Issuer & Securities

Issuer/ Manager

SINGAPORE POST LIMITED

Securities

SINGAPORE POST LIMITED - SG1N89910219 - S08

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No

Announcement Details

Announcement Title

Annual Reports and Related Documents

Date &Time of Broadcast

25-Jun-2019 17:09:03

ANNUAL REPORTS AND RELATED DOCUMENTS::

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Announcement Reference

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Submitted By (Co./ Ind. Name)

Linda Hoon Siew Kin (Ms)

Designation

Group 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

31/03/2019

Attachments

SingPost_AR%20201819.pdf

SingPost_AGM%20Notice%20Booklet.pdf

SingPost_Letter%20to%20Shareholders.pdf

Total size =5215K MB

connecting communities

Annual Report 2018/19

Singapore POST

Our Vision
Global Leader in eCommerce Logistics and Trusted Communications

At SingPost, people come first.
Our drive towards excellence comes from
people who matter to us: our customers and employees.
As such, we innovate to connect the communities we serve,
delivering beyond, rather than simply meeting,
the needs of our customers.

connecting
businesses to opportunities

From venturing into a new market, to offering customers wider options, SingPost provides the logistics solution for businesses. With warehousing and logistics solutions across more than 10 countries as well as shipping access around the world, we can take your business places.

Read more on Logistics on **page 22**

connecting
consumers to marketplaces

eCommerce has changed the way we live today. Be it buying a book from a local bookstore or a vintage briefcase from Italy, our eCommerce solutions provide the convenience that you need. Besides, tracking your purchases every step of the way has never been easier, all at a touch of your mobile device.

Read more on eCommerce on **page 25**

connecting
with the community

The community is at the heart of our business. That is why we introduced a new volunteer programme for our postmen to visit vulnerable seniors at their homes – to make sure they are doing well as we deliver your mail each day. This is our way of saying "we care".

Read more on Corporate Social Responsibility on **page 34**

Letter to Shareholders

Dear Shareholders,
It has been a year of mixed outcomes, where positive progress across our business was undermined by our losses in the US eCommerce business.

Full year revenue rose 2.9 per cent to S$1.56 billion, and profit on operating activities (excluding our US businesses) rose 11.7 per cent for the full year. Likewise, underlying net profit would have risen 15.8 per cent excluding the US businesses, but was down 5.8 per cent from the previous year.

These results reflect the positive performance of our Post and Parcel business resulting from the growth of eCommerce in Singapore, with revenue growing 4.1 per cent for the full year.

Our Logistics business also saw a narrowing of operating losses by 76.2 per cent. This was largely driven by a significant reduction in losses from Quantium Solutions.

Property continues to perform strongly, with revenue increasing by 13.5 per cent for the full year. Profit from operating activities was up 29.8 per cent due to rental income for the SingPost Centre retail mall. Committed occupancy for the mall remains close to 100 percent, reflecting tenants' confidence in the property.

Our Cost Leadership Programme delivered significant savings in the year.

Over the first three quarters of the financial year, dividends totalling 1.5 cents were paid out. The Board is recommending a final dividend of 2.0 cents per share for your approval at the upcoming Annual General Meeting. This is in line with our dividend policy, which links payout to underlying net profit to ensure dividends are sustainable in the long run.

Exiting the US eCommerce Businesses

Despite the commitment of considerable time and resources, management was not successful in turning the US businesses around.

A number of intractable issues hindered recovery efforts, such as customer bankruptcies in the US, margin pressure from competition, client cost-cutting, as well as rising labour costs and warehouse rentals due to the strength of the American economy.

Having reviewed the prospects for the businesses, the Board impaired the carrying value of TradeGlobal and Jagged Peak by $98.7 million and made the decision to exit the US as being in the best interests of shareholders.

We have commenced the process of selling TradeGlobal and Jagged Peak. Once divested, shareholders should expect an improvement in SingPost's profitability and returns going forward.

SingPost will reset its strategy to refocus on Asia Pacific as well as our home market in Singapore, where we have existing strengths and competitive advantages that should yield better prospects and returns.

Post as a Critical Public Service

The year-end peak season last year saw volumes far exceeding our forecasts. The sheer volume of parcels handled and doorstep deliveries overwhelmed our mail operations and Post Office Network, exposing vulnerabilities in our operational and infrastructural capabilities.

Members of the public who had been inconvenienced took to the media to express their dissatisfaction, and public scrutiny has persisted since then.

In February, we implemented immediate measures to improve service quality, including the recruitment of additional postmen, extending mail delivery hours and reducing non-core mail businesses.

In addition to these measures, the Board, together with our Union, established a joint committee to oversee a fundamental and holistic review of our postal operations, to thoroughly diagnose and address any systemic issues that may be present.

Having served Singapore for 160 years, it is incumbent on us to continue the legacy of our predecessors in delivering trusted, reliable and prompt mail services to Singapore and restore the public's trust and confidence in us.

Appreciation

The Board wishes to express its appreciation to Management and Staff for their service, as well as to the Union, our partners, customers and members of the public for their support.

Yours sincerely,

Simon Israel
Chairman

Having served Singapore for 160 years, it is incumbent on us to continue the legacy of our predecessors in delivering trusted, reliable and prompt mail services and restore the public's trust and confidence in us.

Revenue
S$1.56b

Net Profit
S$19.0m

Group CEO Review

This year, we marked the 160th anniversary of postal services in Singapore. For over a century, SingPost has been connecting communities and this remains our mission today.

At the same time, we must continue to adapt and transform ourselves to play a major part in Singapore's Smart Nation and Smart Urban Logistics plans – and continue to reshape the Group.

Financial Performance

The financial year saw us facing headwinds in a number of areas and investing in others to strengthen our capability and infrastructure. Amid the downward trend of traditional mail volumes, eCommerce volumes coming through the postal system continues to grow rapidly. We are working to ensure that we are well-positioned to manage this accelerated trend and anticipate the changing needs of our customers.

Strong international mail revenue growth brought about by higher cross-border eCommerce-related delivery volumes drove the revenue of the Post and Parcel segment. The recent integration of our domestic Post and Parcel divisions has helped improve our profit on operating activities.

The Logistics business saw a marginal decline in revenue for the full year. Although the increase in freight rates contributed to the Group's freight forwarding business recording higher revenue, the revenue was offset by the exit of unfavourable customer contracts for Quantium Solutions and the strengthening of the Singapore dollar against the Australian dollar for CouriersPlease. At the same time, we substantially reduced the operating losses for the Logistics segment this year.

After an improved financial performance in the US last year, SingPost faced further challenges in the midst of intensifying margin and cost pressures – plus an increase in customer bankruptcies in the industry. Coupled with the increased emphasis to focus our energies on Asia Pacific and home markets, the Management and Board reached the decision to sell our US eCommerce businesses.

On the Property front, profitability continues to grow as both revenue and profit on operating activities rise. The business is boosted largely by rental income from the SingPost Centre retail mall that boasts a committed occupancy of 98.9 per cent as at 31 March 2019.

Overall, whilst we experienced growth and our full year revenue rose, our net profit fell due to impairment charges for the US eCommerce businesses.

Focus on Strengthening our Core

Postal services remain the core of our business. Our focus for the coming year will be raising service standards as well as keeping operational issues at bay. We are tightening our processes, training new postmen and streamlining our product offerings to win back the trust of our customers.

Digitalising our postal operations, we started SmartPost by equipping all of our postmen and postwomen with a mobile phone that interacts with Near Field Communication (NFC) tags installed at about 15,000 delivery points. The system allows the tracking of deliveries and electronic signing-over of registered mail in the current phase.

We also introduced a new proprietary logistics software Last Mile Platform (LaMP) this year, a technology-agnostic platform that is able to weave the assets of partner providers with SingPost's POPStations, parcel lockers and brick-and-mortar collection points, into a unified network. A first for the industry, LaMP leverages artificial intelligence to determine precise delivery times and allows recipients to alter collection point addresses, times, orders and sequences.

The Future of Post

The success of SingPost has been built over the years with the passion, commitment, experience and hard work from all our staff – Mr Woo Keng Leong is one of them, who joined us in 1980 on a posting as a Public Service Commission scholar. Mr Woo has been instrumental in the transformation of SingPost's postal business into one of the most efficient, profitable and admired postal service providers in the world. Mr Woo has decided to retire this year as our CEO of Postal Services but will continue to be our Postal Advisor to ensure a smooth transition. I would like to thank him for his dedication and contribution to SingPost over the last 40 years.

Taking over the reins is Mr Vincent Phang, who has been appointed as our new CEO for Postal Services and Singapore. Vincent has more than 20 years of experience and has held various senior leadership positions in the supply chain, logistics, industrial and manufacturing industries in Asia. He is currently taking the lead in addressing the service issues that have surfaced over the past few months.

We are concurrently working on a few new initiatives to boost our service standards, starting with a new islandwide initiative called *Know Your Postman* that aims to foster a stronger sense of community and kampong spirit with the postman. A trial begins in July, with the islandwide rollout in October 2019.

We are also commencing the trial for vertical and horizontal deliveries to optimise the job functions of our postmen in the next three months as well as deliveries in the evenings to increase the rate of successful deliveries.

With the streamlining of our product offerings, there are plans to introduce the first trackable mailbox delivery product that will be trialed in August 2019, pending approvals from the regulator. At the same time, we are working closely with government agencies such as IMDA, HDB and our town councils to explore replacing non-HDB letterboxes.

Looking Ahead

We remain steadfast in pursuing the three core pillars of our strategy: winning in the home market, igniting future growth engines and extracting full value from our investments. Post and Parcel remain the key component in our strategy to winning in the home market, and we taking affirmative steps to enhance our service levels, as well as boost customer trust and confidence.

We are also priming our Logistics and eCommerce units to ride the eCommerce wave that is sweeping over Asia Pacific through leveraging technology and collaborating with partners, locally and on the international front. We will continue maximising our returns from our investments made in building the SingPost Centre Mall as well as Regional eCommerce Logistics Hub to further boost the performance of our Property segment and generate healthy income.

Yours sincerely,

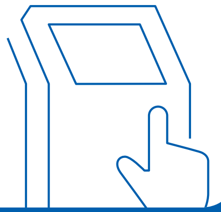
Paul Coutts
Group Chief Executive Officer

At a Glance

Located in
19 Countries

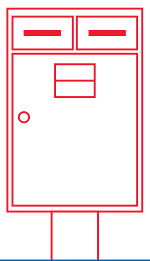
SingPost at a Glance

300
SAM Kiosks

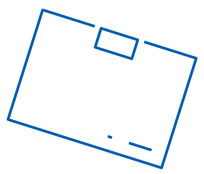


56
Post Offices

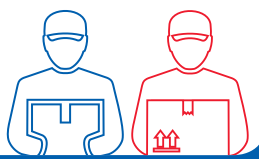
743
Street Posting Boxes



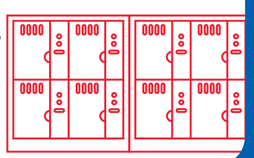
3,000,000
Mail Items a Day



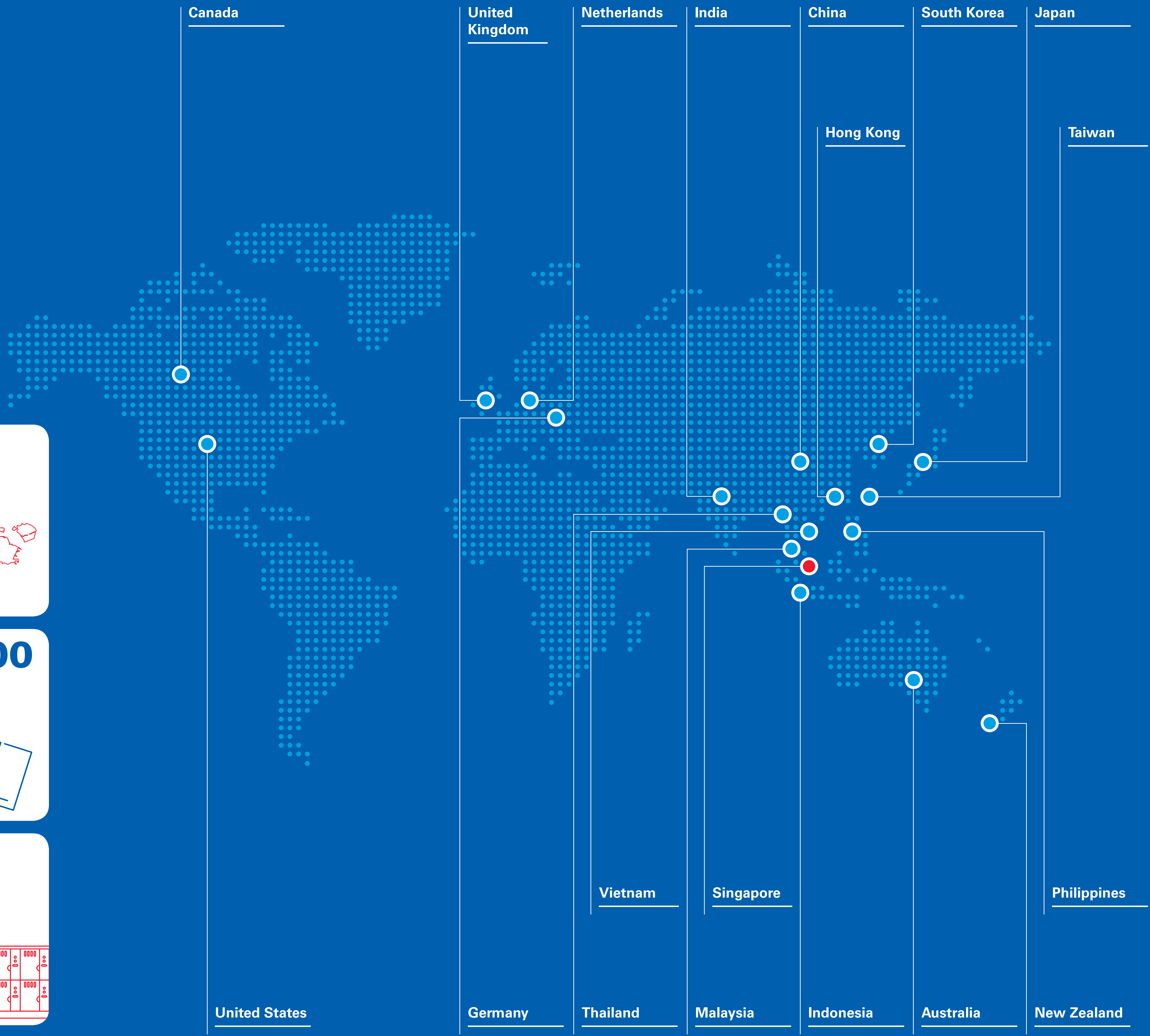
More than
16
Nationalities Across Workforce



11,414
POPStation Lockers Across
163
Locations



As of 31 March 2019



Board of Directors

As we forge ahead, we remain committed to upholding the highest standards of corporate governance for the long-term sustainability of the business and to deliver sustainable value to our stakeholders.

Simon Israel, 66
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:
11 July 2018

Board committee(s) served on:

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 2019):

Singapore Telecommunications Limited *(Chairman)*

Fonterra Co-operative Group Limited

Present Principal Commitments
(as at 31 March 2019):

Singapore Telecommunications Limited *(Chairman)*

Fonterra Co-operative Group Limited *(Director)*

Past Directorships in listed companies held over the preceding five years
(from 1 April 2014 to 31 March 2019):

CapitaLand Limited

Past Principal Commitments held over the preceding five years
(from 1 April 2014 to 31 March 2019):

Nil

Paul William Coutts, 62
Group Chief Executive Officer,
Executive, Non-Independent Director

Date of first appointment as a director:
1 June 2017

Date of last re-election as a director:
20 July 2017

Board committee(s) served on:

Nil

Academic & Professional Qualification(s):

Leadership Programme, Wharton University

Management Programme, DP/DHL University (facilitated by Wharton)

Executive Programme in Strategy and Organisation, Stanford Business School

Senior Management Development Programme, London Business School of Economics

Present Directorships in other listed companies
(as at 31 March 2019):

Nil

Present Principal Commitments
(as at 31 March 2019):

Nil

Past Directorships in listed companies held over the preceding five years
(from 1 April 2014 to 31 March 2019):

Nil

Past Principal Commitments held over the preceding five years
(from 1 April 2014 to 31 March 2019):

Toll Global Forwarding *(Chief Executive Officer)*

Chen Jun, 45
Non-Executive, Non-Independent Director

Date of first appointment as a director:
31 July 2014

Date of last re-election as a director:
20 July 2017

Board committee(s) served on:

Finance and Investment Committee *(Member)*

Academic & Professional Qualification(s):

Bachelor of International Finance and Accounting, Shanghai University

EMBA degree, INSEAD, France

Present Directorships in other listed companies
(as at 31 March 2019):

BEST Inc.

Sun Art Retail Group Limited

Present Principal Commitments
(as at 31 March 2019):

Alibaba Group Holding Limited *(Vice President)*

Past Directorships in listed companies held over the preceding five years
(from 1 April 2014 to 31 March 2019):

Alibaba Health Information Technology Limited

Past Principal Commitments held over the preceding five years
(from 1 April 2014 to 31 March 2019):

Nil

Chu Swee Yeok, 56
Non-Executive, Independent Director

Date of first appointment as a director:
1 September 2018

Board committee(s) served on:

Audit Committee *(Member)*

Board Risk and Technology Committee *(Member)*

Academic & Professional Qualification(s):

International Directors Programme, INSEAD

Advanced Management Programme, Harvard University

2nd Class Upper Honours Degree in Biochemistry, National University of Singapore

Present Directorships in other listed companies
(as at 31 March 2019):

Nil

Present Principal Commitments
(as at 31 March 2019):

EDBI Pte Ltd *(Chief Executive Officer)*

Past Directorships in listed companies held over the preceding five years
(from 1 April 2014 to 31 March 2019):

Nil

Past Principal Commitments held over the preceding five years
(from 1 April 2014 to 31 March 2019):

Nil

Fang Ai Lian, 69
Non-Executive, Lead Independent Director

Date of first appointment as a director:
10 October 2016

Date of last re-election as a director:
11 July 2018

Board committee(s) served on:

Audit Committee *(Chairperson)*

Nominations and Corporate Governance Committee *(Chairperson)*

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 2019):

Banyan Tree Holdings Limited

Cromwell EREIT Management Pte. Ltd. *(Manager of Cromwell European REIT)*

Metro Holdings Ltd

Present Principal Commitments
(as at 31 March 2019):

Far East Organization Group *(Advisor)*

MediShield Life Council *(Chairperson)*

Board of Trustees of the Singapore Business Federation *(Chairperson)*

Board of Trustees of Singapore University of Technology & Design *(Board Member)*

Tote Board *(Board Member)*

Past Directorships in listed companies held over the preceding five years
(from 1 April 2014 to 31 March 2019):

Singapore Telecommunications Limited

Oversea-Chinese Banking Corporation Limited

Great Eastern Holdings Limited

Past Principal Commitments held over the preceding five years
(from 1 April 2014 to 31 March 2019):

Nil

Board of Directors

Elizabeth Kong Sau Wai, 37
Non-Executive, Independent Director

Date of first appointment as a director:
10 October 2016

Date of last re-election as a director:
20 July 2017

Board committee(s) served on:
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 2019)*:
Nil

Present Principal Commitments *(as at 31 March 2019)*:
Clifford Chance Pte Ltd *(Counsel)*

Past Directorships in listed companies held over the preceding five years *(from 1 April 2014 to 31 March 2019)*:
Nil

Past Principal Commitments held over the preceding five years *(from 1 April 2014 to 31 March 2019)*:
Morgan Lewis Stamford LLC *(Director)*

Steven Robert Leonard, 57
Non-Executive, Independent Director

Date of first appointment as a director:
1 June 2017

Date of last re-election as a director:
20 July 2017

Board committee(s) served on:
Board Risk and Technology Committee *(Chairman)*

Finance and Investment Committee *(Member)*

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

Present Directorships in other listed companies *(as at 31 March 2019)*:
Asia Satellite Telecommunications Holdings Limited

Present Principal Commitments *(as at 31 March 2019)*:
SGInnovate *(Founding Chief Executive Officer)*

Past Directorships in listed companies held over the preceding five years *(from 1 April 2014 to 31 March 2019)*:
Nil

Past Principal Commitments held over the preceding five years *(from 1 April 2014 to 31 March 2019)*:
Info-communications Development Authority *(Executive Deputy Chairman/Chief Executive Officer)*

Lim Cheng Cheng, 47
Non-Executive, Non-Independent Director

Date of first appointment as a director:
1 April 2017

Date of last re-election as a director:
20 July 2017

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 2019)*:
Nil

Present Principal Commitments *(as at 31 March 2019)*:
Singapore Telecommunications Limited *(Group Chief Financial Officer)*

Board of Governors of Raffles Girls' School

Past Directorships in listed companies held over the preceding five years *(from 1 April 2014 to 31 March 2019)*:
Nil

Past Principal Commitments held over the preceding five years *(from 1 April 2014 to 31 March 2019)*:
Nil

Bob Tan Beng Hai, 67
Non-Executive, Independent Director

Date of first appointment as a director:
10 October 2016

Date of last re-election as a director:
20 July 2017

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 2019)*:
Ascott Residence Trust Management Limited (Manager of Ascott Residence Trust) *(Chairman)*

Sembcorp Marine Ltd

Present Principal Commitments *(as at 31 March 2019)*:
Jurong Engineering Ltd *(Chairman)*

Institute of Technical Education *(Chairman and Board Member)*

Inland Revenue Authority of Singapore *(Board Member)*

NTUC Club Management Council *(Member)*

Ong Teng Cheong Labour Leadership Institute *(Board Member)*

SINGEX Holdings Pte Ltd *(Chairman)*

Sentosa Development Corporation* *(Deputy Chairman)*

Sembcorp Marine Ltd *(Director)*

Ascott Residence Trust Management Limited (Manager of Ascott Residence Trust) *(Chairman)*

Singapore Post Limited *(Director)*

Past Directorships in listed companies held over the preceding five years *(from 1 April 2014 to 31 March 2019)*:
SMRT Corporation Ltd

CapitaMalls Asia Limited

Past Principal Commitments held over the preceding five years *(from 1 April 2014 to 31 March 2019)*:
Singapore Manufacturing Federation *(Member of Board of Governors)*

Singapore LNG Corporation Pte Ltd *(Chairman)*

SMRT Trains Ltd *(Director)*

SMRT Corporation Ltd *(Director)*

* Appointed as Chairman on 1 April 2019

Post and Parcel

Post and Parcel is the core of SingPost's business. Besides providing a wide range of delivery solutions, we constantly strive towards technological innovations to cater to the changing needs of the communities we serve.

Smarter operations

The SmartPost Delivery Notification (SPDN) mobile app was introduced to more than 1,000 postal delivery staff, collecting productivity data and streamlining operations

SingPost celebrated 160 years of postal services in 2018. As the national postal service provider, we have been connecting our community since 1858. Today, we continue to deliver high quality services to our customers.

Transforming for the Future

Transformation of the postal service business is underway with progress made on several fronts. We continuously explore digital technologies to enhance the mail delivery process, focusing on both operational reliability as well as productivity. Customers are our key priority, with our ongoing efforts to improve our services so as to enhance their experiences with us.

Like many postal services in developed countries, Singapore's postal landscape has evolved drastically in the last decade. Even with the decline in mail volumes in recent years, SingPost still delivers over three million mail items a day.

Besides the declining volume of mail, the sharp rise in eCommerce has also impacted the nature of mail, with a significant shift from conventional mail items such as letters, to larger items such as packets and parcels. While mail items continue to increase in size, our postal rates and physical infrastructure of the letter box across Singapore – originally designed only to take only letters and small postal items – have not changed since 2014.

Our transformation efforts are therefore not only geared towards fulfilling our responsibilities as Singapore's Public Postal Licensee, but more importantly, serving the evolving needs of our customers. Set against this backdrop, SingPost is exploring new channels and ways to optimise our resources, operations and services.

SingPost continues to receive recognition as one of the top postal service providers in the world, ranked seventh in the world by the Universal Postal Union (UPU) in its 2018 Integrated Index for Postal Development.

Post and Parcel Integration

In our pursuit of providing quality services to our customers, we have integrated our domestic Post and Parcel businesses since the start of 2019. The integration has allowed us to better manage our operations and resources to meet challenges within the competitive last mile delivery industry today. The declining mail volumes, along with the shift in the types of items that move through our postal system due to the rise of eCommerce, had also contributed to this strategic move.

Our business has since benefited from domestic margins on the back of operating synergies from this integration, as profits from operating activities rose marginally for the full year.

SingPost also continues to receive recognition as one of the top postal service providers in the world, ranked seventh in the world by the Universal Postal Union (UPU) in its 2018 Integrated Index for Postal Development. Of the 173 national postal services covered, SingPost has improved its position from UPU's previous 2016 report, to become the second best Asia Pacific postal operator after Japan Post. In addition, we were awarded the Regional Champion accolade for 2018.

A Smarter Postal Network

Enhancements were made for SmartPost through the year, incorporating SingPost's backend operations to improve operational efficiency and customer experience. The first application of this transformation is focused on SingPost's Registered Article (RA) service. The RA sending process is automated by an RA Self-Drop Box, developed in-house, that grants 24/7 access and eliminates queuing for counter service.

Delivery processes are being digitised with the use of near field communication (NFC) technology deployed at delivery points. This enables the collection of productivity data, location-based tracking, SOP compliance, as well as real time delivery status.

The SmartPost Delivery Notification (SPDN) mobile app has been rolled out to our network of more than 1,000 postal delivery staff. SPDN collects productivity data, such as tracking and delivery, which helps us streamline operations. Since its rollout, the app has been progressively upgraded with functionalities that allow the collection of electronic signatures as receipts of registered mail delivery, as well as provide electronic notification to recipients for unsuccessful deliveries.

Our workforce, including those in the silver generation, benefits from SmartPost as we gear them with new skills and tools that elevates their operational capabilities and efficiency. This is also in line with the government's vision of building a Smart Nation.

Another initiative in support of the government's Smart Nation vision is SingPost's participation in the InfoComm Media Development Authority's (IMDA) Locker Alliance Pilot Trial. SingPost was appointed to operate Locker Alliance parcel lockers in Punggol and we have since installed 43 open platform parcel lockers, which are used by logistics companies and eCommerce retailers, at selected HDB blocks and MRT stations.

Registered Article Self-Drop Box

Grants 24/7 access and eliminates queuing for counter service to send registered articles

Post and Parcel

AXA@POST Virtual Assist

Digital sales advisory service that provides financial advice and services to customers was piloted at 3 selected post offices in Singapore

Digitalising our postal operations, SmartPost equips our postmen with a mobile device installed with a proprietary app that allows the tracking of deliveries and electronic transactions of registered mail.

Enrich Experiences at Post Offices

Our 56 post offices islandwide are important service touch points for our customers.

Most recently, we have created dedicated parcel collection counters at all post offices to reduce parcel collection waiting times and we are heartened to have received overwhelming positive feedback for this initiative.

Building on our smart technology initiatives launched over the years, SingPost introduced its first fully automated self-service post office at Sun Plaza, making postal services available round-the-clock. Customers can self-serve their postal needs through the on-site POP Station, SAM and self-service Registered Article kiosk, for services such as purchasing of stamps, posting of registered articles as well as collection of parcels throughout the day.

At the same time, SingPost is progressively upgrading the point-of-sales system at our post offices, equipping them with touchscreens that are more intuitive and user-friendly by end of 2019 in a bid to boost operational efficiency and customer experience.

Another initiative that we pushed out this year is AXA@POST Virtual Assist, a digital sales advisory service that provides financial advice and services to customers through a live teleconference booth. This is the first advisory service we piloted at three selected post offices in Singapore that links customers seeking financial advice to agents located remotely. Customers can also easily complete online applications on the spot for insurance solutions for their car, home, family, travel, business, savings, health, and life protection and investment needs.

These new initiatives are part of our efforts in expanding the wide range of services that our post offices offer to customers.

Significant Moments in Stamps

This year saw a bumper crop of 14 stamp issues, marking many momentous events and keeping collectors thrilled.

One of our most significant stamp issues was launched jointly with *The Straits Times* – a special stamp commemorating the historic 12 June 2018 Summit in Singapore between the Chairman of the State Affairs Commission of the Democratic People's Republic of Korea (DPRK), Kim Jong Un and the President of the United States of America (USA), Donald Trump.

On the home front, we celebrated the Republic of Singapore Air Force's (RSAF) 50th anniversary with a set of stamps featuring various platforms and vocations in the RSAF's transformation journey.

Commemorating 125 years since the creation of Singapore's national flower, a special Vanda Miss Joaquim stamp series was also released in June, depicting the various stages of bloom on different stamps.

We also marked 50 years of diplomatic relations between Singapore and Russia with a set of stamps brandishing our picturesque Gardens by the Bay and Russia's futuristic Zaryadye Park.

Marking 160 years of Singapore's postal services in 2018, SingPost commissioned a non-stamp collectible: a special limited edition Precious Moments Postman figurine. In addition, we launched a set of booklets and stamps featuring nursery rhymes from the four main races, all of which were very well-received.

Raising Service Standards and Customer Satisfaction

In the last quarter of the FY18/19, SingPost experienced several serious service lapses in succession. These lapses had unfortunately put a dent on our credibility and reputation, alongside two public fines by the regulatory authority for not meeting our service standards in both 2017 and 2018.

An urgent review of the entire postal system was put in place, with several immediate measures implemented to raise our service quality, and in turn, improve customer experience.

Some of the measures include extending delivery hours, reviewing the remuneration and responsibilities of postmen, strengthening the workforce, creating new parcel collection counters at post offices and reducing non-core mail businesses such as admail.

