to 19.05.25	S$1.890	1,197	–	–	290	907
20.05.16	21.05.17 to 20.05.26	S$1.570	966	–	–	50	916
Total Share Options			**3,253**	**–**	**–**	**1,090**	**2,163**

DIRECTORS' STATEMENT

For the financial year ended 31 March 2024

SHARE OPTIONS (continued)

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.

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 and was further extended for another 10 years up to 27 June 2033. The Plan allows fully paid shares to be granted to non-executive directors of the Group and associated companies.

Enhancements to have the flexibility to prescribe performance conditions or time-based service conditions were made to the Plan (the "Enhanced Plan") to reinforce the delivery of long-term growth and shareholder value, while ensuring that the Plan remains relevant and sustainable as a retention and motivation tool for senior management and key employees whose contributions are essential to the well-being and prosperity of the Group. The enhancements were duly approved by the shareholders at the Company's annual general meeting ("AGM") held on 28 June 2017.

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

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

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

Since the adoption of the Plan to 31 March 2023, a total of 5,839,118 restricted shares were granted.

During the financial year ended 31 March 2024, 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 2024

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 that either met the prescribed performance targets within a prescribed performance period or time-based service conditions . 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 three long-term performance measures: Return on Equity, Absolute Total Shareholder Returns and CO2 Reduction from financial year 2018/19 (added measure for Performance Share Award from financial year 2020/21 onwards).

The Restricted Share Award, granted to senior management and a broader group of key executives, has either time-based service conditions or performance conditions of (i) Underlying Net Profit measure or (ii) both Return of Equity and CO2 Reduction from financial year 2018/19 measures.

Vesting period of the awards depends on whether time-based service conditions or performance conditions is prescribed.

(i) Time-based service condition is cliff vest at end of three years;

(ii) Performance period for both types of awards is four years. Accelerated vesting may be activated upon early achievement of performance levels in Year 3, to motivate the senior management and key employees in attaining business priorities and shareholder value creation earlier.

The performance conditions for both awards 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 2023, a total of 7,264,569 shares have been granted.

During the financial year ended 31 March 2024, no share was 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 31.3.24 ('000)
31.05.19	591	–	–	591	–
01.06.20	455	–	–	–	455
20.01.22	269	–	–	–	269
03.06.22	1,244	–	–	–	1,244
Total	**2,559**	**–**	**–**	**591**	**1,968**

DIRECTORS' STATEMENT

For the financial year ended 31 March 2024

ENHANCED PLAN (continued)

Restricted Share Awards

Since the adoption of the Enhanced Plan to 31 March 2023, a total of 14,941,136 restricted shares have been granted.

During the financial year ended 31 March 2024, 5,520,424 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 31.3.24 ('000)
31.05.19	881	–	–	881	–
01.06.20	1,354	–	–	136	1,218
20.01.22	768	–	–	36	732
03.06.22	2,567	–	–	331	2,236
08.06.23	–	5,520	–	–	5,520
Total	**5,570**	**5,520**	–	**1,384**	**9,706**

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.

Since the adoption of the Long Term Incentive Plan to 31 March 2023, a total of 529 share rights have been granted.

During the financial year ended 31 March 2024, no share rights were granted. Details of the grants are as follows:

Date of Grant	Balance As At 1.4.23	Rights Awards Granted	Rights Awards Vested	Rights Awards Cancelled	Balance As At 31.3.24
10.11.22	529	–	–	–	529
Total	**529**	–	–	–	**529**

DIRECTORS' STATEMENT

For the financial year ended 31 March 2024

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
Mr Gan Chee Yen (Appointed to the Audit Committee on 8 February 2024)

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 2024 as well as the independent auditor's report thereon prior to their submission to the Board of Directors for approval.

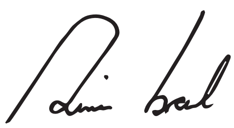
Pursuant to the requirements of the SGX-ST, the Audit Committee, with the assistance of the internal auditors, has reviewed the guidelines and procedures that were set up to identify, report and where necessary, seek appropriate approval for interested person transactions of the Group. Interested person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

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

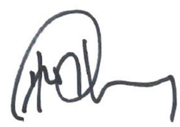
AUDITOR

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

On behalf of the directors



Mr Simon Claude Israel
Chairman



Mr Phang Heng Wee, Vincent
Director

Singapore

29 May 2024

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 2024, 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 material accounting policy information, as set out on pages 127 to 243.

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") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") 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 2024, 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 2024. 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 Note 3.9 to the financial statements.* As at 31 March 2024, the goodwill and other intangible assets amounted to S$492.5 million and S$143.8 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 2024.	Our key audit procedures focused on evaluating amongst others, the key assumptions used by management in performing the impairment review. These key audit procedures included: • obtaining an understanding of the relevant internal controls to address significant risk of impairment associated with goodwill and other intangible assets, and whether they are properly designed and implemented by management; • evaluating the appropriateness of allocation of goodwill and other intangible assets to the respective 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. 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
Valuation of investment properties *Refer to Note 3.6 to the financial statements.* As at 31 March 2024, the Group's investment properties amounted to S$1,002.3 million, representing 32% 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$38.4 million. The valuation of these investment properties (primarily Singapore Post Centre) located in Singapore is inherently subjective as it involves judgement in determining the appropriate valuation methodologies to be used, the underlying assumptions to be applied and consideration of terms and conditions and restrictions in the property agreements. The assumptions on which the property values are based, are influenced by the tenure and tenancy details for each property, prevailing market yields, comparable market transactions and market conditions during the year.	We obtained an understanding of the Group's process for selection of the external valuer. We evaluated the qualifications and competence of the external valuer and read the engagement terms to determine whether there were any matters that might have affected their independence and objectivity or imposed a limitation on the scope of their work. We held discussions with the valuer to understand the basis of valuation techniques 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. 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

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.

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 and SFRS(I)s, 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

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

- 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.

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

29 May 2024

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2024

	Note	Group 2024 S$'000	Group 2023 S$'000
Revenue	2.2	**1,686,743**	1,872,259
Labour and related expenses	2.3	**(365,066)**	(350,743)
Volume-related expenses	2.4	**(1,009,048)**	(1,214,042)
Administrative and other expenses	2.5	**(138,913)**	(126,227)
Depreciation and amortisation	2.6	**(81,048)**	(82,570)
Selling-related expenses		**(10,417)**	(9,731)
(Impairment loss) / reversal of impairment loss on trade and other receivables		**(1,913)**	131
Operating expenses		**(1,606,405)**	(1,783,182)
Other income		**4,586**	4,089
Operating profit		**84,924**	93,166
Share of (loss) / profit of associated companies and joint ventures	6.2	**(1,543)**	23
Exceptional items	2.7	**36,833**	(7,705)
Earnings before interest and tax		**120,214**	85,484
Interest income and investment income (net)	2.8	**10,046**	2,148
Finance expenses	2.9	**(30,367)**	(19,623)
Profit before income tax		**99,893**	68,009
Income tax expense	2.10	**(18,417)**	(29,249)
Profit after tax		**81,476**	38,760
Profit attributable to:			
Equity holders of the Company		**78,333**	24,679
Non-controlling interests		**3,143**	14,081
		81,476	38,760
Basic and diluted earnings per share attributable to ordinary shareholders of the Company			
– Excluding distribution to perpetual securities holders	2.12	**3.00 cents**	0.62 cents
– Including distribution to perpetual securities holders	2.12	**3.48 cents**	1.10 cents

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2024

	Note	Group 2024 S$'000	Group 2023 S$'000
Profit after tax		**81,476**	38,760
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		**(6,744)**	(12,350)
– Disposal / liquidation of foreign subsidiaries		**–**	(34)
– Transfer to profit or loss arising from loss of significant influence in an associated company		**136**	–
Cash flow hedges:			
– Fair value changes arising during the year		**848**	–
– Realised and transferred to profit or loss		**(932)**	–
Items that will not be reclassified subsequently to profit or loss:			
Equity investments at fair value through other comprehensive income			
– Fair value gain / (loss)	4.4	**38,118**	(48,532)
– (Loss) / gain on fair value hedge of an equity instrument designated at FVTOCI	4.3	**(44,353)**	56,879
Revaluation gain on property, plant and equipment upon transfer to investment properties		**–**	298
Other comprehensive loss for the year (net of tax)		**(12,927)**	(3,739)
Total comprehensive income for the year		**68,549**	35,021
Total comprehensive income attributable to:			
Equity holders of the Company		**67,577**	19,996
Non-controlling interests		**972**	15,025
		68,549	35,021

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

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2024

	Note	Group 2024 S$'000	Group 2023 S$'000	Company 2024 S$'000	Company 2023 S$'000
ASSETS					
Current assets					
Cash and cash equivalents	3.1	**476,738**	495,696	**362,373**	375,071
Trade and other receivables	3.2	**252,430**	229,831	**129,395**	117,132
Derivative financial instruments	4.3	**402**	372	**402**	372
Inventories		**343**	513	**5**	5
Other current assets	3.5	**31,125**	25,394	**9,314**	7,851
		761,038	751,806	**501,489**	500,431
Assets classified as held for sale	7.5	**–**	11,700	**–**	11,700
		761,038	763,506	**501,489**	512,131
Non-current assets					
Trade and other receivables	3.3	**3,237**	4,945	**218,236**	218,238
Derivative financial instruments	4.3	**14,006**	56,879	**–**	–
Financial assets	4.4	**88,570**	42,076	**–**	–
Investments in subsidiaries	6.1	**–**	–	**361,313**	361,313
Investments in associated companies and joint ventures	6.2	**23,107**	31,949	**21,891**	21,891
Investment properties	3.6	**1,002,341**	965,771	**983,645**	953,033
Property, plant and equipment	3.7	**454,270**	386,928	**238,610**	229,741
Right-of-use assets	3.8	**140,008**	71,565	**28,304**	38,259
Intangible assets	3.9	**636,262**	500,958	**–**	–
Deferred income tax assets	2.11	**3,729**	7,361	**–**	–
Other non-current assets	3.5	**9,360**	5,832	**5,682**	–
		2,374,890	2,074,264	**1,857,681**	1,822,475
Total assets		**3,135,928**	2,837,770	**2,359,170**	2,334,606
LIABILITIES					
Current liabilities					
Trade and other payables	3.10	**605,645**	632,539	**417,378**	416,086
Current income tax liabilities		**10,592**	22,359	**12,984**	9,149
Contract liabilities	3.11	**28,204**	30,037	**26,023**	26,541
Lease liabilities	3.8	**43,137**	32,152	**11,060**	12,257
Derivative financial instruments	4.3	**105**	1,413	**105**	1,132
Borrowings	5.2	**10,319**	1,370	**–**	–
		698,002	719,870	**467,550**	465,165
Non-current liabilities					
Trade and other payables	3.10	**31,068**	21,616	**609,138**	604,565
Borrowings	5.2	**816,814**	623,020	**–**	–
Contract liabilities	3.11	–	7,177	**–**	7,177
Lease liabilities	3.8	**105,532**	47,575	**18,175**	26,859
Deferred income tax liabilities	2.11	**61,701**	44,214	**19,997**	22,521
Derivative financial instruments	4.3	**1,846**	–	**–**	–
		1,016,961	743,602	**647,310**	661,122
Total liabilities		**1,714,963**	1,463,472	**1,114,860**	1,126,287
NET ASSETS		**1,420,965**	1,374,298	**1,244,310**	1,208,319
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	5.3	**638,762**	638,762	**638,762**	638,762
Treasury shares	5.3	**(29,243)**	(29,516)	**(29,243)**	(29,516)
Other reserves	5.4	**(130,742)**	(77,620)	**36,094**	35,390
Retained earnings		**653,171**	598,558	**598,697**	563,683
Ordinary equity		**1,131,948**	1,130,184	**1,244,310**	1,208,319
Perpetual securities	5.5	**251,534**	251,504	**–**	–
		1,383,482	1,381,688	**1,244,310**	1,208,319
Non-controlling interests	6.1	**37,483**	(7,390)	**–**	–
Total equity		**1,420,965**	1,374,298	**1,244,310**	1,208,319

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2024

	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 2023		638,762	(29,516)	598,558	(77,620)	1,130,184	251,504	1,381,688	(7,390)	1,374,298
Total comprehensive income for the year		–	–	78,333	(10,756)	67,577	–	67,577	972	68,549
Transactions with owners, recognised directly in equity										
Acquisition of non-controlling interest	(a)	–	–	–	(49,344)	(49,344)	–	(49,344)	49,344	–
Distribution of perpetual securities	5.5	–	–	(10,905)	–	(10,905)	10,905	–	–	–
Distribution paid on perpetual securities		–	–	–	–	–	(10,875)	(10,875)	–	(10,875)
Dividends paid to shareholders	5.6	–	–	(13,050)	–	(13,050)	–	(13,050)	–	(13,050)
Dividends paid to non-controlling interests in subsidiaries		–	–	–	–	–	–	–	(5,443)	(5,443)
Issuance of shares to employee	5.4(b)(iv)	–	273	–	(179)	94	–	94	–	94
Employee share option scheme:										
– Value of employee services	5.4(b)(i)	–	–	235	7,157	7,392	–	7,392	–	7,392
Total		–	273	(23,720)	(42,366)	(65,813)	30	(65,783)	43,901	(21,882)
Balance at 31 March 2024		638,762	(29,243)	653,171	(130,742)	1,131,948	251,534	1,383,482	37,483	1,420,965

Note

(a) The acquisition of non-controlling interest in a subsidiary comprises the reserve for an obligation which arose from put options written with non-controlling shareholders of FMH. In November and December 2023, the put options were exercised for the acquisition of the remaining 12% equity interest in FMH. Following the acquisitions, FMH became a wholly-owned subsidiary of the Group.

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2024

	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	5.5	–	–	–	–	–	248,972	248,972	–	248,972
Distribution of perpetual securities	5.5	–	–	(10,726)	–	(10,726)	10,726	–	–	–
Distribution paid on perpetual securities		–	–	–	–	–	(8,194)	(8,194)	–	(8,194)
Dividends paid to shareholders	5.6	–	–	(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	5.4(b)(iv)	–	208	–	(104)	104	–	104	–	104
Employee share option scheme:										
– Value of employee services	5.4(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

Note

(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.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2024

	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
Company						
Balance at 1 April 2023		**638,762**	**(29,516)**	**563,683**	**35,390**	**1,208,319**
Total comprehensive income for the year		**–**	**–**	**47,829**	**208**	**48,037**
Transactions with owners, recognised directly in equity						
Dividends paid to shareholders	5.6	**–**	**–**	**(13,050)**	**–**	**(13,050)**
Issuance of shares to employee	5.4(b)(iv)	**–**	**273**	**–**	**(179)**	**94**
Employee share option scheme:						
– Value of employee services	5.4(b)(i)	**–**	**–**	**235**	**675**	**910**
Total		**–**	**273**	**(12,815)**	**496**	**(12,046)**
Balance at 31 March 2024		**638,762**	**(29,243)**	**598,697**	**36,094**	**1,244,310**
Balance at 1 April 2022		638,762	(29,724)	587,328	37,308	1,233,674
Total comprehensive income for the year		–	–	8,277	–	8,277
Transactions with owners, recognised directly in equity						
Dividends paid to shareholders	5.6	–	–	(33,296)	–	(33,296)
Issuance of shares to employee	5.4(b)(iv)	–	208	–	(104)	104
Employee share option scheme:						
– Value of employee services	5.4(b)(i)	–	–	1,374	(1,814)	(440)
Total		–	208	(31,922)	(1,918)	(33,632)
Balance at 31 March 2023		638,762	(29,516)	563,683	35,390	1,208,319

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2024

	Group	
	2024	2023
	S$'000	S$'000
Cash flows from operating activities		
Profit after tax	**81,476**	38,760
Adjustments for:		
Income tax expense	**18,417**	29,249
Impairment loss / (Reversal of impairment loss) on trade and other receivables	**1,913**	(131)
Amortisation of contract liabilities	**(8,639)**	(7,925)
Amortisation of intangible assets	**7,083**	7,641
Depreciation	**73,965**	74,929
Fair value loss on put option redemption liabilities	**2,592**	21,719
Fair value gain on investment properties	**(38,442)**	(18,565)
Gain on derecognition of right-of-use assets and lease liabilities	**(27)**	–
(Gain) / Loss on disposal of property, plant and equipment	**(2,284)**	227
Gain on sale of assets held for sale	**(900)**	–
Gain on disposal of an associated company	**–**	(99)
Net gain on disposal / liquidation of subsidiaries	**–**	(448)
Recognition / (Reversal) of share-based staff costs	**7,392**	(440)
Finance expenses	**30,367**	19,623
Interest income	**(11,514)**	(7,500)
Fair value gain on contingent consideration	**(1,106)**	(1,284)
Impairment of property, plant and equipment	**–**	1,441
Reversal of impairment loss in an associated company	**(2,762)**	–
Loss on deemed disposal / divestment of an associated company and a joint venture	**147**	–
Impairment of loans to associated companies	**–**	(525)
Share of loss / (profit) of associated companies and joint ventures	**1,543**	(23)
	77,745	117,889
Operating cash flow before working capital changes	**159,221**	156,649
Changes in working capital, net of effects from acquisition and disposal of subsidiaries		
Inventories	**654**	10
Trade and other receivables	**(3,941)**	20,832
Trade and other payables	**(30,801)**	(29,397)
Contract liabilities	**(793)**	348
Cash generated from operations	**124,340**	148,442
Income tax paid	**(30,952)**	(32,786)
Net cash provided by operating activities	**93,388**	115,656

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2024

	Group	
	2024	2023
	S$'000	S$'000
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired (Note 6.3)	**(97,730)**	(7,982)
Contingent consideration paid in relation to acquisition of subsidiaries	**(25,764)**	(10,697)
Disposal / liquidation of subsidiaries, net of cash disposed	**–**	418
Additions to property, plant and equipment and intangible assets	**(55,210)**	(28,429)
Dividends received from an associated company	**293**	–
Interest received	**11,470**	6,614
Investment in a joint venture company	**–**	(10)
Proceeds from disposal of an associated company	**–**	1,380
Proceeds from disposal of property, plant and equipment	**8,434**	721
Proceeds on sale / maturity of financial assets	**–**	8,000
Proceeds from sale of assets held for sale	**12,600**	–
Repayment of loans by an associated company	**–**	2,803
Net cash used in investing activities	**(145,907)**	(27,182)
Cash flows from financing activities		
Acquisition of additional interest in existing subsidiary	**(67,138)**	(156,119)
Distribution paid to perpetual securities	**(10,875)**	(8,194)
Dividends paid to shareholders	**(13,050)**	(33,296)
Dividends paid to non-controlling interests in subsidiaries	**(5,443)**	(9,983)
Finance expenses paid	**(29,609)**	(21,899)
Repayment of principal portion of lease liabilities	**(33,335)**	(21,501)
Proceeds from issuance of perpetual securities	**–**	248,972
Proceeds from bank loans and notes	**228,518**	185,952
Repayment of bank loans and notes	**(35,507)**	(57,148)
Net cash provided by financing activities	**33,561**	126,784
Net (decrease) / increase in cash and cash equivalents	**(18,958)**	215,258
Cash and cash equivalents at beginning of financial year	**495,696**	280,438
Cash and cash equivalents at end of financial year	**476,738**	495,696

Significant non-cash transaction

During the financial year ended 31 March 2024, the Group paid S$1,707,965 under the 3rd Partial Award for the 1st Arbitration to the Claimant (Note 7.4) which is offset against the Claimant Loan (Note 3.3).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

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.

The principal activities of the subsidiaries are disclosed in Note 6.4.

These financial statements were authorised for issue on 29 May 2024 in accordance with a resolution of the Board of Directors of Singapore Post Limited.

1.1 Basis of preparation

The financial statements have been prepared on the historical cost basis, except as disclosed in the material accounting policy information, and are drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

The financial statements are expressed in Singapore dollars.

1.2 Adoption of new and revised standards

In the current year, the Group and the Company have applied all the new and revised SFRS(I) Accounting Standards that are mandatorily effective for an accounting period that begins on or after 1 April 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except as below.

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*

The Group and the Company have adopted the amendments to SFRS(I) 1-1 for the first time in the current year. The amendments change the requirements in SFRS(I) 1-1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in SFRS(I) 1-1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Group and the Company have applied materiality guidance in SFRS(I) Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policy information'.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

1. GENERAL INFORMATION (continued)

1.2 Adoption of new and revised standards (continued)

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

The Group and the Company have adopted the amendments to SFRS(I) 1-12 for the first time in the current year. The scope of SFRS(I) 1-12 was amended to clarify that the Standard 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.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in SFRS(I) 1-12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the Group and the Company are required to disclose that they have applied the exception and to disclose separately their current tax expense (income) related to Pillar Two income taxes. The Group and the Company have applied the exception.

For the full year ended 31 March 2024, management has assessed and determined that the Group's exposure to Pillar Two income taxes is not material.

Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The Group and the Company have adopted the amendments to SFRS(I) 1-12 for the first time in the current year. The amendments narrow the scope of the initial recognition exemption, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences (e.g. leases and decommissioning obligations). Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments, the Group is required to recognise separately deferred tax asset and deferred tax liability for the deductible and taxable temporary differences in relation to its lease liabilities and right-of-use assets respectively, which are disclosed in Note 2.11. There was no impact to the opening retained earnings as at April 1, 2022 as a result of the change, and there was also no impact on the statement of financial position as the resulting deferred tax consequences qualify for offsetting under SFRS(I) 1-12.

1.3 Material accounting policy information

1.3.1 Group Accounting

Company's separate financial statements

Investments in subsidiaries and associates in the separate financial statements of the Company are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

1. GENERAL INFORMATION (continued)

1.3 Material accounting policy information (continued)

1.3.2 Foreign currency transactions and translation

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.

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.

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 2024

1. **GENERAL INFORMATION** (continued)

1.3 Material accounting policy information (continued)

1.3.3 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in SFRS(I) 1-36 *Impairment of Assets*.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(c) Level 3 inputs are unobservable inputs for the asset or liability.

1.3.4 Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

1. GENERAL INFORMATION (continued)

1.3 Material accounting policy information (continued)

1.3.4 Financial instruments (continued)

(i) Classification of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL') based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group classifies its financial assets in the following measurement categories. The basis of classification and subsequent measurement of the financial assets are further described in the respective notes.

Measurement category	Criteria	Financial assets
Financial assets at amortised cost	Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI")	Cash and cash equivalents (Note 3.1) Trade and other receivables (Notes 3.2 and 3.3) Other current assets (Note 3.5)
Financial assets at FVTPL	Financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL	Derivative financial instruments (Note 4.3)
Equity instruments designated at FVTOCI	On initial recognition of certain equity instruments that are not held for trading, the Group has made an irrevocable election (on an instrument-by-instrument basis) to present subsequent changes in the instruments' fair value in other comprehensive income	Financial assets (Note 4.4)

(ii) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables that are measured at amortised cost or at FVTOCI as well as on loan commitments and financial guarantee contracts. 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 ECL incorporates forward-looking information and is a probability weighted estimate of 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. Details about the Group's credit risk management and impairment policies are disclosed in Note 4.5(b).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

1. GENERAL INFORMATION (continued)

1.3 Material accounting policy information (continued)

1.3.4 Financial instruments (continued)

(iii) 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.

Financial liabilities and equity

(i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iii) 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.

1.3.5 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

1. GENERAL INFORMATION (continued)

1.3 Material accounting policy information (continued)

1.3.5 Impairment of non-financial assets (continued)

(a) *Goodwill* (continued)

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

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

(b) *Trademarked brand with indefinite useful life*

Trademarked brand with indefinite useful life is tested for impairment annually and whenever there is indication that the trademarked brand may be impaired.

An impairment loss is recognised in profit or loss when the carrying amount of the trademarked brand exceeds the recoverable amount of the acquired brand. The recoverable amount of the trademarked brand is the higher of a trademarked brand's fair value less costs to sell and value-in-use.

(c) *Other intangible assets (excluding goodwill and trademarked brand with indefinite useful life)*
Property, plant and equipment
Right-of-use assets
Investments in subsidiaries, associated companies and joint ventures

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

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

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

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

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

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

1. GENERAL INFORMATION (continued)

1.4 Critical accounting judgements and key sources of estimation uncertainty

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.

1.4.1 Critical judgements in applying the Group's material accounting policies

Apart from those involving estimations reported in Note 1.4.2, there are no critical judgements that management has made in the process of applying the Group's material accounting policies which has a significant effect on the amounts reported in the financial statements.

1.4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of specific assets and liabilities within the next financial year, are related to the following areas, and further explained in the respective notes:

- Note 3.6 'Investment properties': Valuation of investment properties
- Note 3.9 'Intangible assets': Estimated impairment of goodwill and other intangible assets
- Note 4.3 'Derivative financial instruments': Fair value hedge on option right
- Note 4.4 'Financial assets': Valuation of 4PX
- Note 4.5(b) 'Credit risk management': Calculation of loss allowance for trade and other receivables
- Note 6.3 'Acquisitions of subsidiaries': Purchase price allocation and estimated contingent consideration

Key sources of estimation uncertainty that are not specific to a note to the financial statements are detailed below:

Estimated impairment of other non-financial assets

Property, plant and equipment (Note 3.7), right-of-use assets (Note 3.8) and investments in subsidiaries (Note 6.1), associated companies and joint ventures (Note 6.2) 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.

For the financial year ended 31 March 2024, there was no impairment charges recognised (2023: impairment charges on property, plant and equipment amounting to S$1.4 million) (Note 3.7).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

1. GENERAL INFORMATION (continued)

1.5 Significant transactions, events or conditions in the current reporting period

1.5.1 Acquisition of non-controlling interest in Freight Management Holdings Pty Ltd ("FMH")

In November and December 2023, the Group completed the acquisition of the remaining 12% equity interest in FMH through exercising put options written with non-controlling shareholders. Following the acquisitions, FMH became a wholly-owned subsidiary of the Group.

1.5.2 Significant acquisition of a subsidiary

On 1 March 2024, the Group acquired 100% shares and voting interest in M J Luff Pty Ltd through its subsidiary, FMH. Refer to Note 6.3 for further details.

2. GROUP PERFORMANCE

2.1 Segment information

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

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 2024

2. GROUP PERFORMANCE (continued)

2.1 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 2024 and 2023.

	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 2024							
Revenue:							
– External	**499,440**	**1,131,263**	**56,040**	**–**	**1,686,743**	**–**	**1,686,743**
– Inter-segment	**14,664**	**34,027**	**21,640**	**(70,331)**	**–**	**–**	**–**
	514,104	**1,165,290**	**77,680**	**(70,331)**	**1,686,743**	**–**	**1,686,743**
Operating profit / (loss)	**7,496**	**67,370**	**42,228**	**–**	**117,094**	**(32,170)**	**84,924**
Full year ended 31 March 2023							
Revenue:							
– External	508,718	1,313,027	50,514	–	1,872,259	–	1,872,259
– Inter-segment	15,801	9,331	26,119	(51,251)	–	–	–
	524,519	1,322,358	76,633	(51,251)	1,872,259	–	1,872,259
Operating profit / (loss)	(12,030)	84,742	40,168	–	112,880	(19,714)	93,166

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 ventures. Interest income and finance expenses are not allocated to segments.

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

	Group **2024** **S$'000**	Group 2023 S$'000
Operating profit for reportable segments	**117,094**	112,880
Operating loss for all other segments	**(32,170)**	(19,714)
Exceptional items	**36,833**	(7,705)
Finance expenses	**(30,367)**	(19,623)
Interest income and investment income (net)	**10,046**	2,148
Share of (loss) / profit of associated companies and joint ventures	**(1,543)**	23
Profit before tax	**99,893**	68,009
Tax expense	**(18,417)**	(29,249)
Profit after tax	**81,476**	38,760

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.1 Segment information (continued)

(b) *Segment assets*

The following is an analysis of the Group's segment assets as at 31 March 2024 and 2023 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 2024						
Segment assets	**212,092**	**1,300,718**	**1,221,581**	**2,734,391**	**39,685**	**2,774,076**
Segment assets include:						
Investment in associated companies	**–**	**2,130**	**–**	**2,130**	**20,977**	**23,107**
Intangible assets	**4,134**	**632,128**	**–**	**636,262**	**–**	**636,262**
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

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 2024 S$'000	Group 2023 S$'000
Segment assets for reportable segments	**2,734,391**	2,422,613
Segments assets for all other segments	**39,685**	40,518
Unallocated:		
Cash and cash equivalents	**361,450**	374,267
Derivative financial instruments	**402**	372
Total assets	**3,135,928**	2,837,770

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.1 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					
2024					
Depreciation and amortisation	**21,896**	**46,375**	**10,886**	**1,891**	**81,048**
Additions to[1]:					
– Property, plant and equipment	**19,949**	**24,114**	**4,951**	**1,464**	**50,478**
– Right-of-use assets	**2,527**	**30,055**	**–**	**–**	**32,582**
– Intangible assets	**–**	**4,732**	**–**	**–**	**4,732**
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

(1) Net of inter-segment elimination

In addition to the depreciation and amortisation reported above, there was a reversal of impairment loss of S$2.8 million recognised in respect of investment in an associated company (2023: reversal of impairment loss on loans to associated companies of S$0.5 million). For the preceding financial year, impairment losses of S$1.4 million was recognised in respect of property, plant and equipment.

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

	Group 2024 S$'000	Group 2023 S$'000
Logistics	**–**	(491)
Others	**2,762**	(425)
	2,762	(916)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.1 Segment information (continued)

(d) Revenue from major products and services

The Group's revenue from its major products and services are disclosed in Note 2.2.

(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 34% (2023: 32%) 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	
	2024	2023
	S$'000	S$'000
Revenue:		
Singapore	**577,675**	594,562
Australia	**843,235**	857,800
Other countries	**265,833**	419,897
	1,686,743	1,872,259

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$499,440,000 (2023: S$508,718,000) are revenues of approximately S$173,119,000 (2023: S$174,809,000) derived from the Group's largest customer in the respective years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.2 Revenue

Revenue from external customers is derived from the provision of mail, logistics solution, agency and financial services and front-end ecommerce solutions.

	Group	
	2024	2023
	S$'000	S$'000
Post and Parcel	**499,440**	508,718
Logistics	**1,131,263**	1,313,027
Property	**56,040**	50,514
	1,686,743	1,872,259

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

	Group					
	2024			2023		
	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	**498,486**	**954**	**499,440**	507,454	1,264	508,718
Logistics	**1,131,263**	**–**	**1,131,263**	1,313,027	–	1,313,027
Property	**56,040**	**–**	**56,040**	50,514	–	50,514
	1,685,789	**954**	**1,686,743**	1,870,995	1,264	1,872,259
Timing of revenue recognition in respect of revenue from contracts with customers[(1)]						
At a point in time	**7,293**	**954**	**8,247**	9,328	1,264	10,592
Over time	**1,635,496**	**–**	**1,635,496**	1,822,215	–	1,822,215
	1,642,789	**954**	**1,643,743**	1,831,543	1,264	1,832,807

(1) These disclosures under SFRS(I) 15 are not applicable to revenue from lease contracts amounting to S$43,000,000 (2023: S$39,452,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.2 Revenue (continued)

Further revenue information for each reportable segment under SFRS(I) 8 *Operating Segments* is disclosed in Note 2.1.

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 3.11 for further details.

Contract balances with customers and the related disclosures have been included in the following notes:

(a) Trade and other receivables (Note 3.2)

(b) Contract liabilities (Note 3.11)

Material accounting policy information

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 2024

2. GROUP PERFORMANCE (continued)

2.2 Revenue (continued)

Material accounting policy information (continued)

(a) *Post and Parcel* (continued)

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. 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.

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

2.3 Labour and related expenses

	Group	
	2024	2023
	S$'000	S$'000
Wages and salaries	**245,637**	242,191
Employer's contribution to defined contribution plans including Central Provident Fund	**33,102**	32,342
Share-based expense / (credit)	**7,392**	(440)
Other benefits	**8,477**	10,992
Temporary and contract staff cost	**70,534**	68,239
Government grant	**(76)**	(2,581)
	365,066	350,743

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.3 Labour and related expenses (continued)

Material accounting policy information

(a) *Employee compensation*

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

(i) *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.

(ii) *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.

2.4 Volume-related expenses

	Group	
	2024	2023
	S$'000	S$'000
Traffic expenses	**770,648**	1,012,497
Outsourcing services and delivery expenses	**238,400**	201,545
	1,009,048	1,214,042

2.5 Administrative and other expenses

	Group	
	2024	2023
	S$'000	S$'000
Included in administrative and other expenses are the following:		
Professional services	**8,964**	8,158
Repair and maintenance expenses	**28,820**	26,502
Rental expenses	**10,531**	7,256
Supplies and services	**46,258**	39,538

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.6 Depreciation and amortisation

	Group	
	2024	2023
	S$'000	S$'000
Depreciation – property, plant and equipment (Note 3.7)	**41,096**	40,970
Depreciation – right-of-use assets (Note 3.8)	**32,869**	33,959
Amortisation of intangible assets (Note 3.9)	**7,083**	7,641
	81,048	82,570

2.7 Exceptional items

	Group	
	2024	2023
	S$'000	S$'000
Disposals:		
– Gain / (Loss) on disposal of property, plant and equipment	**2,284**	(227)
– Gain on disposal of assets held for sale	**900**	–
– Gain on disposal of an associated company	**–**	99
– Net gain on disposal / liquidation of subsidiaries	**–**	448
Acquisitions:		
– Gain on contingent consideration	**1,106**	1,284
Fair value gain / (loss):		
– Investment properties (Note 3.6)	**38,442**	18,565
– Derivative instruments for hedging	**–**	(282)
– Put option redemption liabilities[1]	**(2,592)**	(21,719)
Reversal of impairment charges / (Impairment charges)[2]		
– Property, plant and equipment	**–**	(1,441)
– Associated company	**2,762**	–
– Loans to associated companies	**–**	525
Loss on deemed disposal / divestment of investments in an associated company and a joint venture	**(147)**	–
M&A related expenses	**(5,922)**	(3,399)
Provision for restructuring of operations	**–**	(1,558)
	36,833	(7,705)

(1) For the financial year ended 31 March 2024, the Group completed the acquisition of the remaining 12% equity interest in FMH through exercising of put options written with non-controlling shareholders. The fair value loss of the put option redemption liability of S$1.5 million was included as part of the S$2.6 million loss above and arose from the fair value movement of this liability from 1 April 2023 to 30 June 2023.

For the preceding financial year, 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 was included as part of the S$21.7 million loss above (offset by a separate fair value gain) and arose from the fair value movement of this liability from 1 April 2022 to 31 March 2023.

(2) Total reversal of impairment charges amounted to S$2,762,000 (2023: impairment charge of S$916,000).

Material accounting policy information

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.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.8 Interest income and investment income (net)

	Group	
	2024	2023
	S$'000	S$'000
Interest income		
– Bank deposits	**11,508**	7,378
– Bonds at amortised cost	**–**	77
– Others	**6**	45
	11,514	7,500
Currency exchange losses – net	**(1,468)**	(5,352)
	10,046	2,148

Material accounting policy information

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI, and is calculated by applying the effective interest rate to the gross carrying amount of the debt instruments.

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.

2.9 Finance expenses

	Group	
	2024	2023
	S$'000	S$'000
Interest expense:		
– Fixed rate notes	**9,581**	9,555
– Bank borrowings	**14,093**	4,740
– Interest on lease liabilities	**5,751**	4,031
– Significant financing component from contracts with customers	**422**	717
Other borrowing costs	**520**	580
	30,367	19,623

Material accounting policy information

Borrowing costs are recognised in profit or loss using the effective interest method. Borrowing costs also include interest expense arising from lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.10 Income tax expense

	Group 2024 S$'000	2023 S$'000
Tax expense attributable to profit is made up of:		
– Current income tax	**20,580**	32,768
– Deferred income tax (Note 2.11)	**2,619**	(3,048)
	23,199	29,720
(Over) / Under provision in preceding financial years:		
– Current income tax	**(4,095)**	(1,612)
– Deferred income tax (Note 2.11)	**(687)**	1,141
	18,417	29,249

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 2024 S$'000	2023 S$'000
Profit before tax	**99,893**	68,009
Tax calculated at a tax rate of 17% (2023: 17%)	**16,982**	11,562
Effects of:		
– Tax effect of share of results of associated companies and joint ventures	**262**	(4)
– Different tax rates in other countries	**8,919**	7,897
– Withholding tax deducted at source	**1,881**	564
– Singapore statutory stepped income exemption	**(62)**	(108)
– Tax incentive	**(547)**	(461)
– Income not subject to tax	**(9,637)**	(3,043)
– Expenses not deductible for tax purposes	**7,854**	10,106
– Utilisation of tax losses and capital allowances	**(3,665)**	(402)
– Deferred income tax assets not recognised	**1,212**	3,609
– Overprovision in preceding financial years	**(4,782)**	(471)
Tax charge	**18,417**	29,249

Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. For the full year ended 31 March 2024, the Group's exposure to Pillar Two income taxes is not material.

Material accounting policy information

Refer to Note 2.11.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.11 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	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Deferred income tax assets	**3,729**	7,361	**–**	–
Deferred income tax liabilities	**61,701**	44,214	**19,997**	22,521

Movement in the deferred income tax account is as follows:

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**36,853**	40,159	**22,521**	22,478
Acquisition of subsidiaries (Note 6.3)	**19,060**	214	**–**	–
Tax charged / (credited) to profit or loss (Note 2.10)	**1,932**	(1,907)	**(2,524)**	43
Currency translation differences	**127**	(1,613)	**–**	–
End of financial year	**57,972**	36,853	**19,997**	22,521

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$114,725,000 (2023: S$139,796,000) at the end of the reporting period which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry dates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.11 Deferred income taxes (continued)

Deferred income tax liabilities

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

Group

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Right of use assets S$'000	Others S$'000	Total S$'000
2024				
Beginning of financial year	**22,833**	**15,540**	**6,270**	**44,643**
Acquisition of subsidiaries (Note 6.3)	**–**	**20,967**	**19,060**	**40,027**
(Credited) / Charged to profit or loss	**(3,428)**	**1,062**	**2,993**	**627**
Currency translation differences	**(1)**	**71**	**(296)**	**(226)**
End of financial year	**19,404**	**37,640**	**28,027**	**85,071**
2023				
Beginning of financial year	24,056	17,062	8,111	49,229
Acquisition of subsidiaries (Note 6.3)	–	–	214	214
Credited to profit or loss	(1,195)	(2,784)	1,491	(2,488)
Currency translation differences	(28)	1,262	(3,546)	(2,312)
End of financial year	22,833	15,540	6,270	44,643

Deferred income tax assets

	Provisions and other liabilities S$'000	Tax losses S$'000	Lease liabilities S$'000	Total S$'000
2024				
Beginning of financial year	**12,148**	**(1,971)**	**(17,967)**	**(7,790)**
Acquisition of subsidiaries (Note 6.3)	**–**	**–**	**(20,967)**	**(20,967)**
Charged / (Credited) to profit or loss	**2,407**	**184**	**(1,286)**	**1,305**
Currency translation difference	**(125)**	**49**	**429**	**353**
End of financial year	**14,430**	**(1,738)**	**(39,791)**	**(27,099)**
2023				
Beginning of financial year	13,372	(2,490)	(19,952)	(9,070)
Charged to profit or loss	126	–	455	581
Currency translation difference	(1,350)	519	1,530	699
End of financial year	12,148	(1,971)	(17,967)	(7,790)

As at 1 April 2022, the Group recognised deferred tax assets of S$19,952,000 (31 March 2023 : S$17,967,000) and deferred tax liabilities of S$17,062,000 (31 March 2023: S$15,540,000) in relation to its lease liabilities and right-of-use assets respectively, following the adoption of the amendments to SFRS(I) 1-12 as disclosed in Note 1.2.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.11 Deferred income taxes (continued)

Company

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Right of use assets S$'000	Others S$'000	Total S$'000
2024				
Beginning of financial year	**20,792**	**6,504**	**(4,464)**	**22,832**
(Credited) / charged to profit or loss	**(2,050)**	**(1,693)**	**1,280**	**(2,463)**
End of financial year	**18,742**	**4,811**	**(3,184)**	**20,369**
2023				
Beginning of financial year	21,973	3,340	(2,419)	22,894
(Credited) / charged to profit or loss	(1,181)	3,164	(2,045)	(62)
End of financial year	20,792	6,504	(4,464)	22,832

Deferred income tax assets

	Provisions and other liabilities S$'000	Lease liabilities S$'000	Total S$'000
2024			
Beginning of financial year	**6,339**	**(6,650)**	**(311)**
(Credited) / charged to profit or loss	**(1,741)**	**1,680**	**(61)**
End of financial year	**4,598**	**(4,970)**	**(372)**
2023			
Beginning of financial year	3,053	(3,469)	(416)
Charged / (credited) to profit or loss	3,286	(3,181)	105
End of financial year	6,339	(6,650)	(311)

As at 1 April 2022, the Company recognised deferred tax assets of S$3,469,000 (31 March 2023 : S$6,650,000) and deferred tax liabilities of S$3,340,000 (31 March 2023: S$6,504,000) in relation to its lease liabilities and right-of-use assets respectively, following the adoption of the amendments to SFRS(I) 1-12 as disclosed in Note 1.2.