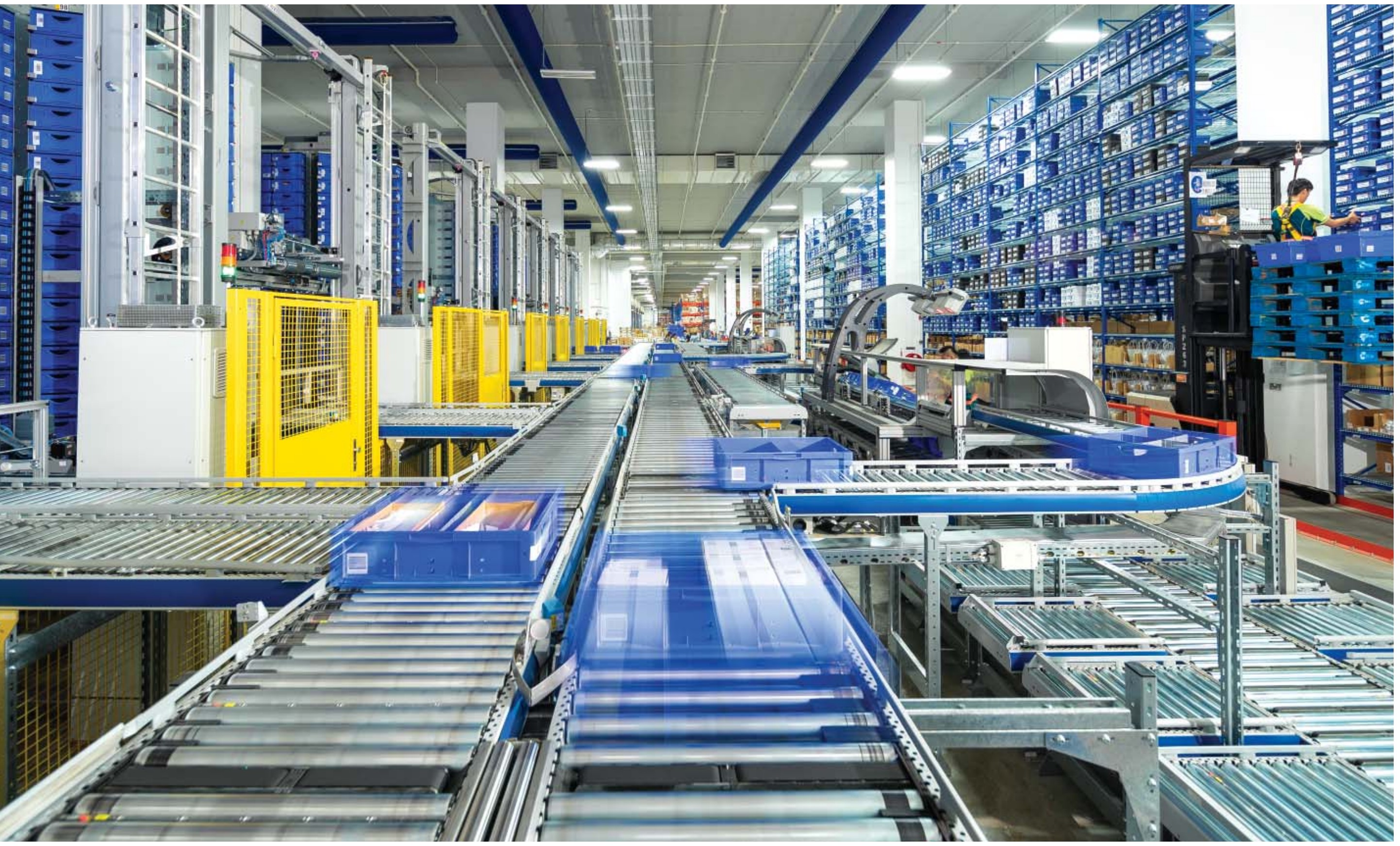
Mid and longer term measures, including a deep review of the postal infrastructure of Singapore, are in the works. While these may take longer to fulfil, our commitment to improve remains our core promise to the community.

One of our most significant stamp issues was launched jointly with *The Straits Times* – a special stamp commemorating the historic 12 June 2018 Summit in Singapore between the Chairman of the State Affairs Commission of the Democratic People's Republic of Korea (DPRK), Kim Jong Un and the President of the United States of America (USA), Donald Trump.

The Republic of Singapore Air Force's (RSAF) 50th anniversary stamp set featuring various platforms and vocations in the RSAF's transformation journey.

Logistics

As Singapore's leading logistics solutions provider, we continue to strengthen our fundamental last-mile, warehousing and freight forwarding services to stay ahead of the pack.



IMDA's Locker Alliance pilot

Launched in Punggol in December 2018

We continue to reinforce our market leadership position in logistics and last-mile delivery across Singapore and the region, on the back of strong regional and domestic growth.

However, as the incumbent, we face intense competition from start-ups and service providers attempting to disrupt the industry using technology and new product offerings.

To stay ahead, we have taken steps such as the integration of our postal and courier services, equipping ourselves with cutting-edge technologies and adapting our products to the evolving demands of eCommerce clients and customers. These initiatives aim to further strengthen our last-mile, warehousing and freight forwarding services, and cement our pole position as Singapore's logistics solutions provider.

Adapting to eCommerce Needs

The integration of the Post and Parcel business units allowed us to explore exciting opportunities arising from the joint strength of both business units.

In the past year, we launched two new products: Speedpost eSaver, a hybrid product with Post and Parcel as well as the International Cross Border Returns Portal, a self-help portal that facilitates product returns.

Moving forward, we are creating an integrated centralised go-to market product spanning both Post and Parcel, with a key focus in the 'under two kilograms' market segment, considering the popularity of such products among eCommerce customers.

Enhancing Partnerships Across Logistics Sector

A key factor in our continued success is our passion to work closely with our clients, as well as the public and private sectors to see how we can improve our services and offerings.

A key initiative in the past year was the launch of the Locker Alliance pilot in Punggol in December last year. The Locker Alliance was the fruit of hard work and close collaboration with the Infocomm Media Development Authority (IMDA), and early results show promise, with major eCommerce marketplaces as well as merchants having come on board.

The Locker Alliance lockers were also used to store Registered Articles that could not be delivered to recipients in Punggol, thereby boosting the efficiency of our postmen, reducing the load at the post office as well as increasing convenience for residents for easy collection.

Our POPStations also saw strong growth last year, with average utilisation rate at 73 per cent compared to 55 per cent in FY17/18, and hitting a record high of 92 per cent in December 2018. Transaction volumes saw a corresponding increase by 35 per cent year-on-year, amounting to over 1.1 million by the end of the financial year.

Strong Growth Across Subsidiaries

On the warehousing front, Quantium Solutions Southeast Asia ran several successful campaigns with our partners in the region.

A notable achievement was a birthday bash campaign for a major eCommerce marketplace, which saw the highest-ever volumes processed in a single day.

Strong growth for POPStations

+18%
Year-on-year increase in average utilisation rate

+35%
Year-on-year increase in transaction volumes

The integration of the Post and Parcel business units allowed us to explore exciting opportunities arising from the joint strength of both business units.

Logistics

SingPost's Last Mile Platform (LaMP)

By gathering logistics partners on a common platform, LaMP is now the most extensive collection point network in Singapore

LaMP integrates artificial intelligence into geo-fencing technologies so that couriers are able to determine precise delivery times.

We have also seen significant uplift with utilisation in Malaysia, with our new site now 90 per cent occupied.

On the domestic front, we have expanded our relationship with a leading online grocery marketplace, and they have been utilising space in our Regional eCommerce Logistics Hub facility in Tampines since the beginning of 2019.

In Australia, CouriersPlease (CP) recorded a 5.2 per cent growth in revenue, playing a vital role in the delivery of over 18 million parcels to Australians nationwide and internationally. CP has embraced technology and invested in several operational enhancements and service initiatives to strengthen our position as a premium eCommerce Logistics service provider. These include improved parcel delivery experience through automated sortation, improved operational performance that provides more certainty to our customers, and the introduction of an on-demand delivery service to meet the specific demands of cross-border deliveries.

For freight forwarding, FPS Global Logistics expanded its market network with customers from various industries such as the industrial service, chemical and medical devices sectors.

Shedding New Light on Last-Mile Delivery with LaMP

We are making inroads with our new proprietary logistics software Last Mile Platform (LaMP). Since our announcement of the platform in November 2018, we have onboarded retail and last-mile partners such as Singtel and Park N Parcel.

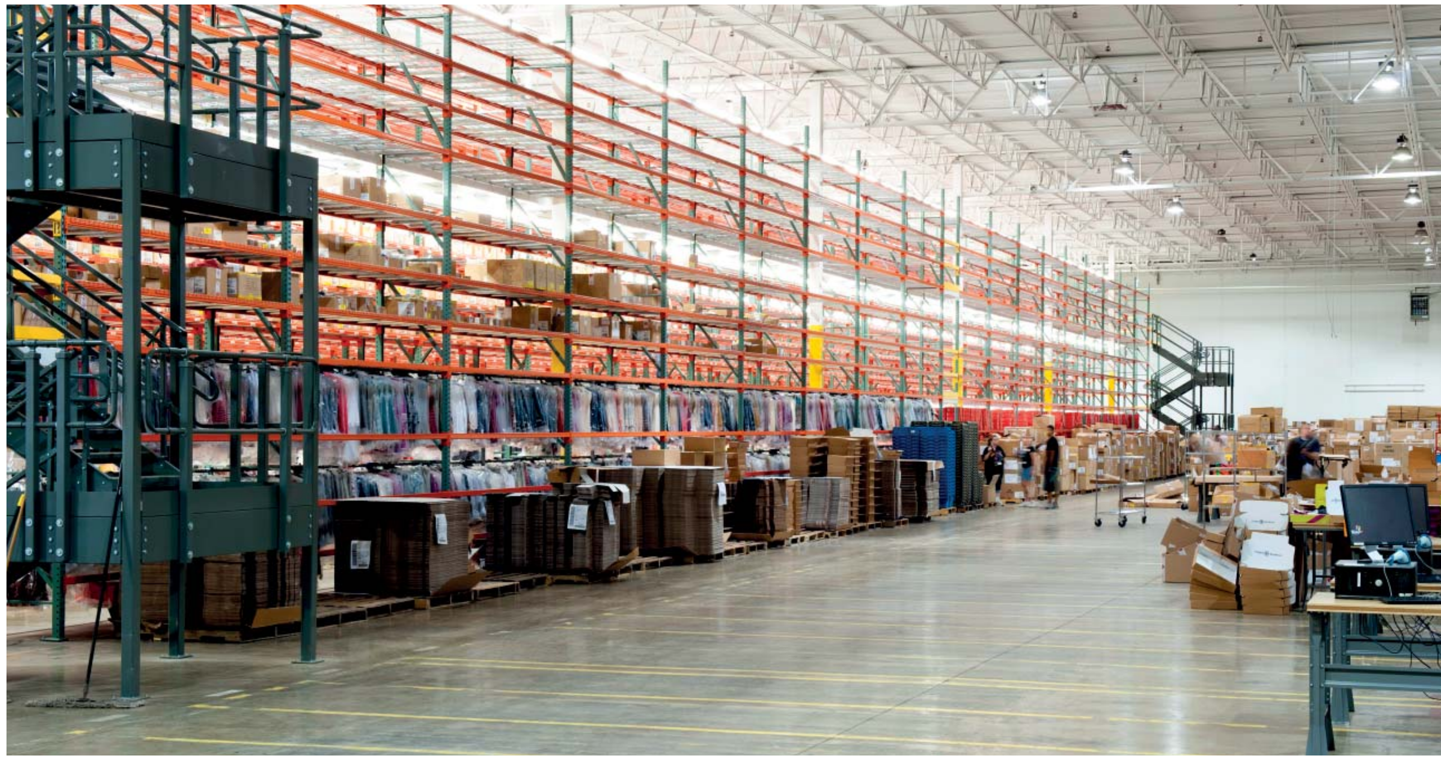
With more than 660 convenience points where members of the public can collect their parcels, LaMP provides customers with a strong value proposition by being the most extensive collection point network in Singapore.

LaMP will also integrate artificial intelligence into geo-fencing technologies so that couriers are able to determine precise delivery times. Recipients will also be able to change collection point addresses, times, orders and sequences, in a first for the industry.

All of these developments will level up our service capabilities in the logistics sector, and enable us to retain our leadership position even as the last-mile industry faces disruption and headwinds.

eCommerce

With our extensive end-to-end eCommerce solutions, we support global and regional brands in growing their business online every step of the way.



SingPost stayed on track with our transformation and continued to invest in efforts to turn around the US businesses at the start of the year. The eCommerce segment enjoyed operational efficiency with the integration of TradeGlobal and Jagged Peak and also saw higher volumes primarily driven by festive shopping in the US.

Costs grew, notably with the integration initiatives as well as investments in automation for our US businesses. The increase in eCommerce volumes also gave rise to operating losses as costs including freight and outsourced services rose significantly to support the growing volumes.

The Business of Edge

Our proprietary eCommerce software – EDGE®, continues to be recognised by the industry as one of its top eCommerce platforms.

EDGE® was named in Forrester Wave for the category of Omnichannel Order Management Systems. This report evaluates 40 varied criteria from providers, so as to identify 10 most significant platforms currently in the market. EDGE® also received security certifications for data protection – Payment Card Industry Data Security Standard (PCI DSS) 3.2 (Level 1) certification and Health Information Trust Alliance (HITRUST) certification.

EDGE® had undergone several technology enhancements in the course of the year, giving it better agility, seamless integrations as well as stronger reporting capabilities. The software now allows for an increased release calendar, with a three-week schedule and increased automated testing which helps streamline validation for each release. EDGE® has also added numerous integration and connectors to third-party software such as payment gateways and online marketplaces for more seamless, and expedited client integrations.

For the year, Jagged Peak launched 15 eCommerce solutions for new clients from the Health and Beauty, Consumer Packaged Goods, and Apparel industries, and deployed more than 35 solutions or major enhancement projects for our existing client-base.

Improved fulfilments

More than 12.5 million orders were shipped through our FlexNet network

eCommerce

EDGE® lab
Set up in Singapore to showcase our proprietary software and end-to-end eCommerce capabilities

RaaS robotic system
Helped in reduction of manpower and 80% year-on-year reduction of workplace injuries in Ohio

Improvements in Fulfilment

The year saw more than 12.5 million orders shipped through our FlexNet network, the deployment of RaaS robotic system at the Meridian distribution centre in Ohio as well as the expansion of Put-to-Light units in Ohio.

The deployment of RaaS robotic system facilitates robot-assisted picking that resulted in a reduction of manpower and 80 per cent year-on-year reduction of workplace injuries in Ohio. We also saw over 20,000 people-hours without workplace injury in FlexNet network and Florida.

Strengthening our Services

We established a Client Advisory Board – a forum that brings together key client stakeholders to solicit product feedback, share best practices and gather leading-edge insights into our clients' priorities and challenges. The goal of this forum is to strengthen relationships, shape product development, and gain access to early-stage thinking for innovation. Since launching the programme, we have had an on-site two-day client advisory summit in Q3, and a remote client advisory conference meeting in Q4.

A EDGE® lab was set up in Singapore to showcase the power of our proprietary software, as well as end-to-end eCommerce capabilities to our customers, prospective business partners and staff.

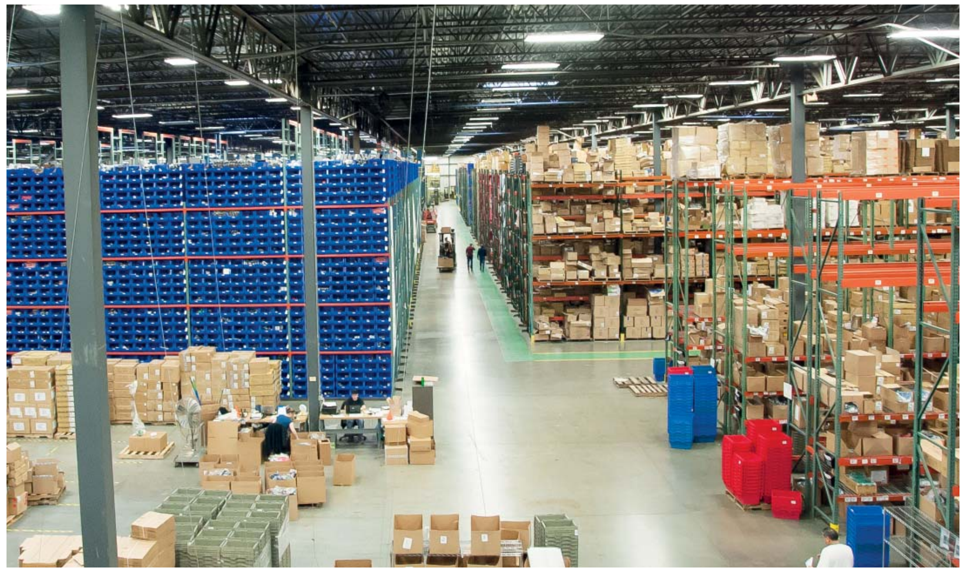
We also expanded our marketplace management offering to help clients amplify their brand and outperform competition; this includes content creation and management, marketing and advertising services, D2C program management and B2B retail management.

Moving Ahead

Despite tremendous efforts to turn our US businesses around, the year has still proven to be very challenging for the eCommerce segment.

Also, SingPost believes its strengths and strategic competitive advantages are in Southeast Asia and the Asia Pacific region, which provides attractive growth opportunities. Our long-term focus would be better spent strengthening and growing our core businesses in the region, and to better serve our home market in Singapore.

Based on these factors, a strategic decision has been taken to exit the US domestic market and put the US businesses up for sale.



Jagged Peak's East Provident distribution center in Cincinatti, Ohio.

Property

Profitability on the Property segment continues to grow as both revenue and profit on operating activities rise.

The Property segment has done well this year. Revenue rose by 13.5 per cent and profit on operating activities grew 29.8 per cent for the full year. The good performance is largely attributed to the rental income from the SingPost Centre retail mall. Committed occupancy for the mall hit 98.9 per cent while occupancy for commercial/industrial spaces reached 94 per cent as at 31 March 2019.

CapitaLand Mall Asia continues to manage the SingPost Centre retail mall and is responsible for its marketing and promotional activities, lease and facilities management.

Enlivening the Paya Lebar Precinct

SingPost is participating in Urban Redevelopment Authority's (URA) pilot Business Improvement District (BID) programme to support place management in the Paya Lebar precinct. A Paya Lebar pilot BID Task Group has been formed together with other stakeholders in the vicinity, including Lendlease, UOL Group and Sun Venture. The BID programme aims to improve the visitor experience by enhancing the attractiveness and distinctiveness of the precinct. The Task Group is looking to promote wellness, creativity and collaboration within the community, helping Paya Lebar to thrive. Some of the proposed initiatives are aimed at strengthening the community and cultural identity, raising the quality of public spaces and improving accessibility among the developments in the area.

The SingPost Centre retail mall has been kept vibrant and differentiated in Paya Lebar through its tenant mix as well as activities and events held at its atrium.

High committed occupancy rates

98.9%
For SingPost retail mall

94%
For commercial/ industrial spaces

Property

Cellarbration Fiesta held in conjunction with Oktoberfest at the SingPost Centre Mall atrium.

The mall consistently host fairs ranging from food, lifestyle, travel, household and fashion to festive events such as Oktoberfest, adding fresh dining and retail options for its customers. These activities drive footfall to the mall, enlivening the Paya Lebar community.

Sustainability at our Properties

SingPost continually initiates sustainability efforts within our properties, and as such, has installed efficient chiller systems at our properties. Our Regional eCommerce Logistics Hub, for example, which commenced operations in FY2016/17, is fitted with an efficient chiller system that holds standards similar to the Green Mark Gold[Plus] under Building and Construction Authority's Green Mark for Existing Non-Residential Building (version 3). The installation and optimising of the chiller systems have reduced our electricity consumption by 344,000 kWh or 5 per cent as compared to the last financial year.

We plan to administer the Energy Performance Contract (EPC) for Buildings at our properties to ensure that our chiller plant systems remain consistently efficient and that more lighting are replaced by LED lamps to maximise energy efficiency. The Singapore Green Building Council developed the template EPC for buildings after consulting with key industry stakeholders to provide building owners and energy performance contracting firms a standard reference guide on energy efficiency works and improvements. This helps both building owners and energy performance contracting firms work together in a more efficient and effective way in support of sustainability.

Tenant Satisfaction

We conducted a tenant satisfaction survey recently with our tenants at the SingPost Centre to garner feedback regarding our building facilities and 70 per cent of our tenants had responded. The survey results showed that our tenants are generally most satisfied with the Security and Safety control within the property as well as maintenance of the building.

List of Major Properties

Name	Address	Title	Years	With Effect From	Land (Sq m)	Building Gross Floor Area (Sq m)
Airmail Transit Centre	21 North Perimeter Road	Leasehold	30	25.09.00	2,890	8,862
Alexandra Post Office	110 Alexandra Road	Leasehold	99	31.03.92	2,305	923
Bukit Panjang Post Office	10 Choa Chu Kang Road	Leasehold	99	31.03.92	3,264	2,015
SingPost Regional eCommerce Logistics Hub	37/39 Greenwich Drive	Leasehold	30	16.11.14	32,505	51,358
Jurong Delivery Base	2 Kian Teck Way	Leasehold	30	16.10.95	4,008	3,574
Kallang Delivery Base	18 Jalan Lembah Kallang	Leasehold	30	16.09.98	2,761	6,872
Killiney Road Post Office	1 Killiney Road	Leasehold	99	31.03.92	1,029	555
Loyang Delivery Base	25 Loyang Lane	Leasehold	30	16.10.95	3,519	3,225
MacPherson Post Office	70 MacPherson Road	Leasehold	99	31.03.92	1,918	315
Pasir Panjang Post Office	396 Pasir Panjang Road	Leasehold	99	31.03.92	1,726	391
Paya Lebar Delivery Base	755 Upper Serangoon Road	Leasehold	99	31.03.92	1,353	3,012
Serangoon Garden Post Office	54 Serangoon Garden Way	Leasehold	99	31.03.92	1,215	341
Simpang Bedok Post Office	350 Bedok Road	Leasehold	99	31.03.92	1,129	362
Singapore Post Centre	10 Eunos Road 8	Leasehold	99	30.08.82	32,738	137,134
Tampines Delivery Base	29 Tampines Street 92	Leasehold	30	01.01.92	5,000	12,395
Tanglin Post Office	56 Tanglin Road	Leasehold	99	31.03.92	2,643	2,678
3B Toh Guan Road East	3B Toh Guan Road East	Leasehold	30	01.09.89	10,064	18,126
Woodlands Delivery Base	9 Woodlands Walk	Leasehold	30	16.10.95	3,040	2,393

Corporate Milestones

160 Years of Postal Services

For over 160 years, we focused on being at the forefront of the latest developments in the postal service and constantly strive towards better serving our stakeholders through progression and innovation.

1800s

1819
Postal services in Singapore started to take shape, administered initially by the military authorities

1845
Singapore welcomed the first mail steamer dispatched to the Far East, the Lady Mary Wood

1858
Milestone Year: The Post Office became an independent department from the British Marine Office, financed by postal revenue, as mail volume increased. William Cuppage was appointed postmaster

1873
The first General Post Office (GPO) was built at the former Fort Fullerton

1897
The first sub-post offices were opened at Tanglin, Kandang Kerbau and Tanjong Pagar

1900s

1916
Stamp booklets were made available for sale at the GPO

1928
The GPO moved into the new Fullerton Building, officially opened by Sir Hugh Clifford, then Governor of Singapore, and named after Sir Robert Fullerton, the first Governor of the Straits Settlements

5 October marked the day that the first airmail was dispatched from Singapore – to Marseille by sea and then to London by air

1937
International calls between London and Singapore were introduced at the post office, costing $51 for a three-minute call

1950s

1950
A two-digit postal code system was introduced, dividing the island into 28 postal districts

1960s

1966
A special series of stamps was issued on 9 August 1966 to commemorate Singapore's first anniversary as an independent nation

1970s

1971
New rectangular mailboxes were located islandwide with dual slots: 'Singapore' and 'Other Countries'

1973
Vending machines selling stamp booklets were installed to improve sales efficiency

1974
The first postwomen were hired, a significant move towards a more inclusive workforce for the postal service sector

1978
Speedpost service was launched to provide a fast and reliable way to send documents domestically and internationally

1979
A four-digit postal code system was introduced, with Singapore now divided into 81 sectors

1980s

1982
The early 80s marked the merger between the Postal Services Department and Telecommunication Authority of Singapore (TAS)

1990s

1992
Singapore Post Private Limited was incorporated as an entity of TAS

1995
Postal codes were upgraded to a six-digit system that provided a unique code for each delivery point and enabled significantly greater automation of mail sorting

1996
The Neighbourhood Postman Scheme was introduced

1997
A next-generation Self-service Automated Machine (SAM) was introduced to automatically weigh postal items, dispense postage labels and accept bill payments

1998
SingPost moved its sorting operations to a new facility at Paya Lebar, which automates the sorting of mail and parcels based on postal codes

2000s

2000
SingPost Centre was officially opened

2003
SingPost made its debut on the Singapore Exchange (SGX)

2005–2008
MyStamp, the world's first stamp personalisation service was launched. On 8 April 2008, SingPost introduced the world's first beaded stamps. Shaped like a handbag and intricately crafted with 'caviar beads', this collectable series fittingly celebrated the opening of the Peranakan Museum

2008
An innovative electronic lock system was added to letter boxes to improve security

2010s

2011
The first fleet of 50 three-wheel delivery scooters was rolled out

2013
POPStation was launched, providing eCommerce customers with the convenience of collecting parcels 24/7 from an automated kiosk

2014
Next-generation post offices featuring self-help lobbies were rolled out to provide 24/7 access to postal and other essential services

2015
SingPost pioneered a trial parcel delivery that was piloted by an unmanned aerial vehicle

2016
SingPost's Regional eCommerce Logistics Hub was officially opened

2017
SmartPost was initiated to digitise key postal processes such as collection, sorting and delivery

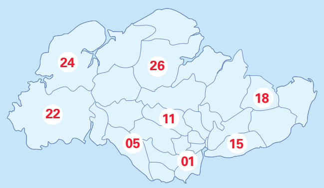
Our journey tracks a transformation from a humble post office to an efficient and progressive postal service in Singapore.

1858 – The Post Office became an independent department from the British Marine Office

Source: Lim Kheng Chye Collection, courtesy of National Archives of Singapore

1928 – First airmail dispatched from Singapore to Marseille by sea and then to London by air

Source: Collection of Singapore Philatelic Museum. ©Singapore Philatelic Museum



1950 – A two-digit postal code system was introduced, dividing the island into 28 postal districts

1982 – The early 80s marked the merger between the Postal Services Department and Telecommunication Authority of Singapore (TAS)

2003 – SingPost made its debut on the Singapore Exchange (SGX)

2017 – SingPost Centre reopens with doubled retail space and new General Post Office

SingPost Celebrates 160 Years of Postal Services

Singapore Post celebrated 160 years of postal services in Singapore by organising a slew of community activities in October and November last year. The events were organised around four central themes: appreciation of the families of staff, community engagement, environmental awareness and celebration of our history. Our Corporate Social Responsibility team worked with Zest.O to organise and run the events, and each of them saw tremendous success as team members and the public joined hands to celebrate this momentous occasion.

Elderly participants from agencies under the Community Chest joined SingPost staff in celebrating our 160 years of history.

SingPost corporate staff led by our GCEO Paul Coutts distributed care packages to needy families in Bedok South as a small gesture of appreciation for the invaluable support the community has given to us over 160 years.

Our month-long calendar of activities culminated in a popiah party graced by President Halimah Yacob, where we broke the record for the most number of people making the local delicacy together.

To raise awareness of plastic waste and its effects on the environment, we organised a bottle cap collection drive, and constructed a mural with the caps collected. Staff also pledged to adopt more environmentally friendly practices such as bringing their own shopping bags and cutlery instead of using plastic disposable ones.

Corporate Social Responsibility

With its vast network across Singapore, SingPost is in a unique position to add value to the community, especially towards the less fortunate among us. Working with community partners on existing as well as new initiatives to better the lives of residents, it is our firm belief that our service to the nation extends beyond delivering mail.

A postal team member asking after an elderly resident as part of the *Postman Home Visits* initiative, where postmen volunteer to check up on vulnerable seniors in the neighbourhoods they serve.

A postman delivering bread and assorted pastries collected from bakeries and hotels in Singapore to a social welfare organisation in Toa Payoh, who will then redistribute the confectionaries to the less fortunate in the neighbourhood. SingPost has made these twice-weekly delivery runs for 10 years as part of a partnership with charity organisation Food from the Heart.

A trainer from dementia awareness movement Forget Us Not conducting a briefing to the postal team from Tampines Regional Base.

SingPost's corporate staff with elderly participants of our digital training course, conducted by representatives from various business units in the company.

Investor Relations

SingPost's 26th Annual General Meeting.

SingPost is committed to engaging its shareholders through regular, effective and fair communication, in compliance with the listing rules of the Singapore Exchange Securities Trading Limited (SGX-ST), Singapore Code of Corporate Governance and current best practices.

Our Investor Relations (IR) activities and conduct are guided by the IR Policy which outlines the principles and practices to provide shareholders and investors with information necessary to make well-informed investment decisions.

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

In FY2018/19, management and IR engaged about 270 investors in the form of meetings and conference calls.

We believe in developing and fostering strong relationships with research analysts, who play an important role in communicating key messages of SingPost to the investing community, media and general public. 11 research firms covered SingPost during the year.

SingPost conducts briefings for analysts for each of the quarterly financial results announcements, as well as for the media for half-year and full-year financial results. The public may access an audio webcast or playback of each of the quarterly results briefing, and a transcript will be published under the IR section of the corporate website (www.singpost.com) as soon as practicable.

To ensure timely and accurate dissemination of information, the IR website is regularly updated and contains all SGXNET announcements, quarterly financial statements, investor presentations and Annual General Meeting (AGM) related materials, including minutes of the AGM and the full voting results.

As part of our IR outreach programme to broaden and diversify SingPost's shareholder base, our team completed five overseas non-deal roadshows or conferences in FY2018/19, on top of local interactions with analysts and investors.

We also organise regular site visits for investors and analysts to facilitate a better understanding of our business operations. This includes visits to our Regional eCommerce Logistics Hub which provides a first-hand experience of the use of automation systems for eCommerce order picking and parcel sorting.

SingPost recognises the importance and value of regular engagement with our retail shareholders. We hold annual meetings for retail investors with the Singapore Investors Association Singapore (SIAS) to provide an opportunity for them to interact with Management.

In June 2018, we held the SingPost-SIAS dialogue session at the SingPost Centre auditorium, with around 240 retail investors in attendance. Our Group CEO, Mr Paul Coutts, presented SingPost's financial and operational performance, and engaged in a question-and-answer session with the attendees.

FY2018/19 Investor Relations

Calendar of Events

We proactively engage with the investment community in a timely and transparent manner to ensure that they are kept updated of the latest developments at SingPost.