Material accounting policy information

Income tax expense comprises current and deferred tax.

Current 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.11 Deferred income taxes (continued)

Material accounting policy information (continued)

Deferred tax

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.12 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	
	2024	2023
Net profit attributable to equity holders of the Company (S$'000)	**78,333**	24,679
Less: Distribution to perpetual securities holders of the Company (S$'000)	**(10,905)**	(10,726)
Net profit attributable to ordinary shareholders of the Company (S$'000)	**67,428**	13,953
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,249,917**	2,249,700
Basic earnings per share (cents per share)		
– Excluding distribution to perpetual securities holders	**3.00**	0.62
– Including distribution to perpetual securities holders	**3.48**	1.10

(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 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES

3.1 Cash and cash equivalents

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Cash at bank and on hand	**213,851**	265,851	**100,628**	146,364
Deposits with financial institutions	**262,887**	229,845	**261,745**	228,707
	476,738	495,696	**362,373**	375,071

Deposits with financial institutions earn interest ranging from 3.74% to 4.40% (2023: 3.80% to 4.21%) per annum. Tenure for these deposits range from 31 to 185 days (2023: 30 to 92 days).

Material accounting policy information

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.

3.2 Trade and other receivables – current

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Trade receivables				
– Subsidiaries	**–**	–	**44,465**	30,856
– Companies related by a substantial shareholder	**–**	652	**–**	652
– Non-related parties	**247,582**	226,225	**74,599**	80,917
	247,582	226,877	**119,064**	112,425
Less: Allowance for impairment of receivables – non-related parties	**(4,162)**	(2,667)	**(2,167)**	(1,207)
Trade receivables – net	**243,420**	224,210	**116,897**	111,218
Non-trade receivables from subsidiaries	**–**	–	**7,572**	2,299
Staff loans (Note 3.4)	**2**	2	**2**	2
Interest receivable	**999**	957	**999**	957
Other receivables	**8,009**	4,662	**3,925**	2,656
	252,430	229,831	**129,395**	117,132

As at 1 April 2022, the Group's and Company's trade receivables arising from contracts with customers amounted to S$223.3 million (net of loss allowance of S$5.3 million) and S$94.0 million (net of loss allowance of S$4.4 million) respectively.

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

Material accounting policy information

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

Other receivables are recognised initially at fair value and are subsequently measured at amortised cost, less loss allowance.

Details about the Group's credit risk management and impairment policies are disclosed in Note 4.5 (b).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.3 Trade and other receivables – non-current

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Loans to subsidiaries	**–**	–	**264,467**	264,469
Less: Allowance for impairment	**–**	–	**(46,366)**	(46,366)
	–	–	**218,101**	218,103
Claimant Loan (Note 7.4)	**3,102**	4,810	**–**	–
Staff loans (Note 3.4)	**135**	135	**135**	135
	3,237	4,945	**218,236**	218,238

Loans to subsidiaries of S$11,195,000 (2023: S$11,641,000) are non-trade related, unsecured, interest bearing at Singapore Overnight Rate Average (SORA) plus 1.2% per annum (2023: 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$41,443,000 (2023: S$41,924,000) 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.

Loans to subsidiaries of S$165,463,000 (2023: S$164,538,000) 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$164,612,000 (2023: S$160,561,000). The fair value of the loans is computed based on cash flows discounted at the difference between market and existing borrowing rates 3.177% to 3.678% (2023: of 2.992% to 3.777%). The fair value is within Level 2 of the fair value hierarchy.

The Claimant Loan is unsecured, interest bearing at 4.8% to 5.1% per annum (2023: 1.7% to 5.2% 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.

Material accounting policy information

Refer to Note 3.2.

3.4 Staff loans

	Group and Company	
	2024	2023
	S$'000	S$'000
Not later than one year (Note 3.2)	**2**	2
Later than one year (Note 3.3)	**135**	135
– Between one and five years	**2**	1
– Later than five years	**133**	134
	137	137

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.5 Other assets

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Current				
Deposits	**3,536**	4,889	**1,580**	1,637
Prepayments	**27,589**	20,505	**7,734**	6,214
	31,125	25,394	**9,314**	7,851
Non-current				
Deposits	**2,949**	4,491	**–**	–
Prepayments	**6,411**	1,341	**5,682**	–
	9,360	5,832	**5,682**	–

3.6 Investment properties

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**965,771**	956,610	**953,033**	945,274
Reclassification (to) / from property, plant and equipment (net) (Note 3.7)	**(1,872)**	1,353	**(7,708)**	52
Reclassification from right-of-use assets (Note 3.8)	–	157	–	–
Reclassification to held for sale (Note 7.5)	–	(10,914)	–	(10,914)
Fair value gain recognised in profit or loss (Note 2.7)	**38,442**	18,565	**38,320**	18,621
End of financial year	**1,002,341**	965,771	**983,645**	953,033

As at 31 March 2024, the carrying value of right-of-use assets presented as investment properties was S$2.4 million (2023: S$2.4 million).

The following amounts are recognised in profit or loss:

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Rental and property-related income	**61,896**	59,440	**60,509**	58,314
Direct operating expenses arising from:				
– Investment properties that generated income	**(16,058)**	(15,184)	**(14,749)**	(14,201)

Material accounting policy information

Investment properties include those portions of commercial buildings that are held for long-term rental yields and/or for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.6 Investment properties (continued)

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
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
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
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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.6 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
2024			
– Commercial and retail / warehousing			
- Singapore	–	**2,636**	**999,705**
2023			
– Commercial and retail / warehousing			
- Singapore	–	2,484	963,287

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 and/or direct comparison 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.

There were no transfers in or out of fair value hierarchy levels for the financial years ended 31 March 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.6 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) 2024	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2024	Relationship of unobservable inputs to fair value
Group					
Building for commercial and retail (Singapore Post Centre)	**885,695** (2023: 850,170)	Capitalisation / income approach	Capitalisation rate	**3.75 – 6.00%** (2023: 3.75-6.00%)	The higher the capitalisation rate, the lower the valuation.
		Discounted cash flow approach	Discount rate	**6.75 – 8.00%** (2023: 7.00-7.50%)	The higher the discount rate, the lower the valuation.
Building for commercial and retail (12 (2023: 13) SLA Properties)	**95,314** (2023: 94,544)	Capitalisation / income approach	Capitalisation rate	**4.50 – 4.75%** (2023: 4.25-4.75%)	The higher the capitalisation rate, the lower the valuation.
		Discounted cash flow approach	Discount rate	**Not applicable** (2023: 7.25-7.50%)	The higher the discount rate, the lower the valuation.
Warehousing – Singapore	**18,696** (2023: 18,573)	Capitalisation / income approach	Capitalisation rate	**6.75%** (2023: 6.25-6.50%)	The higher the capitalisation rate, the lower the valuation.
		Discounted cash flow approach	Discount rate	**Not applicable** (2023: 7.50-7.75%)	The higher the discount rate, the lower the valuation.
		Direct comparison method	Adjusted price per square foot	**$203 – $222** (2023: Not applicable)	The higher the adjusted price per square foot, the higher the valuation.
	999,705				

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.6 Investment properties (continued)

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

Description	Fair value (S$'000) 2024	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2024	Relationship of unobservable inputs to fair value
Company					
Building for commercial and retail (Singapore Post Centre)	**885,695** (2023: 856,005)	Capitalisation / income approach	Capitalisation rate	**3.75 – 6.00%** (2023: 3.75-6.00%)	The higher the capitalisation rate, the lower the valuation.
		Discounted cash flow approach	Discount rate	**6.75 – 8.00%** (2023: 7.00-7.50%)	The higher the discount rate, the lower the valuation.
Building for commercial and retail (12 (2023: 13) SLA Properties)	**95,314** (2023: 94,544)	Capitalisation / income approach	Capitalisation rate	**4.50 – 4.75%** (2023: 4.25-4.75%)	The higher the capitalisation rate, the lower the valuation.
		Discounted cash flow approach	Discount rate	**Not applicable** (2023: 7.25-7.50%)	The higher the discount rate, the lower the valuation.
	981,009				

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 2024, the fair values of the Group's investment properties have been determined by Knight Frank Pte Ltd (2023: Colliers International Consultancy & Valuation (Singapore) Pte. Ltd).

Key sources of estimation uncertainty

Valuation of investment properties

The estimated fair values determined by independent professional valuers at the end of the reporting period 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.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.7 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							
2024							
Cost							
Beginning of financial year	82,216	375,599	48,046	183,732	50,659	6,756	747,008
Additions	–	–	–	11,034	20,663	18,781	50,478
Reclassifications from investment properties							
– At fair value (Note 3.6)	1,572	300	–	–	–	–	1,872
Write off	–	–	–	(64)	–	(425)	(489)
Disposals	–	–	(63)	(31,953)	(3,356)	–	(35,372)
Acquisition of subsidiaries (Note 6.3)	–	–	–	40,222	22,160	616	62,998
Transfers	–	223	298	9,081	–	(9,602)	–
Currency translation differences	–	–	–	(916)	(241)	(7)	(1,164)
End of financial year	83,788	376,122	48,281	211,136	89,885	16,119	825,331
Accumulated depreciation and accumulated impairment losses							
Beginning of financial year	29,473	157,975	33,038	119,022	20,147	425	360,080
Depreciation charge	1,608	8,349	4,528	18,370	8,241	–	41,096
Write off	–	–	–	(64)	–	(425)	(489)
Disposals	–	–	(63)	(26,009)	(3,150)	–	(29,222)
Currency translation differences	–	–	–	(168)	(236)	–	(404)
End of financial year	31,081	166,324	37,503	111,151	25,002	–	371,061
Net book value							
End of financial year	52,707	209,798	10,778	99,985	64,883	16,119	454,270

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.7 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							
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 assets held for sale (Note 7.5)	(540)	(454)	–	–	–	–	(994)
Reclassifications from / (to) investment properties							
– At fair value (Note 3.6)	745	(2,098)	–	–	–	–	(1,353)
– Transfer from valuation reserve (Note 5.4(v))	–	298	–	–	–	–	298
Write off	–	–	–	(2,224)	–	(2,574)[1]	(4,798)
Disposals	–	–	(114)	(13,328)	(2,455)	–	(15,897)
Acquisition of subsidiaries (Note 6.3)	–	–	–	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 assets held for sale (Note 7.5)	(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 were presented as part of 'impairment charge of property, plant and equipment' and 'restructuring of operations' respectively in Note 2.7.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.7 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							
2024							
Cost							
Beginning of financial year	62,134	226,591	64,582	150,081	27,356	1,712	532,456
Additions	–	–	–	2,511	7,876	15,977	26,364
Reclassifications from investment properties							
– At fair value (Note 3.6)	2,752	4,956	–	–	–	–	7,708
Write-off	–	–	–	–	–	(425)	(425)
Disposals	–	–	(63)	(25,044)	(3,124)	–	(28,231)
Transfers	–	237	298	9,067	–	(9,602)	–
End of financial year	64,886	231,784	64,817	136,615	32,108	7,662	537,872
Accumulated depreciation and accumulated impairment losses							
Beginning of financial year	22,494	104,090	33,038	123,839	18,829	425	302,715
Depreciation charge	789	3,455	4,527	10,180	3,048	–	21,999
Disposals	–	–	(63)	(22,078)	(2,886)	–	(25,027)
Write-off	–	–	–	–	–	(425)	(425)
End of financial year	23,283	107,545	37,502	111,941	18,991	–	299,262
Net book value							
End of financial year	41,603	124,239	27,315	24,674	13,117	7,662	238,610

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.7 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 3.6)	745	(797)	–	–	–	–	(52)
Reclassification to assets held for sale (Note 7.5)	(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 assets held for sale (Note 7.5)	(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

For the financial year ended 31 March 2023, the Group recognised impairment loss amounting to S$1,441,000 mainly attributable to systems and platform costs that are no longer in use.

Material accounting policy information

(a) *Measurement*

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring the asset.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.7 Property, plant and equipment (continued)

Material accounting policy information (continued)

(b) *Depreciation*

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

	Useful lives
Leasehold land	30 to 99 years
Buildings	5 to 50 years
Postal equipment	3 to 20 years
Plant and machinery	3 to 20 years
Motor vehicles	5 to 15 years

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

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

(c) *Subsequent expenditure*

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

(d) *Disposal*

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

(e) *Transfer*

A transfer from property, plant and equipment to investment properties is fair valued at the date of transfer and the difference between fair value and the previous carrying amount is accounted for as an asset revaluation surplus or deficit in equity. Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income, unless there was an impairment loss recognised for the same property in prior years and a portion of the increase is recognised in profit or loss to the extent of that impairment loss. Decreases are recognised in profit or loss for any decrease in excess of the amount included in the revaluation surplus for that property.

Refer to Note 3.6 for the accounting policy on the transfer from investment properties to property, plant and equipment.

(f) *Impairment*

Refer to Note 1.3.5 for the accounting policy on impairment of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.8 Leases (Group as a lessee)

3.8.1 Right-of-use assets

	Properties S$'000	Motor vehicles S$'000	Equipment S$'000	Total S$'000
Group				
2024				
Cost				
Beginning of financial year	**130,342**	**2,151**	**1,363**	**133,856**
Acquisition of subsidiaries (Note 6.3)	**63,300**	–	**6,592**	**69,892**
Additions	**30,680**	**724**	**1,178**	**32,582**
Disposals	**(17,313)**	**(1,269)**	**(389)**	**(18,971)**
Transfers	**24**	**(357)**	**333**	**–**
Currency translation differences	**(956)**	**(5)**	**(89)**	**(1,050)**
End of financial year	**206,077**	**1,244**	**8,988**	**216,309**
Accumulated depreciation				
Beginning of financial year	**59,490**	**1,487**	**1,314**	**62,291**
Depreciation charge	**31,764**	**576**	**529**	**32,869**
Disposals	**(16,060)**	**(1,269)**	**(389)**	**(17,718)**
Transfers	**7**	**(101)**	**94**	**–**
Currency translation differences	**(1,120)**	**6**	**(27)**	**(1,141)**
End of financial year	**74,081**	**699**	**1,521**	**76,301**
Net book value				
End of financial year	**131,996**	**545**	**7,467**	**140,008**
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 3.6)	(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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.8 Leases (Group as a lessee) (continued)

3.8.1 Right-of-use assets (continued)

	Properties S$'000	Motor vehicles S$'000	Equipment S$'000	Total S$'000
Company				
2024				
Cost				
Beginning of financial year	**58,243**	**826**	**344**	**59,413**
Additions	**2,898**	**520**	**25**	**3,443**
Disposals	**(6,439)**	**(825)**	**(185)**	**(7,449)**
End of financial year	**54,702**	**521**	**184**	**55,407**
Accumulated depreciation				
Beginning of financial year	**20,200**	**715**	**239**	**21,154**
Depreciation charge	**12,788**	**304**	**107**	**13,199**
Disposals	**(6,240)**	**(825)**	**(185)**	**(7,250)**
End of financial year	**26,748**	**194**	**161**	**27,103**
Net book value				
End of financial year	**27,954**	**327**	**23**	**28,304**
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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.8 Leases (Group as a lessee) (continued)

3.8.1 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 3.7). 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
2024				
Leasehold land	**52,707**	**1,608**	**41,603**	**789**
Plant and machinery	**3,812**	**193**	**77**	**12**
Total	**56,519**	**1,801**	**41,680**	**801**
2023				
Leasehold land	52,743	1,635	39,640	803
Plant and machinery	4,005	193	89	12
Total	56,748	1,828	39,729	815

3.8.2 Lease liabilities

	Group		Company	
	2024 S$'000	2023 S$'000	**2024 S$'000**	2023 S$'000
Lease liabilities				
– Current	**43,137**	32,152	**11,060**	12,257
– Non-current	**105,532**	47,575	**18,175**	26,859
	148,669	79,727	**29,235**	39,116

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. **OPERATING ASSETS AND LIABILITIES** (continued)

3.8 Leases (Group as a lessee) (continued)

Material accounting policy information

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 Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

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.

The incremental borrowing rate depends on the term, currency and start date of the lease, and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

Lease payments included in the measurement of the Group's lease liabilities comprise mainly of fixed lease.

A right-of-use asset is initially measured at cost comprising the initial lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs and any restoration costs. The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are depreciated over the lease terms commencing from the date of the lease, and are tested for impairment in accordance with the policy as disclosed in Note 1.3.5.

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. Lease liability is remeasured by discounting the revised lease payments using a revised discount rate when there is a change in the lease term upon exercising extension options not previously included in the determination of the lease term. A corresponding adjustment is made to the related right-of-use asset.

3.9 Intangible assets

	Group	
	2024	2023
	S$'000	S$'000
Composition:		
Goodwill on acquisitions (Note (a))	**492,466**	415,659
Customer relationships (Note (b))	**47,197**	21,258
Acquired software licences (Note (c))	**24,743**	15,309
Trademarked brands (Note (d))	**71,856**	48,732
	636,262	500,958

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.9 Intangible assets (continued)

(a) *Goodwill on acquisitions*

	Group	
	2024	2023
	S$'000	S$'000
Cost		
Beginning of financial year	**436,259**	450,720
Acquisition of subsidiaries (Note 6.3)	**78,154**	16,287
Currency translation differences	**(1,347)**	(30,748)
End of financial year	**513,066**	436,259
Accumulated impairment		
Beginning and end of financial year	**(20,600)**	(20,600)
Net book value	**492,466**	415,659

During the year, goodwill arising from acquisition of subsidiaries is allocated to the Group's five (2023: five) cash-generating units or groups of cash-generating units as follows:

	Group	
	2024	2023
	S$'000	S$'000
Quantium Solutions International group	**77,858**	77,858
Famous Holdings group	**86,433**	86,482
Freight Management Holdings group	**260,205**	182,599
Couriers Please Holdings group	**64,702**	65,452
Parcel Santa Pte Ltd	**3,268**	3,268
	492,466	415,659

Material accounting policy information

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 acquisitions of subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses. Goodwill is tested for impairment in accordance with the policy as disclosed in Note 1.3.5(a).

Goodwill on acquisitions of 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.9 Intangible assets (continued)

(b) *Customer relationships*

	Group	
	2024	2023
	S$'000	S$'000
Cost		
Beginning of financial year	**27,651**	29,892
Acquisition of subsidiaries (Note 6.3)	**30,572**	981
Currency translation differences	**9**	(3,222)
End of financial year	**58,232**	27,651
Accumulated amortisation and impairment		
Beginning of financial year	**(6,393)**	(1,535)
Amortisation charge	**(4,642)**	(4,858)
End of financial year	**(11,035)**	(6,393)
Net book value	**47,197**	21,258

Material accounting policy information

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 17 years, which is the expected lives of the customer relationships. Refer to Note 1.3.5(c) on accounting policy for impairment.

(c) *Acquired software licences*

	Group	
	2024	2023
	S$'000	S$'000
Cost		
Beginning of financial year	**18,799**	16,191
Acquisition of subsidiaries (Note 6.3)	**6,726**	193
Additions	**4,732**	4,441
Currency translation differences	**(7)**	(2,026)
End of financial year	**30,250**	18,799
Accumulated amortisation and impairment		
Beginning of financial year	**(3,490)**	(1,163)
Amortisation charge	**(2,017)**	(2,327)
End of financial year	**(5,507)**	(3,490)
Net book value	**24,743**	15,309

Material accounting policy information

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 10 years. Refer to Note 1.3.5(c) on accounting policy for impairment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.9 Intangible assets (continued)

(d) Trademarked brands

	Group 2024 S$'000	2023 S$'000
Cost		
Beginning of financial year	**49,334**	56,082
Acquisition of subsidiaries (Note 6.3)	**23,934**	84
Currency translation differences	**(386)**	(6,832)
End of financial year	**72,882**	49,334
Accumulated amortisation and impairment		
Beginning of financial year	**(602)**	(146)
Amortisation charge	**(424)**	(456)
End of financial year	**(1,026)**	(602)
Net book value	**71,856**	48,732

Trademarked brands with indefinite useful lives amounting to S$35,188,000 (2023: S$35,596,000) and S$35,540,000 (2023: S$11,568,700) are included in the Couriers Please Holdings group and Freight Management Holdings group respectively.

Material accounting policy information

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. Refer to Note 1.3.5(c) on accounting policy for impairment.

The trademarked brands with indefinite useful lives are not amortised and are subsequently tested for impairment annually as disclosed in Note 1.3.5(b).

Key sources of estimation uncertainty

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.9 Intangible assets (continued)

(d) Trademarked brands (continued)

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

	Quantium Solutions International Group	Famous Holdings Group	Freight Management Holdings Group	Couriers Please Holdings Group	Parcel Santa Pte Ltd
2024					
Terminal growth rate	**2.5%**	**1.4%**	**2.3%**	**2.3%**	**2.5%**
Discount rate	**9.3%**	**9.0%**	**10.0%**	**7.8%**	**8.7%**
2023					
Terminal growth rate	2.4%	1.4%	2.3%	2.3%	2.5%
Discount rate	10.6%	10.2%	9.6%	9.4%	9.8%

As at 31 March 2024, 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 carrying amount to exceed the recoverable amount of the related group of CGUs.

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.

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.

No impairment charge is recognised on the Group's goodwill and other intangible assets during the financial years ended 31 March 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.10 Trade and other payables

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Current				
Trade payables				
– Subsidiaries	**–**	–	**42,171**	22,422
– Companies related by a substantial shareholder	**1,218**	268	**1,203**	210
– Non-related parties	**350,344**	371,023	**274,575**	289,950
	351,562	371,291	**317,949**	312,582
Accrual for other operating expenses	**99,480**	91,351	**54,085**	57,907
Contingent consideration payable (Note (a))	**13,196**	28,608	**–**	–
Deferred consideration (Note (a))	**53,703**	–	**–**	–
Provision for restructuring (Note (b))	**379**	379	**–**	–
Provision for reinstatement costs (Note (c))	**2,685**	1,146	**719**	414
Put option redemption liabilities (Note (e))	**–**	66,164	**–**	–
Customers' deposits	**5,557**	5,342	**5,557**	5,342
Collections on behalf of third parties	**5,565**	14,215	**5,565**	14,215
Deposits	**16,603**	16,058	**15,803**	15,291
Other creditors	**56,224**	37,985	**17,009**	10,335
Rental received in advance from substantial shareholder	**691**	–	**691**	–
	605,645	632,539	**417,378**	416,086
Non-current				
Loans from a subsidiary (Note (d))	**–**	–	**602,071**	602,683
Accrual for operating expenses	**7,601**	3,892	**–**	–
Provision for reinstatement costs (Note (c))	**8,347**	9,229	**1,385**	1,882
Put option redemption liabilities (Note (e))	**7,723**	6,663	**–**	–
Post-employment benefits (Note 7.2)	**1,715**	1,832	**–**	–
Rental received in advance from substantial shareholder	**5,682**	–	**5,682**	–
	31,068	21,616	**609,138**	604,565
Total trade and other payables	**636,713**	654,155	**1,026,516**	1,020,651

(a) *Contingent consideration payable / Deferred consideration*

As at 31 March 2024, the fair value of contingent consideration payable and deferred consideration arising from the acquisition of subsidiaries amounted to S$13,196,000 (2023: S$28,608,000) and $53,703,000 (2023: $Nil) respectively. Refer to Note 6.3 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 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.10 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	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**10,375**	10,458	**2,296**	2,362
Additions / (Utilisation)	**657**	(83)	**(192)**	(66)
End of financial year	**11,032**	10,375	**2,104**	2,296

(d) *Loans from a subsidiary*

Loans from a subsidiary are non-trade related, unsecured, interest bearing at 2.83% to 4.65% (2023: 2.83% to 4.65%) per annum and are repayable between 2026 to 2030 (2023: 2026 to 2030).

The fair value of the loans computed based on cash flows discounted at the difference between market and existing borrowing rates of 3.10% to 3.18% (2023: 2.95% to 2.99%) is S$523,226,000 (2023: S$512,756,000). 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 2024 and 2023.

(ii) A put option was granted to the non-controlling shareholders of FMH to sell their remaining interest to the Group, which is exercisable from 1 July 2023 and is recorded at fair value. The put option was exercised during the year and FMH became a wholly-owned subsidiary of the Group.

Details of the valuation technique and inputs used are disclosed in Note 4.2.

Material accounting policy information

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.

Provisions

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.11 Contract liabilities

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Advances received for post assurance collaboration (Note (a))	**7,177**	15,394	**7,177**	15,394
Advance billings (Note (b))	**21,027**	21,820	**18,846**	18,324
	28,204	37,214	**26,023**	33,718
Analysed as:				
Current	**28,204**	30,037	**26,023**	26,541
Non-current	**–**	7,177	**–**	7,177
	28,204	37,214	**26,023**	33,718

(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 2022, contract liabilities amounted to S$44.8 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.

Material accounting policy information

Refer to Note 2.2(a) for the material accounting policy information relating to recognition of revenue and contract liabilities to the above items.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

4.1 Financial instruments by category

The carrying amount of the different categories of financial instruments other than those disclosed in Notes 3.8, 4.3, 4.4 and 5.2 to the financial statements are as follows:

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Financial assets at amortised cost	**739,619**	741,193	**711,584**	712,078
Financial liabilities at amortised cost	**607,706**	550,888	**1,020,143**	1,020,651
Financial liabilities at fair value through profit or loss	**20,919**	101,435	**–**	–

4.2 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 4.4 and 5.2 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

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

The following table presents assets and liabilities measured at fair value and classified by level of the fair value measurement hierarchy as disclosed in Note 1.3.3.

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
2024				
Assets				
Financial assets designated as at FVTOCI	**9,266**	–	**79,304**	**88,570**
Derivative financial instruments	–	**1,882**	**12,526**	**14,408**
Liabilities				
Derivative financial instruments	–	**1,951**	–	**1,951**
Contingent consideration payable	–	–	**13,196**	**13,196**
Put option redemption liabilities	–	–	**7,723**	**7,723**
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
Company				
2024				
Assets				
Derivative financial instruments	–	**402**	–	**402**
Liabilities				
Derivative financial instruments	–	**105**	–	**105**
2023				
Assets				
Derivative financial instruments	–	372	–	372
Liabilities				
Derivative financial instruments	–	1,132	–	1,132

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

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

The following table presents the changes in Level 3 instruments:

	Financial assets at FVTOCI – put option S$'000	Financial assets designated as at FVTOCI S$'000	Contingent consideration payable S$'000	Put option redemption liability S$'000
2024				
Beginning of financial year	**56,879**	**42,076**	**(28,608)**	**(72,827)**
Acquisition of additional interest in a subsidiary	**–**	**–**	**–**	**67,138**
Acquisition of subsidiary (Note 6.3)	**–**	**–**	**(13,103)**	**–**
Fair value gains / (losses) recognised in				
– Profit or loss	**–**	**–**	**1,106**	**(2,592)**
– Other comprehensive income	**(44,353)**	**37,253**	**–**	**–**
Settlement of contingent consideration	**–**	**–**	**25,764**	**–**
Currency translation differences	**–**	**(25)**	**1,645**	**558**
End of financial year	**12,526**	**79,304**	**(13,196)**	**(7,723)**
Total profit / (loss) for the year included in profit or loss for assets and liabilities held at the end of the financial year	**–**	**–**	**1,106**	**(2,592)**
2023				
Beginning of financial year	–	90,631	(7,971)	(249,215)
Acquisition of additional interest in a subsidiary	–	–	(18,696)	174,815
Acquisition of a subsidiary	–	–	(12,925)	–
Fair value gains / (losses) recognised in				
– 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)

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

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

The following table presents the valuation techniques and key inputs that were used to determine the fair value of financial instruments categorised under Level 3 of the fair value hierarchy.

Description	Fair value (S$'000) 2024	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2024	Relationship of unobservable inputs to fair value
Group					
Derivatives – equity option	**12,526** (2023: 56,879)	Discounted cash flow approach	Discount rate	**5.0%** (2023: 2.6%)	The higher the discount rate, the lower the valuation.
Financial assets designated as at FVTOCI	**79,304** (2023: 42,076)	Market approach	Enterprise Value/Revenue multiple of comparable companies	**0.4 – 0.5x** (2023: 0.2 - 0.3x)	The higher the Enterprise Value/Revenue multiple, the higher the valuation.
Put option redemption liabilities	**7,723** (2023: 6,663)	Discounted cash flow approach	Discount rate	**4.60 – 5.15%** (2023: 4.8 - 5.3%)	The higher the discount rate, the lower the valuation.
	Not applicable (2023: 66,164)	Monte Carlo simulation model	EBITDA volatility	**Not applicable** (2023: 20.0%)	The higher the volatility, the higher the valuation.
			Risk-free rate	**Not applicable** (2023: 3.0 - 3.3%)	The higher the risk-free rate, the higher the valuation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.3 Derivative financial instruments

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

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Current asset				
Other non-hedging derivatives				
Currency forwards	**402**	372	**402**	372
Non-current asset				
Hedge instrument relating to cash flow hedge				
Interest rate swaps	**1,480**	–	**–**	–
Hedge instrument relating to fair value hedge				
Equity option	**12,526**	56,879	**–**	–
	14,006	56,879	**–**	–
	14,408	57,251	**402**	372
Current liabilities				
Other non-hedging derivatives				
Interest rate swaps	**–**	(281)	**–**	–
Currency forwards	**(105)**	(1,132)	**(105)**	(1,132)
	(105)	(1,413)	**(105)**	(1,132)
Non-current liability				
Hedge instrument relating to cash flow hedge				
Interest rate swaps	**(1,846)**	–	**–**	–
	(1,951)	(1,413)	**(105)**	(1,132)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.3 Derivative financial instruments (continued)

The following table details the contract notional amounts outstanding at the end of the reporting period and the fair value of the financial derivatives.

	Contract notional amount 2024 S$'000	**Fair value Assets / liabilities 2024 S$'000**	Contract notional amount 2023 S$'000	Fair value Assets / liabilities 2023 S$'000
Group				
Hedge instruments relating to fair value hedge				
Equity option	**	**12,526**	**	56,879
Hedging instruments relating to cash flow hedge				
Interest rate swaps	**239,894**	**(366)**	–	–
Other non-hedging derivatives				
Interest rate swaps	–	–	155,733	(281)
Currency forwards	**128,773**	**297**	138,262	(760)
Total derivative financial instruments	**368,667**	**12,457**	293,995	55,838
Company				
Other non-hedging derivatives				
Currency forwards	**128,773**	**297**	138,262	(760)
Total derivative financial instruments	**128,773**	**297**	138,262	(760)

** The contract notional amount relates to the contracted value of the hedged item determined based on the fixed exercise price under the put and call options arrangement between the Group and an external shareholder.

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.

Equity option

The Group has equity option over its investment in Shenzhen 4PX Information Technology Co., Limited ("4PX") classified as hedging instruments relating to fair value hedge amounting to S$12.5 million (2023: S$56.9 million) which hedges the fair value changes arising from the financial assets designated at FVTOCI (Note 4.4). During the financial year ended 31 March 2024, the fair value loss arising from the hedging instrument is S$44.4 million (2023: fair value gain of S$56.9 million). Details on the valuation technique and inputs used are further disclosed in Note 4.2.

One of the main sources of hedge ineffectiveness in this hedge relationship is the effect of the counterparty's 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.3 Derivative financial instruments (continued)

Equity option (continued)

	Fair value (losses) / gains on hedging instrument S$'000	Carrying amount of hedging Instrument S$'000	Hedged Item	Fair value gains / (losses) on hedged item S$'000	Carrying amount of hedged item S$'000
Group					
2024					
Hedge instruments relating to fair value hedge					
Equity option	**(44,353)**	**12,526**	*Equity investments at FVTOCI*	**37,253**	**79,118**
2023					
Hedge instruments relating to fair value hedge					
Equity option	56,879	56,879	*Equity investments at FVTOCI*	(48,532)	41,865

Interest rate swaps

Under the 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.

The following table details the interest rate swap contracts outstanding at the end of the reporting period.

	2024			**During the period – 2024**			
	Nominal amount S$'000	**Carrying amount – assets S$'000**	**Carrying amount – liabilities S$'000**	**Line item in the statement of financial position where the hedging instrument is included**	**Changes in the value of the hedging instrument recognised in OCI S$'000**	**Amount reclassified from hedging reserve to profit or loss S$'000**	**Line item in profit or loss affected by the reclassification S$'000**
Interest rate risk							
Interest rate swaps	239,894	1,480	(1,846)	Derivative financial instruments	848	(932)	Finance expenses

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.3 Derivative financial instruments (continued)

Material accounting policy information

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 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.

Hedge accounting

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.

(i) *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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.3 Derivative financial instruments (continued)

Material accounting policy information (continued)

Hedge accounting (continued)

(ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Exceptional items' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in other comprehensive income will not be recovered in the future, that amount is immediately reclassified to profit or loss.

(iii) Discontinuation of hedge accounting

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. In respect of fair value hedge, 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. For cash flow hedge, any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

Key sources of estimation uncertainty

Equity option

The Group has a right to a put option ("equity option"), valid till June 2025, to put its equity interest in 4PX to an external shareholder of 4PX at a fixed exercise price. Upon fulfilment of certain conditions (including the completion of a loan capitalisation exercise) 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 fair value of the equity option is derived using the discounted cash flow approach and incorporates the probability of the various contingent events that affect the exercise of the options. Such probabilities are considered as key management judgement and key sources of estimation uncertainty. It is expected that the value of the equity option and the value of 4PX will change in the opposite direction.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.4 Financial assets

		Group	
		2024	2023
		S$'000	S$'000
Financial assets designated as FVTOCI			
– Equity investments – quoted	(i)	**9,266**	–
– Equity investments – unquoted	(ii)	**79,304**	42,076
		88,570	42,076

(i) During the financial year ended 31 March 2024, the Group lost its significant influence over a former associated company, Efficient E-Solutions Berhad. The retained interest is measured at fair value and accounted for as an equity investment measured at FVTOCI amounting to S$9.3 million and is classified within Level 1 of the fair value hierarchy. The fair value gain recognised within other comprehensive income was S$0.8 million.

(ii) The Group carries an investment in 4PX classified as an equity investment designated at FVTOCI amounting to S$79.1 million (2023: S$41.9 million) for which fair value hedge accounting has been applied.

During the financial year ended 31 March 2024, the fair value gain recognised within other comprehensive income was S$37.3 million (2023: fair value loss of S$48.5 million).

Material accounting policy information

The unquoted equity investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with any gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve (Note 5.4(ii)). The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Key sources of estimation uncertainty

Valuation of 4PX

As the fair value of 4PX 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 4.2.

4.5 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 and interest rate swaps to hedge certain financial risk exposures.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Board Risk and Technology 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(a) *Market risk*

(i) *Currency risk management*

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"), 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.

The Group's significant currency exposure is as follows:

	SDR S$'000	AUD S$'000	RMB S$'000
Group			
2024			
Financial assets			
Cash and cash equivalents	–	40,255	537
Trade and other receivables	6,953	133,964	19,945
Other financial assets(1)	–	352	–
Financial assets	–	–	79,118
Derivative financial instruments	–	–	12,526
	6,953	174,571	112,126
Financial liabilities			
Borrowings	–	(477,665)	–
Lease liabilities	–	(127,323)	–
Trade and other payables(2)	(237,306)	(193,789)	(131)
	(237,306)	(798,777)	(131)
Net financial assets / (liabilities)	(230,353)	(624,206)	111,995
Less: Net financial assets / (liabilities) denominated in the respective entities' functional currencies	–	(313,967)	(131)
Less: Currency forwards	(128,668)	–	–
Currency exposure	(101,685)	(310,239)	112,126

(1) Consists of deposits included under "Other current assets" and "Other non-current assets".
(2) Exclude rental received in advance and post-employment benefits.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(a) *Market risk* (continued)

(i) *Currency risk management* (continued)

	SDR S$'000	AUD S$'000	RMB S$'000
Group			
2023			
Financial assets			
Cash and cash equivalents	–	34,966	73
Trade and other receivables	7,428	101,662	28,995
Other financial assets[1]	–	1,187	–
Financial assets	–	–	41,865
Derivative financial instruments	–	–	56,879
	7,428	137,815	127,812
Financial liabilities			
Derivative financial instruments	–	(282)	–
Borrowings	–	(275,020)	–
Lease liabilities	–	(47,221)	–
Trade and other payables[2]	(253,123)	(180,858)	–
	(253,123)	(503,381)	–
Net financial assets/(liabilities)	(245,695)	(365,566)	127,812
Less: Net financial assets / (liabilities) denominated in the respective entities' functional currencies	–	(132,116)	73
Less: Currency forwards	(11,050)	–	–
Currency exposure	(256,745)	(233,450)	127,739

(1) Consists of deposits included under "Other current assets" and "Other non-current assets".
(2) Excludes rental received in advance and post-employment benefits.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(a) *Market risk* (continued)

(i) *Currency risk management* (continued)

The Company's significant currency exposure is as follows:

	SDR S$'000	AUD S$'000	RMB S$'000
Company			
2024			
Financial assets			
Cash and cash equivalents	**–**	**7,280**	**484**
Trade and other receivables	**6,953**	**–**	**19,859**
	6,953	**7,280**	**20,343**
Financial liabilities			
Trade and other payables[1]	**(237,306)**	**–**	**–**
	(237,306)	**–**	**–**
Net financial assets / (liabilities)	**(230,353)**	**7,280**	**20,343**
Less: Currency forwards	**(128,668)**	**–**	**–**
Currency exposure	**(101,685)**	**7,280**	**20,343**
2023			
Financial assets			
Cash and cash equivalents	–	25	–
Trade and other receivables	7,428	–	28,995
	7,428	25	28,995
Financial liabilities			
Trade and other payables[2]	(253,123)	–	–
	(253,123)	–	–
Net financial assets / (liabilities)	(245,695)	25	28,995
Less: Currency forwards	(11,050)	–	–
Currency exposure	(256,745)	25	28,995

(1) Excludes rental received in advance.

The sensitivity rate used represents management's assessment of the reasonably possible change in foreign exchange rates.

If the SDR changes against the SGD by 2% (2023: 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	
	2024 S$'000	2023 S$'000
Group and Company		
SDR against SGD		
– strengthened	**(2,034)**	(5,135)
– weakened	**2,034**	5,135

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk management (continued)

If the AUD changes against the SGD by 4% (2023: 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	
	2024	2023
	S$'000	S$'000
Group		
AUD against SGD		
– strengthened	**(12,410)**	(9,338)
– weakened	**12,410**	9,338
Company		
AUD against SGD		
– strengthened	**291**	1
– weakened	**(291)**	(1)

If the RMB changes against the SGD by 4% (2023: 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	
	2024	2023
	S$'000	S$'000
Group		
RMB against SGD		
– strengthened	**819**	870
– weakened	**(819)**	(870)
Company		
RMB against SGD		
– strengthened	**814**	870
– weakened	**(814)**	(870)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(a) *Market risk* (continued)

(ii) *Interest rate risk management*

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 5.2) which bear interest ranging from 5.6% to 6.7% (2023: 4.9% to 5.1%).

For the financial year ended 31 March 2024, if the interest rate had increased/decreased by 1% (2023: 1%) with all other variables being held constant, profit before tax will decrease/increase by S$1.6 million (2023: S$2.0 million).

(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.

The sensitivity analysis for the quoted equity investment has been determined based on the exposure to equity price risk at the reporting date. If equity price had been 10% higher/lower with all other variables held constant, the Group's other comprehensive income for the year would increase/decrease by S$927,000.

As the unquoted 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 analysis was performed.

Further details of these equity investments and the hedging relationship can be found in Notes 4.3 and 4.4.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(b) *Credit risk management*

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 2024 and 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.

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 2024, trade receivables from a customer represented 9% and 20% (2023: 13% and 27%) of the Group's and Company's trade receivables respectively and contributed revenue of S$173,119,000 (2023: S$174,809,000). The revenue is attributable to the Post and Parcel segment.

Bank deposits are placed in banks which are regulated.