Q1 FY2018/19
• Q4 and Full Year FY2017/18 results briefing to analysts and media
• Post-results investor lunch meeting
• 9th Annual dbAccess Asia Conference 2018 – Singapore
• SGX-DBSV Singapore Corporate Day, followed by Non-deal Roadshow – New York, Canada

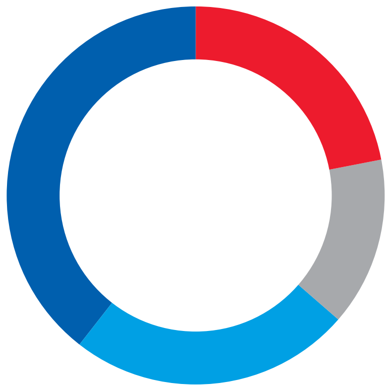
Q2 FY2018/19
• SingPost-SIAS Dialogue Session
• 26th Annual General Meeting
• Q1 FY2018/19 results briefing to analysts
• Post-results investor lunch meeting
• 25th CLSA Investors' Forum – Hong Kong

Q3 FY2018/19
• SGX-UBS Singapore Corporate Day, followed by Non-deal Roadshow – London, Europe
• Q2 and H1 FY2018/19 results briefing to analysts and media
• Post-results investor lunch meeting
• Non-deal Roadshow – Japan
• Non-deal Roadshow – Kuala Lumpur

Q4 FY2018/19
• DBS Vickers Pulse of Asia Conference 2019 – Singapore
• Q3 and 9M FY2018/19 results briefing to analysts

Investor Relations

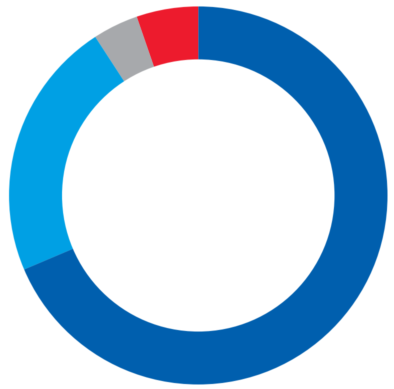
Share Ownership by Investor Groups
As at 31 March 2019



Singtel	22.0%
Alibaba Investment Ltd	14.6%
Institutional & Others*	24.2%
Retail Investors	39.2%

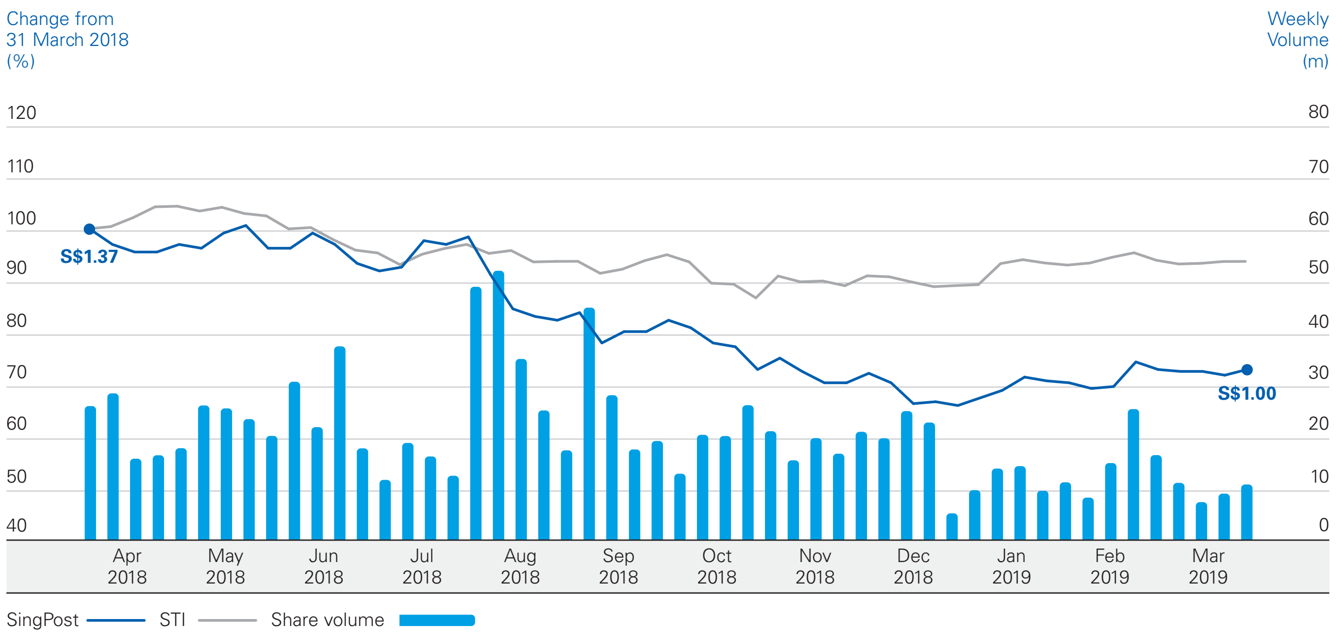
* Include shares held by brokers, custodians and nominees

Holdings by Geographic Distribution
As at 31 March 2019



Singapore	68.7%
Asia excluding Singapore	22.3%
Europe & UK	3.9%
North America	5.0%

SingPost Share Price and Trading Volume vs FTSE Straits Times Index (FY2018/19)

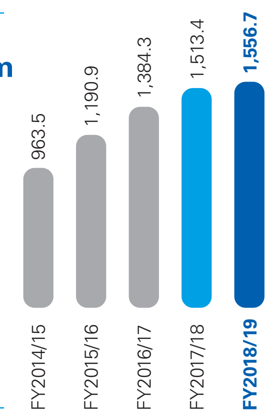


Group Financials

Continuing to Deliver Resilient Performance

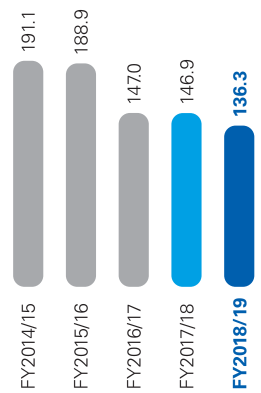
Revenue (S$m)
S$1,556.7m

FY2017/18
S$1,513.4m



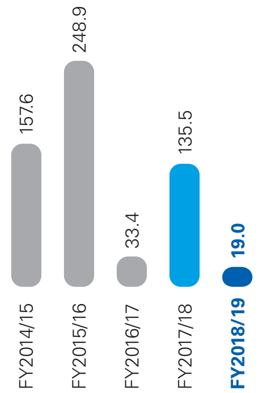
Profit on Operating Activities (S$m)
S$136.3m

FY2017/18
S$146.9m



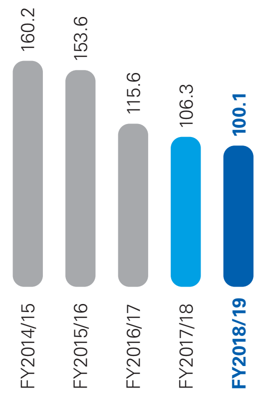
Net Profit (S$m)
S$19.0m

FY2017/18
S$135.5m



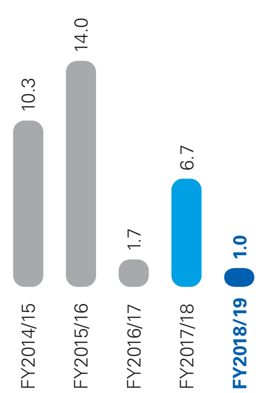
Underlying Net Profit (S$m)
S$100.1m

FY2017/18
S$106.3m



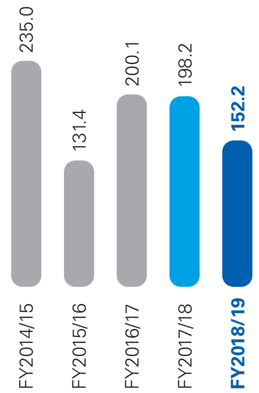
Return on Average Invested Capital (%)
1.0%

FY2017/18
6.7%



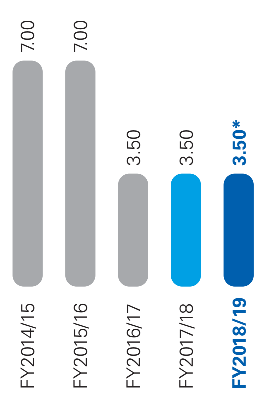
Operating Cash Flow (S$m)
S$152.2m

FY2017/18
S$198.2m



Dividend (cents per share)
3.50* cents

FY2017/18
3.50 cents



* Including final dividend of 2.0 cents per share for the approval of shareholders at the 27th Annual General Meeting

Group Five-Year Financial Summary

	Financial Year ended 31 March				
	2019	2018 Restated	2017 Restated	2016 Restated	2015 Restated
Income Statement (S$ million)					
Revenue	**1,556.7**	1,513.4	1,384.3	1,190.9	963.5
Profit on operating activities	**136.3**	146.9	147.0	188.9	191.1
EBITDA [1]	**117.9**	225.3	118.1	326.6	229.0
Net profit [2]	**19.0**	135.5	33.4	248.9	157.6
Exceptional items, net of tax [3]	**81.1**	(29.2)	82.2	(95.3)	2.6
Underlying net profit [4]	**100.1**	106.3	115.6	153.6	160.2
Balance Sheet (S$ million)					
Total assets	**2,619.2**	2,684.1	2,666.7	2,426.5	2,210.7
Ordinary shareholders' equity	**1,266.2**	1,359.1	1,306.6	1,203.6	1,117.2
Cash and cash equivalents	**392.2**	314.1	366.6	126.6	584.1
Net (cash)/net debt	**(101.3)**	(70.1)	(2.6)	153.6	(345.8)
Perpetual securities	**346.8**	346.8	346.8	346.8	346.8
Net debt plus perpetual securities [5]	**245.5**	276.8	344.2	500.5	1.0
Cash Flow (S$ million)					
Net cash inflow from operating activities	**152.2**	198.2	200.1	131.4	235.0
Capital expenditure (cash)	**31.3**	62.1	199.8	279.7	104.4
Free cash flow [6]	**120.9**	136.1	0.3	(148.3)	130.6
Key Ratios					
EBITDA margin (%)	**7.6**	14.9	8.5	28.4	24.9
Net profit margin (%)	**1.2**	9.0	2.4	21.6	17.1
Return on average invested capital (%)	**1.0**	6.7	1.7	14.0	10.3
Return on average ordinary shareholders equity (%)	**1.4**	10.2	2.7	21.5	16.7
Net debt to ordinary shareholders equity (%)	**N.M.**	N.M.	N.M. [7]	12.8	N.M. [7]
Net debt plus perpetual securities to ordinary shareholders equity (%) [5]	**19.4**	20.4	26.3	41.6	0.1
EBITDA to interest expense (number of times)	**11.5**	21.3	13.3	42.1	36.4
Per Share Information (S cents)					
Earnings per share – basic	**0.18**	5.32	0.85	10.86	6.85
Earnings per share – underlying net profit [5]	**4.43**	4.68	5.28	7.13	7.69
Net assets per share	**71.7**	75.4	72.7	71.7	68.2
Dividend per share – ordinary	**3.50**	3.50	3.50	7.00	6.25
Dividend per share – special	**–**	–	–	–	0.75

Notes:

(1) EBITDA is defined as profit before interest, tax, depreciation, amortisation and impairment (excluding intangible assets and investments in associated companies).
(2) Net profit is defined as profit after tax and minority interest.
(3) Exceptional items comprised one-off items such as asset impairment, fair value changes on investment properties, gains or losses on sale of investments and property, plant and equipment and M&A related professional fees.
(4) Underlying net profit is defined as net profit before exceptional items, net of tax.
(5) Net debt plus perpetual securities and its ratio to ordinary shareholders equity are presented for comparative purposes.
(6) Free cash flow refers to net cash inflow from operating activities less cash capital expenditure.
(7) N.M. Not meaningful.

Financial Review and Outlook

FINANCIAL REVIEW

Group	Financial Year ended 31 March 2019 S$'000	2018 S$'000	Change %
Revenue	**1,556,690**	1,513,427	2.9
Profit on operating activities	**136,292**	146,873	(7.2)
Share of profit of associated companies and joint venture	**(7,061)**	(3,099)	(127.8)
Net profit	**18,958**	135,497	(86.0)
Exceptional items, net of tax [1]	**(81,148)**	29,220	N.M.
Underlying net profit [2]	**100,106**	106,277	(5.8)
Basic earnings per share (S cents)	**0.18**	5.32	(96.6)
Underlying earnings per share (S cents)	**4.43**	4.68	(5.3)

Note:

(1) Exceptional items comprised one-off items such as asset impairment, fair value changes on investment properties, gains or losses on sale of investments and property, plant and equipment and M&A-related professional fees.
(2) Underlying net profit is defined as net profit before exceptional items, net of tax.

N.M. Denotes not meaningful.

For the full year ended 31 March 2019, Group revenue rose 2.9%, led by growth in the Post and Parcel and Property segments.

Revenue	Financial Year ended 31 March 2019 S$'000	2018 S$'000	Change %
Post and Parcel	**764,751**	734,846	4.1
Logistics	**496,137**	497,436	(0.3)
eCommerce	**248,904**	249,776	(0.3)
Property	**90,742**	79,934	13.5
Inter-segment eliminations	**(43,844)**	(48,565)	9.7
	1,556,690	1,513,427	2.9

In the Post and Parcel segment, revenue rose 4.1% for the full year, driven by strong international mail revenue growth of 9.3% with higher cross-border eCommerce-related delivery volumes.

In the Logistics segment, revenue declined 0.3% for the full year. At Famous Holdings, the Group's freight forwarding business, revenue rose with higher freight rates. This was offset by revenue decline at Quantium Solutions following an exit of unfavourable customer contracts, as well as at CouriersPlease, our express parcel delivery service in Australia, which was impacted by the depreciation of the Australian dollar against the Singapore dollar.

In the eCommerce segment, revenue declined 0.3% for the full year as the Group continues to face challenges in the US in the midst of intensifying competitive and cost pressures and an increase in customer bankruptcies in the industry.

Property segment revenue, which comprises commercial property rental and the self-storage business, rose 13.5% for the full year. This was due to rental income from the SingPost Centre retail mall, which commenced operations in October 2017 after a period of redevelopment.

Operating Expenses

Operating expenses rose 3.7% for the full year, driven by higher volume-related expenses.

Volume-related expenses, which remain the largest cost component for the Group, rose 7.2% for the full year. Traffic-related expenses, which are largely for mail conveyance, rose due to higher terminal dues. Further, outsourced services, which are largely incurred in the US for freight purposes, rose significantly faster than revenue for the US businesses.

Excluding volume-related expenses, operating expenses for the Group would have declined 1.5% for the full year on cost management initiatives.

For the full year, labour and related expenses declined 2.8%.

Administrative and other expenses increased 2.7% for the full year, largely due to higher property-related expenses arising from increased property activities.

Financial Review and Outlook

Depreciation and amortisation costs declined 2.2% for the full year, as some assets had been fully depreciated and written off respectively.

Selling-related expense rose 14.3% for the full year, attributable to higher costs related to international postal deliveries in line with higher volumes, as well as provisions for ongoing contractual disputes with eCommerce customers in the US.

The impairment gain/loss on trade and other receivables relate to the bad and doubtful debt provisions for the Group. Bad debt provision for the full year was S$2.2 million, largely due to the US businesses, while the provision last year was S$5.5 million, largely due to Quantium Solutions Hong Kong.

	Financial Year ended 31 March		
Profit on Operating Activities	**2019 S$'000**	2018 S$'000	Change %
Post and Parcel	**165,864**	164,255	1.0
Logistics	**(2,514)**	(10,574)	76.2
eCommerce	**(51,930)**	(19,602)	(164.9)
Property	**53,664**	41,330	29.8
Others*	**(28,792)**	(28,536)	(0.9)
Profit on operating activities	**136,292**	146,873	(7.2)

* Others refer to unallocated corporate overhead items and trade-related foreign exchange translation differences.

Profit on operating activities declined 7.2% for the full year, due to higher losses for the US businesses under the eCommerce segment.

In the Post and Parcel segment, profit on operating activities rose 1.0% for the full year as the Group benefited from increased cross-border eCommerce-related deliveries, as well as operating synergies from the integration of its domestic Post and Parcel divisions.

In the Logistics segment, loss on operating activities narrowed from S$10.6 million to S$2.5 million for the full year, largely due to a reduction in losses at Quantium Solutions after the exit of unfavourable contracts and successful implementation of cost rationalisation. The corresponding period last year had included a doubtful debt provision of S$5.2 million for a key customer. Revenue and profit on operating activities for CouriersPlease rose in Australian dollar terms. However, earnings were impacted by the strengthening of the Singapore dollar, as well as a one-time cost incurred for the Cost Leadership Programme for which the benefits will only be recognised next financial year.

In the eCommerce segment, operating loss widened year-on-year to S$51.9 million for the full year due to the US businesses, as a result of competitive and cost pressures and higher expenses incurred for freight and outsourced services.

Under the Property segment, profit on operating activities rose 29.8% for the full year due to rental income from the SingPost Centre retail mall. Committed occupancy for the mall was 98.9% as at 31 March 2019, compared to 95.6% a year ago.

Under the Others segment, which comprises unallocated corporate overhead items and trade-related foreign exchange translation differences, expenses rose marginally by 0.9% for the full year due to unfavourable foreign exchange movements.

Impairment of TradeGlobal and Jagged Peak

Under financial reporting standards, the value-in-use computation has been adopted for the purpose of impairment testing. This excludes any cash flows expected to arise from future restructuring not yet committed, or plans to improve or enhance the asset's performance.

The Group has recorded a total impairment of S$98.7 million to the carrying value of TradeGlobal and Jagged Peak, comprising the balance S$67.6 million for goodwill and intangible assets, and the balance S$31.0 million for property, plant and equipment (PPE).

This means that the carrying value of the US businesses had been substantially impaired, save for working capital that may be recoverable.

Exceptional items

Total exceptional losses for the full year amounted to S$69.3 million, which included the below material items:

- Gain on dilution of interest in 4PX recorded in the third quarter of the financial year: S$42.7 million
- Fair value loss on GD Express warrants recorded over the year: S$15.5 million

Share of Results of Associated Companies and Joint Venture

As previously announced, the Group has ceased equity accounting for 4PX and Indo Trans Logistics Corporation with effect from October 2018.

For the full year, the share of results was a S$7.1 million loss, largely due to 4PX's results recorded in the earlier part of the year.

GD Express

During the year, the Group completed the sale of all the GD Express warrants that it held, which was classified as a derivative financial instrument. Accordingly, the Group will no longer have to recognise fair value gains or losses on the warrants.

The Group utilised the sale proceeds to increase its direct shareholding in GD Express from 11.2% to 11.6%, which will continue to be classified as an associated company.

Income Tax Expense

For the full year, income tax expense was S$27.8 million, a 9.4% decline compared to last year largely due to lower profit before tax.

Net Profit and Underlying Net Profit

For the financial year ended 31 March 2019, net profit attributable to equity holders declined by 86.0% to S$19.0 million.

Excluding the impact of exceptional and other one-off items, underlying net profit declined 5.8% to S$100.1 million for the full year, due largely to higher losses from the US businesses.

	Financial Year ended 31 March		
Cash Flow	**2019 S$'000**	2018 S$'000	Change %
Net cash inflow from operating activities	**152,180**	198,243	(23.2)
Net cash provided by/(used in) investing activities	**12,349**	(48,757)	N.M.
Net cash used in financing activities	**(86,359)**	(202,050)	57.3
Net increase/(decrease) in cash and cash equivalents	**78,170**	(52,564)	N.M.
Cash and cash equivalents at beginning of year	**314,050**	366,614	(14.3)
Cash and cash equivalents at end of year	**392,220**	314,050	24.9
Free cash flow	**120,857**	136,100	(11.2)
Cash capital expenditure as a percentage of revenue	**2.0%**	4.1%	

N.M. Denotes not meaningful.

Operating activities

For the full year, operating cash flow before working capital changes was S$186.8 million, compared to S$196.2 million last year.

Working capital movement for the year was negative S$3.3 million due to the timing of payables and receivables in respect of international postal settlements largely for eCommerce deliveries, which are experiencing strong growth from China.

After payment of income tax, net cash inflow from operating activities was S$152.2 million for the year, compared to S$198.2 million last year.

Investing activities

Net cash inflow for investing activities for the year was S$12.3 million for the year, compared to outflow of S$48.8 million last year. This was due largely to proceeds from divestment of ITL, as well as lower capital expenditure of S$31.3 million compared to S$62.1 million last year, with the completion of the SingPost Centre retail mall redevelopment.

Financing activities

Net cash outflow from financing activities for the year was S$86.4 million, compared to outflow of S$202.1 million in the same period last year. The difference was largely due to net receipts of bank borrowings this year, compared to net repayment of bank borrowings last year.

Free cash flow

For the financial year ended 31 March 2019, the Group's free cash flow (operating cash flow less capital expenditure) amounted to S$120.9 million, compared to S$136.1 million in the previous financial year, due to the timing of payables and receivables in respect of international postal settlements largely for eCommerce deliveries.

CAPITAL MANAGEMENT

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

	Financial Year ended 31 March		
Group Debt And Perpetual Securities	**2019 S$'000**	2018 S$'000	Change %
Total debt	**290,876**	243,978	19.2
Net (cash)/net debt	**(101,344)**	(70,072)	(44.6)
Total debt plus perpetual securities*	**637,702**	590,804	7.9
Net debt plus perpetual securities*	**245,482**	276,754	(11.3)
Net debt plus perpetual securities to ordinary shareholders equity(%)*	**19.4%**	20.4%	
EBITDA to interest expense (number of times)	**11.5**	21.3	

* Presented for comparative purposes.

Total borrowings increased from S$244.0 million as at 31 March 2018 to S$290.9 million as at 31 March 2019. EBITDA to interest expense stands at 11.5 times, compared to 21.3 times for the corresponding period last year. Excluding exceptional items, EBITDA to interest expense for the year ended 31 March 2019 would be 18.2 times compared to 19.1 times last year.

DIVIDEND

The Board of Directors is recommending a final dividend of 2.0 cents per share for the financial year ended 31 March 2019. Together with the interim dividend payments of 0.5 cent per share for the first three quarters, the annual dividend in respect of the current financial year would amount to 3.5 cents per share.

	Cents Per Share
Interim Q1	0.5 cent
Interim Q2	0.5 cent
Interim Q3	0.5 cent
Proposed final	2.0 cents
Total dividends paid and proposed in relation to FY 2018/19	3.5 cents

The dividend policy is based on a payout ratio ranging from 60% to 80% of underlying net profit for each financial year, paid quarterly.

OUTLOOK

The Post and Parcel business is expected to benefit from the continued growth in global eCommerce activities.

Although domestic letter mail volumes are expected to trend moderately downwards, the Group is integrating its postal and parcel delivery capabilities in Singapore to achieve operational synergies and benefits.

The Group will step up its investment to improve service quality in its home market in Singapore.

While international mail has grown due to cross-border eCommerce deliveries, transhipment competition is intense and volumes will continue to come under pressure, especially with higher terminal dues.

Meanwhile, the Property business is expected to remain stable.

The Group has commenced a sale process for its US businesses under the eCommerce segment, and will make further announcements as appropriate on the exit.

The Group expects to continue to account for operating losses of the US businesses until it completes an exit.

INTRODUCTION

Corporate governance is a journey and a continual work in progress. The Company recognises that good corporate governance is critical to corporate success and sustainable economic growth. Both the Board and Management of SingPost are committed to achieving highest standards of corporate governance and have always been proactive to promote the spirit of good governance throughout the Group.

On 6 August 2018, the Monetary Authority of Singapore (MAS) issued a revised Code of Corporate Governance (2018 Code) which would apply to annual reports covering financial years commencing from 1 January 2019. While the 2018 Code will not be applicable to the Company until its financial year commencing 1 April 2019, the Company has nevertheless complied with certain key revised provisions including the adoption of a Policy on Diversity and Inclusivity and Policy on Directors' Conflict of Interests.

For the financial year ended 31 March 2019, SingPost has complied in all material respects with the principles and guidelines set out in the Code of Corporate Governance 2012 (2012 Code). This report outlines SingPost's corporate governance framework with specific reference made to the principles and guidelines of the 2012 Code.

A. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

Role of the Board

The principle role of the Board is to set the Company's vision and to regularly review its strategic direction. The Board is responsible for overseeing the corporate governance of the Company and Management's control and accountability framework. The Board sets the tone for the Company to ensure that its affairs are conducted with the highest standards of probity and in compliance with the law.

The Board provides leadership and guidance to Management on the Company's overall strategy and reviews Management's performance. The Board oversees the Company's overall performance objectives, key operational initiatives, risk management and corporate governance practices. The Board approves financial plans, annual budgets, major funding proposals, and major investment and divestment proposals. The Board also approves the financial results for release to the Singapore Exchange (SGX), the appointment of Directors and key Management personnel, and changes in the composition and terms of reference of Board Committees. In carrying out its duties, the Board is ultimately accountable to shareholders for the performance of the Company.

The role of the Board, as described above, is clearly defined in a document adopted by the Board entitled 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. Types of material transactions which require the approval from the Board include the following:

- financial targets;
- entering new business sectors and geographies;
- annual business plan and budget;
- changes to share capital structure, corporate structure, operational structure;
- results, dividend policy and dividend payout;

- significant change in accounting policies;
- major capital projects and contracts not in the ordinary course of business;
- SGXNet announcements;
- appointments to Board and Board Committees;
- approval of terms of reference of Board Committees and changes thereto;
- appointment, remuneration and removal of senior management including Group Chief Executive Officer (Group CEO);
- appointment and removal of the Group Company Secretary; and
- delegation of authority.

Additionally, to optimise operational efficiencies, financial authorisation and approval limits have been established for operating and capital expenditure and the procurement of good 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 and the Policy on Directors' Conflicts of Interest, Directors must avoid any conflicts of interest with the Company. Where a Director's personal or business interest interferes, or even appears to interfere, in any way with the interests of the Company, Directors must promptly disclose such interest at a meeting of the Directors or by sending a written notice to the Group Company Secretary containing details of the interest and the nature of the conflict and recuse themselves from participating in any discussion and decision on the transaction or proposed transaction in which the Director has an interest or is conflicted. This includes discussions at all levels within the Company, including, but not limited to, the Company's subsidiaries and any committees and sub-committees that are involved in the proposed transaction in order to prevent any risk of the Director acting in the interests or persons other than the Company, and will also prevent any appearance of impropriety on the part of the Company or the Director.

Board Committees

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

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

Each Board Committee has written terms of reference which clearly set out the authority delegated by the Board to make decisions. These terms of reference also set out the conduct of meetings including quorum, voting requirements and qualifications for Board Committee membership. 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 role clarity, the role of each Board Committee chairperson is also documented in the Success Profiles and Role Profiles for an Effective Board.

The composition of all the Board Committees comprises non-executive Directors only. The appointment of Board Committee members is carried out carefully to ensure the Board Committees comprise Directors with the appropriate qualifications and skills, to maximise the effectiveness of the Board. Board Committee appointments require the approval of the Board.

Audit Committee

The AC comprises three members namely, Mrs Fang Ai Lian (Chairperson), Mr Bob Tan Beng Hai and Ms Chu Swee Yeok, all of whom including the chairperson are non-executive independent Directors, and 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:

(a) reviewed and reported to the Board on the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems;

(b) reviewed the policies and arrangements by which staff and any other persons may, in confidence, have raised concerns about possible improprieties in financial reporting or other matters;

(c) reviewed the quarterly and annual financial statements, the SGXNet announcements on the financial statements, and the significant financial reporting issues and judgments to ensure the integrity of the financial statements;

(d) reviewed the scope and plans of the internal and external auditors and considered the effectiveness of the responses and actions taken by Management on the auditor's recommendations and observations;

(e) reviewed the adequacy and effectiveness of the internal audit function;

(f) reviewed the independence and objectivity of the external auditor annually, taking into account the nature and extent of non-audit services rendered by the external auditor;

(g) recommended to the Board on the proposals to the shareholders on the reappointment of the external auditor, and approved the remuneration and terms of engagement of the external auditor; and

(h) reviewed "interested persons transactions" as defined in Chapter 9 of the Listing Manual of the SGX and approved those transactions requiring the AC's approval as specified in any Shareholders Mandate established for this purpose.

Board Risk and Technology Committee

The Board established a separate board risk committee known as Board Risk and Technology Committee. The BRTC comprises Mr Steven Leonard (Chairperson), Mr Bob Tan Beng Hai and Ms Chu Swee Yeok.

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

(a) reviewed the Group's risk profiles, guidelines, and limits; and

(b) provided risk advisory support to the Board on the Group's Top Risks.

Compensation Committee

In compliance with Guideline 7.1 of the 2012 Code, the CC comprises at least three members, the majority of whom including the chairperson are independent Directors and all the members are non-executive Directors. The members of the CC are Mr Bob Tan Beng Hai (Chairperson), Mrs Fang Ai Lian and Mr Simon Israel.

The CC assists the Board in fulfilling its responsibilities for developing an appropriate compensation and remuneration framework to attract and retain talent. During the financial year, the activities carried out by the CC included:

(a) reviewed and recommended for the Board's endorsement on the compensation of non-executive Directors, before shareholders' approval was sought;

(b) reviewed and recommended for the Board's approval, any proposed appointment, promotion, termination, retirement, re-employment, extension of employment and remuneration of key Management personnel;

(c) reviewed and approved the remuneration policies and guidelines which covered salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;

(d) reviewed the Company's obligations arising in the event of termination of executive Directors' and key Management personnel's contracts of service, to ensure that such contracts of service contained fair and reasonable termination clauses which were not overly generous;

(e) administered the options and share scheme(s) established by the Company from time to time; and

(f) reviewed succession planning for key Management personnel and development plan for key senior executives as well as high potential talent of the Company.

Finance and Investment Committee

The members of the FIC are Mr Simon Israel (Chairperson), Mr Chen Jun, Ms Elizabeth Kong Sau Wai, Ms Lim Cheng Cheng and Mr Steven Leonard.

The FIC provides advisory support to the Board on the overall strategy of the Group's business, investments, divestments, liabilities and treasury policies. During the financial year, the activities carried out by the FIC included:

(a) reviewed and provided advisory support to the Board on mergers and acquisition transactions; and

(b) evaluated and provided advisory support to the Board on financial offers and banking facilities.

Nominations and Corporate Governance Committee

In compliance with Guideline 4.1 of the 2012 Code, the NCGC comprises three members, the majority of whom including the chairperson are independent Directors and the Lead Independent Director is a member. The members of the NCGC are Mrs Fang Ai Lian (Chairperson), Mr Simon Israel and Ms Elizabeth Kong Sau Wai.