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

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
By geographical areas				
Singapore	**33,678**	54,101	**83,878**	68,519
Australia	**128,795**	95,207	**40**	27
Other countries	**80,947**	74,902	**32,979**	42,672
	243,420	224,210	**116,897**	111,218
By types of customers				
Related parties	**–**	652	**44,465**	31,508
Non-related parties:				
– Government bodies	**3,680**	2,369	**3,680**	2,369
– Banks	**9,006**	6,248	**8,997**	6,230
– Overseas postal administrations	**5,518**	6,291	**5,518**	6,291
– Other companies	**225,216**	208,650	**54,237**	64,820
	243,420	224,210	**116,897**	111,218

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(b) *Credit risk management* (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
2024							
Group							
Trade receivables	3.2	N.A.	(i)	Lifetime ECL (simplified approach)	247,582	(4,162)	243,420
Other receivables	3.2, 3.3	N.A.	(ii)	12m ECL	12,247	–	12,247
Other financial assets	3.5	N.A.	(ii)	12m ECL	7,214	–	7,214
						(4,162)	
Company							
Trade receivables	3.2	N.A.	(i)	Lifetime ECL (simplified approach)	119,064	(2,167)	116,897
Other receivables	3.2,3.3	N.A.	(ii)	12m ECL and lifetime ECL	277,100	(46,366)	230,734
Other financial assets	3.5	N.A.	(ii)	12m ECL	1,580	–	1,580
						(48,533)	
2023							
Group							
Trade receivables	3.2	N.A.	(i)	Lifetime ECL (simplified approach)	226,877	(2,667)	224,210
Other receivables	3.2,3.3	N.A.	(ii)	12m ECL	10,566	–	10,566
Other financial assets	3.5	N.A.	(ii)	12m ECL	10,721	–	10,721
						(2,667)	
Company							
Trade receivables	3.2	N.A.	(i)	Lifetime ECL (simplified approach)	112,425	(1,207)	111,218
Other receivables	3.2,3.3	N.A.	(ii)	12m ECL and lifetime ECL	270,518	(46,366)	224,152
Other financial assets	3.5	N.A.	(ii)	12m ECL	1,637	–	1,637
						(47,573)	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(b) *Credit risk management* (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				
2024				
Group				
Current (not past due)	*****	**159,525**	**–**	**159,525**
1 to 90 days past due	**1.1%**	**56,870**	**(636)**	**56,234**
More than 90 days past due	**11.3%**	**31,187**	**(3,526)**	**27,661**
		247,582	**(4,162)**	**243,420**
Company				
Current (not past due)	*****	**77,402**	**–**	**77,402**
1 to 90 days past due	**4.5%**	**14,276**	**(636)**	**13,640**
More than 90 days past due	**5.6%**	**27,386**	**(1,531)**	**25,855**
		119,064	**(2,167)**	**116,897**
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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(b) *Credit risk management* (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 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	–
Amount written off	(418)	–
Loss allowance recognised in profit or loss during the year	1,913	–
Balance as at 31 March 2024	4,162	–

	Trade receivables S$'000	Loans to subsidiaries S$'000
Company		
Balance as at 1 April 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
Amount written off	(22)	–
Loss allowance recognised in profit or loss during the year	982	–
Balance as at 31 March 2024	2,167	46,366

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(b) *Credit risk management* (continued)

Material accounting policy information

(i) *Trade receivables*

The Group applies the simplified approach in SFRS(I) 9 to measure the lifetime expected credit loss for trade receivables. The loss allowance is estimated using a provision matrix.

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*

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

Key sources of estimation uncertainty

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.

Impairment loss on trade and other receivables recognised in profit or loss amounted to S$1.9 million (2023: reversal of impairment loss of S$0.1 million) for the financial year ended 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(c) *Liquidity risk management*

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				
2024				
Trade and other payables	**(604,954)**	**(16,152)**	**(706)**	**(6,813)**
Lease liabilities	**(52,032)**	**(38,638)**	**(66,579)**	**(42,173)**
Borrowings	**(50,363)**	**(150,100)**	**(514,569)**	**(260,311)**
	(707,349)	**(204,890)**	**(581,854)**	**(309,297)**
2023				
Trade and other payables	(632,539)	(12,348)	(988)	(6,448)
Lease liabilities	(36,284)	(21,315)	(22,134)	(8,351)
Borrowings	(23,178)	(54,667)	(396,025)	(266,636)
	(692,001)	(88,330)	(419,147)	(281,435)
Company				
2024				
Trade and other payables	**(438,995)**	**(24,823)**	**(377,886)**	**(255,364)**
Lease liabilities	**(11,790)**	**(7,905)**	**(11,058)**	**–**
	(450,785)	**(32,728)**	**(388,944)**	**(255,364)**
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)

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the Group's liquidity risk is managed on a net asset and liability basis. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipate that the cash flow will occur in a different period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(c) Liquidity risk management (continued)

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000
Group				
2024				
Cash and cash equivalents	**476,738**	**–**	**–**	**–**
Trade and other receivables	**254,156**	**3,102**	**2**	**133**
Other financial assets	**3,536**	**–**	**–**	**2,949**
	734,430	**3,102**	**2**	**3,082**
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
Company				
2024				
Cash and cash equivalents	**362,373**	**–**	**–**	**–**
Trade and other receivables	**142,436**	**225,983**	**1,979**	**133**
Other financial assets	**1,580**	**–**	**–**	**–**
	506,389	**225,983**	**1,979**	**133**
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

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.

	Group		Company	
	2024 S$'000	2023 S$'000	**2024 S$'000**	2023 S$'000
Less than 1 year				
Gross settled:				
Foreign exchange contracts forward				
– Gross inflow	**128,668**	137,130	**128,668**	137,130
– Gross outflow	**(128,371)**	(137,890)	**(128,371)**	(137,890)
	297	(760)	**297**	(760)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE

5.1 Capital management policies and objectives

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. The Group's overall strategy remains unchanged from 2023.

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	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Net debt / (cash)	**350,395**	128,694	**(362,373)**	(375,071)
Total equity	**1,420,965**	1,374,298	**1,244,310**	1,208,319
Gearing ratio without perpetual securities	**24.7%**	9.4%	**(29.1%)**	(31.0%)
Net debt / (cash) plus perpetual securities	**601,929**	380,198	**(362,373)**	(375,071)
Total equity	**1,420,965**	1,374,298	**1,244,310**	1,208,319
Gearing ratio with perpetual securities	**42.4%**	27.7%	**(29.1%)**	(31.0%)

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 (Note 5.2). The Group is in compliance with externally imposed capital requirements for the financial years ended 31 March 2024 and 2023.

5.2 Borrowings

	Group	
	2024	2023
	S$'000	S$'000
Borrowings	**827,133**	624,390

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

	Group	
	2024	2023
	S$'000	S$'000
Current		
– Borrowings (secured)	**10,319**	1,370
Non-current		
– Borrowings (secured)	**150,128**	39,809
– Borrowings (unsecured)	**666,686**	583,211
	816,814	623,020
	827,133	624,390

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.2 Borrowings (continued)

As at 31 March 2024, secured borrowings comprised external bank loans and are generally secured over the following:

(a) trade receivables with carrying amount of S$106.1 million.

(b) property, plant and equipment with carrying amount of S$105.6 million.

(c) a general security containing first fixed and floating charges over all assets (except assets under lease agreements) and undertakings of FMH and its subsidiaries.

(d) charge of all the subsidiaries' shares held by FMH and its subsidiaries.

As at 31 March 2023, secured borrowings comprised external bank loans and are generally secured over the following:

(a) trade receivables with carrying amount of S$75.5 million.

(b) property, plant and equipment with carrying amount of S$36.2 million.

As at 31 March 2024, the Group's unsecured borrowings consist of S$250 million 10-year Notes, S$100 million 5-year Notes and A$362.1 million (S$318.5 million) 5-year term loan facilities.

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.

Material accounting policy information

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.2 Borrowings (continued)

Fair value of non-current borrowings

	Group 2024 S$'000	Group 2023 S$'000
Non-current		
– Borrowings (secured)	**150,128**	39,809
– Borrowings (unsecured)	**647,991**	551,912
	798,119	591,721

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 4.5(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 2023 S$'000	**Financing cash flows (i) S$'000**	**Acquisition of subsidiaries (Note 6.3) S$'000**	**Foreign exchange movement S$'000**	**Other changes (ii) S$'000**	**31 March 2024 S$'000**
Borrowings	**624,390**	**169,153**	**13,466**	**(2,614)**	**22,738**	**827,133**
Lease liabilities (Note 3.8.2)	**79,727**	**(39,086)**	**69,892**	**1,082**	**37,054**	**148,669**
	704,117	**130,067**	**83,358**	**(1,532)**	**59,792**	**975,802**

			Non-cash changes		
	1 April 2022 S$'000	Financing cash flows (i) S$'000	Foreign exchange movement S$'000	Other changes (ii) S$'000	31 March 2023 S$'000
Borrowings	517,008	110,936	(20,512)	16,958	624,390
Lease liabilities (Note 3.8.2)	83,445	(25,532)	3,183	18,631	79,727
	600,453	85,404	(17,329)	35,589	704,117

(i) The cash flows consist of interest paid and repayments of lease liabilities 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 2024

5. CAPITAL STRUCTURE (continued)

5.3 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 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)**
Issuance of shares	–	**213**	–	**273**
As at 31 March 2024	**2,275,089**	**(25,137)**	**638,762**	**(29,243)**

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

(a) *Treasury shares*

During the financial years ended 31 March 2024, 213,000 treasury shares (2023: 162,000) amounting to S$273,000 (2023: 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, Mrs Fang Ai Lian and Ms. Yasmin Binti Aladad Khan (from 8 February 2024) during the financial year ended 31 March 2024.

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).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.3 Share capital and treasury shares (continued)

(b) Share options (continued)

The principal terms of the Scheme are as follows: (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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.3 Share capital and treasury shares (continued)

(b) *Share options* (continued)

- The share options granted to eligible employees (including executive directors) effective 26 June 2006 to 10 March 2014 have a four-year vesting schedule and the details are as follows:

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

- On 11 May 2012, 17 January 2014, 7 March 2014 and 1 April 2014, performance share options were granted to key management staff. Vesting of these options is based on the Company's performance against a set of stretched targets on the Group's profit and the Company's target share price performance.

- The total number of shares over which options may be granted under the Scheme on any date, when added to the nominal amount of shares issued and issuable and in respect of all options granted under the Scheme, shall not exceed 5.0 per cent of the issued share capital of the Company on the day preceding that date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.3 Share capital and treasury shares (continued)

(b) *Share options* (continued)

Since the adoption of the Scheme to 31 March 2023, a total of 178,687,936 share options have been granted. Details of the options are set out in the Directors' Statement for the respective financial years.

During the financial year ended 31 March 2024, 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 1.4.23 ('000)**	**Granted during financial year ('000)**	**Options exercised ('000)**	**Options forfeited ('000)**	**Balance At 31.3.24 ('000)**
Options Granted Under Singapore Post Share Options Scheme							
For employees (including executive directors)							
17.01.14	18.01.17 to 17.01.24	S$1.350	375	–	–	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	308	–	–	–	308
07.08.14	08.08.15 to 07.08.24	S$1.760	32	–	–	–	32
19.05.15	20.05.16 to 19.05.25	S$1.890	1,197	–	–	290	907
20.05.16	21.05.17 to 20.05.26	S$1.570	966	–	–	50	916
Total Share Options			**3,253**	–	–	**1,090**	**2,163**

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.

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 and was further extended for another 10 years up to 27 June 2033. The Plan allows fully paid shares to be granted to non-executive directors of the Group and associated companies.

Enhancements to have the flexibility to prescribe performance conditions or time-based service conditions were made to the Plan (the "Enhanced Plan") to reinforce the delivery of long-term growth and shareholder value, while ensuring that the Plan remains relevant and sustainable as a retention and motivation tool for senior management and key employees whose contributions are essential to the well-being and prosperity of the Group. The enhancements were duly approved by the shareholders at the Company's annual general meeting ("AGM") held on 28 June 2017.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.3 Share capital and treasury shares (continued)

(b) Share options (continued)

Restricted Share Plan (continued)

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

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

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

Since the adoption of the Plan to 31 March 2023, a total of 5,839,118 restricted shares were granted.

During the financial year ended 31 March 2024, no restricted shares were granted under the Plan. There are no outstanding unvested restricted shares as at the start of the financial year.

Enhanced Plan

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

(a) Performance Share Award; and

(b) Restricted Share Award.

The Performance Share Award, granted to senior management, has three long-term performance measures: Return on Equity, Absolute Total Shareholder Returns and CO2 Reduction from financial year 2018/19 (added measure for Performance Share Award from financial year 2020/21 onwards).

The Restricted Share Award, granted to senior management and a broader group of key executives, has either time-based service conditions or performance conditions of (i) Underlying Net Profit measure or (ii) both Return of Equity and CO2 Reduction from financial year 2018/19 measures.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.3 Share capital and treasury shares (continued)

(b) *Share options* (continued)

Enhanced Plan (continued)

Vesting period of the awards depends on whether time-based service conditions or performance conditions is prescribed.

(i) Time-based service condition is cliff vest at end of three years;

(ii) Performance period for both types of awards is four years. Accelerated vesting may be activated upon early achievement of performance levels in Year 3, to motivate the senior management and key employees in attaining business priorities and shareholder value creation earlier.

The performance conditions for both awards 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 2023, a total of 7,264,569 shares have been granted.

During the financial year ended 31 March 2024, no share was 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 31.3.24 ('000)
31.05.19	591	–	–	591	–
01.06.20	455	–	–	–	455
20.01.22	269	–	–	–	269
03.06.22	1,244	–	–	–	1,244
Total	**2,559**	**–**	**–**	**591**	**1,968**

Restricted Share Awards

Since the adoption of the Enhanced Plan to 31 March 2023, a total of 14,941,136 restricted shares have been granted.

During the financial year ended 31 March 2024, 5,520,424 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 31.3.24 ('000)
31.05.19	881	–	–	881	–
01.06.20	1,354	–	–	136	1,218
20.01.22	768	–	–	36	732
03.06.22	2,567	–	–	331	2,236
08.06.23	–	5,520	–	–	5,520
Total	**5,570**	**5,520**	–	**1,384**	**9,706**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.3 Share capital and treasury shares (continued)

(b) *Share options* (continued)

Enhanced Plan (continued)

***Restricted Share* Awards** (continued)

Of the outstanding options (including Performance Share Option Plan but excluding Restricted Share Plan) for 2,163,000 (2023: 3,253,000) shares, 2,163,000 (2023: 3,253,000) options are exercisable as at 31 March 2024. The weighted average share price during the financial year was S$0.47 (2023: S$0.59).

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	**Restricted Share Awards (ROE)**	**Restricted Share Awards (CER)**	**Restricted Share Awards (Share Price)**
2024			
Total fair value of options granted during financial year	**$418,315**	**$179,278**	**$1,696,329**
Valuation Model	**Monte Carlo Simulation**	**Monte Carlo Simulation**	**Monte Carlo Simulation**
Weighted average share price at the grant dates	**S$0.45**	**S$0.45**	**S$0.45**
Expected volatility	**21.6%**	**21.6%**	**21.6%**
Expected option life	**4 years**	**4 years**	**4 years**
Expected dividend yield	**2.30%**	**2.30%**	**2.30%**

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%

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 2024

5. CAPITAL STRUCTURE (continued)

5.3 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").

Following are the details of the significant inputs into the valuation model to determine fair value of the share incentive granted for the financial year ended 31 March 2023.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.3 Share capital and treasury shares (continued)

(b) *Share options* (continued)

Material accounting policy information

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.

5.4 Other reserves

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
(a) Composition:				
Share option reserve	**11,458**	4,301	**4,976**	4,301
Fair value reserve	**(1,717)**	(27,169)	**(4,561)**	(4,561)
Currency translation reserve	**(26,265)**	(19,414)	**–**	–
Other capital reserve	**(167,974)**	(118,451)	**(75)**	(104)
Asset valuation reserve	**45,573**	45,573	**35,754**	35,754
Hedging reserve	**8,183**	37,540	**–**	–
	(130,742)	(77,620)	**36,094**	35,390

Other reserves are non-distributable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.4 Other reserves (continued)

	Group 2024 S$'000	Group 2023 S$'000	Company 2024 S$'000	Company 2023 S$'000
(b) Movements:				
(i) Share option reserve				
Beginning of financial year	**4,301**	6,115	**4,301**	6,115
Employee share option scheme:				
– Value of employee services	**7,157**	(1,814)	**675**	(1,814)
– Profit and loss (Note 2.3)	**7,392**	(440)	**910**	(440)
– Retained earnings	**(235)**	(1,374)	**(235)**	(1,374)
End of financial year	**11,458**	4,301	**4,976**	4,301
(ii) Fair value reserve				
Beginning of financial year	**(27,169)**	4,863	**(4,561)**	(4,561)
Fair value gain / (loss)	**38,118**	(48,532)	**–**	–
Adjusted for non-controlling interests	**(12,666)**	16,500	**–**	–
End of financial year	**(1,717)**	(27,169)	**(4,561)**	(4,561)
(iii) Currency translation reserve				
Beginning of financial year	**(19,414)**	(8,925)	**–**	–
Disposal / liquidation of foreign subsidiaries	**–**	(34)	**–**	–
Net currency translation differences of financial statements of foreign subsidiaries and associated companies[1]	**(6,744)**	(12,350)	**–**	–
Transfer to profit or loss arising from loss of significant influence in an associated company	**136**	–	**–**	–
Adjusted for non-controlling interests	**(243)**	1,895	**–**	–
End of financial year	**(26,265)**	(19,414)	**–**	–
(iv) Other capital reserve				
Beginning of financial year	**(118,451)**	34,513	**(104)**	–
Additional interest in a subsidiary	**(49,344)**	(152,860)	–	–
Adjustment	**–**	–	**208**	–
Issuance of shares to employee	**(179)**	(104)	**(179)**	(104)
End of financial year	**(167,974)**	(118,451)	**(75)**	(104)

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

(1) 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 2024

5. CAPITAL STRUCTURE (continued)

5.4 Other reserves (continued)

	Group 2024 S$'000	Group 2023 S$'000	Company 2024 S$'000	Company 2023 S$'000
(v) Asset valuation reserve				
Beginning of financial year	**45,573**	45,275	**35,754**	35,754
Revaluation gain on property, plant and equipment and right-of-use assets upon transfer to investment property (Notes 3.7 and 3.8)	**–**	298	**–**	–
End of financial year	**45,573**	45,573	**35,754**	35,754
(vi) Hedging reserve				
Beginning of financial year	**37,540**	–	**–**	–
(Loss) / Gain on fair value hedge of an equity instrument designated at FVTOCI	**(44,353)**	56,879	**–**	–
Change in fair value of interest rate swap designated as cash flow hedge	**(84)**	–	**–**	–
Adjusted for non-controlling interests	**15,080**	(19,339)	**–**	–
End of financial year	**8,183**	37,540	**–**	–

5.5 Perpetual securities

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.

During the financial year, distributions to perpetual securities holders amounted to S$10,905,000 (2023: S$10,726,000).

Material accounting policy information

The perpetual securities do not have a maturity. Subject to the relevant terms and conditions in the offering memorandum, the Group 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. 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 as the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 *Financial Instruments: Presentation*. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.6 Dividends

	2024 S$'000	2023 S$'000
Ordinary dividends paid		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 0.4 cents per share (2023: 1.3 cents)	**9,000**	29,247
Interim exempt (one-tier) dividend paid in respect of the first half of the current financial year of 0.18 cents per share (2023: 0.18 cents)	**4,050**	4,049
	13,050	33,296

Final dividend

At the Annual General Meeting on 24 July 2024, the Board will be recommending a final exempt (one-tier) dividend of 0.56 cents per ordinary share amounting to S$12.6 million for the financial year ended 31 March 2024. Including the interim dividend of 0.18 cents per share paid out in November 2023, total dividend would amount to 0.74 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 2025.

The underlying net profit is defined as net profit before exceptional items (Note 2.7). The Group's underlying net profit for the financial year ended 31 March 2024 amounted to S$41,500,000 (2023: S$32,384,000).

Material accounting policy information

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

6. GROUP STRUCTURE

6.1 Investments in subsidiaries

	Company	
	2024 S$'000	2023 S$'000
Equity investments at cost		
Beginning of financial year	**379,099**	379,367
Investment written off	**–**	(268)
	379,099	379,099
Less: Allowance for impairment	**(17,786)**	(17,786)
End of financial year	**361,313**	361,313

Details of the subsidiaries are included in Note 6.4. The proportion of ownership interest held by the Group does not differ from the proportion of voting rights held by the Group.

During the preceding financial year, the Company wrote off allowance for impairment amounting to S$268,000 against the cost of investment in a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.1 Investment in subsidiaries (continued)

Carrying value of non-controlling interests

	2024 S$'000	2023 S$'000
Quantium Solutions International Pte Ltd ("QSI")	**33,264**	36,792
Freight Management Holdings Pty Ltd ("FMH")**	**–**	8,744
Other subsidiaries with immaterial non-controlling interests	**4,219**	5,893
	37,483	51,429
Less: Put option liability to acquire non-controlling interests**	**–**	(58,819)
Total	**37,483**	(7,390)

** The Group completed the acquisition of remaining shareholdings in FMH during the current financial year (Note 1.5).

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		FMH
	2024 S$'000	2023 S$'000	2023 S$'000
Current			
Assets	**48,658**	46,088	95,964
Liabilities	**(46,419)**	(42,027)	(83,967)
Total current net assets	**2,239**	4,061	11,997
Non-current			
Assets	**96,888**	106,676	132,036
Liabilities	**(1,291)**	(2,525)	(71,163)
Total non-current net assets	**95,597**	104,151	60,873
Net assets	**97,836**	108,212	72,870

Summarised income statement

	QSI 2024	QSI 2023	FMH 2023
Revenue	**91,683**	89,075	595,301
(Loss) / Profit before income tax	**(5,067)**	(17,941)	46,613
Income tax credit / (expense)	**317**	(234)	(13,158)
(Loss) / Profit after tax	**(4,750)**	(18,175)	33,455
Other comprehensive (loss) / income	**(5,625)**	13,810	(2,603)
Total comprehensive (loss) / income	**(10,375)**	(4,365)	30,852
Total comprehensive (loss) / income allocated to non-controlling interests	**(3,528)**	(1,484)	15,117
Dividends paid to non-controlling interests	**–**	–	6,577

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.1 Investment in subsidiaries (continued)

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

Summarised cash flows

	QSI		FMH
	2024	2023	2023
	S$'000	S$'000	S$'000
Cash generated from operations	**10,512**	7,562	38,485
Income tax paid	**(436)**	(453)	(15,237)
Net cash from operating activities	**10,076**	7,109	23,248
Net cash from / (used in) investing activities	**107**	(67)	(8,859)
Net cash (used in) / from financing activities	**(3,328)**	(5,891)	6,213
Net increase in cash and cash equivalents	**6,855**	1,151	20,602
Cash and cash equivalents at beginning of year	**15,718**	14,567	107
Cash and cash equivalents at end of year	**22,573**	15,718	20,709

Material accounting policy information

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.

Details of the Group's subsidiaries and composition of the Group are disclosed in Note 6.4.

(i) *Basis of consolidation*

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) *Transactions with non-controlling interests*

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.1 Investment in subsidiaries (continued)

Material accounting policy information (continued)

(iii) 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.

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

6.2 Investments in associated companies and joint ventures

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Investments in associated companies (Note (a))	**23,107**	31,939	**21,891**	21,891
Investment in joint ventures (Note (b))	**–**	10	**–**	–
	23,107	31,949	**21,891**	21,891

(a) Associated companies

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Equity investment at cost			**21,891**	21,891
Beginning of financial year	**31,939**	34,072		
Loss of significant influence from dilution of interest in an associated company (Note (i))	**(8,402)**	–		
Reversal of impairment loss in an associated company (Note (ii))	**2,762**	–		
Share of (loss) / profit	**(1,543)**	23		
Dividends received	**(293)**	–		
Currency translation differences	**(1,356)**	(2,156)		
End of financial year	**23,107**	31,939		

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.2 Investments in associated companies and joint ventures (continued)

(a) Associated companies (continued)

(i) During the financial year ended 31 March 2024, the Group lost its significant influence over a former associated company and recognised a loss on deemed disposal amounting to S$136,000. The retained interest is measured at fair value and accounted for as an equity investment measured at FVTOCI (Note 4.4). The loss on deemed disposal was included in "Exceptional items" (Note 2.7) and is calculated as follows:

	2024 **S$'000**
Fair value of investment in associated company	**8,402**
Less: Carrying amount of the investment on date of loss of significant influence	**(8,402)**
Less: Currency translation reserve transferred to profit or loss arising from loss of significant influence	**(136)**
Loss on deemed disposal of investment in an associated company	**(136)**

(ii) During the financial year ended 31 March 2024, the Group reversed an impairment loss of S$2,762,000 against the carrying amount of its investment in an associated company, being the difference between the carrying amount of the Group's investment and the recoverable amount. The recoverable amount is determined based on the quoted market price of the associated company.

The Group's investments in associated companies include investments in listed associated companies with a carrying value of S$19,962,000 (2023: S$27,845,000), for which the published price quotations are S$33,978,000 (2023: S$49,755,000) at the end of the reporting period and is classified within Level 1 of the fair value hierarchy.

There are no contingent liabilities relating to the Group's interest in the associated companies.

The Group's investments in associates are not individually material. Details of associated companies are disclosed in Note 6.4.

(b) Joint ventures

The Group's investments in joint ventures are not individually material. Details of joint ventures are disclosed in Note 6.4.

Material accounting policy information

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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.2 Investments in associated companies and joint ventures (continued)

(b) *Joint ventures* (continued)

Material accounting policy information (continued)

Equity method of accounting

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

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.

6.3 Acquisition of subsidiaries

2024

On 1 March 2024, the Group acquired 100% shares and voting interest in M J Luff Pty Ltd through its subsidiary, FMH. M J Luff Pty Ltd is an investment holding company that owns 100% of the shares of Border Express Pty Ltd ("BEX") and Yandilla Pty Ltd ("Yandilla"), and operate under the trading name "Border Express". Border Express offers courier and logistics services and occupies a national network that captures all States and Territories of Australia.

The initial accounting for the acquisition of Border Express has only been provisionally determined at 31 March 2024. The necessary purchase price allocations and other calculations had not been finalised and they have therefore only been provisionally determined based on the management's best estimate of the likely values.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.3 Acquisition of subsidiaries (continued)

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:

		S$'000
(i)	*Purchase consideration*	
	Cash paid to vendor	104,820
	Deferred consideration	53,324
	Contingent consideration (Note (iv))	13,103
	Total purchase consideration	171,247
(ii)	*Effect on cash flows of the Group*	
	Effect on cash flows of the Group	104,820
	Less: Cash and cash equivalent balances acquired	(7,090)
	Cash outflow on acquisition	97,730
(iii)	*Identifiable assets acquired and liabilities assumed, at fair value*	
	Current assets	
	Cash and cash equivalents	7,090
	Trade and other receivables	32,048
	Inventories	484
	Other current assets	2,458
		42,080
	Non-current assets	
	Property, plant and equipment	62,998
	Intangible assets	61,232
	Right-of-use assets	69,892
		194,122
	Current liabilities	
	Trade and other payables	34,893
	Current income tax liabilities	2,753
	Lease liabilities	13,261
	Borrowings	8,006
		58,913
	Non-current liabilities	
	Trade and other payables	3,045
	Borrowings	5,460
	Lease liabilities	56,631
	Deferred tax liabilities	19,060
		84,196
	Total identifiable assets acquired and liabilities assumed	93,093
	Add: Provisional goodwill arising on acquisition (Note (v))	78,154
	Consideration	171,247

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.3 Acquisition of subsidiaries (continued)

(iv) Contingent consideration

The contingent consideration is dependent on the earned revenue from services provided to qualifying customers within a stipulated period.

(v) Provisional goodwill arising from acquisition

The provisional goodwill of S$78,154,000 arising from the acquisition is attributable to the synergies expected to arise from combining the operations of the Group with Border Express to expand the Group's logistics network and deliver enhanced value to its customers and partners.

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

(vi) Acquisition-related costs

Acquisition-related costs of S$2,171,000 are included in "Exceptional items" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

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

Border Express contributed S$29,561,000 revenue and a net profit of S$909,000 to the Group's profit for the period between the date of acquisition and the reporting date.

If the acquisition of Border Express had been completed on the first day of the financial year, consolidated revenue and consolidated net profit for the year ended 31 March 2024 would have increased by S$343,643,000 and S$28,065,000 respectively.

2023

During the preceding 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.3 Acquisition of subsidiaries (continued)

2023 (continued)

Details at the acquisition date of the consideration paid, the fair value amounts of assets acquired and liabilities assumed, and the effects on the cash flows of the Group, are as follows:

		Parcel Santa S$'000	Spectrum Group S$'000
(i)	*Purchase consideration*		
	Cash paid to vendor	5,224	3,796
	Contingent consideration (Note (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 (v))	3,268	13,019
	Consideration	5,224	16,721

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.3 Acquisition of subsidiaries (continued)

2023 (continued)

(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 costs

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

(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.

Material accounting policy information

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.3 Acquisition of subsidiaries (continued)

Material accounting policy information (continued)

When the consideration transferred by the group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

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

Acquisition-related costs are expensed as incurred.

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

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

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

Refer to Note 3.9 for the subsequent accounting policy on goodwill.

Key sources of estimation uncertainty

Purchase price allocation and estimated contingent consideration

SFRS(I) 3 Business Combinations requires the Group to recognise the identified assets and liabilities at fair value at the date of acquisition, with the excess of the acquisition cost over the identified fair value of recognised assets and liabilities as goodwill. Significant judgement is applied in the identification of any intangible assets acquired and contingent liabilities assumed in the transaction. Significant assumptions and estimates are also used in the determination of the fair values of the identified assets acquired and liabilities assumed.

The assessment of contingent consideration in respect of business acquisitions requires significant management judgment in determining the future results of the acquired business which has a direct impact on the magnitude of contingent consideration to be recognised.

The Group completed its acquisitions of MJ Luff Pty Ltd during the current financial year (2023: Parcel Santa and Spectrum Group). Details are further disclosed above.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.4 Listing of companies in the Group

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group **2024** %	by the Group 2023 %	by the NCI **2024** %	by the NCI 2023 %
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	**–**	–
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 Logistics (Shenzhen) Limited[1]	Provision of logistics services	China	**100**	–	**–**	–
Quantium Solutions (Taiwan) Co., Ltd.	Provision of delivery services and eCommerce logistics solutions	Taiwan	**100**	100	**–**	–
Quantium Solutions International Pte. Ltd.	Investment holding, provision of management and consultancy services to related entities	Singapore	**66**	66	**34**	34

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.4 Listing of companies in the Group (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2024 %	by the Group 2023 %	by the NCI 2024 %	by the NCI 2023 %
SUBSIDIARIES						
Held by subsidiaries						
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(6)	Dormant	India	**66**	66	**34**	34
Quantium Express Solutions (India) Private Limited(6)	Dormant	India	**66**	66	**34**	34
PT Quantium Solutions Logistics Indonesia+	Provision of delivery services and eCommerce logistics solutions	Indonesia	**44**	44	**56**	56
Quantium Solutions (Japan) Inc.(1)	Provision of delivery services and eCommerce logistics solutions	Japan	**66**	66	**34**	34
Quantium Solutions International (Malaysia) Sdn. Bhd.	Provision of delivery services and eCommerce logistics solutions	Malaysia	**66**	66	**34**	34
Quantium Solutions (New Zealand) Pty Limited(1)	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	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.4 Listing of companies in the Group (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2024 %	by the Group 2023 %	by the NCI 2024 %	by the NCI 2023 %
SUBSIDIARIES (continued) Held by subsidiaries (continued)						
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	**100**	88	**–**	12
efm Logistics Pty Ltd	Provision of logistics consulting and warehousing services	Australia	**100**	88	**–**	12
LHA Network Services Pty Ltd	Provision of logistics consulting and warehousing services	Australia	**100**	88	**–**	12
Logistics Holdings Australia Pty Ltd	Provision of logistics services	Australia	**100**	88	**–**	12
Logistics Holdings Industrial Pty Ltd	Provision of logistics services	Australia	**100**	88	**–**	12
BagTrans Group Pty Ltd	Investment holding	Australia	**100**	88	**–**	12
BagTrans Logistics Pty Ltd	Investment holding	Australia	**100**	88	**–**	12
BagTrans Pty Limited	Provision of logistics services	Australia	**100**	88	**–**	12
BTH2 Pty. Limited	Provision of logistics services	Australia	**100**	88	**–**	12
BagTrans Holdings Pty Limited	Provision of logistics services	Australia	**100**	88	**–**	12
BagTrans Operations (Depot) Pty Ltd	Provision of logistics services	Australia	**100**	88	**–**	12

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.4 Listing of companies in the Group (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group **2024** %	by the Group 2023 %	by the NCI **2024** %	by the NCI 2023 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
BagTrans Operations (Local) Pty Ltd	Provision of logistics services	Australia	**100**	88	**–**	12
BagTrans Operations (Management) Pty Ltd	Provision of management and consultancy services to related entities	Australia	**100**	88	**–**	12
Flemington Fields Pty Ltd	Provision of logistics services	Australia	**100**	88	**–**	12
Otway Logistics Pty Ltd	Investment holding	Australia	**100**	88	**–**	12
Niche Logistics Pty Ltd	Provision of freight logistics services	Australia	**100**	88	**–**	12
Flip Group Technologies Pty Ltd	Provision of management and system support related services to its related entities	Australia	**100**	88	**–**	12
Flip Technologies Pty Ltd	Provision of management and system support related services to its related entities	Australia	**100**	88	**–**	12
Andromeda Nominees Pty. Ltd.	Provision of logistics services	Australia	**100**	88	**–**	12
Spectrum Transport Consol 1 Pty Ltd	Investment holding	Australia	**100**	88	**–**	12
Spectrum Transport QLD Pty Ltd	Provision of logistics services	Australia	**100**	88	**–**	12
Spectrum Transport NSW Pty Ltd	Provision of logistics services	Australia	**100**	88	**–**	12
Spectrum Transport VIC Pty Ltd	Provision of logistics services	Australia	**100**	88	**–**	12

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.4 Listing of companies in the Group (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2024 %	by the Group 2023 %	by the NCI 2024 %	by the NCI 2023 %
SUBSIDIARIES (continued) Held by subsidiaries (continued)						
Spectrum Transport Equipment Pty Ltd	Provision of logistics services	Australia	**100**	88	**–**	12
M J Luff Pty Ltd	Investment holding	Australia	**100**	–	**–**	–
Border Express Pty Ltd	Provision of logistics services	Australia	**100**	–	**–**	–
Yandilla Pty Ltd	Provision of logistics services	Australia	**100**	–	**–**	–
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	**–**	–
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(3)	Freight forwarding	New Zealand	**100**	100	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.4 Listing of companies in the Group (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2024 %	by the Group 2023 %	by the NCI 2024 %	by the NCI 2023 %
SUBSIDIARIES (continued) Held by subsidiaries (continued)						
Mercury Worldwide (NZ) Limited[7]	Dormant	New Zealand	**–**	100	**–**	–
F.S. Mackenzie Limited[3]	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 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	–	–
TradeGlobal Asia Holdings Limited[3]	Investment holding	Hong Kong	**100**	100	–	–
Parcel Santa Pte. Ltd.[3]	Provision of eCommerce logistics solutions	Singapore	**100**	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.4 Listing of companies in the Group (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2024 %	2023 %
ASSOCIATED COMPANIES				
Held by the Company				
GDEX Berhad^	Investment holding	Malaysia	**12.27**	12.27
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	**15.92**	20.81
Morning Express & Logistics Limited(5)	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(8)	Provision of management consultancy services	Singapore	**–**	33.33

Notes

All companies as at 31 March 2024 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 2024
(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. Ceased to be an associate of the Company with effect from 7 March 2024.
(5) Audited by HKCMCPA Company Limited
(6) Placed under members' voluntary liquidation since financial year ended 31 March 2021
(7) Deregistered during the financial year ended 31 March 2024
(8) Struck off pursuant to Section 344A of the Companies Act 1967 of Singapore during the financial year ended 31 March 2024
+ 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

7. OTHERS

7.1 Holding company and 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	
	2024	2023
	S$'000	S$'000
Services received from associated companies	**(866)**	(6,765)
Services rendered to related companies of a substantial shareholder	**15,352**	11,974
Sale of property, plant and equipment to a substantial shareholder	**4,500**	–
Services received from related companies of a substantial shareholder	**(14,928)**	(14,526)
Interest received from loans to associated companies	**–**	17

During the financial year ended 31 March 2024, the Company made payments on behalf of subsidiaries totalling S$1.0 million (2023: S$2.0 million) which were subsequently reimbursed.

Outstanding balances at 31 March 2024, 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 3.2 and 3.10 respectively.

(b) *Key management personnel compensation is as follows:*

	Group	
	2024	2023
	S$'000	S$'000
Salaries and other short-term employee benefits	**6,301**	5,421
Post-employment benefits	**111**	92
Share-based staff costs	**2,031**	806
	8,443	6,319

Included in the above is total compensation to non-executive directors of the Company amounting to S$1,207,970 (2023: S$1,240,410) 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.

The total key management personnel compensation reflects the compensation of these 6 executive key management positions (2023: 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).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

7. OTHERS (continued)

7.2 Post-employment benefits

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

	Group	
	2024	2023
	S$'000	S$'000
The amount recognised in the statement of financial position is determined as follows:		
Present value of unfunded obligations (Note 3.10)	**1,715**	1,832
The amounts recognised in profit or loss are as follows:		
Current service cost	**498**	546
Interest cost	**23**	12
	521	558
Beginning of financial year	**1,832**	1,725
Current service cost	**498**	546
Interest cost	**23**	12
Benefits paid	**(431)**	(278)
Currency translation differences	**(207)**	(173)
End of financial year	**1,715**	1,832
The significant actuarial assumptions used were as follows:		
Discount rate	**1.7%**	0.8%
Retirement age	**60**	60
Salary growth rates	**2.8%**	3.0%
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)

Material accounting policy information

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 (Note 3.10) in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

7. **OTHERS** (continued)

7.3 Commitments

(a) Capital commitments

Capital expenditures contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Property, plant and equipment	**22,402**	15,334	**2,728**	6,189

(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 2024, the Group is committed to S$0.7 million (2023: S$0.7 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**
2024		
Maturity analysis:		
Year 1	**57,836**	**56,056**
Year 2	**48,147**	**47,277**
Year 3	**32,264**	**31,892**
Year 4	**12,757**	**12,649**
Year 5	**3,264**	**3,264**
	154,268	**151,138**
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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

7. OTHERS (continued)

7.3 Commitments (continued)

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

Material accounting policy information

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.

7.4 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, applied one out of several computation methodologies that were submitted by the parties within the parameters of the 1st Partial Award for the 1st Arbitration, and which would entail the Company paying the Claimant for his 37.5% shares in FHPL at a fair value.

On 28 July 2023, the tribunal issued a further partial award in respect of the 1st Arbitration (the "3rd Partial Award for the 1st Arbitration") pursuant to which it directed, *inter alia*, that the final valuation of FHPL is S$61,707,965, calculated in accordance with the tribunal's determination in the 2nd Partial Award for the 1st Arbitration, which meant that the additional amount to be paid by the Company to the Claimant is S$1,707,965, after taking into account the S$60,000,000 already paid by the Company to the Claimant. The tribunal made further directions for, *inter alia*, the transfer by the Claimant of the 37.5% shares in FHPL to the Company or its nominee, and the payment by the Company of S$1,707,965 to FHPL towards repayment of an outstanding loan amount owed by the Claimant to FHPL (the "Claimant Loan").

The transfer of the 37.5% shares in FHPL to the Company's wholly-owned subsidiary, SingPost Logistics Investments Pte. Ltd. ("SPLI"), and the payment of S$1,707,965 by the Company to FHPL to partially offset the Claimant Loan were completed on 2 October 2023. The financial effects arising from the payment have been reflected in the consolidated income statement for the full year ended 31 March 2024 and statements of financial position as at 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

7. OTHERS (continued)

7.4 Contingent liabilities (continued)

2nd Arbitration

In addition to the 1st Arbitration, a second arbitration was commenced by the Claimant against FHPL and SPLI on 15 and 16 September 2021 (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 a Final Partial Award dismissing all of the Claimant's claims against SPLI and FHPL in the 2nd Arbitration (the "Final Partial Award in the 2nd Arbitration"). The Final Partial Award in the 2nd Arbitration was declared as immediately enforceable.

3rd Arbitration

A third arbitration was separately commenced by the Claimant against SPLI on 22 February 2022 (the "3rd Arbitration"), in which the Claimant alleged breaches of the 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$16,514,119 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$13,996,884 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 (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. On 8 May 2023, the arbitral tribunal in the 1st Arbitration directed that the 4th Arbitration be consolidated with the 1st Arbitration.

5th Arbitration

On 17 May 2023, the Claimant served a new notice of arbitration on the Company (the "5th Arbitration"). In the Notice of Arbitration, the Claimant had sought, among others, declarations regarding his purported legal and beneficial ownership of the 37.5% shares in FHPL and his fiduciary duties to the Company in respect of the 37.5% shares in FHPL, and alleged that in the event that he is no longer the beneficial owner of the 37.5% shares in FHPL, the Company is estopped by representation/conduct from making any claim against him in relation to the 37.5% shares in FHPL and/or the manner in which he had exercised rights available under the 37.5% shares in FHPL from the date of exercise of his put option to the closing date specified in his put option exercise notice.