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

(a) reviewed the composition of the Board and Board Committees and recommended the appointment, retirement and re-election of Directors;

(b) determined the independence of Directors and providing its view to the Board;

(c) proposed the adoption and implementation of Policy on Diversity and Inclusivity; and

(d) led in the evaluation of the Board and Board Committees.

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

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 2019, five Board meetings were held.

The agenda of each Board and Board Committee meeting is set by the respective chairpersons 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 chairperson of each Board Committee on significant matters relating to the scope of their 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. 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.

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, if requested by any of the Directors, schedule an opportunity to discuss and provide further information to Directors either in a group or 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 Board Chairman will not be the first to sign on any resolution.

The attendance of each Director at Board meetings, Board Committee meetings and Annual General meeting (AGM) for the financial year ended 31 March 2019 is as follows:

		Board Committees					Annual General Meeting
Name of Directors	Board	AC	BRTC	CC	FIC	NCGC	
Number of Meetings held	**5**	**4**	**4**	**3**	**7**	**2**	
Directors in service as at 31 March 2019							
Simon Israel	5/5	–	–	3/3	7/7	2/2	√
Paul Coutts	5/5	–	–	–	–	–	√
Chen Jun	4/5	–	–	–	6/7	–	√
Chu Swee Yeok (1)	2/2	2/2	2/2	–	–	–	–
Fang Ai Lian (2)	5/5	4/4	–	3/3	–	2/2	√
Elizabeth Kong Sau Wai	5/5	–	–	–	7/7	2/2	√
Steven Leonard (3)	5/5	–	4/4	–	3/3	–	√
Lim Cheng Cheng	5/5	–	–	–	6/7	–	√
Bob Tan Beng Hai	5/5	4/4	4/4	3/3	–	–	√
Director who left service as at 31 March 2019							
Aliza Knox (4)	2/2	–	2/2	–	–	–	
Zulkifli Bin Baharudin (5)	1/2	1/1	–	1/2	–	1/1	

Notes

(1) Ms Chu Swee Yeok was appointed as Director of SingPost and as member of both the AC and BRTC on 1 September 2018.

(2) Mrs Fang Ai Lian was appointed as chairperson of the NCGC on 11 July 2018.

(3) Mr Steven Leonard was appointed as member of the FIC on 5 October 2018.

(4) Ms Aliza Knox retired from the Board following the conclusion of the AGM held on 11 July 2018. Upon her retirement, she ceased to be member of the BRTC.

(5) Mr Zulkifli Bin Baharudin retired from the Board following the conclusion of the AGM held on 11 July 2018. Upon his retirement, he ceased to be chairperson and member of the NCGC and member of both the AC and CC.

Board Induction, Training and Development

All Directors receive a formal letter upon appointment informing of their role and duties as Directors and advising on disclosure obligations under the Companies Act, Cap. 50 and the SGX listing rules. Together with the appointment letters, new Directors also receive a manual containing, *inter alia*, the terms of references of the Board Committees, Code of Business Conduct and Ethics, Policies on Directors' Conflicts of Interest, Board Renewal and Tenure, Proper Handling of Disclosure of Directors' Interest, Company's Constitution, Success Profiles and Role Profiles for an Effective Board and Schedule of Matters Reserved for the Board's Decision. These documents are uploaded to a tablet device issued to every Director for easy reference.

Corporate Governance Report

New 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 Group Chief Financial Officer (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. 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. For new Directors who have no prior experience as a Singapore listed company director, comprehensive training will be arranged to help them understand the roles, duties and obligations as a listed company director.

During the financial year, courses and seminars attended by the Directors included Listed Company Director Essentials, Anticipating Risk and Precaution at the Board Level, Data and Insights-Driven Digital Innovation, Ninth Annual SID (Singapore Institute of Directors) Directors' Conference, Board Performance, Stakeholder Engagement, Audit Committee Essentials, Board Dynamics and Board Risk Committee Essentials. Directors also received training arranged by the Company on key changes to Code of Corporate Governance and SGX listing rules.

Principle 2: Board Composition and Guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Board Composition

The Board currently 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, information and communication technology, and global business experience. All are non-executives except for the Group CEO. The Board believes that the present Board size and composition 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 guidelines provided in the SGX listing rules and the higher standard contained in the 2018 Code. Each Director is required to complete an independence checklist and to declare whether he/she considers himself/herself independent despite not having any of the relationships identified which are deemed to be non-independent based on the higher standards of independence in the 2018 Code. Such declarations are put before the NCGC which then determines the Directors' independence. Great importance is placed on Directors' independence such that it is also incorporated in the Board Evaluation.

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

Mr Simon Israel is the Chairman of the Board of Singapore Telecommunications Limited (Singtel), which is a substantial shareholder of SingPost. Mr Simon Israel is not appointed as a nominee Director of Singtel to the SingPost Board. Mr Simon Israel is also not directly associated with Singtel in that he is 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 SingPost. Nevertheless, to provide added assurance to the Company's stakeholders, Mr Simon Israel is treated by SingPost as a non-independent Director and Chairman.

Ms Lim Cheng Cheng is the Group Chief Financial Officer of Singtel and a nominee of Singtel to the SingPost Board. Mr Chen Jun is a Vice President of Alibaba Group Holding Limited, which is a substantial shareholder of SingPost. Mr Chen Jun is a nominee of Alibaba group.

The Board Renewal and Tenure Policy provides that none of the Directors should serve more than six years, though an additional term of up to a maximum of three years may be permitted to accommodate phasing or the retention of critical skills set. The Board recognises that board renewal is a continuous process. During the financial year ended 31 March 2019, two non-executive independent Directors namely Mr Zulkifli Bin Baharudin and Ms Aliza Knox had retired and a new non-executive independent Director namely Ms Chu Swee Yeok had been appointed. None of the Directors on the Board serves more than nine years in the financial year ended 31 March 2019.

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

Non-executive Directors are neither Management nor employees of the Company. The 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 appointment, reward and compensation of the Group CEO and key Management personnel.

In addition to the role and duties of the non-executive Directors, the independent Directors provide an independent and objective check on Management as well as safeguard the interests of minority shareholders. In certain cases, the independent Directors are required to make certain decisions and determinations under the SGX listing rules. For the financial year ended 31 March 2019, five of the nine Directors of the Company are independent.

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

Board Diversity

The Board recognises the benefit of diversity in fostering robust discussions and guarding against group thinking which in turn leads to better decision-making. The Board seeks to achieve and maintain a culture of diversity and inclusivity. In terms of gender diversity, female representation on the Board (four out of nine Directors) is one of the highest on the boards of companies publicly listed on the SGX. The Board is ethnically diverse and their ages range from 37 to 69.

The Company has put in place a Policy on Diversity and Inclusivity since May 2018 which commits to give 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, experience, ethnicity, age, background and other relevant personal attributes important in providing a range of perspectives, insights and challenge needed to support good decision-making. The Policy also requires that any professional bodies engaged to assist with the search process will be required to be given explicit instructions of the Company's commitment to diversity to ensure the search for talent is conducted accordingly. In furtherance of this commitment, the Board will exercise best endeavours to appoint at least one female Director to the NCGC and to the CC to safeguard against gender bias in the nomination process, and to advance the interest of female employees and support mentoring and development opportunities for female executives, ensuring unbiased career progression. Female Directors are represented on both the NCGC and CC.

Principle 3: Chairman and Chief Executive Officer

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Separation of the Role of Chairman and Group CEO

The Chairman and the Group CEO are separate persons. Mr Simon Israel's appointment is a non-executive appointment totally separate from the office of the Group CEO, Mr Paul Coutts. The roles of Chairman of the Board 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 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. 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.

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

Role of the Lead Independent Director

As the Chairman Mr Simon Israel is a non-independent Director, Mrs Fang Ai Lian was elected by the independent Directors as the Lead Independent Director. The role of the Lead Independent Director is clearly defined in the Success Profiles and Role Profiles for an Effective Board. Her responsibilities as 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 he is unable to do so. She ensures the affairs of the Board and the Company are managed in a manner that reflects effective corporate governance. She serves on the NCGC, leading the independent Directors in meetings periodically without the presence of the other Directors. She then provides feedback to the Chairman after such meetings. She will also be available to the shareholders 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.

Principle 4: Board Membership

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

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 and the Group CEO 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. 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, the candidate will be evaluated whether his/her core competencies, skills and experiences of the candidate complements those of the existing Directors. 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, SingPost will seek IMDA's approval, in accordance with the requirement set out in the Postal Services Act, Cap. 237A, and MAS' approval in accordance with the requirement set out in the Money-changing and Remittance Businesses Act, Cap. 187.

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 plan for key Management personnel falls under the roles and responsibilities in the CC's terms of reference. The CC periodically reviews succession planning for the Group CEO, CEOs, the Group CFO and such other key positions in the Company with a formal review carried out prior to submission of the succession plan to the Board on an annual basis.

Directors' Time Commitment

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

Accordingly, the Board has set as a general guidance, that the maximum number of listed company board representation which any Director holds should not exceed five. The Board however recognises that depending on the Directors' other principal commitments, the capacity of each Director may differ greatly. Therefore under the terms of the Policy on Directors' Conflicts of Interest, Directors are also to consult the Chairman of the Board and the chairperson 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 2019, 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.

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. SingPost's Constitution requires new Directors to retire and stand for re-election at the AGM immediately following their appointment (new Directors re-election rule). The Constitution also requires a Director to retire and stand for re-election at the AGM if, were he/she not to do so, he/she would at the next AGM have held office for more than three years. 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).

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

At the forthcoming AGM, the NCGC has nominated and recommended Ms Chu Swee Yeok to retire pursuant to the new Director re-election rule, and Mr Chen Jun, Ms Elizabeth Kong Sau Wai and Mr Bob Tan Beng Hai to retire pursuant to the 1/3 rotation rule. All of them, being eligible for re-election, have offered themselves for re-election. The Board endorsed the recommendations of the NCGC.

Name	Retiring and standing for re-election pursuant to:
Ms Chu Swee Yeok *(appointed on 1 September 2018)*	new Directors re-election rule (Article 104)
Mr Chen Jun *(last re-elected on 20 July 2017)*	1/3 rotation rule (Article 98(b))
Ms Elizabeth Kong Sau Wai *(last re-elected on 20 July 2017)*	1/3 rotation rule (Article 98(b))
Mr Bob Tan Beng Hai *(last re-elected on 20 July 2017)*	1/3 rotation rule (Article 98(b))

The profiles of the Board of Directors are set out on pages 14 to 17 of this Annual Report. In addition, the Notice of AGM sets out the information of the Directors proposed for re-election at the AGM. Each of the retiring Directors has given his/her consent to stand for re-election.

Principle 5: Board Performance

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

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 FY2018/19. 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 the 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 meeting (e.g. times 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 and Chairman evaluation. The responses from the Directors are then collated and a gap analysis conducted by Aon Hewitt to confirm that the Board has met its performance objectives. The Board Chairman will act on the results of the evaluation in consultation with the NCGC.

Principle 6: Access to Information

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Board members require timely access to complete and adequate information in order 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 staff attend Board and Board Committee meetings to respond to any queries that Directors may have. Directors are encouraged to, and do seek additional information from Management as and when needed to make informed decisions. Management does its best to meet 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 Group 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 Group Company Secretary

The Group Company Secretary has a direct reporting line to the Board Chairman and serves as a focal point for communication with the Board, Group CEO, Management and SingPost's various stakeholders. The role is clearly defined in the Success Profiles and Role Profiles for an Effective Board. Core duties as set out therein include acting as a channel of communication and information to executive and non-executive Directors and attendance at all Board meetings as far as possible. The Group Company Secretary is also responsible for ensuring the Company's compliance with its Constitution and applicable rules and requirements under the Companies Act and the SGX listing rules. The appointment and removal of the Group Company Secretary is a matter requiring the approval of the Board.

B. REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The CC meets yearly to discuss the specific remuneration package for the Group CEO, and these recommendations are submitted to the Board for approval. The CC also reviews and approves the remuneration of key Management personnel, as well as annual increment and variable bonus for employees.

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

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 2019, Mercer (Singapore) Pte Ltd and Willis Towers Watson Consulting (Singapore) Pte Ltd were engaged as remuneration consultants to provide advice on market practices and benchmark data. The Company does not have any relationship with the remuneration consultants which would affect their independence and objectivity.

Principle 8: Level and Mix of Remuneration

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Non-executive Directors' remuneration takes into account the effort and time spent, and responsibilities of the Directors. These Directors receive a basic retainer fee, additional fees for appointment to Board Committees and attendance fees for Board and Board Committee meetings. The Directors' remuneration is reviewed yearly to ensure its competitiveness and the quantum of the fees is approved by 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 Directors, Group CEO and key Management personnel are disclosed in Principle 9. The Company can reclaim 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 and misconduct resulting in financial loss to the Company.

Principle 9: Disclosure on Remuneration

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Directors' Remuneration

The Directors' compensation for the financial year ended 31 March 2019 is as listed below:

Name of Directors	Fixed Component[1] (S$'000)	Variable Component[2] (S$'000)	Directors' Fees (S$'000)	Provident Fund[3] (S$'000)	Benefits[4] (S$'000)	Total Compensation[5] (S$'000)	SingPost Share Option Scheme[6]: No. Awarded & Accepted ('000)	SingPost Share Option Scheme[6]: Value (S$'000)	SingPost Restricted Share Plan[6]: No. Awarded & Accepted ('000)	SingPost Restricted Share Plan[6]: Value (S$'000)
S$2,000,000 to below S$2,250,000										
Paul Coutts	1,000.0	835.0	–	–	233.0	2,068.0	–	–	1,930.4	1,886.5
S$250,000 to below S$500,000										
Simon Israel	–	–	255.4	–	–	255.4	–	–	–	–
Below S$250,000										
Chen Jun	–	–	102.0	–	–	102.0	–	–	–	–
Chu Swee Yeok[7]	–	–	70.7	–	–	70.7	–	–	–	–
Fang Ai Lian[8]	–	–	155.4	–	–	155.4	–	–	–	–
Elizabeth Kong Sau Wai	–	–	121.8	–	–	121.8	–	–	–	–
Steven Leonard[9]	–	–	121.5	–	–	121.5	–	–	–	–
Lim Cheng Cheng	–	–	103.2	–	–	103.2	–	–	–	–
Bob Tan Beng Hai	–	–	149.2	–	–	149.2	–	–	–	–
Aliza Knox[10]	–	–	28.7	–	–	28.7	–	–	–	–
Zulkifli Bin Baharudin[11]	–	–	39.9	–	–	39.9	–	–	–	–

Notes

(1) Fixed Component refers to base salary and Annual Wage Supplement for the financial year ended 31 March 2019.
(2) Variable Component refers to variable bonus and contractual payments paid in the financial year ended 31 March 2019.
(3) Provident Fund represents payment in respect of the Company's statutory contributions to the Singapore Central Provident Fund (CPF).
(4) Benefits are stated on the basis of direct costs to the Company. These include medical benefits, flexible benefits, car allowance, housing benefits and pension allowance, where applicable.
(5) Total Compensation excludes the value of share options and restricted shares.
(6) The option/share valuation adopted simulation methodologies consistent with assumptions applied under the Monte Carlo Model and Cashflow Discounting Model.
(7) Ms Chu Swee Yeok was appointed as Director of SingPost and as member of both the AC and BRTC on 1 September 2018.
(8) Mrs Fang Ai Lian was appointed as chairperson of the NCGC on 11 July 2018.
(9) Mr Steven Leonard was appointed as member of the FIC on 5 October 2018.
(10) Ms Aliza Knox retired from the Board following the conclusion of the AGM held on 11 July 2018. Upon her retirement, she ceased to be member of the BRTC.
(11) Mr Zulkifli Bin Baharudin retired from the Board following the conclusion of the AGM held on 11 July 2018. Upon his retirement, he ceased to be chairperson and member of the NCGC and member of both the AC and CC.

No employee of the Company and its subsidiary companies is an immediate family member of a Director and the Group CEO, and whose remuneration exceeded S$50,000 during the financial year ended 31 March 2019.

Executives' Remuneration

The Company adopts a remuneration strategy that supports a pay-for-performance philosophy. The Company's executives participate in an annual performance review process that assesses the individual's performance against set performance targets. Performance against these targets is a key factor determining their remuneration.

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

Fixed Component

Fixed pay comprises basic salary and Annual Wage Supplement.

Variable Component

This component refers to the variable bonus that is paid based on the Group's and individual's performance. To ensure rewards are closely linked to performance, the percentage of variable component is higher for the Group CEO and key Management personnel than other employees.

For FY2018/19, not all performance conditions were met fully, due to unanticipated downturn in the US businesses.

Long-term Incentives

Long-term incentives are granted to align staff's interests with that of shareholders, and these are granted in the form of restricted shares rather than share options. These long-term incentives are granted with reference to the desired remuneration structure target and valued based on the Monte Carlo Model and Cashflow Discounting Model. Details of the long-term incentive schemes can be found in the "Directors' Statement" section of the Annual Report.

Provident Fund

This component is made up of statutory contributions to post-employment benefits plans such as Singapore CPF.

Benefits

Benefits provided are consistent with market practice and include medical, flexible benefits, and car allowance. Eligibility for these benefits will depend on individual job grade and scheme of service. Housing benefits and pension allowance are provided to only a few where applicable.

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.

The following information relates to the remuneration of the Company's key Management personnel (not being Director) for the financial year ended 31 March 2019:

Name of Executive	Fixed Component [1] %	Variable Component [2] %	Provident Fund [3] %	Benefits [4] %	Total Compensation [5] %	SingPost Restricted Share Plan [6] No. Awarded & Accepted ('000)	Value (S$'000)
S$750,000 to below S$1,000,000							
Woo Keng Leong *Postal Advisor*	65	27	1	7	100	138.8	154.5
S$500,000 to below S$750,000							
Lai Tak Loi [7] *Group Chief Financial Officer*	90	0	3	7	100	–	–
Tan Kia Hwee *Group Chief Digital & Technology Officer*	78	13	2	7	100	119.9	133.4
Lim Jui-I *Group Chief Transformation Officer*	77	12	3	8	100	125.5	139.7
S$250,000 to below S$500,000							
Linda Hoon Siew Kin [8] *Group General Counsel & Group Company Secretary*	90	0	3	7	100	–	–

Aggregate compensation of the above top five key Management personnel which includes fixed and variable pay, benefits, provident fund contribution and fair value of long-term incentive grants is approximately S$2.8 million. Aggregate compensation for two former key Management personnel[9] which includes fixed and variable pay, benefits, provident fund contribution and fair value of long-term incentive grants is approximately S$1.4 million.

Notes

(1) Fixed Component refers to base salary earned and Annual Wage Supplement, if applicable, for the year ended 31 March 2019.
(2) Variable Component refers to variable bonus paid in the financial year ended 31 March 2019.
(3) Provident Fund represents payment in respect of statutory contributions to post-employment benefits plan such as Singapore CPF.
(4) Benefits are stated on the basis of direct costs to the Company. These include medical benefits, flexible benefits, car allowance, pension allowance, long service awards and housing benefits, where applicable.
(5) Total Compensation excludes the value of restricted shares.
(6) The restricted shares valuation adopted simulation methodologies consistent with assumptions that apply under the Monte Carlo Model and Cashflow Discounting Model. It comprised of restricted shares granted in the financial year ended 31 March 2019.
(7) Mr Lai Tak Loi joined SingPost on 27 August 2018.
(8) Ms Linda Hoon Siew Kin joined SingPost on 6 August 2018.
(9) Mr Lim Sing Hok Mervyn (former Deputy Group CEO (Corporate Services) & Group CFO) and Mr Paul Demirdjian (former CEO, US Businesses) were the two key Management personnel who left SingPost during FY2018/19.

C. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board has overall responsibility to shareholders for ensuring that the Group is well managed and guided by its strategic objectives. In presenting the Group's annual and quarterly financial statements to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Group's performance, position and prospects. Management provides the Board with management accounts and other financial statements on a monthly basis.

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

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 BRTC has scheduled meetings which are attended by the Group CEO, the Group CFO, the Group Chief Digital & Technology Officer and Senior Vice President (Group Internal Audit), as well as key Management staff.

Management Committee meetings are held on a monthly basis to discuss operational, business and strategic matters. During these meetings, key projects and operational risks are identified and discussed, along with proposed mitigating measures to address these risks to ensure residual risks are mitigated to an acceptable level. Follow-ups are then performed in subsequent meetings to ensure mitigating actions are executed. Any significant issues identified from these meetings are 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 exposures through appropriate risk management strategies and internal controls. Risk management in the Group is a continuous, iterative and integrated process which has been incorporated into various planning, approval, execution, monitoring, review and reporting systems. The Group adopts a top-down as well as bottom-up approach on risk management to ensure the strategic, business, operational, financial, reporting, compliance and information technology (IT) risk exposures are identified and appropriately managed.

At least once a year, the Group undertakes a formal enterprise-wide review of the adequacy and effectiveness of its risk management and internal control systems, including financial, operational, compliance and IT controls. During this exercise, risk owners review and update the risks and controls for their respective areas. The result of this annual risk review is presented to the BRTC to ensure enterprise risks are appropriately identified and managed such that residual risks are acceptable given the operational nature of the business.

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 legation and regulations; and
- having qualified and experienced persons to take charge of important functions.

The Board has received written assurance from the Group CEO and the Group CFO 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 2019 to address the 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 and Group CFO.

The Board notes that the internal controls and risk management systems provide reasonable but not absolute assurance that the Group will not be 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.

Principle 12: Audit Committee

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC currently comprises three Directors, all of whom are non-executive independent Directors. At least two members, including the AC chairperson, 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 period of two years commencing on the date of their ceasing to be a partner or director of Deloitte & Touche LLP. 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 Annual 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 quarterly and annual financial statement of SingPost and the Group and the related SGXNet announcements for the financial year ended 31 March 2019, as well as the auditor's reports thereon. Interested person transactions of the Group in the financial year have been reviewed by the AC.

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 2019. 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.

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

The AC has reviewed the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2019, as well as the Independent Auditor's Report thereon before submitting them to the Board for its approval. The AC has discussed with Management the accounting principles that were applied and also considered the appropriateness of the critical accounting estimates and judgments made in preparing the financial statements. The following significant matters impacting the financial statements were discussed with Management and the external auditor and were reviewed by the AC:

Key Audit Matters	How the AC reviewed these matters and what decisions were made
Assessment of impairment of goodwill and other intangible assets	The AC 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 AC reviewed the recoverable amounts of the cash-generating units (CGUs) which involves significant judgment about the future cash flow projections of the business and the appropriate terminal growth rates and discount rates applied to the future cash flow projections. Given the extent of the impairment to the Group's investment in the US businesses, details on the impairment charge are separately set out in "Impact from strategic review of US businesses". 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 2019. Refer to page 87 of the Annual Report.
Impact from strategic review of US businesses	The AC considered the approach and methodology applied to the valuation models used in the goodwill, intangible and tangible assets, the collectability of the trade receivables of US businesses and the appropriateness of the restructuring provisions recorded. The AC reviewed the recoverable amounts of CGUs which involves significant judgments about the future cash flow projections, the successful execution of the key restructuring plans and the realisation of key assumptions applied in the value in use computations, which involve significant judgments and estimates. The AC also reviewed the collectability of the trade receivables by understanding and collaborating with management the nature of delays for the overdue receivables. The impairment review of US businesses 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 2019. Refer to page 88 of the Annual Report.

Key Audit Matters	How the AC reviewed these matters and what decisions were made
Valuation of investment properties	The AC considered the approach and methodology applied to the valuation models used in assessing the valuation of investment properties. The AC reviewed the data, estimates and assumptions used in each valuation model as well as the independence and competence of the valuer appointed to perform the valuations. The valuation of investment properties was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2019. Refer to page 89 of this Annual Report.
Classification, recognition and measurement of retained interest in Shenzhen 4PX Information and Technology Co., Limited (4PX)	The AC reviewed the relevant factors which include changes in rights of the Group, business rationale and basis that resulted in loss of significant influence over 4PX as well as management's assessment on the timing of loss of significant influence. The AC has also reviewed the qualifications and competence of the external valuer as well as the basis of valuation techniques and assumptions applied to the valuation of retained interest in 4PX at the point when loss of significant influence was deemed to have occurred and to the valuation of retained interest in 4PX as at 31 March 2019. The assessment of whether and when the Group lost significant influence over 4PX and the valuation of the retained interest involved significant management judgement and estimates. The assessment of classification, recognition and measurement of retained interest in 4PX 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 2019. Refer to page 90 of this Annual Report.

Whistle-blowing Policy

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. The Group has put in place whistle-blowing 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 AC reviews these policies and arrangements. Details of the whistle-blowing policy, arrangements and procedures for raising such concerns are posted on SingPost's corporate intranet and corporate website for easy reference by staff and any other persons. New staff are briefed on these during the staff orientation programme.

All reportable incidents including allegations of fraudulent practices are brought to the attention of the chairperson of the AC and the Chairman of the Board and are investigated promptly, professionally, fairly and honestly.

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 chairperson of the NCGC. If the suspected violations involve the Chairman of the Board or the chairperson of the NCGC, communication should be made to the chairperson of the AC whereupon suspected violations will be investigated by the Board of Directors or by a person or persons designated by the Board of Directors and appropriate action will be taken in the event it is determined that any violation has occurred.

Principle 13: Internal Audit

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

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

The IAD is headed by Senior Vice President (Group Internal Audit) and staffed by suitably qualified and experienced executives. Its primary line of reporting is to the chairperson 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.

The AC reviews the adequacy and effectiveness of the internal audit function on an ongoing basis. 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 the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors (IIA).

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.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

SingPost treats all shareholders fairly and equitably and is committed to upholding a practice of fair, transparent and timely disclosure. SingPost publicly releases all price-sensitive information prior to any meetings with individual analysts or investors.

The Company ensures that shareholders have the opportunity to participate effectively and vote at general meetings.

Shareholders are duly informed of the rules including voting procedures that govern the general meetings.

Principle 15: Communication with Shareholders

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

SingPost proactively engages its shareholders and strives to ensure effective communication with the investment community, with the aim of helping investors make timely and informed decisions.

The Company's investor relations activities and conduct are guided by SingPost's Market Disclosure Policy, which contains the principles, guidelines and procedures governing market disclosure, and upholds a high standard of investor communication to ensure transparent, fair and equitable treatment of all shareholders, and protection of shareholders' interests.

To keep shareholders informed, the Company posts its disclosures, including SGXNet announcements, circulars and investor presentations, on the investor relations section of the corporate website (www.singpost.com) and maintains regular dialogue with the investment community.

The Company respects the equal information rights of all shareholders and is committed to the practice of fair, transparent and timely disclosure.

The Company makes timely disclosures of new material information to all shareholders on SGXNet in compliance with the requirements of the Listing Manual. 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.

Management and the investor relations team regularly engage investors via various platforms to keep them updated on our business strategy as well as operational and financial performance. These include one-on-one and group meetings, conference calls, site visits, investor conferences and non-deal roadshows.

The Company also organises annual meetings for retail shareholders with the Securities Investors Association Singapore (SIAS), which is attended by Management. These annual meetings provide opportunities for our retail shareholders to interact with Management.

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

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

To further enhance the Company's communication policy and to be in compliance with the 2018 Code, the Company has adopted a standalone investor relations policy.

The Company's dividend policy is based on a payout ratio ranging from 60% to 80% of underlying net profit for each financial year. The dividend policy is published on the investor relations section of the Company's corporate website at https://www.singpost.com/about-us/investor-centre/dividend-information.

Principle 16: Conduct of Shareholder Meetings

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company encourages shareholder participation at general meetings, which serve as a good platform for engagement with the Board and Management.

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

Under the Company's Constitution and pursuant to the Companies Act, the CPF Board and relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) 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 or her behalf.

The Company employs electronic polling at its general meetings. 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 chairpersons 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, the Group CEO and the Group CFO present 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 proposed on each substantially separate issue. Shareholders present are given an opportunity to clarify or direct questions on issues pertaining to the proposed resolutions before the resolutions are voted on. To ensure transparency in the voting process, the detailed results of all resolutions put to vote, showing the number of votes cast for and against each resolution, and the respective percentages, are tallied and disclosed live on-screen to shareholders immediately after the vote has been cast. The results are also announced via SGXNet after the conclusion of the meeting.

Minutes of the general meetings are posted on the Company's corporate website which minutes include substantial and relevant comments or queries from shareholders and responses from the Chairman, Board members and Management. Minutes are also available to shareholders upon their request.

Voting in absentia by mail, email or fax is currently not permitted under the Company's Constitution until security, integrity and other pertinent issues are satisfactorily resolved.

Engagement with Stakeholders

The Company has put in place arrangements to enable it to engage its stakeholders so as to better understand and take action to address their needs and interests. The basis for and methods of engagement with the stakeholders, along with the key areas of focus for each stakeholder group, can be found on pages 70 to 72 of the Sustainability section of this Annual Report.

DEALINGS IN SECURITIES

In line with the rules of the Listing Manual of the SGX, the Company has in place a policy and guidelines on dealings in the Company's securities, which have been disseminated to employees of the Group and Directors of the companies within the Group.

The policy and guidelines provide that Directors and officers of the Group should not deal in the Company's securities during the periods commencing one month before the announcement of the Company's annual results, and two weeks before the announcement of its quarterly results, and ending on the date of the announcement of the relevant results, or if they are in possession of unpublished price-sensitive information on the Group. 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.

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

CORPORATE GOVERNANCE DISCLOSURE GUIDE

In line with the Company's commitment towards corporate governance and disclosure compliance, the Company has completed the Corporate Governance Disclosure Guide developed in January 2015 by the SGX.

Corporate governance is a continuing journey. The Board and Management of the Company are fully committed to putting in place leading practices of corporate governance to ensure that the Company's performance and compliance are conducive towards the enhancement of shareholder value.

Guideline	Questions		How has the Company complied?
General	(a)	Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	Yes. Complied.
	(b)	In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	Not applicable.
Board Responsibility			
Guideline 1.5	What are the types of material transactions which require approval from the Board?		Refer to Principle 1 of the Corporate Governance Report at pages 45 and 46.
Members of the Board			
Guideline 2.6	(a)	What is the Board's policy with regard to diversity in identifying director nominees?	Refer to Principle 2 of the Corporate Governance Report under the sub-topic "Board Diversity" at page 51.
	(b)	Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	Yes. Refer to Principle 2 of the Corporate Governance Report under the sub-topic "Board Diversity" at page 51.
	(c)	What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	Refer to Principle 2 of the Corporate Governance Report under the sub-topic "Board Diversity" at page 51 in particular on details of the Policy on Diversity and Inclusivity adopted by the Board.
Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.		Refer to Principle 4 of the Corporate Governance Report at pages 52 and 53. Refer in particular to: (i) the sub-topic "Succession Planning and Nomination Process" on the process for selecting and appointing of new Directors; and (ii) the sub-topic "Rotation and Re-election/Re-appointment of Directors" on the process for re-electing incumbent Directors.