Findings regarding (among others) the Claimant's beneficial ownership of the 37.5% shares in FHPL had previously been made in the arbitration proceedings commenced by the Claimant against SPLI and FHPL (viz., the 2nd Arbitration), in which the Claimant had claimed (among others) a purported entitlement to dividends under the 37.5% shares in FHPL. All of the Claimant's claims against SPLI and FHPL in the 2nd Arbitration were dismissed under the Final Partial Award in the 2nd Arbitration.

Given the nature of the relief being sought by the Claimant in the 5th Arbitration, which does not include any claim for damages or other monetary relief, the potential financial impact of the 5th Arbitration cannot be quantified at this stage.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

7. OTHERS (continued)

7.4 Contingent liabilities (continued)

Claimant Loan (Note 3.3)

Apart from the above, the Group had an outstanding loan to the Claimant (viz., the Claimant Loan) amounting to S$3,102,035 as at 31 March 2024 (31 March 2023: S$4,810,000).

The Company will, in consultation with its advisors, continue to evaluate the various courses of action available to the Group.

7.5 Assets classified as held for sale

As at 31 March 2023, the Group and Company had a property which land had 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 3.6)	10,914
Property, plant and equipment (Note 3.7)	786
	11,700

The disposal was completed on 30 June 2023 and a gain on disposal of assets held for sale of S$0.9 million was recognised in "Exceptional items" (Note 2.7). The assets classified as held for sale were included in Property segment for the purpose of segmental reporting.

Material accounting policy information

Non-current assets 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 classified as held as sale (other than investment property measured at fair value) are generally measured at the lower of their carrying amount and fair value less costs to sell.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

7. OTHERS (continued)

7.6 Pronouncements issued but not yet effective

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements were issued but not effective and are applicable to the Group and the Company.

Effective for annual periods beginning on or after 1 April 2024

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*

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

Management anticipates that the adoption of the amendments to SFRS(I) 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 noncurrent). 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.

SGX LISTING MANUAL REQUIREMENTS

For the Financial Year Ended 31 March 2024

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*

	2024 S$'000	2023 S$'000
Fees on audit services paid / payable to :		
– Auditor of the Company*	**1,712**	1,510
– Other auditor	**264**	255
Fees on non-audit services paid / payable to :		
– Auditor of the Company*	**67**	64
– Other auditor	**–**	3
	2,043	1,832

* 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 2024

4. INTERESTED PERSON TRANSACTIONS

During the full year ended 31 March 2024, 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$100,000)	
		2024 S$'000	2023 S$'000	**2024 S$'000**	2023 S$'000
Sales					
Singapore Telecommunications Group	Each interested person is an associate of Singapore Post Limited's controlling shareholder, Temasek Holdings (Private) Limited	**–**	–	**34,728***	12,625*
Starhub Group		**–**	–	**–**	140
		–	–	**34,728**	12,765
Purchases					
CapitaLand Group	Each interested person is an associate of Singapore Post Limited's controlling shareholder, Temasek Holdings (Private) Limited	**–**	–	**1,170***	3,679*
Harbourfront Centre Pte Ltd		**–**	–	**538***	–
Sembcorp Group		**–**	–	**74,000***	13,782*
Singapore Telecommunications Group		**–**	–	**3,158***	28,304**
SMRT Corporation		**–**	–	**144***	–
Starhub Group		**–**	–	**119**	–
		–	–	**79,129**	45,765
Total interested person transactions		**–**	–	**113,857**	58,530

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.

** include contracts that were terminated amounting to S$5,375,000 (A$6,110,000)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Gan Chee Yen	Yasmin Binti Aladad Khan
Date of Appointment	31 October 2023	1 January 2024
Date of last re-appointment (if applicable)	N.A.	N.A.
Age	65	66
Country of Principal Residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Mr Gan 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 83 to 85 of the Annual Report.	Ms Yasmin has continued to discharge her duties well and to positively contribute to the Company. For more details on the NCGC's evaluation process, please refer to Principle 4: Board Membership on Pages 83 to 85 of the Annual Report.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive, Independent Director Member of the Audit Committee Member of the Nominations and Corporate Governance Committee Member of the Board Risk and Technology Committee	Non-Executive, Independent Director Member of the Finance and Investment Committee Member of the Compensation Committee Member of the Board Sustainability Committee
Professional qualifications	Bachelor of Accountancy, National University of Singapore Chartered Accountant (Singapore), Institute of Singapore Chartered Accountants Programme for Management Development, Harvard Business School, United States	Master of Business Administration, Aston University, Birmingham, United Kingdom

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Elizabeth Kong Sau Wai	Lim Cheng Cheng	Fang Ai Lian
10 October 2016	1 April 2017	10 October 2016
15 July 2021	21 July 2022	21 July 2022
42	52	74
Singapore	Singapore	Singapore
Ms Kong has continued to discharge her duties well and to positively contribute to the Company. For more details on the NCGC's evaluation process, please refer to Principle 4: Board Membership on Pages 83 to 85 of the Annual Report.	Ms Lim has continued to discharge her duties well and to positively contribute to the Company. For more details on the NCGC's evaluation process, please refer to Principle 4: Board Membership on Pages 83 to 85 of the Annual Report.	Mrs Fang has continued to discharge her duties well and to positively contribute to the Company. For more details on the NCGC's evaluation process, please refer to Principle 4: Board Membership on Pages 83 to 85 of the Annual Report.
Non-Executive	Non-Executive	Non-Executive
Non-Executive, Independent Director Member of the Board Sustainability Committee Member of the Finance and Investment Committee Member of the Nominations and Corporate Governance Committee	Non-Executive, Non-Independent Director Member of the Finance and Investment Committee	Non-Executive, Lead Independent Director Chairman of the Audit Committee Chairman of the Nominations and Corporate Governance Committee Member of the Compensation Committee
Double First in Law, Cambridge University	Chartered Accountant, Institute of Singapore Chartered Accountants Master of Business Administration, University of Chicago Booth School of Business Bachelor of Accountancy, Nanyang Technological University	Fellow, Institute of Chartered Accountants in England and Wales Fellow, Institute of Singapore Chartered Accountants

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Gan Chee Yen	Yasmin Binti Aladad Khan
Working experience and occupation(s) during the past 10 years	V3 Capital Investments Pte. Ltd. (2022 to present): Chairman and Director Pacific International Lines (Private) Limited (2020 to 2022): Co-President and Executive Director Fullerton Financial Holdings (International) Pte. Ltd. (2011 to 2019): Chief Executive Officer and Executive Director	DHL Express (Singapore) Pte. Ltd. (2020 to 2023): Executive Vice President, Commercial, Asia Pacific, Singapore DHL Express (2015 to 2019): Managing Director, Emerging Markets and Executive Vice President DHL Express (2014 to 2015): Senior Vice President, Southeast Asia and South Asia
Shareholding interest in the listed issuer and its subsidiaries?	Yes	No
Shareholding Details	Direct interest – 10,000 ordinary shares in Singapore Post Limited ("**SingPost**") Deemed interest – 2,000 ordinary shares in SingPost	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Elizabeth Kong Sau Wai	Lim Cheng Cheng	Fang Ai Lian
3M Innovation Singapore (2023 to present): Asia General Counsel (Safety and Industrial, Transportation and Electronics and Enterprise Supply Chain) 3M Innovation Singapore (2022 to 2023): Asia General Counsel (Transportation and Electronics Business Group) 3M Innovation Singapore (2020 to 2022): Asia General Counsel (Enterprise Operations) Clifford Chance Pte Ltd (2017 to 2020): Counsel Morgan Lewis Stamford LLC (2015 to 2017): Director Stamford Law Corporation (2007 to 2015): Director (2011 to 2015)	Singapore Telecommunications Limited ("**Singtel**") (2021 to present): Group Chief Corporate Officer Singtel (2015 to 2021): Group Chief Financial Officer Singtel (2014 to 2015): Deputy Group Chief Financial Officer Singtel (2014): Managing Director, Group Strategic Investments	Various board directorships
No	No	No
Nil	Nil	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Gan Chee Yen	Yasmin Binti Aladad Khan
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	Mr Gan is a non-executive director of Heliconia Capital Management Pte. Ltd. ("Heliconia") and Surbana Jurong Private Limited ("Surbana Jurong"), both of which are subsidiaries of Temasek Holdings (Private) Limited ("Temasek"), a substantial shareholder of SingPost. Mr Gan has confirmed that all his roles in the above companies are non-executive in nature and he is not involved in their day-to-day conduct of business. He is joining the Board of SingPost in his personal capacity and not as a representative of Temasek. He is not under any obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of Temasek in relation to the affairs of Heliconia and/or Surbana Jurong. After assessment, the Board is of the view that the above relationship will not interfere with Mr Gan's independent, judgment and ability to act in the interests of SingPost. On this basis, the Board considers Mr Gan as an independent Director of SingPost.	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Elizabeth Kong Sau Wai	Lim Cheng Cheng	Fang Ai Lian
Nil	Ms Lim is the Group Chief Corporate Officer of Singtel, which is a substantial shareholder of the Company.	Nil
Nil	Nil	Nil
Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Gan Chee Yen	Yasmin Binti Aladad Khan
Other Principal Commitments including Directorships		
Past (for the last 5 years)	• BOC Fullerton Community Bank (Director) • Bank Danamon Indonesia (Board Commissioner) • Bicentennial Fund 1 Pte. Ltd. (Director) • Beyond Lab Pte. Ltd. (Director) • Cambodia Post Bank (Deputy Chairman and Director) • CEI Limited (now known as CEI Pte. Ltd.) (Director) • Draycott Technology Partners Pte. Ltd. (Director) • Dunia Finance LLC (Director) • Fullerton Credit Services (Director) • Fullerton India Credit Company (Director) • Fullerton Financial Holdings Pte. Ltd. (Director) • Fullerton Financial Holdings (International) Pte. Ltd. (Chief Executive Officer and Executive Director) • Fullerton Investment Management Pte. Ltd. (Director) • Fullerton Technology Shanghai (Director) • Pacific International Lines (Private) Limited (Co-President and Executive Director) • PIL Pte. Ltd. (Director) • PIL Enterprises Pte. Ltd. (Director) • PIL Marine Pte. Ltd. (Director) • PIL Reality (Private) Limited (Director) • SGI Capital Management Pte. Ltd. (Director and Shareholder) • ST Asset Management Ltd (Director) • Through Transport Mutual Insurance Association Limited (Director) • V3 Fintech Pte. Ltd. (Senior Advisor)	• Digi.Com Berhad (now known as CelcomDigi Berhad) (Director) • DHL Express (Managing Director, Emerging Markets and Executive Vice President) • DHL Express (Singapore) Pte Ltd (Executive Vice President, Commercial, Asia Pacific, Singapore) • Q Pte. Ltd. (Director) • Italux Pte. Ltd. (Director)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Elizabeth Kong Sau Wai	Lim Cheng Cheng	Fang Ai Lian
• Clifford Chance Pte Ltd (Counsel)	• Singtel Ventures (Singapore) Pte Ltd (Director) • SingCash Pte. Ltd. (Director) • Board of Governors of Raffles Girls' School (Member) • Singtel Group Treasury Pte. Ltd. (Director) • SingNet Pte Ltd (Director) • Optus Australia Investments Pty Limited (Director) • Singapore Telecom Australia Investments Pty Limited (Director) • Singtel Singapore Pte. Ltd. (Director) • Singtel Mobile Singapore Pte. Ltd. (Director) • Digital Games International Pte. Ltd. (Director) • Singtel Services Australia Pty. Limited (Director) • Singtel ICT Pte. Ltd. (Director) • Singtel Enterprise Security Pte. Ltd. (Director) • Singtel Cyber Security (Asia Pacific) Pte. Ltd. (Director) • Singtel Cyber Security (Singapore) Pte. Ltd. (Director) • Singtel Enterprise Security (US), Inc. (Director and Secretary) • InfoCom Holding Company Pte Ltd (Director) • LYKE @ Singtel Pte. Ltd. (Director) • GDL Lifestream Pte. Ltd. (Director) • Singtel Ventures (Cayman) Pte Ltd (Director) • Integrated Digital Mall Pte. Ltd. (Director) • Singtel Digital Media Pte. Ltd. (Director) • Indara Corporation Pty Ltd. (Director) • Indara HoldCo Pty Ltd (Director) • Indara Asset HoldCo Pty Ltd (Director) • Indara Asset Pty Ltd (Director) • Indara BidCo Pty Ltd (Director) • Indara Finance Pty Ltd (Director) • Indara Infrastructure Holdings Pty Ltd (Director)	• Board of Trustees of Singapore University of Technology and Design (Board Member) • Far East Organization Group (Advisor) • Tote Board (Board member) • QBE Asia Advisory Board (Director) • Banyan Tree Holdings Limited (Director) • Jubilant Pharma Limited (Director) • Metro Holdings Limited (Director)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Gan Chee Yen	Yasmin Binti Aladad Khan
Present	Other principal commitment: • V3 Capital Investments Pte. Ltd. (Chairman and Director) Other non-listed companies: • Heliconia Capital Management Pte. Ltd. (Director) • ICHX Tech Pte. Ltd. (Director) • Nomura Singapore Limited (Director) • Surbana Jurong Private Limited (Director) • Mapletree Japan Investment Country Private Trust (Independent Member, Investment Committee)	Other listed company: • PT XL Axiata TBK (Director)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Elizabeth Kong Sau Wai	Lim Cheng Cheng	Fang Ai Lian
	• Indara Inbuilding Solutions Pty Ltd (Director) • Indara Properties Ltd (Director) • Indara Services Pty Ltd (Director) • Structel Pty Ltd (Director) • Indara Administration Pty Ltd (Director) • Indara Corporation Holdings Pty Ltd (Director)	
Other principal commitment: • 3M Innovation Singapore (Asia General Counsel (Safety and Industrial, Transportation and Electronics and Enterprise Supply Chain) Other non-listed company: • Cambridge Assessment Singapore (Director)	Other principal commitment: • Singtel (Group Chief Corporate Officer) Other non-listed companies: • HOOQ Digital Pte. Ltd. *(in creditors' voluntary liquidation)* (Director) • HOOQ Digital Mauritius Private Limited (Director) • HOOQ Holdings Pte. Ltd. (Director) • HOOQ Digital Holdings Pte. Ltd. (Director) • Singtel Australia Investment Ltd. (Director) • Singtel Australia Investment Ltd. (Singapore Branch) (Director and Authorised Representative) • Magenta Investments Limited (Director) • Singtel FinGroup Investment Pte. Ltd. (Director) • Singtel Nex Pte. Ltd. (Director) • Singtel ATN Pte. Ltd. (Director) • SFG Digibank Investment Pte. Ltd. (Director) • Singtel Optus Pty Limited (Director) • Nxera Holdings Pte. Ltd. (Director) • Nxera SG Pte. Ltd. (Director) • Singtel lnnov8 Holdings Pte. Ltd. (Director) • Singtel lnnov8 Ventures Pte. Ltd. (Director) • Singtel lnnov8 Pte. Ltd. (Director) • Digital Gaming Investments Pte. Ltd. (Director) • Nxera TH Pte. Ltd. (Director) • Singtel Land Pte. Ltd. (Director) • Singtel Somerset Pte. Ltd. (Director) • Nxera Investment Holdings Pte. Ltd. (Director) • Singtel Paragon Pte. Ltd. (Director) • Civil Service College (Board Member)	Other principal commitments: • Board of Trustees of the Singapore Business Federation (Chairman) • MediShield Life Council (Chairman) Other listed companies: • Cromwell EREIT Management Pte. Ltd. (Manager of Cromwell European REIT) (Director) Other non-listed companies: • Honour (Singapore) Ltd (Director) • SingHealth Fund Limited (Director)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Gan Chee Yen	Yasmin Binti Aladad Khan
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Elizabeth Kong Sau Wai	Lim Cheng Cheng	Fang Ai Lian
No	No	No
No	Ms Lim is a director of HOOQ Digital Pte. Ltd. ("**HOOQ**"), a joint venture company in which Singtel has indirect 76.5% effective interest. HOOQ commenced creditors' voluntary liquidation on 27 March 2020.	No
No	No	No
No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Gan Chee Yen	Yasmin Binti Aladad Khan
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Elizabeth Kong Sau Wai	Lim Cheng Cheng	Fang Ai Lian
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Gan Chee Yen	Yasmin Binti Aladad Khan
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Elizabeth Kong Sau Wai	Lim Cheng Cheng	Fang Ai Lian
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No

SHAREHOLDING STATISTICS

As at 30 May 2024

No. of Issued Shares	:	2,275,089,525
No. of Issued Shares excluding Treasury Shares	:	2,249,952,645
No. of Treasury Shares held	:	25,136,880
No. of Subsidiary Holdings held	:	Nil
Percentage of the aggregate no. of Treasury Shares and Subsidiary Holdings held	:	1.12%
Class of Shares	:	Ordinary Shares
No. of Shareholders	:	32,920

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.

Substantial Shareholders (as shown in the Register of Substantial Shareholders)	No. of Shares Direct Interest	No. of Shares Deemed Interest
Temasek Holdings (Private) Limited	–	494,795,616[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][4]

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.
(4) The Company received a notification under the Securities and Futures Act 2001 from SoftBank Group Corp. on 7 June 2024 notifying that it became aware on 31 May 2024 that it had ceased to be a substantial shareholder on 30 September 2022. This notification was announced by the Company on SGXNet on 7 June 2024.

ANALYSIS OF SHAREHOLDERS

Range of Shareholdings	No. of Shareholders	%	No. of Shares (Excluding Treasury Shares)	%*
1 – 99	90	0.28	3,309	0.00
100 – 1,000	4,026	12.23	3,705,360	0.17
1,001 – 10,000	18,294	55.57	100,318,275	4.46
10,001 – 1,000,000	10,440	31.71	540,510,011	24.02
1,000,001 and above	70	0.21	1,605,415,690	71.35
	32,920	100.00	2,249,952,645	100.00

Note

* the percentage of issued ordinary shares is calculated based on the number of issued ordinary shares as at 30 May 2024, excluding any ordinary shares held in treasury as at that date.

SHAREHOLDING STATISTICS

As at 30 May 2024

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	392,553,977	17.45
3	Citibank Nominees Singapore Pte Ltd	230,139,697	10.23
4	DBS Nominees (Private) Limited	133,593,192	5.94
5	DBSN Services Pte. Ltd.	36,954,972	1.64
6	HSBC (Singapore) Nominees Pte Ltd	30,342,637	1.35
7	United Overseas Bank Nominees (Private) Limited	29,170,765	1.30
8	Phillip Securities Pte Ltd	21,920,809	0.97
9	BPSS Nominees Singapore (Pte.) Ltd.	20,026,647	0.89
10	OCBC Nominees Singapore Private Limited	18,149,000	0.81
11	Maybank Securities Pte. Ltd.	11,934,417	0.53
12	Heng Siew Eng	11,643,500	0.52
13	Toh Capital Pte Ltd	10,326,800	0.46
14	Yongsheng (S) Holdings Pte Ltd	10,000,000	0.44
15	UOB Kay Hian Private Limited	9,510,800	0.42
16	OCBC Securities Private Limited	9,185,645	0.41
17	CGS International Securities Singapore Pte. Ltd.	8,957,480	0.40
18	Soon Li Heng Civil Engineering Pte Ltd	8,000,000	0.36
19	IFast Financial Pte. Ltd.	7,231,470	0.32
20	Sunrise Textile Accessories (Pte.) Ltd	6,900,000	0.31
		1,500,541,808	66.71

Note

* the percentage of issued ordinary shares is calculated based on the number of issued ordinary shares as at 30 May 2024, 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 30 May 2024, 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
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue,
#14-07 Keppel Bay Tower
Singapore 098632

Tel : +65 6536 5355
Fax : +65 6536 1360

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

Singapore Post Limited
Co. Reg. No. 199201623M

Registered Office
10 Eunos Road 8
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Singapore 408600
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SINGAPORE POST LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 199201623M

25 June 2024

Dear Shareholder

We are pleased to enclose printed copies of the Notice and Proxy Form for the upcoming 32nd 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, 24 July 2024 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 2024, and its Letter to Shareholders dated 25 June 2024 (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 "FY2023/24".

- To access the Letter to Shareholders, click on the hyperlink for "Letter to Shareholders" under "FY2023/24 AGM".

The above documents will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

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 11 July 2024.

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 2024 and the Letter to Shareholders dated 25 June 2024.

Name of Shareholder: ______________________________

Company Registration Number (if applicable): ______________________________

Mailing Address: ______________________________

Signature(s): ____________________ Date: ____________________

Note: This request is valid for the Annual Report 2023/24 and Letter to Shareholders dated 25 June 2024 only.