Guideline	Questions		How has the Company complied?
Guideline 1.6	(a)	Are new directors given formal training? If not, please explain why.	Yes.
	(b)	What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	Refer to Principle 1 of the Corporate Governance Report under the sub-topic "Board Induction, Training and Development" at pages 49 and 50.
Guideline 4.4	(a)	What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	Five. Refer to Principle 4 of the Corporate Governance Report under the sub-topic "Directors' Time Commitment" at page 53.
	(b)	If a maximum number has not been determined, what are the reasons?	Not applicable.
	(c)	What are the specific considerations in deciding on the capacity of directors?	Refer to Principle 4 of the Corporate Governance Report under the sub-topic "Directors' Time Commitment" at page 53.
Board Evaluation			
Guideline 5.1	(a)	What was the process upon which the Board reached the conclusion on its performance for the financial year?	Refer to Principle 5 of the Corporate Governance Report under the sub-topic "Board Evaluation" at page 54.
	(b)	Has the Board met its performance objectives?	Yes.
Independence of Directors			
Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.		Yes. Refer Principle 2 of the Corporate Governance Report and in particular the last paragraph under the sub-topic "Review of Directors' Independence" at pages 50 and 51.
Guideline 2.3	(a)	Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.	No.
	(b)	What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable.
Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.		No.

Guideline	Questions		How has the Company complied?
Disclosure on Remuneration			
Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?		Yes. Refer to Principle 9 of the Corporate Governance Report under the sub-topic "Directors' Remuneration" at page 56.
Guideline 9.3	(a)	Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes. Refer to Principle 9 of the Corporate Governance Report under the sub-topic "Executives' Remuneration" at pages 57 and 58.
	(b)	Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	Refer to Principle 9 of the Corporate Governance Report under the sub-topic "Executives' Remuneration" at page 58.
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.		No. Refer to Principle 9 of the Corporate Governance Report and in particular the last paragraph under the sub-topic "Directors' Remuneration" at page 56.
Guideline 9.6	(a)	Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.	Refer to Principle 9 of the Corporate Governance Report under the sub-topic "Executives' Remuneration" at page 57.
	(b)	What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?	Refer to Principles 7 and 8 at page 55 of the Corporate Governance Report as well as Principle 9 of the Corporate Governance Report under the sub-topic "Executives' Remuneration" at page 57.
	(c)	Were all of these performance conditions met? If not, what were the reasons?	No. Refer to Principle 9 of the Corporate Governance Report under the sub-topic "Executives' Remuneration" at page 57.

Guideline	Questions		How has the Company complied?
Risk Management and Internal Controls			
Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?		Refer to Principle 6 of the Corporate Governance Report at pages 54 and 55.
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.		Yes. Refer to Principle 13 of the Corporate Governance Report at page 63.
Guideline 11.3	(a)	In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	Refer to Principle 11 of the Corporate Governance Report at page 59.
	(b)	In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Yes. Refer to Principle 11 of the Corporate Governance Report at page 59.
Guideline 12.6	(a)	Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.	Refer to page 208.
	(b)	If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.	Non-audit fees amount to 23% of the total fees paid/payable to the auditors of the Company. The AC is of the opinion that the non-audit services provided by the auditors would not affect their independence.
Communication with Shareholders			
Guideline 15.4	(a)	Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	Yes. Refer to Principle 15 of the Corporate Governance Report at pages 63 and 64.
	(b)	Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	Yes, SingPost has a dedicated Investor Relations team which performs the role.
	(c)	How does the Company keep shareholders informed of corporate developments, apart from SGXNet announcements and the annual report?	Refer to Principle 15 of the Corporate Governance Report at pages 63 and 64.
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.		Not applicable.

Sustainability

SingPost publishes its annual sustainability report within five months of its financial year-end. In its FY2018/19 Sustainability Report, which is prepared in accordance to the Global Reporting Initiative Standards – 'Core' reporting requirements, we carried out an external stakeholder engagement exercise and conducted a materiality assessment exercise. In addition to the six material Environmental, Social and Governance (ESG) matters reported previously, new ESG topics have been identified for reporting (listed below).

- Ethics, anti-bribery and corruption
- Compliance with laws and regulations
- Business continuity planning
- Data security and privacy
- Responsible supply chain
- Fuel usage and associated greenhouse gas emissions
- Customer satisfaction NEW
- Product and service innovation NEW
- Community investment (additional) NEW

Engagement with Stakeholders

Trust is built over the years as we listen to and communicate with our stakeholders regularly. SingPost has put in place enablers to engage its stakeholders so as to better understand their needs and interests.

The basis for and methods of engagement with our stakeholders, along with the key areas of focus for each stakeholder group, are laid out in the table below.

In FY2017/18 and FY2018/19, the Company conducted stakeholder engagement exercises through surveys and meetings to understand the interests of various stakeholders, including our management and staff, the union, customers and investors, relating to environment, social and governance matters. The results of these engagements were key in the consideration of material factors for our sustainability reporting.

Stakeholders	Basis for engagement	Method of engagement and frequency	Key areas of focus/ concerns of stakeholders	SingPost's response
Shareholders – institutional investors, equity analysts, retail investors, Securities Investors Association of Singapore	Provide opportunities for investors to engage with management; allow investors to gain a better understanding of business and operations Reach out to a wider network of investors to broaden and diversify shareholder base	Regular one-on-one and group meetings and conferences with investors, roadshows; Retail Investor Day; site visits Quarterly results briefings for analysts Annual and extraordinary general meetings SGX announcements, annual report, circulars – as appropriate	Total shareholder returns Practices and targets for environment, social and governance factors	Roadmap laid out to improve Group's financial performance Framework in place to address environment, social and governance matters laid out in sustainability report
Employees/Other workers e.g. contract and temporary workers	Align with and understand the company's goals and strategy, and update on corporate developments For greater employee satisfaction, retention and productivity	Quarterly townhall staff meetings Regular management meetings Regular staff recreational activities Voice of Employees annual survey Internal announcements and memos from GCEO and management – as appropriate	Fair HR policies and practices Workplace safety and health Career advancement, learning and development, remuneration and welfare	Engage employees with HR framework: – Providing top talent; – Rewarding for performance; – Instilling a lean HR operating system; – Developing and growing our talent; and – Engaging every employee in the company's transformation Certified bizSAFE Level 3 organisation
Trade unions – Union of Telecoms Employees of Singapore ("UTES")	For mutual trust and openness Consult and collaborate on workplace decisions	Regular dialogues with union representatives	Welfare of union workers	Regular engagement to develop a good and collaborative relationship
Customers – corporates, retail customers, general public	Meet or exceed customer needs Provide consistent and high service quality; resolve complaints	Network of post offices, mySAM portal and kiosks, SingPost apps, call centre, e-feedback forms Regular engagement by sales team Annual customer service surveys for corporate and retail customers	Service quality Product and service offerings	Implement near, medium and long term measures to raise reliability and service standards of the postal operations Provide convenient 24/7 access to services with online and offline channels, and call centres Roll out new technologies and Smart Post Offices Introduce innovative product and service offerings

Stakeholders	Basis for engagement	Method of engagement and frequency	Key areas of focus/ concerns of stakeholders	SingPost's response
Suppliers e.g. airlines, international postal agencies, delivery partners, etc.	Meet SingPost's requirements Cost efficiency Meet or exceed quality standards and code of conduct	Tender documents and requirements (Requests for Proposal, Invitation to Quote) – as appropriate Tender briefing sessions – as appropriate	Transparent procurement policies	Provide clear expectations in tender requirements Regular review of procurement policy and practices
Local communities	Contribute towards the well-being of the community	Ongoing Corporate Social Responsibility (CSR) programmes; regular staff CSR Activities Regular meetings with community partners, and non-profit organisations	Contribution towards community Promotion of environmental sustainability	A strategic CSR framework put in place, focusing on heritage, the environment and community Annual donations and sponsorships Ongoing CSR programmes
Government/Regulators e.g. Infocomm Media Development Authority, Singapore Exchange, Ministry of Manpower, National Environment Agency	Adherence to regulators' requirements Contribute towards public interest	Meetings – as appropriate Regulator queries – as appropriate Annual quality of service audits Participation in initiatives led by government agencies – as appropriate	Adherence to regulations Service quality standards and obligations as the public postal licensee Prompt redress of complaints by public/ customers Collaborations for public interest	Open and collaborative approach Review of systems and process to maintain high standards
Universal Postal Union (UPU)	Adherence to regulators' requirements Discuss matters impacting SingPost's interest in the international mail distribution system	Participation in UPU meetings – as scheduled Participation in UPU working groups and committees – as appropriate	Obligations as UPU member Compliance to regulations and service quality standards	Regular engagement to address matters impacting SingPost's interests

The Company's corporate website – www.singpost.com – is updated on a timely basis to provide stakeholders with current and relevant information. A dedicated "Contact Us" section on the corporate website offers various avenues of contact such as phone, live chat, and a dedicated section for feedback. Separate sections are provided for different audiences – customers, media and investors, as well as other engagement platforms such as LinkedIn, Facebook and Instagram.

COMMUNITY ENGAGEMENT

As a trusted organisation that connects businesses, communities and people, we seek to be good stewards of our heritage and the environment, and to contribute towards uplifting the well-being of the disadvantaged in the community.

Environment

As a global player in eCommerce logistics, we are sensitive to the environmental impact of our operations and are committed to taking steps to reduce the impact. In FY2018/19, we set a target of 35 per cent reduction in our absolute greenhouse gas emissions from FY2017/18 base levels by 2030.

During the year, we continued to explore various measures to reduce our carbon footprint. We started a study on the use of greener vehicles for delivery as part of our consideration on replacement of fleet with greener vehicles. We are also exploring the installation of solar photovoltaic systems at our major buildings – Regional eCommerce Logistics Hub and SingPost Centre.

ReCYCLE, our nationwide e-waste recycling initiative with partner Singtel, collected about 15,740 kg of electronic waste, an increase of 63 per cent over the previous year. During the year, 11 community partners came onboard to set up *ReCYCLE* bins at their premises.

Community

SingPost introduced *Programme Silver* in FY2018/19, a programme to help contribute towards addressing issues arising from the ageing population in Singapore.

Under *Programme Silver*, we launched the *Postman Home Visits* initiative in December 2018. The initiative allows for our postmen to volunteer checking on needy seniors while on their delivery rounds. The initiative is running in two neighbourhoods – Henderson and Ang Mo Kio, and we plan to expand this to more neighbourhoods across Singapore gradually over the next few years.

As part of our care for the community, dementia awareness training is conducted for our postmen and included in the new hires' onboarding training, so that our postmen are able to step forward to help persons in their neighbourhoods who may be lost.

We introduced courses for active seniors to learn about the new technologies and services at our new-generation Smart Post Offices. The courses are conducted by volunteer staff from various departments in the organisation, and are organised in conjunction with People's Association's *Smart Nation for Seniors* programme.

To help raise awareness of social issues among our staff and tenants in our office building, we introduced quarterly brown bag talks and experiential sessions on community matters. These included dialogue sessions with the deaf and blind guides to understand issues in their landscape.

Our *Food Distribution Initiative*, which has been running for 10 years, taps on our delivery network to distribute unsold food from bakeries and hotels to collection centres for needy seniors and families several times a week. In FY2018/19, the fleet collected and dropped off 36,920 buns and loaves of bread costing about S$73,000, helping to reduce food wastage and supporting 440 families weekly at the collection centres.

We contributed over S$400,000 in cash donations and sponsorships during the year. We have been a major corporate sponsor of the Singapore Philatelic Museum since 1995 and a partner in Community Chest's employee payroll donation matching programme, *SHARE*, since 2004. We continue to support the annual UTES – U Care Bursary awards, contributing S$80,000 towards bursaries for 221 children of our employees. During the year, various staff/departments also organised fundraising activities to raise funds for charities. Other means of support to partners and charity organisations included space at our retail mall and auditorium for events by community partners and donation tin placement at post offices.

RISK MANAGEMENT

Risks come in various forms and from different sources that may impact the business. Some risks can be eliminated, some may be accepted and managed as part of our business model, while others are beyond our control and can only be mitigated. The risk management strategy involves assessing and balancing risk probabilities, preparing for reasonable contingencies while minimising precautionary expenditure or activity.

The risk governance structure and framework is set out in the Corporate Governance Report, including risk management processes and internal controls. This section identifies the key risks to our assets and business, as well as the interests of our shareholders.

Data Protection and Privacy Risk

We consider it critical to protect the data privacy of our customers in our systems' infrastructure. Significant failure of security measures may undermine customer confidence and result in litigation from customers and/or regulatory fines and penalties. We are committed to ensure data privacy by protecting personal data of our customers and employees. We also ensure compliance with applicable privacy laws at all times, and perform regular reviews in order to refine our practices.

We have established proper security policies, procedures, technological enhancements to minimise the risk of privacy breaches or data leakages. We have also put in place an escalation process for incident management, which ensure timely response, internally and externally, to minimise the impact. An online Cyber Security Awareness training has also been rolled out to all staff within the Company on an ongoing basis.

Cyber Attack Risk

SingPost recognises the threats and potential damage from cyber attacks and invests in its people, processes and technology to minimise cyber exposures and mitigate risks. We have in place a holistic cyber defence strategy involving: Identification (of signs of attacks and vulnerabilities of SingPost's IT infrastructure), Detection of intrusion, Prevention and Response. We conduct cyber security awareness workshops for staff members and have implemented IT tools to detect phishing and malware intrusions. We have also established policies and standards to manage and address cyber security risks. To enhance the management of this risk, we have appointed a Chief Information Security Officer who is responsible for our cyber security risk management strategy and programme.

Technology Risk

Technology is a critical component of SingPost's transformation into an eCommerce logistics company. In developing and investing in technology, there are associated risks, including the implementation of new infrastructure, data security and continuity of critical IT facilities and systems. Information Technology (IT) risk is managed through an enterprise technology risk approach. This covers risk governance, communication, monitoring, assessment, mitigation and acceptance, and is supported by a set of IT policies and standards, control processes and risk mitigation programmes.

Technology failure can disrupt business operations, impact corporate reputation and lead to financial losses. To mitigate such risks, the Board Risk and Technology Committee, comprising mainly of Directors with competencies in technology, oversees our technology and IT strategy for investments and capital expenditure. This Committee reviews and evaluates plans, policies and proposals relating to IT matters, the progress of significant IT projects, and the management of IT risks. Implementation is then carried out at Business and Support Units.

Postal Regulatory Compliance and Declining Mail Business Risk

As the designated Public Postal Licensee, SingPost is required to meet stringent Quality of Service (QoS) standards for basic letter delivery services set by the Infocomm Media Development Authority (IMDA). Under IMDA's QoS framework, the targets include stipulation that 99 per cent of local basic letters addressed to a person within the Central Business District have to be delivered by the next working day; and that 100 per cent of local basic and registered letters are required to be delivered by the next working day. These QoS standards are considered the world's most stringent. SingPost is also required to comply with the Postal Services Act (Cap. 237A), the Postal Competition Code, Postal Services Regulations, Codes of Practices, the Postal Licence, Directions, and Guidelines issued by the IMDA. Non-compliance with the above, including QoS failures and breach of licence conditions may result in financial penalties.

In line with global postal industry trends, we face declining letter mail volumes due to substitution by digital communications. Operating costs in Singapore and terminal dues (out-payments to other postal operators for the delivery of international mail) have also been increasing.

To ensure obligations and service quality standards are met, SingPost has launched several initiatives to ensure competency in our role as Singapore's postal services provider. We continue to invest in postal infrastructure to enhance service quality and productivity. In January 2019, SingPost launched its SmartPost mobile app, an initiative to harness digital technologies to help our delivery staff improve operational efficiency and service quality. In addition, in April, SingPost had also launched its mobile app for our team of Quality Control officer (QC officers) to help automate the quality check process for quicker review and action to enhance service quality.

We ensure operational readiness through business continuity. Systems are in place for business operations to respond to incidents, crises and threats should these ever occur. We have contingency plans for a broad span of scenarios including trans-boundary haze, pandemics and security threats, as well as other forms of disruption that might occur in the course of our business. In addition to operational response plans, we have also set out processes to communicate in a forthright manner to all our stakeholders and customers in times of disruption or crisis. Stakeholders can expect SingPost to give open and timely accounts of all incidents and the progress of the recovery efforts that are being carried out.

In addition, our crisis management and communication plans are reviewed and refined periodically, and updated into various business continuity plans. This enables us to respond to crises in an organised and efficient manner, and expedite the recovery process.

For example, in the event of dense haze, a crisis management team is in place with action plans for specific groups of staff at risk. Preparations include allocating recovery centres in operational facilities, and stocking up masks and eye drops for those working outdoors.

OUR PEOPLE, OUR GREATEST STRENGTH

At SingPost, investing in our people equates to investing in our future. Therefore, we focus on fostering a more robust learning culture within the organisation, building talent and leadership bench-strength as well as refining our job grading system. With this, we believe that we are ready to forge ahead and contribute towards SingPost's vision of becoming a global leader in eCommerce logistics and trusted communications.

Agile Workforce

This year, there was specific emphasis on offering more bite size and accessible learning opportunities to our employees through various modes under our *Grow@SingPost* campaign. In partnership with the SkillsFuture Festival team, we launched the *Grow@SingPost* campaign during our inaugural SingPost Learning Carnival that took place in July 2018. The week-long event, supported by valued partners such as SkillsFuture, Emergenetics, and the National Library Board, received tremendous response attended by an estimated 500 employees. The *Grow@SingPost* campaign comprises new initiatives including monthly Lunch & Learn sessions, SkillsFuture Series courses and specially curated On-Demand Learning Journeys supporting specific business upskilling needs. All these initiatives are aimed at building an agile workforce and significantly increasing the uptake of learning opportunities across the SingPost Group.

We continue to focus on building our talent and leadership bench-strength through a few new initiatives. 'The Leadership Formula' that comprises our signature Power of ME manager effectiveness programme, Harvard ManageMentor for on-the-go e-learning support and we had also introduced Leadership Café talks to ensure that all People Managers in SingPost are equipped to lead with impact. We launched a specially designed leadership skills programme targeted at AVP and above leaders in March 2019 as well.

A year into pioneering iLEAD, an accelerated development programme for high potential talents, more than 50 per cent of talents have progressed towards fulfilling critical roles within SingPost while a second cohort of talents commenced their iLEAD journey. This is a very significant investment for us as we deepen our talent pipelines in a bid to future proof SingPost.

As part of our digitalisation efforts, we launched an online cloud-based Learning Management System (LMS) offering real time and easy access to information on our learning programmes, calendar, and bite-size in-house online courses. This allows employees to register for training easily as well as plan and track their own development progress. The LMS system is also integrated with Harvard ManageMentor, thus offering access to all learning offerings under one roof.

Workplace Safety and Health

With our strong commitment to ensure that our employees are in a safe work environment and inculcate a strong safety culture, SingPost has kick-started a Workplace Health & Safety (WSH) Campaign on 5 March 2019. This month-long campaign includes a series of activities and events that focuses on promoting and increasing WSH awareness within the business. The campaign reinforces the importance of WSH alongside the current monthly WSH training programmes that are rolled out to all employees. SingPost is preparing for our re-certification renewal exercise for bizSAFE Level 3, to ensure that we maintain our competitive edge.

At SingPost, our employees are our greatest strength – we value and prioritise our employees' overall wellness. We conduct a series of activities such as on-site health screenings and ergonomics training for our employees to help them understand their health status better as well as encourage them to adopt a healthier lifestyle. SingPost is an active participant in the National Steps Challenge Season 4: Corporate Challenge 2018, run by the Health Promotion Board.

Profiles of Key Executives

MR LAI TAK LOI RICHARD, 48
Group Chief Financial Officer

Mr Lai joined SingPost in August 2018 as Group Chief Financial Officer, oversees all financial matters including financial reporting, taxation, risk management and treasury functions of the SingPost Group. He joins SingPost Group from GuocoLand Limited, part of the Hong Leong Group Malaysia, where he served for almost four years as CFO. Mr Lai has more than 25 years of experience in the financial, property and banking industries; holding key roles in finance, banking, asset management, mergers & acquisitions (M&A) and logistics. Prior to Guocoland, Mr Lai served as Group CFO for TEE International, another SGX-listed entity in engineering, real estate and infrastructure. He has also served as CFO, Deputy CEO and subsequently, was appointed CEO of Mapletree Logistics Trust Management before leaving to start his own real estate capital management firm, LABRO Capital. Mr Lai was also previously a banker in various capacity with various banks and financial institutions including Standard Chartered Bank, Schroders and Arab-Malaysian Merchant Bank (now known as AmInvestment Bank Berhad).

MR WOO KENG LEONG, 63
Postal Advisor

Mr Woo is one of the early pioneers of SingPost, having joined Singapore Postal Services Department in 1980 on a posting as a Public Service Commission scholar. He was the Head of Postal Services from 2012 to 2015 before taking up the position of Chief Executive Officer, Postal Services in 2015. In his time with SingPost, Mr Woo has been key in the transformation of SingPost's postal business into one of the world's most efficient and admired postal service providers. Mr Woo obtained a Bachelor of Arts with Honours from Nanyang University in Singapore, and has completed an International Post Office Management course in the UK. With his valuable wealth of knowledge, Mr Woo is currently the Postal Advisor to SingPost.

MR TAN KIA HWEE ALEX, 58
Group Chief Digital and Technology Officer

Mr Tan is responsible for SingPost's technology and digitalisation strategy, implementing all technology-related transformation programmes, driving new digital-enabled business models e.g. LaMP (an asset light, regional last mile collection/smart fulfilment network), AI driven delivery route optimisation and geocoding technologies. Mr Tan has over 25 years of experience in leading technology transformation and innovation in the logistics, financial and telecoms industries across Asia Pacific. Prior to SingPost, he was the Regional CIO of DB Schenker Asia Pacific, Regional CIO of Pacnet and Head of Group Payments Products of OCBC Bank. Mr Tan is a member of Business Angel Network for South East Asia (BANSEA) that provides seed funding for promising FinTech platforms which address macro trends/problems in emerging markets. Mr Tan was formerly an adjunct associate professor at the National University of Singapore School of Computing. He has a Master of Business IT and a Bachelor of Business Administration (Distinction) from the Royal Melbourne Institute of Technology, Australia.

MR LIM JUI-I, 40
Group Chief Transformation Officer

Mr Lim is responsible for the transformation blueprint across the SingPost business. He oversees the change management process across the Group and its subsidiaries, providing strategic and commercial leadership to identify and to drive growth opportunities across the business. Mr Lim joined SingPost from Toll Global Forwarding, where he was the global strategy and development director of the worldwide freight forwarding network. Prior to Toll Global Forwarding, Mr Lim worked at Toll Group, Linfox and YCH Group in various strategy and business development roles. He holds a Master of Engineering and a Bachelor of Science in Engineering Physics from Cornell University in the USA.

MS LINDA HOON SIEW KIN, 56
Group General Counsel & Group Company Secretary

Ms Hoon joined SingPost in August 2018 as Group General Counsel and Group Company Secretary, in which she leads the Legal, Compliance and Company Secretarial functions reporting to the Group CEO. In this role, Ms Hoon leads a team of professionals at the Group corporate office, to handle the legal advisory and compliance governance across the Group. Her responsibilities include corporate governance and regulatory and statutory governance administration of SingPost. Ms Hoon has over 32 years of legal, compliance and company secretarial experience, mostly in-house with major regional listed companies. Prior to SingPost, she was the Group Head of Risk Governance at IHH Berhad (dual listed on the SGX and Bursa), where she led the Group's enterprise risk management and insurance program. Ms Hoon has a Bachelor as well as Master's degree in Law from the National University of Singapore and was admitted to the Singapore Bar in 1987. She has also obtained a Master's of Science in Management from the Essec Business School in 2018.

Directors' Statement and Financial Statements

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 2019.

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 93 to 207 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 2019, 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 Paul William Coutts (Group Chief Executive Officer)
Mr Bob Tan Beng Hai
Mr Chen Jun
Ms Elizabeth Kong Sau Wai
Mrs Fang Ai Lian
Mr Steven Robert Leonard
Ms Lim Cheng Cheng
Ms Chu Swee Yeok (Appointed on 1 September 2018)

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 80 to 84 of this statement.

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, none of the directors holding office at the end of the financial year had any interest in the shares and debentures of the Company and its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.3.2019	At 1.4.2018	**At 31.3.2019**	At 1.4.2018
Related corporations				
– Quantium Solutions (Philippines) Inc.				
(No. of ordinary shares)				
Paul William Coutts	**1**	–	**–**	–

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.3.2019	At 1.4.2018	**At 31.3.2019**	At 1.4.2018
Company				
Singapore Post Limited				
(4.25% Senior Perpetual Cumulative securities)				
Mrs Fang Ai Lian	**250,000**	250,000	**–**	–

(b) According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, certain directors holding office at the end of the financial year had interests in the options to subscribe for ordinary shares of the Company granted pursuant to the Singapore Post Share Option Scheme and unvested restricted shares of the Company granted pursuant to Singapore Post Restricted Share Plan 2013 as set out below and under "Share Options" and "Restricted Share Plan" on pages 80 to 84 of this statement.

	Number of unvested restricted shares held by director	
	At 31.3.2019	At 1.4.2018
Unvested restricted shares		
Paul William Coutts	**1,930,368**	–

(c) The directors' interests in the shares and convertible securities of the Company as at 21 April 2019 were the same as those as at 31 March 2019.

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 Mr Zulkifli Bin Baharudin[1] during the financial year ended 31 March 2019.

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

The principal terms of the Scheme are as follows:

- The exercise price of the granted options is equal to the average of the last dealt prices for the share on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the five (5) consecutive trading days immediately preceding the date of grant of that option.
- The value of the share option is determined using the Trinomial option pricing model (taking into account relevant assumptions).
- Granted options shall be exercisable, in whole or in part, during the exercise period applicable to that option and in accordance with the vesting schedule applicable to that option or other conditions (if any) that may be imposed by the Compensation Committee in relation to that option. Options may be exercised, in whole or in part in respect of 1,000 shares or any multiple thereof, by a participant giving notice in writing, accompanied by a remittance for the aggregate subscription cost in respect of the shares for which that option is exercised. The method of settlement could be in cheque, cashier's order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company. There are no restrictions on the eligibility of the persons to whom the options have been granted to participate in any other share option or share incentive scheme, whether or not implemented by any of the other companies within the Group or any other company. The Group has no legal or constructive obligation to repurchase or settle the options in cash.
- The vesting schedule for the share options granted to eligible employees (including executive directors) effective from 20 May 2014 are as follow:

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

(1) Mr Zulkifli Bin Baharudin retired from the Board following the conclusion of the AGM held on 11 July 2018. Upon his retirement, he ceased to be chairperson and member of the NCGC and member of both the Audit Committee and Compensation Committee.

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 2018, a total of 178,687,936 share options were granted. Particulars of the options were set out in the Directors' Statement for the respective financial years.

SHARE OPTIONS *(continued)*

During the financial year ended 31 March 2019, 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 1.4.18 ('000)	Granted during financial year ('000)	Options exercised ('000)	Options forfeited ('000)	Balance At 31.3.19 ('000)
Options Granted Under Singapore Post Share Options Scheme For employees (including executive directors)							
30.06.08	01.07.09 to 30.06.18	S$1.100	190	–	140	50	–
29.06.10	30.06.11 to 29.06.20	S$1.140	513	–	–	–	513
26.07.11	27.07.12 to 26.07.21	S$1.100	653	–	38	15	600
11.05.12	19.05.14 to 11.05.22	S$1.030	1,007	–	–	–	1,007
10.08.12	11.08.13 to 10.08.22	S$1.070	1,374	–	79	91	1,204
17.01.14	18.01.17 to 17.01.24	S$1.350	4,194	–	–	1,849	2,345
07.03.14	08.03.17 to 07.03.24	S$1.330	500	–	–	125	375
01.04.14	02.04.17 to 01.04.24	S$1.360	200	–	–	200	–
20.05.14	21.05.15 to 20.05.24	S$1.450	3,423	–	–	421	3,002
07.08.14	08.08.15 to 07.08.24	S$1.760	318	–	–	46	272
13.05.15	14.05.16 to 13.05.25	S$1.910	850	–	–	–	850
19.05.15	20.05.16 to 19.05.25	S$1.890	5,472	–	–	1,308	4,164
12.06.15	13.06.16 to 12.06.25	S$1.880	40	–	–	–	40
20.05.16	21.05.17 to 20.05.26	S$1.570	4,815	–	–	1,351	3,464
Total Share Options			**23,549**	**–**	**257**	**5,456**	**17,836**

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. Amendments to the Plan to prescribe performance conditions were duly approved by the shareholders at the Company's annual general meeting held on 20 July 2017.

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

The release schedule for the shares granted to eligible employees (excluding non-executive directors) prior to FY2017/18 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 2018, a total of 5,839,118 restricted shares were granted.

During the financial year ended 31 March 2019, no restricted shares were granted under the Plan. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year is as follows:

Date of Grant	Balance As At 1.4.18 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.19 ('000)
05.08.13	8	–	8	–	–
20.05.14	3	–	3	–	–
19.05.15	169	–	160	9	–
20.05.16	848	–	341	151	356
Total	**1,028**	**–**	**512**	**160**	**356**

Directors' Statement

For the financial year ended 31 March 2019

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 certain prescribed performance targets are met within a prescribed performance period. Shares granted from financial year 2017/18 onwards comprises of two types of awards:

a) Performance Share Award; and

b) Restricted Share Award.

The Performance Share Award, granted to senior management, has two long-term performance hurdles: Return on Equity and Absolute Total Shareholder Returns. The Restricted Share Award, granted to a broader group of executives and key talents, have one long-term performance hurdle: Underlying Net Profit. The performance period for the awards granted is three or four years depending on when performance targets are achieved.

The performance conditions would incorporate stretched targets aimed at delivering long-term shareholder value. Depending on the extent of the satisfaction of the relevant performance criteria, 0% to 200% of the shares comprised in the awards may vest.

Performance Share Awards

Since the adoption of the Enhanced Plan to 31 March 2018, a total of 359,478 restricted shares were granted.

During the financial year ended 31 March 2019, 2,397,811 restricted shares were granted. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year are as follows:

Date of Grant	Balance As At 1.4.18 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.19 ('000)
18.01.18	359	–	–	–	359
31.05.18	–	2,398	–	–	2,398
Total	**359**	**2,398**	**–**	**–**	**2,757**

Restricted Share Awards

Since the adoption of the Enhanced Plan to 31 March 2018, a total of 1,354,999 restricted shares were granted.

During the financial year ended 31 March 2019, 1,492,606 restricted shares were granted. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year are as follows:

Date of Grant	Balance As At 1.4.18 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.19 ('000)
18.01.18	1,318	–	–	230	1,088
31.05.18	–	1,493	–	193	1,300
Total	**1,318**	**1,493**	**–**	**423**	**2,388**

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 (Appointed on 1 September 2018)

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, Cap 50.

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 2019 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 Paul William Coutts
Director

Singapore
13 May 2019

Independent Auditor's Report

To the Members of Singapore Post Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying 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 2019, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 93 to 207.

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, Chapter 50 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2019, 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.

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 2019. 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 Matters	Our audit performed and responses thereon
Assessment of impairment of goodwill and other intangible assets *Refer to Notes 3(a) and 24 to the financial statements.* As at 31 March 2019, the goodwill and other intangible assets amounted to S$265.4 million and S$42.0 million respectively, after impairment losses of S$67.6 million. Further details on the impairment charge are set out in "Impact from strategic review of US businesses" below. Management's assessment of the recoverable amounts of the cash-generating units ("CGUs") involves significant judgement about the future cash flow projections of the business and the appropriate terminal growth rates and discount rates applied to the 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.	Our audit procedures focused on evaluating the key assumptions used by management in performing the impairment review. These procedures included: • evaluating the appropriateness of allocation of goodwill and other intangible assets to the different CGUs; • challenging management's future cash flow projections through comparison with recent performance, historical trend analyses, expectations of future development of the business and market and publicly available industry and economic data; • involving our valuation specialists to evaluate 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; • 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; and • evaluating the allocation of impairment charge against the goodwill and other assets of the CGUs when the carrying values of the CGUs exceed the recoverable amounts. Based on the procedures performed, we noted management's key estimates and assumptions used in the impairment assessment of goodwill and other intangible assets to be within a reasonable range of our expectations. We have evaluated the adequacy of the Group's disclosures made in relation to goodwill and other intangible assets and impairment thereof.

Key Audit Matters	Our audit performed and responses thereon
Impact from strategic review of US businesses *Refer to Notes 3(a) and 23 to 25 to the financial statements.* The following actions were taken by the Group following a strategic review of Jagged Peak and TradeGlobal ("US businesses"): • performed an impairment assessment for the intangible and tangible assets; • assessed the collectability of the trade receivables; and • formalised and communicated its restructuring plans and recorded a provision for restructuring amounting to S$8.6 million. Subsequent to year end, a decision to commence a sale of the US businesses was made by the Group. For the full year ended 31 March 2019, the Group recorded impairment losses totaling S$98.6 million in respect of intangible assets (S$67.6 million) and tangible assets (S$31.0 million) attributable to the US businesses and a restructuring provision of S$8.6 million, which are significant to the overall financial performance of the Group. The assessment of the recoverable amounts of goodwill, other intangible assets and property, plant and equipment attributable to the US businesses is dependent on the successful execution of the restructuring plans and realisation of key assumptions applied in the value in use computations, which involve significant judgements and estimates.	In respect of recoverable amounts determined by management for the purpose of assessing the impairment for the Group's US businesses, we assessed their appropriateness. The audit procedures were performed in conjunction with the procedures performed to address the key audit matter, "Assessment of impairment of goodwill and other intangible assets", as set out above. Other audit procedures in relation to collectability of trade receivables and provision for the restructuring plan were as follows: • reviewing the collectability of the trade receivables of the US businesses, by testing to receipts received from customers subsequent to the financial year ended 31 March 2019, understanding and corroborating with management the nature of delays for overdue receivables, and checking to publicly available information for indicators that the underlying customers for the outstanding receivables might be in financial distress; and • obtaining an understanding of the nature of the restructuring provisions and tested management's basis for making such provisions, in accordance with Note 2.23. Based on the procedures performed, we noted management's key estimates and assumptions used in the impairment assessment of the intangible and tangible assets attributable to the Group's US businesses to be within a reasonable range of our expectations. We have not noted any indicators that the management's assessment on the adequacy of loss allowance for the trade receivables of the US businesses is unreasonable, and are satisfied with the appropriateness of the restructuring provisions recorded. We have also evaluated the adequacy of the Group's disclosures made in respect of impact arising from the strategic review of the US businesses.

Key Audit Matters	Our audit performed and responses thereon
Valuation of investment properties *Refer to Notes 3(b) and 22 to the financial statements.* As at 31 March 2019, the Group's investment properties amounted to S$999.3 million, representing 38% of the Group's total assets. These investment properties are stated at their fair values based on independent external valuations. The net fair value gains on investment properties recognised in the financial year then ended amounted to S$12.1 million. The valuation of these investment properties (primarily Singapore Post Centre, and the Group's warehousing and self-storage facilities) 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 and comparable market transactions.	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 also read and considered the external valuer's reports to confirm whether the valuation approach used was appropriate. We held discussions with the valuer to understand the basis of valuation techniques and assumptions applied. With the involvement of our internal valuation specialists, we evaluated the appropriateness of the valuation techniques used by the external valuer for the key investment properties. We benchmarked and challenged the key assumptions used in their valuation by reference to externally published industry data, where available, and we also considered whether these assumptions are consistent with the current market environment. Based on the procedures performed, the valuation methodologies used are in line with generally accepted market practices and the estimates and assumptions used are within a reasonable range of our expectations. We also considered the adequacy of the disclosures in the financial statements regarding the key assumptions used in the valuation and the relationships between the key unobservable inputs and fair values.

Independent Auditor's Report

To the Members of Singapore Post Limited

Key Audit Matters	Our audit performed and responses thereon
Classification, recognition and measurement of retained interest in 4PX Refer to Notes 3(c) and 20 to the financial statements. As at 31 March 2019, the Group's equity investment measured at fair value through other comprehensive income in relation to Shenzhen 4PX Information and Technology Co., Limited ("4PX") amounted to S$76.9 million. 4PX was treated as an equity accounted associated company of the Group in prior years. During the financial year, the Group assessed that it had lost significant influence over 4PX, as 4PX issued additional shares to one of its existing shareholders, which led to the Group's shareholding in 4PX to be diluted from 30.52% to 19.75%. Changes were also made to the Group's right to participate in 4PX's operations and the Group's board representation in 4PX. An exceptional gain (attributable to equity holders of the Company) of S$28.2 million was recorded as a result of the dilution of interest in 4PX. The assessment of whether and when the Group lost significant influence over 4PX involved significant management judgement, and the valuation of the retained interest in 4PX in arriving at the gain on dilution and the fair value as at 31 March 2019 involved significant judgment and estimates in selecting an appropriate methodology, and the key assumptions applied.	The following audit procedures were performed: • We obtained and reviewed agreements and documents in relation to the dilution of interest in 4PX, including agreements between shareholders of 4PX on their rights to participate in 4PX's financial and operating decisions; • We held discussions with management to understand their rationale and basis for their assessment that the Group has lost significant influence in 4PX; • We considered the timing of dilution of interest together with changes in rights of the Group that resulted in loss of significant influence; • We evaluated the qualifications and competence of the external valuer who was engaged by the Company to value the retained interest in 4PX at the point in time when significant influence was deemed to be lost. We read the terms of engagement with the valuer 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 also read and considered the external valuer's reports to confirm that the valuation approach used was appropriate; and • We held discussions with the valuer and management to understand the basis of valuation techniques and assumptions applied to the valuation of retained interests in 4PX at the point when loss of significant influence was deemed to have occurred, and to the valuation of retained interests in 4PX as at 31 March 2019. With the involvement of our internal valuation specialists, we evaluated the appropriateness of the valuation techniques used by the external valuer to determine the fair value. Based on the procedures performed, we agreed with management's assessment on the loss of significant influence in 4PX, as well as the timing of the loss. The valuation methodologies used are assessed to be in line with generally accepted market practices and the estimates and assumptions used are within a reasonable range of our expectations. We have checked and agreed with management on their computation of the gain arising from the loss of significant influence in 4PX. We also considered the adequacy of the disclosures in the financial statements, regarding the assumptions used in the valuation and the relationships between the key unobservable inputs and fair values.

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, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

Independent Auditor's Report

To the Members of Singapore Post Limited

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

- 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. Shariq Barmaky.

Deloitte & Touche LLP

Public Accountants and Chartered Accountants

Singapore
13 May 2019

Consolidated Income Statement

For the financial year ended 31 March 2019

		Group	
	Note	**2019 S$'000**	2018 S$'000
Revenue	4	**1,556,690**	1,513,427
Labour and related expenses	5	**(318,886)**	(328,162)
Volume-related expenses	6	**(875,168)**	(816,090)
Administrative and other expenses	7	**(158,902)**	(154,687)
Depreciation and amortisation		**(57,933)**	(59,228)
Selling-related expenses		**(10,898)**	(9,536)
Impairment loss on trade and other receivables		**(2,178)**	(5,528)
Operating expenses		**(1,423,965)**	(1,373,231)
Other income		**3,567**	6,677
Profit on operating activities		**136,292**	146,873
Share of loss of associated companies and joint venture	20	**(7,061)**	(3,099)
Exceptional items	8	**(69,313)**	22,293
Interest income and investment income (net)	9	**5,007**	(169)
Finance expenses	10	**(10,309)**	(10,597)
Profit before income tax		**54,616**	155,301
Income tax expense	11	**(27,763)**	(30,659)
Profit after tax		**26,853**	124,642
Profit attributable to:			
Equity holders of the Company		**18,958**	135,497
Non-controlling interests		**7,895**	(10,855)
		26,853	124,642
Earnings per share attributable to ordinary shareholders of the Company	12		
– Basic		**0.18 cent**	5.32 cents
– Diluted		**0.18 cent**	5.31 cents

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2019

	Group	
	2019 S$'000	2018 S$'000
Profit after tax	**26,853**	124,642
Other comprehensive loss (net of tax):		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets:		
– Fair value gain	**–**	423
Currency translation differences:		
– Loss on translation of foreign operations	**(7,384)**	(7,298)
Transfer to profit or loss arising from dilution/divestment of interests in associated companies	**844**	–
Items that will not be reclassified subsequently to profit or loss:		
Equity investments at fair value through other comprehensive income		
– Fair value gain	**989**	–
– Gain on sale	**2**	–
Revaluation gain on property, plant and equipment upon transfer to investment properties	**239**	–
Other comprehensive loss for the year (net of tax)	**(5,310)**	(6,875)
Total comprehensive income for the year	**21,543**	117,767
Total comprehensive income attributable to:		
Equity holders of the Company	**13,911**	128,616
Non-controlling interests	**7,632**	(10,849)
	21,543	117,767

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

Statements of Financial Position

As at 31 March 2019

		Group			Company		
	Note	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
ASSETS							
Current assets							
Cash and cash equivalents	13	**392,220**	314,050	366,614	**330,266**	258,112	303,179
Financial assets	14	**7,230**	1,921	4,301	**7,230**	1,921	3,954
Trade and other receivables	15	**264,689**	271,583	199,007	**200,920**	231,983	173,304
Derivative financial instruments	16	**58**	19,856	16,079	**58**	19,856	16,142
Inventories		**692**	959	4,450	**180**	66	107
Other current assets	17	**21,339**	18,204	17,174	**6,496**	7,867	5,180
		686,228	626,573	607,625	**545,150**	519,805	501,866
Non-current assets							
Financial assets	14	**105,789**	35,460	36,010	**28,652**	35,201	35,748
Trade and other receivables	18	**7,797**	7,087	7,091	**249,452**	391,821	405,122
Investments in associated companies and joint ventures	20	**39,840**	114,925	117,783	**18,534**	15,366	14,849
Investments in subsidiaries	21	**–**	–	–	**318,371**	340,533	340,533
Investment properties	22	**999,349**	1,014,315	970,392	**948,253**	970,378	927,538
Property, plant and equipment	23	**466,798**	491,711	515,719	**270,742**	241,463	240,371
Intangible assets	24	**307,438**	385,730	400,683	**–**	–	–
Deferred income tax assets	28	**3,194**	3,197	6,218	**–**	–	–
Other non-current asset	17	**2,807**	5,137	5,198	**–**	–	–
		1,933,012	2,057,562	2,059,094	**1,834,004**	1,994,762	1,964,161
Total assets		**2,619,240**	2,684,135	2,666,719	**2,379,154**	2,514,567	2,466,027
LIABILITIES							
Current liabilities							
Trade and other payables	25	**486,990**	495,002	363,372	**408,147**	440,770	335,156
Current income tax liabilities		**44,291**	39,172	34,774	**35,254**	30,926	30,367
Contract liabilities	27	**38,214**	37,929	38,930	**23,041**	24,850	25,314
Derivative financial instruments	16	**440**	465	1,055	**440**	451	1,055
Borrowings	26	**281,842**	23,475	148,786	**268,581**	–	117,743
		851,777	596,043	586,917	**735,463**	496,997	509,635
Non-current liabilities							
Trade and other payables	25	**17,757**	23,468	44,462	**1,088**	1,358	2,070
Borrowings	26	**9,034**	220,503	215,199	**–**	201,569	202,318
Contract liabilities	27	**38,334**	45,484	52,624	**38,334**	45,444	52,302
Deferred income tax liabilities	28	**41,875**	52,392	62,547	**22,896**	23,253	22,603
		107,000	341,847	374,832	**62,318**	271,624	279,293
Total liabilities		**958,777**	937,890	961,749	**797,781**	768,621	788,928
NET ASSETS		**1,660,463**	1,746,245	1,704,970	**1,581,373**	1,745,946	1,677,099
EQUITY							
Capital and reserves attributable to the Company's equity holders							
Share capital	29	**638,762**	638,762	638,756	**638,762**	638,762	638,756
Treasury shares	29	**(30,174)**	(16,023)	(1,227)	**(30,174)**	(16,023)	(1,227)
Other reserves	30	**78,024**	81,667	89,628	**40,127**	38,104	37,249
Retained earnings		**579,633**	654,667	579,418	**585,832**	738,277	655,495
Ordinary equity		**1,266,245**	1,359,073	1,306,575	**1,234,547**	1,399,120	1,330,273
Perpetual securities	31	**346,826**	346,826	346,826	**346,826**	346,826	346,826
		1,613,071	1,705,899	1,653,401	**1,581,373**	1,745,946	1,677,099
Non-controlling interests		**47,392**	40,346	51,569	**–**	–	–
Total equity		**1,660,463**	1,746,245	1,704,970	**1,581,373**	1,745,946	1,677,099

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

Statements of Changes in Equity

For the financial year ended 31 March 2019

Group	Note	Attributable to ordinary shareholders of the Company								
		Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000	Perpetual securities S$'000	Total S$'000	Non-controlling interests S$'000	Total S$'000
Balance at 1 April 2018		**638,762**	**(16,023)**	**654,667**	**81,667**	**1,359,073**	**346,826**	**1,705,899**	**40,346**	**1,746,245**
Total comprehensive income/(loss) for the year		**–**	**–**	**18,958**	**(5,047)**	**13,911**	**–**	**13,911**	**7,632**	**21,543**
Transactions with owners, recognised directly into equity										
Transfer upon disposal of investment		**–**	**–**	**2**	**(2)**	**–**	**–**	**–**	**–**	**–**
Distribution of perpetual securities	31	**–**	**–**	**(14,875)**	**–**	**(14,875)**	**14,875**	**–**	**–**	**–**
Distribution paid on perpetual securities	31	**–**	**–**	**–**	**–**	**–**	**(14,875)**	**(14,875)**	**–**	**(14,875)**
Dividends paid to shareholders	32	**–**	**–**	**(79,119)**	**–**	**(79,119)**	**–**	**(79,119)**	**–**	**(79,119)**
Dividends paid to non-controlling interests in a subsidiary		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(586)**	**(586)**
Employee share option scheme:										
– Value of employee services	30b(i)	**–**	**–**	**–**	**2,117**	**2,117**	**–**	**2,117**	**–**	**2,117**
– Treasury shares re-issued	29	**–**	**992**	**–**	**(711)**	**281**	**–**	**281**	**–**	**281**
Purchase of treasury shares	29	**–**	**(15,143)**	**–**	**–**	**(15,143)**	**–**	**(15,143)**	**–**	**(15,143)**
Total		**–**	**(14,151)**	**(93,992)**	**1,404**	**(106,739)**	**–**	**(106,739)**	**(586)**	**(107,325)**
Balance at 31 March 2019		**638,762**	**(30,174)**	**579,633**	**78,024**	**1,266,245**	**346,826**	**1,613,071**	**47,392**	**1,660,463**
Balance at 1 April 2017		638,756	(1,227)	579,418	89,628	1,306,575	346,826	1,653,401	51,569	1,704,970
Total comprehensive income/(loss) for the year		–	–	135,497	(6,881)	128,616	–	128,616	(10,849)	117,767
Transactions with owners, recognised directly into equity										
Acquisition of non-controlling interests	21	–	–	–	(433)	(433)	–	(433)	(314)	(747)
Adjustment to other reserves	30(iv)	–	–	–	(1,139)	(1,139)	–	(1,139)	–	(1,139)
Transfer of non-controlling interests in a subsidiary to capital reserve	30(iv)	–	–	–	60	60	–	60	(60)	–
Distribution of perpetual securities	31	–	–	(14,875)	–	(14,875)	14,875	–	–	–
Distribution paid on perpetual securities	31	–	–	–	–	–	(14,875)	(14,875)	–	(14,875)
Dividends paid to shareholders	32	–	–	(45,373)	–	(45,373)	–	(45,373)	–	(45,373)
Employee share option scheme:										
– Value of employee services	30b(i)	–	–	–	1,359	1,359	–	1,359	–	1,359
– New shares issued	29	6	–	–	–	6	–	6	–	6
– Treasury shares re-issued	29	–	1,181	–	(927)	254	–	254	–	254
Purchase of treasury shares	29	–	(15,977)	–	–	(15,977)	–	(15,977)	–	(15,977)
Total		6	(14,796)	(60,248)	(1,080)	(76,118)	–	(76,118)	(374)	(76,492)
Balance at 31 March 2018		638,762	(16,023)	654,667	81,667	1,359,073	346,826	1,705,899	40,346	1,746,245

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

Company	Note	Attributable to ordinary shareholders of the Company						
		Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000	Perpetual securities S$'000	Total equity S$'000
Balance at 1 April 2018		**638,762**	**(16,023)**	**738,277**	**38,104**	**1,399,120**	**346,826**	**1,745,946**
Total comprehensive (loss)/ income for the year		**–**	**–**	**(58,453)**	**619**	**(57,834)**	**–**	**(57,834)**
Transactions with owners, recognised directly into equity								
Transfer upon disposal of investment		**–**	**–**	**2**	**(2)**	**–**	**–**	**–**
Distribution of perpetual securities	31	**–**	**–**	**(14,875)**	**–**	**(14,875)**	**14,875**	**–**
Distribution paid on perpetual securities	31	**–**	**–**	**–**	**–**	**–**	**(14,875)**	**(14,875)**
Dividends paid to shareholders	32	**–**	**–**	**(79,119)**	**–**	**(79,119)**	**–**	**(79,119)**
Employee share option scheme:								
– Value of employee services	30b(i)	**–**	**–**	**–**	**2,117**	**2,117**	**–**	**2,117**
– Treasury shares re-issued	29	**–**	**992**	**–**	**(711)**	**281**	**–**	**281**
Purchase of treasury shares	29	**–**	**(15,143)**	**–**	**–**	**(15,143)**	**–**	**(15,143)**
Total		**–**	**(14,151)**	**(93,992)**	**1,404**	**(106,739)**	**–**	**(106,739)**
Balance at 31 March 2019		**638,762**	**(30,174)**	**585,832**	**40,127**	**1,234,547**	**346,826**	**1,581,373**
Balance at 1 April 2017		638,756	(1,227)	655,495	37,249	1,330,273	346,826	1,677,099
Total comprehensive income for the year		–	–	143,030	423	143,453	–	143,453
Transactions with owners, recognised directly into equity								
Distribution of perpetual securities	31	–	–	(14,875)	–	(14,875)	14,875	–
Distribution paid on perpetual securities	31	–	–	–	–	–	(14,875)	(14,875)
Dividends paid to shareholders	32	–	–	(45,373)	–	(45,373)	–	(45,373)
Employee share option scheme:								
– Value of employee services	30b(i)	–	–	–	1,359	1,359	–	1,359
– New shares issued	29	6	–	–	–	6	–	6
– Treasury shares re-issued	29	–	1,181	–	(927)	254	–	254
Purchase of treasury shares	29	–	(15,977)	–	–	(15,977)	–	(15,977)
Total		6	(14,796)	(60,248)	432	(74,606)	–	(74,606)
Balance at 31 March 2018		638,762	(16,023)	738,277	38,104	1,399,120	346,826	1,745,946

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2019

	Group 2019 S$'000	Group 2018 S$'000
Cash flows from operating activities		
Profit after tax	**26,853**	124,642
Adjustments for:		
Income tax expense	**27,763**	30,659
Allowance for doubtful debts and bad debts written off	**2,178**	5,528
Amortisation of contract liabilities	**(7,140)**	(9,242)
Amortisation of intangible assets	**10,519**	9,705
Depreciation	**47,414**	49,523
Fair value gain on investment properties	**(12,088)**	(12,712)
Losses/(gains) on sale of and adjustment to property, plant and equipment	**531**	(10,441)
Gain on divestment/dilution of interest in associated companies	**(48,624)**	–
Loss/(gain) on derivative instruments	**15,541**	(1,845)
Provision for restructuring costs	**9,885**	–
Share-based staff costs	**2,117**	1,359
Interest expense	**10,270**	10,597
Interest income	**(5,876)**	(4,686)
Impairment on goodwill, intangible assets, property, plant and equipment and investment in associated company	**100,437**	–
Share of loss of associated companies and joint venture	**7,061**	3,099
	159,988	71,544
Operating cash flow before working capital changes	**186,841**	196,186
Changes in working capital, net of effects from acquisition and disposal of subsidiaries		
Inventories	**267**	3,491
Trade and other receivables	**5,325**	(78,896)
Trade and other payables	**(9,194)**	109,581
Contract liabilities	**275**	(923)
Cash generated from operations	**183,514**	229,439
Income tax paid	**(31,334)**	(31,196)
Net cash provided by operating activities	**152,180**	198,243

	Group 2019 S$'000	Group 2018 S$'000
Cash flows from investing activities		
Additions to property, plant and equipment, investment properties and intangible assets	**(31,323)**	(62,143)
Contingent consideration paid in relation to acquisition of subsidiaries	**–**	(3,730)
Dividend received from an associated company	**1,315**	930
Interest received	**5,675**	5,042
Additional investment in an associated company	**(412)**	(517)
Loan to an associated company	**(701)**	–
Proceeds from sale of financial assets	**1,241**	–
Proceeds from sale of derivative instrument	**145**	–
Proceeds from divestment of an associated company (net of capital gain tax)	**36,083**	–
Proceeds from disposal of property, plant and equipment	**326**	9,285
Proceeds on maturity of financial assets	**–**	2,376
Net cash provided by/(used in) investing activities	**12,349**	(48,757)
Cash flows from financing activities		
Acquisition of non-controlling interests	**(14,367)**	(747)
Distribution paid to perpetual securities	**(14,875)**	(14,875)
Dividends paid to shareholders	**(79,119)**	(45,373)
Dividends paid to non-controlling interests in a subsidiary	**(586)**	–
Interest paid	**(10,065)**	(6,443)
Proceeds from issuance of ordinary shares	**–**	6
Purchase of treasury shares	**(15,143)**	(15,977)
Proceeds from re-issuance of treasury shares	**281**	254
Proceeds from bank loans	**225,977**	320,694
Repayment of bank loans	**(178,462)**	(439,589)
Net cash used in financing activities	**(86,359)**	(202,050)
Net increase/(decrease) in cash and cash equivalents	**78,170**	(52,564)
Cash and cash equivalents at beginning of financial year	**314,050**	366,614
Cash and cash equivalents at end of financial year	**392,220**	314,050

SIGNIFICANT NON-CASH TRANSACTIONS

In the current financial year, contingent consideration amounting to S$1,508,000 (2018: S$905,000) in relation to the acquisition of subsidiaries in prior financial years was settled by way of offset against escrow deposits for the acquisition of those subsidiaries.

Additional investment in an associated company amounting to S$2,756,000 (2018: S$Nil) was settled in exchange for warrants from the associated company amounting to S$2,756,000 (2018: S$Nil).

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 post and parcel, eCommerce logistics and property. Its subsidiaries are principally engaged in provision of business mail solutions and distribution of mail, investment holding and provision of electronic platform and recyclable lockers for merchandise distribution.

These financial statements were authorised for issue on 13 May 2019 in accordance with a resolution of the Board of Directors of Singapore Post Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

For all periods up to and including the year ended 31 March 2018, the financial statements were prepared in accordance with the previous framework, Financial Reporting Standards in Singapore ("FRSs"). These financial statements for the year ended 31 March 2019 are the first set that the Group and the Company have prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs"). SFRS(I)s are issued by the Accounting Standards Council and comprise standards and interpretations that are equivalent to IFRSs issued by the International Accounting Standards Board. All references to SFRS(I)s and IFRSs are subsequently referred to as SFRS(I)s in these financial statements unless otherwise stated. Details of first-time adoption of SFRS(I)s are included in Note 40.

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and SFRS(I)s.

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

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group has power over the entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date that control ceases.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Group accounting *(continued)*

(a) Subsidiaries (continued)

(ii) Acquisitions

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

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

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

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

Acquisition-related costs are expensed as incurred.

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

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

Please refer to the paragraph "Intangible assets – Goodwill on acquisitions" for the subsequent accounting policy on goodwill.

(iii) Disposals of subsidiaries or businesses

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

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

Please refer to Note 2.14 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Group accounting *(continued)*

(b) *Transactions with non-controlling interests*

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

(c) *Associated companies and joint ventures*

Associated companies are entities over which the Group has significant influence, but not control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The Group's joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties.

Investments in associated companies and joint venture are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

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

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

Unrealised gains on transactions between the Group and its associated companies and joint ventures are eliminated to the extent of the Group's interest in the associated companies and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of associated companies and joint ventures to ensure consistency of accounting policies adopted by the Group.

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

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

Please refer to Note 2.14 for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Revenue recognition

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

(a) *Post and Parcel*

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

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

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

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

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

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Revenue recognition *(continued)*

(c) *eCommerce*

Revenue from eCommerce-related activities comprises the front-end eCommerce solutions.

Sales are recognised when the Group has delivered the products to the customers and the customers have accepted the products which coincide with the timing of transfer of control to the customers. Sales are presented net of goods and service tax, rebates and discounts.

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

Revenue from merchant of record service is recognised on a net basis as the Group acts as an agent to provide a service of arranging for another party to transfer goods or services to a customer. The Group recognises a commission fee, being the net amount of consideration that the Group retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party.

When services provided in a bundled contract are not distinct, a single performance obligation is determined and revenue is recorded based on the transaction price when services are rendered.

(d) *Property*

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

2.4 Operating leases

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

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

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

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

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

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

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

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

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

2.5 Employee compensation

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

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.5 Employee compensation *(continued)*

(b) *Defined benefit plans*

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

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

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

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

(c) *Share-based compensation*

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

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

2.6 Government grants

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

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

2.7 Borrowing costs

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

2.8 Exceptional items

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.9 Income taxes

Income tax expense comprises current and deferred tax.

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

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

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

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

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

Deferred income tax is calculated at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value method, the measurement of deferred tax liabilities and assets reflects the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

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

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

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

2.10 Currency translation

(a) Functional and presentation currency

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 Currency translation *(continued)*

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income. For equity investments measured at fair value through other comprehensive income ("FVTOCI"), exchange differences are recognised in other comprehensive income in the fair value reserve. In the consolidated financial statements, currency translation differences arising from net investment in foreign operations are recognised in other comprehensive income and accumulated in the currency translation reserve.

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

(c) Translation of Group entities' financial statements

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

(i) Assets and liabilities are translated at the closing exchange rates at the end of the reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are classified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the end of the reporting period.

2.11 Cash and cash equivalents

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

2.12 Financial assets

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 *Financial Instruments* on 1 April 2018. Accordingly, the requirements of FRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 31 March 2018.

Arising from this election, the Group is exempted from providing disclosures required by SFRS(I) 7 *Financial Instruments: Disclosure* for the comparative periods to the extent that the disclosures required by SFRS(I) 7 relate to the items within scope of SFRS(I) 9. Instead, disclosures under FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39 are provided for the comparative periods.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Financial assets *(continued)*

(a) *Financial assets – before 1 April 2018*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the end of the reporting period which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables", "cash and cash equivalents" and "other assets" on the statement of financial position.

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

The Group assesses at the end of the reporting period whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired. Allowance for impairment is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Other financial assets

(i) *Classification*

The Group classifies its financial assets other than loans and receivables as held-to-maturity and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its other financial assets at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of the reporting period.

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

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the end of the reporting period.

(ii) *Recognition and derecognition*

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Financial assets *(continued)*

(a) *Financial assets – before 1 April 2018 (continued)*

Other financial assets (continued)

(iii) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs.

(iv) *Subsequent measurement*

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

Available-for-sale financial assets are subsequently carried at fair value.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(v) *Impairment*

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

1. *Loans and receivables/Held-to-maturity financial assets*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default, or significant delay in payments are objective evidence that these financial assets are impaired.

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

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

2. *Available-for-sale financial assets*

In addition to the objective evidence of impairment described in Note 2.12(a)(v)(1), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Financial assets *(continued)*

(b) Financial assets – from 1 April 2018

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

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

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

(i) Classification of financial assets

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

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

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

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

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

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

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

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

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

Interest income is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Financial assets *(continued)*

(b) Financial assets – from 1 April 2018 (continued)

(i) Classification of financial assets (continued)

Equity instruments designated as at FVTOCI

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

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

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of SFRS(I) 9 *Financial Instruments* (see Note 14).