[1] Please refer to the announcement dated 25 June 2024 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 32nd 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, 24 July 2024 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 2024, and the Directors' Statement and Independent Auditor's Report thereon. (Ordinary Resolution 1)

2. To declare a final tax exempt one-tier dividend of 0.56 cents per ordinary share in respect of the financial year ended 31 March 2024. (Ordinary Resolution 2)

3. To re-elect Ms Elizabeth Kong Sau Wai, a director who retires in accordance with Article 98(a) of the Company's Constitution and who, being eligible, offers herself for re-election. (Ordinary Resolution 3)

4. To re-elect the following directors who retire in accordance with Article 98(b) of the Company's Constitution and who, being eligible, offer themselves for re-election:

   (a) Mrs Fang Ai Lian (Ordinary Resolution 4)

   (b) Ms Lim Cheng Cheng (Ordinary Resolution 5)

5. To re-elect the following directors who retire in accordance with Article 104 of the Company's Constitution and who, being eligible, offer themselves for re-election:

   (a) Mr Gan Chee Yen (Ordinary Resolution 6)

   (b) Ms Yasmin Binti Aladad Khan (Ordinary Resolution 7)

6. To approve directors' fees payable by the Company of S$1,207,970 for the financial year ended 31 March 2024 (2023: S$1,240,410). (Ordinary Resolution 8)

7. To re-appoint Deloitte & Touche LLP as Auditor of the Company and to authorise the directors to fix its remuneration. (Ordinary Resolution 9)

EXPLANATORY NOTES ON ROUTINE BUSINESS TO BE TRANSACTED

Ordinary Resolution 3

Ms Elizabeth Kong Sau Wai will, upon re-election as a director of the Company, remain as a member of the Board Sustainability Committee, the Finance and Investment Committee and the Nominations and Corporate Governance Committee. Ms Kong is considered by the Board of Directors to be independent. Information relating to Ms Kong, 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 Directors Seeking Re-Election" section of the Company's Annual Report 2023/24.

Ordinary Resolution 4

Mrs Fang Ai Lian will, upon re-election as a director of the Company, remain as the lead independent director, the chairman of the Audit Committee and the Nominations and Corporate Governance Committee and a member of the Compensation Committee. Mrs Fang is considered by the Board of Directors to be independent. Information relating to Mrs Fang, including the information as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST, can be found in the "Board of Directors" section and the "Additional Information on Directors Seeking Re-Election" section of the Company's Annual Report 2023/24.

Ordinary Resolution 5

Ms Lim Cheng Cheng will, upon re-election as a director of the Company, remain as a member of the Finance and Investment Committee. Ms Lim is considered by the Board of Directors to be non-independent as she is the Group Chief Corporate Officer of Singtel, which is a 21.96% shareholder of the Company. Information relating to Ms Lim, including the information as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST, can be found in the "Board of Directors" section and the "Additional Information on Directors Seeking Re-Election" section of the Company's Annual Report 2023/24.

Ordinary Resolution 6

Mr Gan Chee Yen will, upon re-election as a director of the Company, remain as a member of the Audit Committee, the Nominations and Corporate Governance Committee and the Board Risk and Technology Committee. Mr Gan is considered by the Board of Directors to be independent. Information relating to Mr Gan, including the information as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST, can be found in the "Board of Directors" section and the "Additional Information on Directors Seeking Re-Election" section of the Company's Annual Report 2023/24.

Ordinary Resolution 7

Ms Yasmin Binti Aladad Khan will, upon re-election as a director of the Company, remain as a member of the Finance and Investment Committee, the Compensation Committee and the Board Sustainability Committee. Ms Yasmin is considered by the Board of Directors to be independent. Information relating to Ms Yasmin, including the information as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST, can be found in the "Board of Directors" section and the "Additional Information on Directors Seeking Re-Election" section of the Company's Annual Report 2023/24.

Ordinary Resolution 8

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 2023/24.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any amendments, the following Resolutions 10 to 13 as ordinary resolutions:

Authority to Issue Shares and to Make or Grant Convertible Instruments

8. 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 10)

Authority to Grant Share Awards and Allot/Issue Shares

9. That approval be and is hereby given to the directors to:

(a) grant awards in accordance with the provisions of the Singapore Post Restricted Share Plan 2013 ("**Restricted Share Plan 2013**") and to allot and issue from time to time such number of fully paid-up ordinary shares as may be required to be delivered pursuant to the vesting of awards under the Restricted Share Plan 2013; and

(b) allot and issue from time to time such number of ordinary shares as may be required to be issued pursuant to the exercise of options granted under Singapore Post Share Option Scheme 2012 ("**Share Option Scheme 2012**"),

provided that the aggregate number of (i) new ordinary shares allotted and issued and/or to be allotted and issued pursuant to awards granted under the Restricted Share Plan 2013, and (ii) new ordinary shares allotted and issued and/or to be allotted and issued pursuant to options granted under the Share Option Scheme 2012, shall not exceed 5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited. (Ordinary Resolution 11)

Proposed Renewal of the Shareholders Mandate for Interested Person Transactions

10. 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 25 June 2024 ("**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 12)

Proposed Renewal of the Share Purchase Mandate

11. 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 13)

BY ORDER OF THE BOARD

Jonathan Ooi Wei Hsin (Mr)
Company Secretary

Singapore
25 June 2024

EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED
STATEMENT PURSUANT TO ARTICLE 61 OF THE CONSTITUTION OF THE COMPANY

Ordinary Resolution 10

Ordinary Resolution 10 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 10 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time that Ordinary Resolution 10 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

Ordinary Resolution 11

Ordinary Resolution 11 is to empower the directors:

(a) to grant awards in accordance with the provisions of the Restricted Share Plan 2013 and to allot and issue from time to time such number of fully paid-up ordinary shares as may be required to be delivered pursuant to the vesting of awards under the Restricted Share Plan 2013; and

(b) to allot and issue ordinary shares pursuant to the Share Option Scheme 2012,

provided that the aggregate number of ordinary shares allotted and issued and/or to be allotted and issued pursuant to the Restricted Share Plan 2013 and the Share Option Scheme 2012 does not exceed 5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) for the time being. The Share Option Scheme 2012 expired on 28 June 2022. The expiry of the Share Option Scheme 2012 does not, however, affect the options which have been granted and accepted prior to such expiry, whether such options have been exercised (whether fully or partially) or not.

Although the Rules of the Restricted Share Plan 2013 and the Share Option Scheme 2012 provide that the maximum aggregate number of ordinary shares which may be issued under the Restricted Share Plan 2013 and the Share Option Scheme 2012 is limited to 10% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) of the Company, Ordinary Resolution 11 provides for a lower limit, namely, 5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings), as the Company does not anticipate that it will require a higher limit before the next Annual General Meeting.

Ordinary Resolution 12

Ordinary Resolution 12 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 12 will, if passed, continue to be in force until the conclusion of the next Annual General Meeting of the Company.

Ordinary Resolution 13

Ordinary Resolution 13 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 30 May 2024 ("**Latest Practicable Date**") (out of which 25,136,880 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, (a) no further Shares are issued, (b) no further Shares are purchased or acquired, or held by the Company as treasury shares, (c) no treasury shares are transferred out of treasury or cancelled, and (d) no Shares are held as subsidiary holdings, the purchase by the Company of 10% of its issued Shares (excluding the 25,136,880 Shares held in treasury as at that date) will result in the purchase or acquisition of 224,995,264 Shares.

In the case of both market purchases and off-market purchases by the Company and assuming that the Company purchases or acquires the 224,995,264 Shares at the Maximum Price of S$0.516 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 224,995,264 Shares is S$116,097,556.

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 2024 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, 24 July 2024 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/singpost2024 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 25 June 2024. 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, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted:

      (i) via email to the Company's Share Registrar at srs.proxy@boardroomlimited.com; or

      (ii) via the online process through the pre-registration website at the URL https://conveneagm.com/sg/singpost2024,

   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 12 July 2024.

Access to Documents

7. The Company's Annual Report 2023/24 and the Letter to Shareholders dated 25 June 2024 (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 2023/24 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 "FY2023/24"; and

   (b) the Letter to Shareholders dated 25 June 2024 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 "FY2023/24 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 11 July 2024.

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.

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

32nd 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, 24 July 2024 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/singpost2024 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 25 June 2024. 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 12 July 2024.
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 25 June 2024.

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	
				No. of Shares	%
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.com/sg/singpost2024 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 failing whom, 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 32nd 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, 24 July 2024 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 0.56 cents per ordinary share			
3.	To re-elect Ms Elizabeth Kong Sau Wai as director			
4.	To re-elect Mrs Fang Ai Lian as director			
5.	To re-elect Ms Lim Cheng Cheng as director			
6.	To re-elect Mr Gan Chee Yen as director			
7.	To re-elect Ms Yasmin Binti Aladad Khan as director			
8.	To approve directors' fees payable by the Company			
9.	To re-appoint Deloitte & Touche LLP as Auditor of the Company and to authorise the directors to fix its remuneration			
	Special Business			
10.	To authorise directors to issue shares and to make or grant instruments convertible into shares			
11.	To authorise directors to grant awards and allot/issue shares pursuant to the Singapore Post Restricted Share Plan 2013, and to allot/issue shares pursuant to the Singapore Post Share Option Scheme 2012			
12.	To approve the proposed renewal of the Shareholders Mandate for Interested Person Transactions			
13.	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 ______________ 2024

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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SINGAPORE POST LIMITED
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

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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, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
   (b) if submitted electronically, be submitted:
      (i) via email to the Company's Share Registrar at srs.proxy@boardroomlimited.com; or
      (ii) via the online process through the pre-registration website at the URL https://conveneagm.com/sg/singpost2024,

   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 submission 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.com/sg/singpost2024, 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.com/sg/singpost2024, 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.com/sg/singpost2024, 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 as at 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 25 JUNE 2024

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)*
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 Bob Tan Beng Hai *(Non-Executive Independent Director)*
Mr Gan Chee Yen *(Non-Executive Independent Director)*
Ms Yasmin Binti Aladad Khan *(Non-Executive Independent Director)*

Registered Office:

10 Eunos Road 8
Singapore Post Centre
Singapore 408600

25 June 2024

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 32nd Annual General Meeting of the Company dated 25 June 2024 (the "**Notice**") convening the 32nd Annual General Meeting of the Company to be held on 24 July 2024 (the "**2024 AGM**");

(b) Ordinary Resolution 12 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 13 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 12 and 13, proposed in the Notice (collectively, the "**Proposals**").

1.3 **SGX-ST**. The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Letter.

1.4 **Advice to Shareholders**. Shareholders who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

1.5 **Legal Adviser**. Allen & Gledhill LLP is the legal adviser to the Company in relation to the proposed renewal of the Share Purchase Mandate.

2. THE PROPOSED RENEWAL OF THE SHAREHOLDERS MANDATE

2.1 **Shareholders Mandate**. At the annual general meeting of the Company held on 19 July 2023 (the "**2023 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 20 June 2023 (the "**2023 Letter**").

2.2 **Proposed Renewal of the Shareholders Mandate**. At the 2023 AGM, the Shareholders Mandate was expressed to take effect until the conclusion of the next Annual General Meeting of the Company, being the 2024 AGM. Accordingly, the Directors of the Company (the "**Directors**") propose that the Shareholders Mandate be renewed at the 2024 AGM, to take effect until the 33rd 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, Mr Bob Tan Beng Hai and Mr Gan Chee Yen) confirms that:

(a) the methods or procedures for determining transaction prices under the Shareholders Mandate have not changed since the 2023 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 12, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2024 AGM. The Company will disregard any votes cast by Temasek, Singtel and their respective associates on Ordinary Resolution 12.

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 12, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2024 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 12.

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 12, 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 12.

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 2023 AGM. The authority and limitations on the Share Purchase Mandate were set out in the 2023 Letter and Ordinary Resolution 8 set out in the Notice of the 2023 AGM.

The Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution 8 at the 2023 AGM and will expire on the date of the forthcoming 2024 AGM to be held on 24 July 2024. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the 2024 AGM.

As at 30 May 2024 (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 2023 AGM.

As at the Latest Practicable Date, the Company had 25,136,880 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 2024 AGM, are substantially the same as were previously approved by Shareholders at the 2023 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 2024 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 25,136,880 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 2024 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 224,995,264 Shares (representing 10% of the Shares in issue as at that date and disregarding the 25,136,880 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 2024 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 2025 or ability to service its debts would be adversely affected.

3.5 **Status of Purchased Shares**. Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to those Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

3.6 **Treasury Shares**. Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act in force as at the Latest Practicable Date are summarised below:

3.6.1 ***Maximum Holdings***

The number of Shares held as treasury shares[2] cannot at any time exceed 10% of the total number of issued Shares.

[2] For these purposes, "treasury shares" shall be read as including shares held by a subsidiary under Sections 21(4B) or 21(6C) of the Companies Act 1967.

3.6.2 ***Voting and Other Rights***

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

3.6.3 ***Disposal and Cancellation***

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Singapore Code on Take-overs and Mergers (the "**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 2024, 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 224,995,264 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$0.516 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 224,995,264 Shares is S$116,097,556.

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 2024 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 2024 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 2025 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 2024				
Share capital	638,762	592,323	638,762	592,323
Capital reserves	(167,974)	(167,974)	(75)	(75)
Other reserves	37,232	37,232	36,169	36,169
Revenue reserves	653,171	583,512	598,697	529,038
	1,161,191	1,045,093	1,273,553	1,157,455
Treasury shares	(29,243)	(29,243)	(29,243)	(29,243)
Ordinary equity	1,131,948	1,015,850	1,244,310	1,128,212
Perpetual securities	251,534	251,534	–	–
	1,383,482	1,267,384	1,244,310	1,128,212
Net tangible assets (NTA)	784,703	668,605	1,244,310	1,128,212
Current assets	761,038	644,940	501,489	385,391
Current liabilities	698,002	698,002	467,550	467,550
Total borrowings	827,133	827,133	–	–
Cash and cash equivalents	476,738	360,640	362,373	246,275
Number of shares ('000)	2,249,952	2,024,958	2,249,952	2,024,958
Financial ratios				
Basic earnings per share (cents)	3.00	3.02	2.13	2.14
NTA per share (cents)	34.9	33.0	55.3	55.7
Gross gearing (%)	73.1	81.4	–	–
Net debt gearing (%)	31.0	45.9	n.m.	n.m.
Current ratio (%)	109.0	92.4	107.3	82.4

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 2024				
Share capital	638,762	638,762	638,762	638,762
Capital reserves	(167,974)	(167,974)	(75)	(75)
Other reserves	37,232	37,232	36,169	36,169
Revenue reserves	653,171	653,171	598,697	598,697
	1,161,191	1,161,191	1,273,553	1,273,553
Treasury shares	(29,243)	(133,667)	(29,243)	(133,667)
Ordinary equity	1,131,948	1,027,524	1,244,310	1,139,886
Perpetual securities	251,534	251,534	–	–
	1,383,482	1,279,058	1,244,310	1,139,886
Net tangible assets (NTA)	784,703	680,279	1,244,310	1,139,886
Current assets	761,038	656,614	501,489	397,065
Current liabilities	698,002	698,002	467,550	467,550
Total borrowings	827,133	827,133	–	–
Cash and cash equivalents	476,738	372,314	362,373	257,949
Number of shares ('000)	2,249,952	2,047,581	2,249,952	2,047,581
Financial ratios				
Basic earnings per share (cents)	3.00	3.02	2.13	2.14
NTA per share (cents)	34.9	33.2	55.3	55.7
Gross gearing (%)	73.1	80.5	–	–
Net debt gearing (%)	31.0	44.3	n.m.	n.m.
Current ratio (%)	109.0	94.1	107.3	84.9

Notes:

The number of Shares which may be held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. As 25,136,880 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 202,372,072 Shares. The financial effects under Scenario A is computed based on 224,995,264 Shares purchased and cancelled. The financial effects under Scenario B is computed based on 202,372,072 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. Based on the interests of substantial Shareholders, as extracted from the Register of Substantial Shareholders 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 494,795,616 Shares (including the Shares held by Singtel) representing approximately 21.99% of the issued Shares (excluding the Shares held in treasury) as at that date, Alibaba Investment Limited has a direct interest in 327,649,907 Shares representing approximately 14.56% of the issued Shares (excluding the Shares held in treasury) as at that date, and Alibaba Group Holding Limited and SoftBank Group Corp. each has a deemed interest in 327,649,907 Shares held by Alibaba Investment Limited representing approximately 14.56% of the issued Shares (excluding the Shares held in treasury) as at that date. Approximately 63.48% of the issued Shares (excluding the Shares held in treasury) were held by public Shareholders as at the Latest Practicable Date. If the Company had purchased or acquired Shares from the public up to the full 10% limit pursuant to the proposed Share Purchase Mandate on the Latest Practicable Date, approximately 59.42% of the issued Shares (excluding the Shares held in treasury) would have been held by public Shareholders as at that date.

The Company will ensure that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases and/or Off-Market Purchases up to the full 10% limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, causing market illiquidity or affecting orderly trading.

3.9 **Shareholding Limits**. The Postal Services Act 1999 (the "**Postal Services Act**") currently provides, *inter alia*, that:

(a) no person shall, whether through a series of transactions over a period of time or otherwise, become a 12% controller or a 30% controller of a designated postal licensee (the "**Prescribed Limits**"); and

(b) no person shall enter into any other transaction that constitutes a consolidation with a designated postal licensee,

without obtaining the prior written approval of the Info-communications Media Development Authority of Singapore (the "**IMDA**"), unless otherwise exempted in accordance with any applicable exemption issued under the Postal Services Act.

For the purposes of this paragraph 3.9:

"**consolidation**" means any transaction that, *inter alia*, results in a party becoming a 30% controller of a designated postal licensee, acquiring the business of a designated postal licensee as a going concern or obtaining effective control over a designated postal licensee;

"**12% controller**", in relation to a designated postal licensee, means a person, not being a 30% controller, who alone or together with his associates, (i) holds 12% or more of the total number of voting shares in the designated postal licensee; or (ii) is in a position to control 12% or more of the voting power in the designated postal licensee;

"**30% controller**", in relation to a designated postal licensee, means a person who alone or together with his associates, (i) holds 30% or more of the total number of voting shares in the designated postal licensee; or (ii) is in a position to control 30% or more of the voting power in the designated postal licensee;

"**designated postal licensee**" means a postal licensee (i) which has been declared by the IMDA, by notification published in the *Gazette*, to be a designated postal licensee; or (ii) which is within a class of postal licensees which has been declared by the IMDA, by notification published in the *Gazette*, to be a designated class of postal licensees, for the purposes of Part 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	–	–	–	–	3,426,834(2)
Fang Ai Lian	–	–	–	–	–
Chu Swee Yeok	–	–	–	–	–
Lim Cheng Cheng	–	–	–	–	–
Elizabeth Kong Sau Wai	–	–	–	–	–
Bob Tan Beng Hai	–	–	–	–	–
Gan Chee Yen	10,000	2,000(3)	12,000	n.m.(4)	-
Yasmin Binti Aladad Khan	–	–	–	–	–

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 3,426,834 Shares:

(a) 327,434 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 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;

(b) 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;

(c) 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;

(d) 458,306 Shares are comprised in restricted share awards granted to Phang Heng Wee, Vincent pursuant to the Plan for a 4-year performance period from 1 April 2023 to 31 March 2027. 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

(e) 677,956 Shares are comprised in restricted share awards granted to Phang Heng Wee, Vincent pursuant to the Plan, which are subject to time-based service conditions for the period from 8 June 2023 to 31 May 2026.

(3) Deemed interest through spouse.

(4) "n.m." means "not meaningful".

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	–	494,795,616[2]	494,795,616	21.99
Singapore Telecommunications Limited	494,000,000	–	494,000,000	21.96
Alibaba Investment Limited	327,649,907	–	327,649,907	14.56
Alibaba Group Holding Limited	–	327,649,907[3]	327,649,907	14.56
SoftBank Group Corp.	–	327,649,907[4][5]	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) The Company received a notification under the Securities and Futures Act 2001 from SoftBank Group Corp. on 7 June 2024 (after the Latest Practicable Date), notifying that it became aware on 31 May 2024 that it had ceased to be a substantial shareholder on 30 September 2022. This notification was announced by the Company on SGXNet on 7 June 2024.

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 12, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2024 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 13, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2024 AGM.

6. INSPECTION OF DOCUMENTS

The Annual Report of the Company for the financial year ended 31 March 2024 and the 2023 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

APPENDIX

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 2024, the consolidated NTA of the SingPost Group was S$784,703,000. 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 2025 are published, 5% of the latest audited consolidated NTA of the SingPost Group would be S$39,235,150.

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 24 July 2024 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, Mr Bob Tan Beng Hai and Mr Gan Chee Yen) 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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