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

(ii) Impairment of financial assets

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

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

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

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

Significant increase in credit risk

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Financial assets *(continued)*

(b) Financial assets – from 1 April 2018 (continued)

(ii) Impairment of financial assets (continued)

Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- breach of settlement contract or default in contractual obligations.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Measurement and recognition of expected credit losses

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Financial assets *(continued)*

(b) Financial assets – from 1 April 2018 (continued)

(ii) Impairment of financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

2.13 Inventories

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

2.14 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.15 Investment property

Investment properties include those portions of commercial buildings that are held for long-term rental yields and/or for capital appreciation. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value. Changes in fair values are recognised in the income statement for the period in which they arise.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amounts is recognised in the income statement in the period in which the property is derecognised.

2.16 Property, plant and equipment

(a) Measurement

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.16 Property, plant and equipment *(continued)*

(b) *Depreciation*

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

	Useful lives
Leasehold land	30–99 years
Buildings	5–50 years
Postal equipment	3–20 years
Plant and machinery	3–20 years

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

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

(c) *Subsequent expenditure*

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

(d) *Disposal*

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

(e) *Transfer*

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

Please refer to Note 2.15 for the accounting policy on the transfer from investment properties to property, plant and equipment.

2.17 Intangible assets

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the net identifiable assets acquired.

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.17 Intangible assets *(continued)*

(a) *Goodwill on acquisitions (continued)*

Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets acquired and is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, associated companies and joint ventures include the carrying amount of goodwill relating to the entity sold.

(b) *Customer relationships*

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

(c) *Preferential rents*

Preferential rent was acquired in a business combination and is amortised on a straight basis over the remaining lease terms from the acquisition date.

(d) *Acquired software licence*

Acquired software licence is initially capitalised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over the licence term or the estimated useful life of 5 years.

(e) *Trademarked brands*

Trademarked brands acquired as part of business combinations are recognised at their fair values at the acquisition date.

The trademarked brand with finite useful life is carried at cost less accumulated amortisation and accumulated impairment losses. The cost is amortised on a straight line basis over the estimated useful life of 9 years.

The trademarked brand with indefinite useful life is not amortised and is subsequently tested for impairment annually. In connection with the annual impairment assessment of the trademarked brand, the critical accounting judgement in respect of the indefinite useful life assumption will also be reviewed.

The amortisation period and amortisation method of intangible assets other than goodwill and trademarked brand with indefinite useful life are reviewed at least at each annual reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

2.18 Impairment of non-financial assets

(a) *Goodwill*

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.18 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
Investments in subsidiaries, associated companies and joint ventures

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

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

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

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

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

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

2.19 Trade and other payables

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.20 Derivative financial instruments and hedging activities

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

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

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

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

Net investment hedge

The Group has foreign currency forwards that qualify as net investment hedges of foreign operations. These hedging instruments are accounted for similarly to cash flow hedges. The fair value changes on the effective portion of the currency forwards designated as net investment hedges are recognised in other comprehensive income in the consolidated financial statements, accumulated in the currency translation reserve and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation. The currency translation differences relating to the ineffective portion of the hedge are recognised immediately in profit or loss.

2.21 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost, except for the borrowings that are designated as fair value hedges. The gain or loss on the borrowings attributable to the hedged risk shall adjust the carrying amount of the borrowings and be recognised in profit or loss. The adjustment of the fair value will be reversed when the hedging relationship is discontinued or lapsed.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the end of the reporting period are included in current borrowings in the statement of financial position. Other borrowings with an unconditional right to defer settlement for at least twelve months after the end of the reporting period are included in non–current borrowings in the statement of financial position.

2.22 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less cumulative amortisation.

2.23 Provisions

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.24 Share capital and treasury shares

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

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

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

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

2.25 Perpetual securities

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

2.26 Dividends to Company's shareholders

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

2.27 Segment reporting

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

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) Estimated impairment of goodwill and other intangible assets

Goodwill and trademarked brands with indefinite useful lives are tested for impairment annually and whenever there is indication that goodwill and trademarked brand may be impaired. The recoverable amount of goodwill and trademarked brand, and where applicable, a CGU, is determined based on the higher of fair value less costs to sell and value-in-use calculations prepared on the basis of management's assumptions and estimates.

When value-in-use calculations are undertaken, the Group uses discounted cash flow projections based on approved financial budgets covering a five-year period. Significant judgements are used to estimate the terminal growth rates and discount rates applied in computing the recoverable amounts of the different CGUs. In making these estimates, management has relied on past performance, its expectations of the future developments of the various businesses, and market and publicly available industry and economic data. Details of these key assumptions applied in the impairment assessment of goodwill and trademarked brand are provided in Notes 24(a) and 24(e).

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

(a) Estimated impairment of goodwill and other intangible assets *(continued)*

The Group has recognised an impairment charge on its goodwill and other intangible assets of S$30.5 million (2018: S$Nil) and S$37.1 million (2018: S$Nil) respectively during the financial year, which resulted in the carrying amount of goodwill and other intangible assets as at 31 March 2019 being reduced to S$265.4 million (31 March 2018: S$299.4 million, 1 April 2017: S$305.1 million) and S$42.0 million (31 March 2018: S$86.3 million, 1 April 2017: S$95.6 million) respectively. Details are provided in Note 24.

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.

(b) Valuation of investment properties

As at 31 March 2019, the Group's investment properties of S$999.3 million (31 March 2018: S$1,014.3 million, 1 April 2017: S$970.4 million) (Note 22) are stated at their estimated fair values determined by independent professional valuers. These estimated fair values may differ significantly from the prices at which these properties can be sold due to the actual negotiations between willing buyers and sellers as well as changes in assumptions and conditions arising from unforeseen events. Consequently, the actual results and the realisation of these properties could differ significantly from the estimates disclosed in these financial statements.

(c) Determining loss of significant influence and fair value of retained interest in an associated company

During the financial year, the Group's interest in Shenzhen 4PX Information and Technology Co., Limited ("4PX") was diluted from 30.52% to 19.75%. Changes were also made to the Group's rights to participate in 4PX's operations and the Group's board representation in 4PX. In determining loss of significant influence in 4PX, management considered the timing of completion of such changes as well as changes in legal shareholdings and whether conditions precedent have an impact on when significant influence is lost.

An exceptional gain attributable to equity holders of the Company of S$28.2 million was recorded as a result of the dilution of interest in 4PX. Subsequent to the loss of significant influence, the Group measures its retained interest in 4PX at fair value and classifies it as an equity investment measured at FVTOCI (Note 14).

When the fair value of such investment cannot be determined from active markets, valuation techniques including price of recent investment are used. The inputs to the valuation model are derived from market observable data where possible, but where this is not feasible, a degree of judgement is required to establish fair value.

As at 31 March 2019, the carrying value of the investment in 4PX measured at FVTOCI was S$76.9 million (31 March 2018 and 1 April 2017: S$Nil).

(d) Estimated impairment of other non-financial assets

Property, plant and equipment and investments in subsidiaries, associated companies and joint venture are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amount of an asset, and where applicable, a CGU, is determined based on the higher of fair value less costs to sell and value-in-use calculation prepared on the basis of management's assumptions and estimates.

The Group recognised impairment charges on investments in associated company and property, plant and equipment of S$3.4 million and S$29.4 million respectively during the financial year. Details are provided in Notes 20 and 23 respectively.

The Company recognised impairment charges amounting to S$22.2 million (2018: S$Nil) in investments in subsidiaries (Note 21) during the financial year.

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

(d) Estimated impairment of other non-financial assets *(continued)*

All impairment calculations demand a high degree of estimation, which include assessments of the expected cash flows arising from such assets and the selection of key assumptions. Changes to these estimates may significantly impact the impairment charges recognised.

Other than those disclosed above, no impairment charge was recognised on the Group's other non-financial assets during the preceding and current financial years. The carrying values of investments in associated companies and joint venture, investments in subsidiaries and property, plant and equipment are disclosed in Notes 20, 21 and 23 respectively.

(e) Use of indefinite useful life assumption for trademarked brand

Trademarked brands arise from the acquisitions of subsidiaries. In the assessment of the useful life of a trademarked brand arising from acquisition of a subsidiary in 2014, management performed an analysis of the relevant factors including stability of the industry that the subsidiary operates. Management has also considered the useful lives of similar assets adopted by companies within the same industry. The Group is also not aware of any material legal, regulatory, contractual, technological, or other factor which could limit the useful life of the trademark. Based on the mentioned factors, management has concluded that there is no foreseeable limit to the period over which the trademarked brand is expected to generate net cash inflows for the Group and hence, the trademarked brand is not amortised.

In connection with the annual impairment assessment of the indefinite useful life of the trademarked brand, the critical accounting judgement in respect of the indefinite useful life will also be reviewed. As at 31 March 2019, the carrying value of the trademarked brand was S$38.4 million (31 March 2018: S$40.3 million, 1 April 2017: S$42.7 million).

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

The Group reviews the residual values and useful lives of property, plant and equipment at the end of each reporting period based on factors such as business plans and strategies, expected level of usage and future technological developments. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the carrying value of property, plant and equipment. The net book value of property, plant and equipment at 31 March 2019 was S$466.8 million (31 March 2018: S$491.7 million, 1 April 2017: S$515.7 million). There were no significant revisions to the estimated residual values and useful lives during the financial year ended 31 March 2019.

(g) Calculation of loss allowance for trade and other receivables

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers 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.

Included in the trade receivables is S$116.3 million from a customer which ceased to be an associated company during the financial year and management has assessed this receivable to be recoverable.

Impairment loss on trade and other receivables amounted to S$2.2 million (2018: S$5.5 million) for the financial year ended 31 March 2019.

The carrying values of trade and other receivables are disclosed in Notes 15,18 and 19.

4. REVENUE

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

	2019 S$'000	2018 S$'000
Domestic and International Mail services	**744,752**	709,753
Domestic and International distribution and delivery services	**484,116**	485,073
Retail and eCommerce sale of products and services	**248,904**	249,776
Property	**78,918**	68,825
Revenue	**1,556,690**	1,513,427

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

	Group					
	2019			2018		
	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	**742,450**	**2,302**	**744,752**	706,760	2,993	709,753
Logistics	**484,116**	**–**	**484,116**	485,073	–	485,073
eCommerce	**248,731**	**173**	**248,904**	247,524	2,252	249,776
Property	**78,918**	**–**	**78,918**	68,825	–	68,825
	1,554,215	**2,475**	**1,556,690**	1,508,182	5,245	1,513,427
Timing of revenue recognition						
At a point in time	**12,069**	**2,475**	**14,544**	12,609	5,245	17,854
Over time	**1,542,146**	**–**	**1,542,146**	1,495,573	–	1,495,573
	1,554,215	**2,475**	**1,556,690**	1,508,182	5,245	1,513,427

The above is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 *Operating Segments* (Note 39).

As permitted under SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*, the transaction price allocated to (partially) unsatisfied performance obligations as of 31 March 2018 is not disclosed, using the transition provisions of SFRS(I) 15 *Revenue from Contracts with Customers.*

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.

Accordingly, transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period relates to 'Advances received for postassurance collaboration'. Refer to Note 27 for further details.

5. LABOUR AND RELATED EXPENSES

	Group	
	2019 S$'000	2018 S$'000
Wages and salaries	**213,143**	219,160
Employer's contribution to defined contribution plans including Central Provident Fund	**26,426**	26,626
Share-based expense (Note 30(b)(i))	**2,117**	1,359
Other benefits	**9,929**	10,972
Temporary and contract staff cost	**69,375**	72,751
Government grant	**(2,104)**	(2,706)
	318,886	328,162

6. VOLUME-RELATED EXPENSES

	Group	
	2019 S$'000	2018 S$'000
Traffic expenses	**510,566**	490,297
Outsourcing services and delivery expenses	**364,602**	325,793
	875,168	816,090

7. ADMINISTRATIVE AND OTHER EXPENSES

	Group	
	2019 S$'000	2018 S$'000
Included in administrative and other expenses are the following:		
Professional services	**13,727**	22,535
Repair and maintenance expenses	**26,263**	22,127
Rental on operating leases	**40,453**	39,318
Supplies and services	**26,247**	25,781

8. EXCEPTIONAL ITEMS

	Group	
	2019 S$'000	2018 S$'000
Fair value (loss)/gains:		
– Investment properties (Note 22)	**12,088**	12,712
– Warrants from an associated company	**(15,541)**	1,845
Impairment charges [1]:		
– Property, plant and equipment (Note 23)	**(29,393)**	–
– Goodwill (Note 24(a))	**(30,488)**	–
– Customer relationships (Note 24(b))	**(24,942)**	–
– Software licence (Note 24(d))	**(11,879)**	–
– Trademark (Note 24(e))	**(336)**	–
– Associated company (Note 20(a))	**(3,399)**	–
Provision for the restructuring of overseas operations	**(9,885)**	(413)
Adjustment for reduction in property, plant and equipment costs	**–**	7,771
Additional contingent consideration	**(2,539)**	–
(Loss)/gain on disposal of property, plant and equipment	**(531)**	2,670
Gain on divestment/dilution of interest in associated companies (Note 20(a))	**48,624**	–
Professional fees	**(1,092)**	(2,292)
	(69,313)	22,293

[1] Total impairment charges amounted to S$100,437,000.

9. INTEREST INCOME AND INVESTMENT INCOME (NET)

	Group	
	2019 S$'000	2018 S$'000
Interest income		
– Bank deposits	**4,760**	3,226
– Financial assets, held-to-maturity	**–**	960
– Bonds at amortised cost	**949**	–
– Others	**167**	500
	5,876	4,686
Currency exchange losses – net	**(945)**	(4,838)
Others	**76**	(17)
	5,007	(169)

10. FINANCE EXPENSES

	Group	
	2019 S$'000	2018 S$'000
Interest expense:		
– Fixed rate notes	**6,227**	6,251
– Bank borrowings	**2,262**	2,322
– Other borrowing cost	**39**	–
– Significant financing component from contracts with customers	**1,781**	2,024
	10,309	10,597

11. INCOME TAX EXPENSE

	Group	
	2019 S$'000	2018 S$'000
Tax expense attributable to profit is made up of:		
– Current income tax	**36,571**	33,404
– Deferred income tax (Note 28)	**(7,862)**	(4,905)
	28,709	28,499
Under/(over) provision in preceding financial years:		
– Current income tax	**1,895**	2,315
– Deferred income tax (Note 28)	**(2,841)**	(155)
	27,763	30,659

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	
	2019 S$'000	2018 S$'000
Profit before tax	**54,616**	155,301
Tax calculated at a tax rate of 17% (2018: 17%)	**9,285**	26,401
Effects of:		
– Tax effect of share of results of associated companies and joint venture	**1,200**	527
– Different tax rates in other countries	**(4,172)**	790
– Withholding tax deducted at source	**3,629**	459
– Singapore statutory stepped income exemption	**(137)**	(260)
– Tax incentive	**(178)**	(300)
– Income not subject to tax	**(9,729)**	(7,833)
– Expenses not deductible for tax purposes	**17,607**	8,101
– Effect on deferred tax balances due to the change in US income tax rate	**–**	(6,927)
– Utilisation of tax losses and capital allowances	**(680)**	(185)
– Deferred income tax assets not recognised	**11,884**	7,726
– (Over)/under provision in preceding financial years	**(946)**	2,160
Tax charge	**27,763**	30,659

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	
	2019	2018
Net profit attributable to equity holders of the Company (S$'000)	**18,958**	135,497
Less: Net profit attributable to perpetual securities holders of the Company (S$'000)	**(14,875)**	(14,875)
Net profit attributable to ordinary shareholders of the Company (S$'000)	**4,083**	120,622
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,257,480**	2,268,633
Basic earnings per share (cents per share)	**0.18**	5.32

(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.

Diluted earnings per share is calculated as follows:

	Group	
	2019	2018
Net profit attributable to equity holders of the Company (S$'000)	**18,958**	135,497
Less: Net profit attributable to perpetual securities holders of the Company (S$'000)	**(14,875)**	(14,875)
Net profit attributable to ordinary shareholders of the Company (S$'000)	**4,083**	120,622
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,257,480**	2,268,633
Adjustment for share options ('000)	**491**	1,477
Weighted average number of ordinary shares for diluted earnings per share ('000)	**2,257,971**	2,270,110
Diluted earnings per share (cents per share)	**0.18**	5.31

13. CASH AND CASH EQUIVALENTS

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Cash at bank and on hand	**136,281**	94,211	106,352	**76,469**	39,703	47,004
Deposits with financial institutions	**255,939**	219,839	260,262	**253,797**	218,409	256,175
	392,220	314,050	366,614	**330,266**	258,112	303,179

Deposits with financial institutions earn interest ranging from 0.6% to 2.34% (31 March 2018: 0.6% to 1.73%, 1 April 2017: 0.5% to 1.81%) per annum. Tenure for these deposits range from 1 to 186 days (31 March 2018: 2 to 122 days, 1 April 2017: 6 to 365 days).

14. FINANCIAL ASSETS

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Current						
Financial assets at amortised cost						
– Bonds – quoted in Singapore	**6,500**	–	–	**6,500**	–	–
Financial assets designated as FVTOCI						
– Equity securities – quoted	**730**	–	–	**730**	–	–
Financial assets, available-for-sale						
– Equity securities – quoted	**–**	1,921	3,954	**–**	1,921	3,954
– Equity instrument – unquoted	**–**	–	347	**–**	–	–
	7,230	1,921	4,301	**7,230**	1,921	3,954
Non-current						
Financial assets at amortised cost						
– Bonds – quoted in Singapore	**24,091**	–	–	**24,091**	–	–
Financial assets designated as FVTOCI						
– Equity instrument – unquoted	**81,698**	–	–	**4,561**	–	–
Financial assets, held to maturity						
– Bonds – quoted in Singapore	**–**	30,640	31,187	**–**	30,640	31,187
Financial assets, available-for-sale						
– Equity instrument – unquoted	**–**	4,820	4,823	**–**	4,561	4,561
	105,789	35,460	36,010	**28,652**	35,201	35,748

The debt securities are corporate bonds at fixed rates between 2.7% to 3.8% per annum and due between 10 April 2019 and 29 August 2022.

14. FINANCIAL ASSETS *(continued)*

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

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Current						
Financial assets at amortised cost						
– Bonds – quoted in Singapore	**6,513**	–	–	**6,513**	–	–
Financial assets designated as FVTOCI						
– Equity securities – quoted	**730**	–	–	**730**	–	–
Financial assets, available-for-sale						
– Equity securities – quoted	**–**	1,921	3,954	**–**	1,921	3,954
– Equity instrument – unquoted	**–**	–	347	**–**	–	–
	7,243	1,921	4,301	**7,243**	1,921	3,954
Non-current						
Financial assets at amortised cost						
– Bonds – quoted in Singapore	**24,227**	–	–	**24,227**	–	–
Financial assets designated as FVTOCI						
– Equity instrument – unquoted	**81,698**	–	–	**4,561**	–	–
Financial assets, held to maturity						
– Bonds – quoted in Singapore	**–**	30,834	31,371	**–**	30,834	31,371
Financial assets, available-for-sale						
– Equity instrument – unquoted	**–**	4,820	4,823	**–**	4,561	4,561
	105,925	35,654	36,194	**28,788**	35,395	35,932

The fair values of quoted securities are based on published price quotations at the end of the reporting period.

No impairment loss has been recognised for available-for-sale financial assets held as at 31 March 2018 and 1 April 2017.

15. TRADE AND OTHER RECEIVABLES – CURRENT

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Trade receivables						
– Subsidiaries	**–**	–	–	**11,647**	38,927	64,268
– Associated company	**–**	120,212	46,115	**–**	120,212	46,115
– Companies related by a substantial shareholder	**2,293**	2,029	1,776	**2,293**	2,029	1,776
– Non-related parties	**262,543**	149,240	148,904	**163,432**	41,301	46,972
	264,836	271,481	196,795	**177,372**	202,469	159,131
Less: Allowance for impairment of receivables – non-related parties	**(5,714)**	(10,053)	(5,665)	**(547)**	(775)	(951)
Trade receivables – net	**259,122**	261,428	191,130	**176,825**	201,694	158,180
Non-trade receivables from subsidiaries	**–**	–	–	**21,567**	23,893	11,574
Loan to associated companies	**4,001**	3,344	3,394	**–**	–	–
Less: Non-current portion (Note 18)	**(2,984)**	(2,350)	(2,423)	**–**	–	–
	1,017	994	971	**21,567**	23,893	11,574
Staff loans (Note 19)	**42**	48	51	**42**	48	51
Interest receivable	**878**	677	1,033	**864**	665	1,029
Other receivables	**3,630**	8,436	5,822	**1,622**	5,683	2,470
	264,689	271,583	199,007	**200,920**	231,983	173,304

(i) A loan of S$749,000 (31 March 2018: S$764,000, 1 April 2017: S$789,000) to an associated company is unsecured, repayable in full on 15 June 2020 and bears interest at 1.14% above the 1 month bank bill swap rate per annum.

(ii) A loan of S$2,235,000 (31 March 2018: S$1,586,000, 1 April 2017: S$1,634,000) to an associated company is unsecured, repayable in full on 29 June 2020 and bears interest at 1.14% above the 1 month bank bill swap rate per annum.

(iii) A loan of S$675,000 (31 March 2018: S$661,000, 1 April 2017: S$647,000) to an associated company is unsecured and repayable on demand. Interest is fixed at 2.15% per annum.

(iv) Remaining loan of S$342,000 (31 March 2018: S$333,000, 1 April 2017: S$324,000) to an associated company is unsecured and repayable on demand. Interest is fixed at 2.95% per annum.

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

16. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract notional amount 31 March 2019 S$'000	**Fair value liabilities 31 March 2019 S$'000**	Contract notional amount 31 March 2018 S$'000	Fair value assets/ (liabilities) 31 March 2018 S$'000	Contract notional amount 1 April 2017 S$'000	Fair value assets/ (liabilities) 1 April 2017 S$'000
Group						
Net investment hedges						
Currency forwards	**–**	**–**	10,715	(186)	10,210	20
Other non-hedging derivatives						
Currency forwards	**175,502**	**(382)**	177,828	1,056	164,905	(1,007)
Warrants	**–**	**–**	–	18,521	–	16,011
Total derivative financial instruments	**175,502**	**(382)**	188,543	19,391	175,115	15,024
Company						
Net investment hedges						
Currency forwards	**–**	**–**	10,715	(172)	10,210	83
Other non-hedging derivatives						
Currency forwards	**175,502**	**(382)**	177,828	1,056	164,905	(1,007)
Warrants	**–**	**–**	–	18,521	–	16,011
Total derivative financial instruments	**175,502**	**(382)**	188,543	19,405	175,115	15,087

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.

Currency forwards designated for hedging as net investment hedges are accounted for in accordance with Note 2.20.

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

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Assets:						
– Current	**58**	19,856	16,079	**58**	19,856	16,142
Liabilities						
– Current	**(440)**	(465)	(1,055)	**(440)**	(451)	(1,055)

17. OTHER ASSETS

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Current						
Deposits	**9,226**	6,257	6,354	**1,887**	2,323	2,359
Prepayments	**12,113**	11,947	10,820	**4,609**	5,544	2,821
	21,339	18,204	17,174	**6,496**	7,867	5,180
Non-current						
Deposits	**2,807**	5,137	5,198	**–**	–	–

As at 31 March 2018, included within non-current deposits was an escrow deposit of S$3,230,000 (1 April 2017: S$5,134,000) for the acquisition of a subsidiary.

18. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Loans to subsidiaries	**–**	–	–	**513,017**	585,959	599,242
Less: Allowance for impairment	**–**	–	–	**(263,753)**	(194,365)	(194,365)
	–	–	–	**249,264**	391,594	404,877
Loan to an associated company (Note 15)	**2,984**	2,350	2,423	**–**	–	–
Loan to a shareholder of a subsidiary	**4,625**	4,510	4,423	**–**	–	–
Staff loans (Note 19)	**188**	227	245	**188**	227	245
	7,797	7,087	7,091	**249,452**	391,821	405,122

As at 31 March 2019, the Company had a loan to a subsidiary (net of impairment) of S$Nil (31 March 2018: S$68,450,000,1 April 2017: S$75,065,000) which is non-trade related, unsecured and interest-free. Although there are no fixed terms of repayment, the loan is not expected to be repayable within the next twelve months. The loan is considered part of the Company's net investment in subsidiaries.

Loans to subsidiaries of S$36,347,000 (31 March 2018: S$36,547,000, 1 April 2017: S$33,963,000) are non-trade related, unsecured, interest bearing at SIBOR plus 1.2% per annum and is 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$6,121,000 (31 March 2018: S$6,249,000, 1 April 2017: S$5,817,000) is non-trade related, unsecured, interest bearing at KLIBOR plus 1.2% per annum and is repayable in full on demand. Settlement of the loan is not foreseeable within the next twelve months. The carrying amount of the loan approximates its fair value.

Loan to a subsidiary of S$1,056,000 (31 March 2018: S$1,400,000, 1 April 2017: S$2,272,000) is non-trade related, unsecured, interest bearing at ABS SIBOR plus 1.2% per annum and will be repaid in full on 21 August 2020. The carrying amount of the loan approximates its fair value.

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

Loan to a subsidiary of S$672,000 (2018: S$Nil) is non-trade related, unsecured, interest bearing at ABS SIBOR plus 2.1% per annum and not expected to be repayable in the next twelve months. The carrying amount of the loan approximates its fair value.

Loans to subsidiaries of S$205,068,000 (31 March 2018: S$278,948,000, 1 April 2017: S$287,760,000) are non-trade related, unsecured, interest bearing at 2.2% to 4.1% per annum and not expected to be repayable in the next twelve months. The fair value of the loans is S$203,547,000 (31 March 2018: S$273,544,000, 1 April 2017: S$283,171,000). The fair value of the loans is computed based on cash flows discounted at market borrowing rates of 1.929% to 1.993% (31 March 2018: 1.476% to 1.993%, 1 April 2017: 1.264% to 1.755%). The fair value is within Level 2 of the fair value hierarchy.

An allowance for impairment amounting to S$69.4 million (2018: S$Nil) was made in the financial year ended 31 March 2019 in respect of loans to subsidiaries for which underlying investments have been impaired and the loans receivable are assessed as non-recoverable.

The loan to a shareholder of a subsidiary is unsecured, interest bearing at 2.3% to 2.8% per annum (2018: 1.7% to 2.3% per annum). The carrying amount of the loan approximates its fair value. Refer to Note 21 in respect of the timing of settlement of this loan.

19. STAFF LOANS

	Group and Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Not later than one year (Note 15)	**42**	48	51
Later than one year (Note 18)	**188**	227	245
– Between one and five years	**56**	99	113
– Later than five years	**132**	128	132
	230	275	296

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

20. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Investments in associated companies (Note (a))	**39,840**	114,925	117,783	**18,534**	15,366	14,849
Investment in a joint venture (Note (b))	**–**	–	–	**–**	–	–
	39,840	114,925	117,783	**18,534**	15,366	14,849

20. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE *(continued)*

(a) Associated companies

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Equity investment at cost				**18,534**	15,366	14,849
Beginning of financial year	**114,925**	117,783	146,401			
Additional investment in an associated company	**3,168**	517	798			
Gain on dilution of interest in an associated company	**–**	–	4,892			
Loss of significant influence from dilution of interest in an associated company (Note (i), 8)	**(33,038)**	–	–			
Disposal of an associated company	**(32,703)**	–	–			
Impairment of an associated company (Note 8)	**(3,399)**	–	(20,471)			
Reversal of contingent consideration of an associated company (Note (iii))	**–**	–	(7,215)			
Share of loss	**(7,061)**	(3,099)	(1,177)			
Dividends received	**(1,315)**	(930)	(2,583)			
Currency translation differences	**(737)**	654	(2,862)			
End of financial year	**39,840**	114,925	117,783			

(i) During the financial year ended 31 March 2019, the Group recognised a gain on dilution of interest in a former associated company amounting to S$42,662,000 arising from additional capital injection by an external party into the associated company. Following the capital injection amongst other changes, the Group lost its significant influence over the former associated company. Its retained interest is measured at fair value and accounted for as an equity investment measured at FVTOCI (Note 14).

(ii) During the financial year ended 31 March 2019, the Group recognised an impairment loss of S$3,399,000 against the carrying amount of its investment in an associated company, being the difference between the carrying amount of the Group's investment and its recoverable amount. The recoverable amount is determined based on 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$29,969,000 (31 March 2018: S$30,783,000, 1 April 2017: S$27,655,000), for which the published price quotations are S$84,393,000 (31 March 2018: S$122,136,000, 1 April 2017: S$119,376,000) at the end of the reporting period, and classified within Level 1 of the fair value hierarchy.

There are no contingent liabilities relating to the Group's interest in the associated companies.

Details of associated companies are disclosed in Note 43.

Summarised financial information in respect of each of the Group's material associated companies are set out below.

20. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE *(continued)*

(a) Associated companies *(continued)*

Shenzhen 4PX Information and Technology Co Ltd. [(1)]

	31 March 2018 S$'000	1 April 2017 S$'000
Current assets	127,999	142,315
Non-current assets	63,570	56,322
Current liabilities	(130,763)	(115,019)
Equity	60,806	83,618

	2018 S$'000	2017 S$'000
Revenue	959,504	713,808
Loss for the year, representing total comprehensive loss for the year	(30,177)	(15,818)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Shenzhen 4PX Information and Technology Co Ltd. recognised in the consolidated financial statements:

	31 March 2018 S$'000	1 April 2017 S$'000
Net assets of the associated company	60,806	83,618
Proportion of the Group's ownership in the associated company	30.52%	30.52%
Group's share of net assets	18,558	25,520
Goodwill and other identifiable intangible assets	24,414	25,372
Carrying amount of the Group's interest in the associated company	42,972	50,892

(1) As disclosed in Note 20(a)(i), the Group lost its significant influence in Shenzhen 4PX Information and Technology Co., Limited during the financial year. This transaction has resulted in the recognition of a gain on dilution of interest in an associated company that is included in the "Exceptional items" line item (Note 8). The gain is calculated as follows:

	2019 S$'000
Fair value of investment in associated company	**76,119**
Less: Carrying amount of the investment on the date of loss of significant influence	**(33,038)**
Less: Translation reserve arising from investment on the date of loss of significant influence	**(419)**
Gain on dilution of interest in an associated company	**42,662**

20. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE *(continued)*

(a) Associated companies *(continued)*

In Do Trans Logistics Corporation [2]

	31 March 2018 S$'000	1 April 2017 S$'000
Current assets	70,284	46,850
Non-current assets	76,258	59,146
Current liabilities	(40,906)	(31,678)
Non-current liabilities	(39,063)	(27,154)
Equity	66,573	47,164

	2018 S$'000	2017 S$'000
Revenue	275,421	205,179
Profit for the year, representing total comprehensive income for the year	25,889	10,679

Reconciliation of the above summarised financial information to the carrying amount of the interest in In Do Trans Logistics Corporation recognised in the consolidated financial statements:

	31 March 2018 S$'000	1 April 2017 S$'000
Net assets of the associated company	66,573	47,165
Proportion of the Group's ownership in the associated company	30.0%	30.0%
Group's share of net assets	19,972	14,149
Goodwill and other identifiable intangible assets	10,122	10,504
Carrying amount of the Group's interest in the associated company	30,094	24,653

[2] During the financial year ended 31 March 2019, the Group disposed all of its interest in In Do Trans Logistics Corporation to a third party for proceeds of S$39.1 million. This transaction has resulted in the recognition of a gain on disposal of an associated company that is included in the "Exceptional items" line item (Note 8). The gain is calculated as follows:

	2019 S$'000
Proceeds of disposal	**39,090**
Less: Carrying amount of the investment on the date of disposal	**(32,703)**
Less: Translation reserve arising from investment on the date of disposal	**(425)**
Gain on disposal of interest in an associated company	**5,962**

20. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE *(continued)*

(a) Associated companies *(continued)*

Aggregate information of other associated companies that are not individually material

	2019 S$'000	2018 S$'000
The Group's share of loss for the year	**(858)**	(1,656)
The Group's share of other comprehensive income	**–**	50
The Group's share of total comprehensive loss	**(858)**	(1,606)
Aggregate carrying amount of the Group's interest in these associated companies	**39,840**	41,859

Unrecognised share of losses of an associated company

	2019 S$'000	2018 S$'000
Unrecognised and cumulative share of losses of an associated company for the year	**(1,162)**	–

(b) Joint venture

The Group has a joint venture, PT Trio SPeCommerce Indonesia, which had been fully written off since 2016.

21. INVESTMENTS IN SUBSIDIARIES

	Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Equity investments at cost			
Beginning of financial year	**367,429**	367,429	362,654
Additional capital injection to an existing subsidiary	**–**	–	4,775
	367,429	367,429	367,429
Less: Allowance for impairment	**(49,058)**	(26,896)	(26,896)
End of financial year	**318,371**	340,533	340,533

Details of the subsidiaries are included in Note 43. The proportion of ownership interest held by the Group does not differ from the proportion of voting rights held by the Group.

Impairment charge amounting to S$22.2 million (2018: S$Nil) recognised during the financial year was largely due to impairment of investment in a subsidiary which holds the US businesses.

Carrying value of non-controlling interests

	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Quantium Solutions International Pte Ltd ("QSI")	**42,992**	36,379	47,768
Other subsidiaries with immaterial non-controlling interests	**4,400**	3,967	3,801
Total	**47,392**	40,346	51,569

21. INVESTMENTS IN SUBSIDIARIES *(continued)*

Exercise of put option in a subsidiary

A non-controlling shareholder of a subsidiary had exercised his put option in September 2016. As there were differences between the parties on the final valuation of the put option, the non-controlling shareholder commenced arbitration proceedings. The Company, in consultation with its advisors, is of the view that they are without merit.

Apart from the above, the Group has a loan to the non-controlling shareholder amounting to S$4,625,000 (31 March 2018: S$4,510,000, 1 April 2017: S$4,423,000) (Note 18) as at 31 March 2019. The timing of settlement of this loan receivable is expected to coincide with the conclusion of the arbitration. Management is of the view that the loan is recoverable and the settlement of the loan is not foreseeable within the next twelve months.

Transactions with non-controlling interests for the financial years ended 31 March 2019 and 2018 are set out below.

2018

(a) Acquisition of additional interest in a subsidiary.

(i) On 30 November 2017, the Group acquired an additional 25% interest in The Store House Operating Company Limited for a purchase consideration of S$220,000. The Group now holds 100% of the equity share capital of The Store House Operating Company Limited. The carrying amount of the non-controlling interests in The Store House Operating Company Limited on the date of acquisition was S$38,000. The Group derecognised non-controlling interests of S$38,000 and recorded a decrease in equity attributable to owners of the parent of S$182,000. The effect of changes in the ownership interest of The Store House Operating Company Limited during the year is summarised as follows:

	2018 S$'000
Carrying amount of non-controlling interests acquired	38
Consideration paid to non-controlling interests	(220)
Excess of consideration paid recognised in parent's equity	(182)

(ii) On 8 February 2018, the Group acquired an additional 10% interest in Famous Pacific Shipping (NZ) Limited for a purchase consideration of S$527,000. The Group now holds 100% of the equity share capital of Famous Pacific Shipping (NZ) Limited. The carrying amount of the non-controlling interests in Famous Pacific Shipping (NZ) Limited on the date of acquisition was S$276,000. The Group derecognised non-controlling interests of S$276,000 and recorded a decrease in equity attributable to owners of the parent of S$251,000. The effect of changes in the ownership interest of Famous Pacific Shipping (NZ) Limited during the year is summarised as follows:

	2018 S$'000
Carrying amount of non-controlling interests acquired	276
Consideration paid to non-controlling interests	(527)
Excess of consideration paid recognised in parent's equity	(251)

21. INVESTMENTS IN SUBSIDIARIES *(continued)*

Summarised financial information of subsidiaries with material non-controlling interests

Set out below is the summarised financial information for a subsidiary that has a non-controlling interest that is material to the Group. These are presented before inter-company eliminations.

Summarised statement of financial position

	QSI As at		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Current			
Assets	**53,028**	69,539	99,276
Liabilities	**(15,083)**	(17,616)	(23,432)
Total current net assets	**37,945**	51,923	75,844
Non-current			
Assets	**88,658**	55,252	64,823
Liabilities	**(156)**	(177)	(171)
Total non-current net assets	**88,502**	55,075	64,652
Net assets	**126,447**	106,998	140,496

Summarised income statement

	QSI For the year ended	
	31 March 2019 S$'000	31 March 2018 S$'000
Revenue	**91,886**	98,694
Profit/(loss) before income tax	**20,019**	(35,052)
Income tax expense	**(95)**	(325)
Post-tax profit/(loss) from continuing operations	**19,924**	(35,377)
Other comprehensive (loss)/income	**(475)**	1,878
Total comprehensive income/(loss)	**19,449**	(33,499)
Total comprehensive income/(loss) allocated to non-controlling interests	**6,613**	(11,390)

21. INVESTMENTS IN SUBSIDIARIES *(continued)*

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

Summarised cash flows

	QSI For the year ended 31 March 2019 S$'000	QSI For the year ended 31 March 2018 S$'000
Cash flows from operating activities		
Cash generated from operations	**(15,521)**	(22,166)
Income tax paid	**(170)**	(172)
Net cash used in operating activities	**(15,691)**	(22,338)
Net cash used in investing activities	**(1,488)**	(581)
Net cash provided by financing activities	**15,553**	16,891
Net decrease in cash and cash equivalents	**(1,626)**	(6,028)
Cash and cash equivalents at beginning of year	**8,589**	14,617
Cash and cash equivalents at end of year	**6,963**	8,589

22. INVESTMENT PROPERTIES

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Beginning of financial year	**1,014,315**	970,392	745,844	**970,378**	927,538	760,842
Additions	**1,727**	32,691	97,818	**1,549**	32,691	97,818
Reclassification (to)/from property, plant and equipment (Note 23)	**(28,513)**	(2,393)	19,200	**(36,537)**	(2,393)	(3,244)
Fair value gain recognised in profit or loss (Note 8)	**12,088**	12,712	108,744	**12,863**	12,542	72,122
Currency translation differences	**(268)**	913	(1,214)	**–**	–	–
End of financial year	**999,349**	1,014,315	970,392	**948,253**	970,378	927,538

Certain investment properties of the Group with carrying amounts of S$50.5 million (31 March 2018: S$50.2 million, 1 April 2017: S$49.3 million) are mortgaged to secure bank borrowings (Note 26).

The following amounts are recognised in profit or loss:

	Group		Company	
	2019 S$'000	2018 S$'000	**2019 S$'000**	2018 S$'000
Rental and property-related income	**69,220**	59,460	**57,907**	49,241
Direct operating expenses arising from:				
– Investment property that generated income	**(15,875)**	(12,776)	**(13,479)**	(11,439)

Investment properties are leased to non-related parties under operating leases (Note 35(c)).

22. 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
502 Chai Chee Lane	Building for warehousing and self-storage	Leasehold of 30 years expiring on 30 April 2031
No. 5, Jalan Penyair U1/44, Off Jalan Glenmarie, Temasya Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia	Warehousing	Freehold
110 Alexandra Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
10 Choa Chu Kang Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
373 Tanjong Katong Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
1 Killiney Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
396 Pasir Panjang Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
10 Palm Avenue	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
350 Bedok Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
56 Tanglin Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
6 Ayer Rajah Crescent	Building for warehousing and self-storage	Leasehold of 30 years expiring on 1 February 2026
755 Upper Serangoon Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
5 Mandai Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
21 Ghim Moh Road	Building for commercial and retail	Leasehold of 82 years expiring on 1 April 2076
3B Toh Guan Road East	Building for warehousing	Leasehold of 30 + 30 years expiring on 31 August 2049

22. 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
31 March 2019			
– Commercial and retail – Singapore	–	2,484	984,856
– Commercial and retail – Malaysia	–	–	12,009
31 March 2018			
– Commercial and retail – Singapore	–	2,484	999,554
– Commercial and retail – Malaysia	–	–	12,277
1 April 2017			
– Commercial and retail – Singapore	–	2,812	956,215
– Commercial and retail – Malaysia	–	–	11,365

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 and discounted cash flow approach. In the capitalisation/income approach, the net income of the property is capitalised for the balance term of the lease tenure at a yield rate which is appropriate for the type of use, tenure and reflective of the quality of the investment. The revenue is adjusted for outgoings such as property tax and also vacancies to arrive at net income. The discounted cash flow approach involved the estimation and projection of the net rent over a period and discounting the future income stream to arrive at a present value. Net rent is the balance sum after deducting property tax, cost of repairs and maintenance and a reasonable percentage for vacancy from the gross rent. The comparable sales method is used as a reference.

There were no transfers in or out of fair value hierarchy levels for the financial years ended 31 March 2019 and 2018.

22. 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)	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
	31 March 2019			31 March 2019	
Group					
Building for commercial and retail (Singapore Post Centre)	**840,555** (31 March 2018: 859,250, 1 April 2017: 814,132)	Discounted cash flow approach	Discount rate	**6.75-7.5%** (31 March 2018: 7-7.5%, 1 April 2017: 7.25-7.75%)	The higher the discount rate, the lower the valuation
		Capitalisation/ income approach	Capitalisation rate	**4.25-6.15%** (31 March 2018: 4.35-6.15%, 1 April 2017: 4.5-6.25%)	The higher the capitalisation rate, the lower the valuation
Building for commercial and retail (10 SLA Properties)	**97,718** (31 March 2018: 98,969, 1 April 2017: 100,386)	Capitalisation/ income approach	Capitalisation rate	**4.75-5%** (31 March 2018 & 1 April 2017: 4.25-5%)	The higher the capitalisation rate, the lower the valuation
Building for warehousing and self-storage – Singapore	**41,935** (31 March 2018: 41,335, 1 April 2017: 41,697)	Capitalisation/ income approach	Capitalisation rate	**6.5-8%** (31 March 2018 & 1 April 2017: 7-7.5%)	The higher the capitalisation rate, the lower the valuation
Warehousing – Singapore	**4,648** (31 March 2018 & 1 April 2017: Nil)	Capitalisation/ income approach	Capitalisation rate	**6.25-6.75%** (31 March 2018 & 1 April 2017: Nil)	The higher the capitalisation rate, the lower the valuation
Warehousing – Malaysia	**12,009** (31 March 2018: 12,277, 1 April 2017: 11,365)	Capitalisation/ income approach	Capitalisation rate	**7-7.5%** (31 March 2018 & 1 April 2017: 7-7.5%)	The higher the capitalisation rate, the lower the valuation

22. INVESTMENT PROPERTIES *(continued)*

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

Description	Fair value (S$'000)	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
	31 March 2019			31 March 2019	
Company					
Building for commercial and retail (Singapore Post Centre)	**848,051** (31 March 2018: 868,925, 1 April 2017: 824,339)	Discounted cash flow approach	Discount rate	**6.75-7.5%** (31 March 2018: 7-7.5%, 1 April 2017: 7.25-7.75%)	The higher the discount rate, the lower the valuation
		Capitalisation/ income approach	Capitalisation rate	**4.25-6.15%** (31 March 2018: 4.35-6.15%, 1 April 2017: 4.5-6.25%)	The higher the capitalisation rate, the lower the valuation
Building for commercial and retail (10 SLA Properties)	**97,718** (31 March 2018: 98,969, 1 April 2017: 100,386)	Capitalisation/ income approach	Capitalisation rate	**4.25-5%** (31 March 2018 & 1 April 2017: 4.25-5%)	The higher the capitalisation rate, the lower the valuation

Valuation processes used by the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use. As at 31 March 2019, 31 March 2018 and 1 April 2017, the fair values of the Group's investment properties have been determined by Knight Frank Pte Ltd.

23. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Group						
2019						
Cost						
Beginning of financial year	79,959	354,016	45,765	279,091	20,854	779,685
Additions	–	562	–	11,439	11,192	23,193
Reclassifications (to)/from investment properties						
– At fair value (Note 22)	(531)	29,044	–	–	–	28,513
– Transfer from valuation reserve (Note 30)	326	(87)	–	–	–	239
Disposals	–	(494)	(100)	(11,684)	(149)	(12,427)
Transfers	–	(611)	992	13,223	(13,604)	–
Currency translation differences	–	17	–	810	–	827
End of financial year	79,754	382,447	46,657	292,879	18,293	820,030
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	21,346	117,569	10,550	138,509	–	287,974
Depreciation charge	1,665	9,435	3,061	33,253	–	47,414
Disposals	–	(425)	(100)	(11,045)	–	(11,570)
Currency translation differences	–	10	–	11	–	21
Impairment (written-back)/charge [(1)]	–	(1,630)	–	31,023	–	29,393
End of financial year	23,011	124,959	13,511	191,751	–	353,232
Net book value						
End of financial year	**56,743**	**257,488**	**33,146**	**101,128**	**18,293**	**466,798**

(1) Included in impairment charge for the current financial year was S$31,023,000 which arose from the US businesses.

23. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Group						
2018						
Cost						
Beginning of financial year	79,959	358,192	45,735	267,359	16,129	767,374
Additions	–	1,850	–	10,608	21,695	34,153
Reclassifications from investment properties						
– At fair value (Note 22)	–	2,393	–	–	–	2,393
Disposals	–	(6,655)	(44)	(11,912)	(176)	(18,787)
Transfers	–	242	74	16,478	(16,794)	–
Adjustment [2]	–	(1,907)	–	–	–	(1,907)
Currency translation differences	–	(99)	–	(3,442)	–	(3,541)
End of financial year	79,959	354,016	45,765	279,091	20,854	779,685
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	19,680	109,322	7,549	115,104	–	251,655
Depreciation charge	1,666	9,128	3,035	35,694	–	49,523
Disposals	–	(842)	(34)	(11,296)	–	(12,172)
Currency translation differences	–	(39)	–	(993)	–	(1,032)
End of financial year	21,346	117,569	10,550	138,509	–	287,974
Net book value						
End of financial year	**58,613**	**236,447**	**35,215**	**140,582**	**20,854**	**491,711**
Net book value						
Balance at 1 April 2017	**60,279**	**248,870**	**38,186**	**152,255**	**16,129**	**515,719**

[2] Included in additions in prior financial years was S$1,907,000 which arose from the construction of buildings. Upon finalisation of the construction costs in the current financial year, an adjustment of S$1.9 million was made.

23. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Company						
2019						
Cost						
Beginning of financial year	59,367	185,330	45,765	141,299	18,279	450,040
Additions	–	45	–	4,440	8,906	13,391
Reclassifications (to)/from investment properties						
– At fair value (Note 22)	(531)	37,068	–	–	–	36,537
– Transfer from valuation reserve	326	63	–	–	–	389
Disposals	–	(494)	(100)	(4,419)	–	(5,013)
Transfers	–	69	992	11,391	(12,452)	–
End of financial year	59,162	222,081	46,657	152,711	14,733	495,344
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	18,523	85,980	10,550	93,524	–	208,577
Depreciation charge	834	5,289	3,061	12,986	–	22,170
Impairment written-back	–	(1,630)	–	–	–	(1,630)
Disposals	–	(425)	(100)	(3,990)	–	(4,515)
End of financial year	19,357	89,214	13,511	102,520	–	224,602
Net book value						
End of financial year	**39,805**	**132,867**	**33,146**	**50,191**	**14,733**	**270,742**

23. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Company						
2018						
Cost						
Beginning of financial year	58,127	184,235	45,735	128,620	15,555	432,272
Additions	–	–	–	1,826	18,414	20,240
Reclassifications from investment properties						
– At fair value (Note 22)	1,240	1,153	–	–	–	2,393
Disposals	–	(300)	(44)	(4,521)	–	(4,865)
Transfers	–	242	74	15,374	(15,690)	–
End of financial year	59,367	185,330	45,765	141,299	18,279	450,040
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	17,688	82,116	7,549	84,548	–	191,901
Depreciation charge	835	4,029	3,035	13,223	–	21,122
Disposals	–	(165)	(34)	(4,247)	–	(4,446)
End of financial year	18,523	85,980	10,550	93,524	–	208,577
Net book value						
End of financial year	**40,844**	**99,350**	**35,215**	**47,775**	**18,279**	**241,463**
Net book value						
Balance at 1 April 2017	**40,439**	**102,119**	**38,186**	**44,072**	**15,555**	**240,371**

24. INTANGIBLE ASSETS

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Composition:						
Goodwill on acquisitions (Note (a))	**265,402**	299,384	305,118	**–**	–	–
Customer relationships (Note (b))	**–**	29,249	36,683	**–**	–	–
Preferential rent (Note (c))	**3,577**	4,047	4,667	**–**	–	–
Acquired software licence (Note (d))	**51**	12,343	11,040	**–**	–	–
Trademarked brands (Note (e))	**38,408**	40,707	43,175	**–**	–	–
	307,438	385,730	400,683	**–**	–	–

24. INTANGIBLE ASSETS *(continued)*

(a) Goodwill on acquisitions

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Cost						
Beginning of financial year	**486,047**	491,781	482,322	**–**	–	227
Write-off	**–**	–	(227)	**–**	–	(227)
Currency translation differences	**(3,494)**	(5,734)	9,686	**–**	–	–
End of financial year	**482,553**	486,047	491,781	**–**	–	–
Accumulated impairment						
Beginning of financial year	**(186,663)**	(186,663)	–	**–**	–	–
Impairment charge (Note 8)	**(30,488)**	–	(186,663)	**–**	–	–
End of financial year	**(217,151)**	(186,663)	(186,663)	**–**	–	–
Net book value	**265,402**	299,384	305,118	**–**	–	–

Impairment tests for goodwill

Goodwill arising from acquisition of subsidiaries is allocated to the Group's cash-generating units or groups of cash-generating units as follows:

	Group		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Quantium Solutions International Pte. Ltd.	**77,858**	77,858	77,858
General Storage Company Pte. Ltd.	**6,857**	6,857	6,857
Famous Holdings Pte. Ltd.	**59,908**	59,908	59,908
Couriers Please Holdings Pty Limited	**70,622**	74,145	78,521
Tras – Inter Co. Ltd	**2,320**	2,339	2,369
F.S. Mackenzie Limited	**5,046**	5,241	4,952
Famous Pacific Shipping (NZ) Limited	**5,204**	5,361	5,515
The Store House Limited	**10,819**	10,456	11,264
Rotterdam Harbour Holding B.V.	**16,122**	17,113	15,812
L+S Self Storage Pte Ltd	**10,646**	10,646	10,646
Jagged Peak, Inc.	**–**	20,499	21,860
TG Acquisition Corporation*	**–**	8,961	9,556
	265,402	299,384	305,118

* TG Acquisition Corporation is the immediate holding company of TradeGlobal.

The recoverable amount of each CGU was determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets covering a five-year period (31 March 2018: five-year period, 1 April 2017: minimally, a three-year period). Cash flows beyond the periods covered by the financial budgets were extrapolated using the estimated growth rates stated below. The growth rate did not exceed the long-term average growth rate for the country in which the CGU operates.

24. INTANGIBLE ASSETS *(continued)*

(a) Goodwill on acquisitions *(continued)*

Key assumptions used for value-in-use calculations for goodwill are as follows:

	Quantium Solutions International Pte. Ltd.	General Storage Company Limited	Famous Holdings Pte Ltd	Couriers Please Pty Limited	F.S Mackenzie Limited	Famous Pacific Shipping (NZ) Limited	The Store House Limited	Rotterdam Harbour Holding B.V.	L+S Self Storage Pte Ltd	Jagged Peak, Inc	TG Acquisition Corporation
31 March 2019											
Terminal growth rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Discount rate	9.6%	7.1%	7.9%	8.9%	10.0%	9.3%	7.1%	9.3%	7.1%	9.3%	9.3%
31 March 2018											
Terminal growth rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Discount rate	9.0%	7.3%	10.0%	8.7%	10.0%	10.0%	7.3%	10.0%	7.3%	10.0%	10.5%
1 April 2017											
Terminal growth rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Discount rate	9.0%	7.0%	10.0%	8.7%	10.0%	10.0%	7.0%	10.0%	7.0%	10.0%	10.5%

The above assumptions were used for the analysis of each material CGU.

A total impairment charge of $30.5 million (2018: S$Nil) is included within "Exceptional items" in the consolidated income statement (Note 8).

The total impairment charge in the current financial year consisted of S$21.2 million and S$9.3 million for the Jagged Peak, Inc. and TG Acquisition Corporation CGUs respectively which arose as a result of the CGUs not achieving the underlying profit assumptions on the business plans which supported the investments. Subsequent to year end, a decision to commence a sale of the US businesses was made by the Group.

The impairment test carried out as at 31 March 2019 for the Quantium Solutions International Pte. Ltd. CGU, which comprises 29% (31 March 2018: 26%, 1 April 2017: 26%) of the goodwill recognised on the statement of financial position, has revealed that the recoverable amount of the CGU is S$2,826,000 or 3% (31 March 2018: S$14,435,000 or 16%, 1 April 2017: S$3,707,000 or 4%) higher than its carrying amount. A further decrease in the terminal growth rate by 0.2% (31 March 2018: 1.1%, 1 April 2017: 0.4%) or an increase in the discount rate by 0.2% (31 March 2018: 0.8%, 1 April 2017: 0.3%) would result in the recoverable amount of the Quantium Solutions International Pte. Ltd. CGU being equal to its carrying amount.

The impairment test carried out as at 31 March 2019 for the Couriers Please Holdings Pty Limited, which comprises 27% (31 March 2018: 25%, 1 April 2017: 26%) of the goodwill recognised on the statement of financial position, has revealed that the recoverable amount of the CGU is S$10,359,000 or 11% (31 March 2018: S$20,292,000 or 20%, 1 April 2017: S$47,433,000 or 41%) higher than its carrying amount. A further decrease in the terminal growth rate by 0.8% (31 March 2019: 0.7%) or an increase in the discount rate by 0.9% (31 March 2018: 0.8%, 1 April 2017: 2.3%) would result in the recoverable amount of the Couriers Please Holdings Pty Limited being equal to its carrying amount. A zero growth rate assumption in 2017 would still result in the recoverable amount being higher than its carrying value.

24. INTANGIBLE ASSETS *(continued)*

(b) Customer relationships

	Group 31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Cost			
Beginning of financial year	**65,422**	67,524	65,395
Currency translation differences	**1,030**	(2,102)	2,129
End of financial year	**66,452**	65,422	67,524
Accumulated amortisation and impairment			
Beginning of financial year	**(36,173)**	(30,841)	(7,451)
Amortisation charge	**(5,337)**	(5,332)	(4,437)
Impairment charge (Note 8)	**(24,942)**	–	(18,953)
End of financial year	**(66,452)**	(36,173)	(30,841)
Net book value	**–**	29,249	36,683

In the current financial year, the Group recognised an impairment charge of $24.9 million (2018: S$Nil, 2017: S$19.0 million) on its customer relationships in relation to the acquisition of TG Acquisition Corporation and Jagged Peak, Inc.. This impairment charge arose as a result of the CGUs not achieving the underlying profit assumptions on the business plans which supported the investments. The impairment charge was included within "Exceptional items" in the consolidated income statement (Note 8).

(c) Preferential rent

	Group 31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Cost			
Beginning of financial year	**7,502**	7,507	7,474
Currency translation differences	**(1)**	(5)	33
End of financial year	**7,501**	7,502	7,507
Accumulated amortisation			
Beginning of financial year	**(3,455)**	(2,840)	(2,081)
Amortisation charge	**(469)**	(615)	(759)
End of financial year	**(3,924)**	(3,455)	(2,840)
Net book value	**3,577**	4,047	4,667

24. INTANGIBLE ASSETS *(continued)*

(d) Acquired software licence

	Group 31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Cost			
Beginning of financial year	**18,734**	13,733	6,703
Additions	**3,801**	5,562	6,891
Currency translation differences	**439**	(561)	139
End of financial year	**22,974**	18,734	13,733
Accumulated amortisation and impairment			
Beginning of financial year	**(6,391)**	(2,693)	(262)
Amortisation charge	**(4,653)**	(3,698)	(2,431)
Impairment charge (Note 8)	**(11,879)**	–	–
End of financial year	**(22,923)**	(6,391)	(2,693)
Net book value	**51**	12,343	11,040

(e) Trademarked brands

	Group 31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Cost			
Beginning of financial year	**40,854**	43,262	41,907
Currency translation differences	**(1,903)**	(2,408)	1,355
End of financial year	**38,951**	40,854	43,262
Accumulated amortisation and impairment			
Beginning of financial year	**(147)**	(87)	(23)
Amortisation charge	**(60)**	(60)	(64)
Impairment charge (Note 8)	**(336)**	–	–
End of financial year	**(543)**	(147)	(87)
Net book value	**38,408**	40,707	43,175

Included in the carrying amount is a trademarked brand with indefinite useful life of S$38,408,000 (31 March 2018: S$40,324,000, 1 April 2017: S$42,704,000).

Key assumptions used for value-in-use calculations for the trademarked brand with indefinite useful life:

	Group 31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Terminal growth rate	**2.5%**	2.5%	2.5%
Discount rate	**8.9%**	8.7%	8.7%

25. TRADE AND OTHER PAYABLES

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Current						
Trade payables						
– Subsidiaries	**–**	–	–	**40,289**	52,849	79,343
– Companies related by a substantial shareholder	**1,356**	3,251	346	**1,356**	3,251	346
– Non-related parties	**300,135**	302,470	200,982	**246,845**	263,127	163,779
	301,491	305,721	201,328	**288,490**	319,227	243,468
Accrual for other operating expenses	**104,672**	103,489	104,193	**67,525**	62,055	48,754
Provision for restructuring (Note (a))	**9,885**	–	–	**–**	–	–
Provision for reinstatement costs (Note (b))	**4,102**	1,454	1,488	**731**	577	–
Interest payable	**3,510**	3,510	631	**3,510**	3,510	631
Customers' deposits	**6,427**	4,695	4,630	**6,427**	4,695	4,630
Collections on behalf of third parties	**16,968**	26,741	18,540	**16,968**	26,741	18,540
Contingent consideration payable (Note (c))	**2,462**	14,803	–	**–**	–	–
Tender deposits	**22,934**	23,366	19,758	**14,093**	16,094	12,473
Other creditors	**14,539**	11,223	12,804	**10,403**	7,871	6,660
	486,990	495,002	363,372	**408,147**	440,770	335,156
Non-Current						
Contingent consideration payable (Note (c))	**–**	3,177	23,363	**–**	–	–
Deferred lease	**2,883**	2,778	2,574	**–**	–	–
Accrual for the operating expenses	**1,328**	1,402	1,225	**–**	–	–
Provision for reinstatement costs (Note (b))	**11,818**	14,218	15,232	**1,088**	1,358	2,070
Post-employment benefits (Note 33)	**1,728**	1,893	2,068	**–**	–	–
	17,757	23,468	44,462	**1,088**	1,358	2,070
Total trade and other payables	**504,747**	518,470	407,834	**409,235**	442,128	337,226

(a) Provision for restructuring

Restructuring provision comprises mainly of lease termination penalties and employee termination payments which largely arose from the US Businesses.

(b) 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	
	2019 S$'000	2018 S$'000	**2019 S$'000**	2018 S$'000
Beginning of financial year	**15,672**	16,720	**1,935**	2,070
Adjustment	**248**	(1,048)	**(116)**	(135)
End of financial year	**15,920**	15,672	**1,819**	1,935

25. TRADE AND OTHER PAYABLES *(continued)*

(c) Contingent consideration payable

(i) F.S. Mackenzie Limited ("FSML")

The balance of the consideration is dependent on the adjusted average net profit after tax of FSML for 3 consecutive financial years ended 31 March 2015 to 31 March 2017. The fair value of the consideration at the acquisition date was estimated at S$3,083,000 based on estimated adjusted average net profit after tax of S$1,436,000 for the relevant financial years and discounted at 2% per annum.

In the previous financial year ended 31 March 2018, the contingent consideration amounting to S$2,127,000 was fully paid upon the fulfillment of the terms agreed upon during acquisition.

(ii) Famous Pacific Shipping (NZ) Limited ("FPSNZ")

The balance of the consideration is dependent on the adjusted average net profit after tax of FPSNZ for financial year ended 31 March 2016 and 31 March 2017. The fair value of the consideration at the acquisition date was estimated at S$894,000 based on estimated adjusted average net profit after tax of S$797,000 for the relevant financial years and discounted at 2% per annum.

In the previous financial year ended 31 March 2018, the contingent consideration amounting to S$1,603,000 was fully paid upon the fulfillment of the terms agreed upon during acquisition.

(iii) Rotterdam Harbour Holding B.V. ("FPS Rotterdam")

The consideration for the remaining 20% interest is dependent on the revenue achieved for the financial years 31 March 2016 and 31 March 2017, and the cumulative net profit after tax of FPS Rotterdam for the five financial years prior to 14 July 2020. The fair value of the consideration at acquisition date, discounted at 2.18% per annum, is at its maximum of S$5,222,000 based on the criteria above.

As at 31 March 2019, the fair value of contingent consideration amounted to S$1,499,000 (31 March 2018: S$3,177,000, 1 April 2017: S$3,797,000).

(iv) Jagged Peak, Inc. ("JP")

In accordance with the key Stockholder Agreement between the Group and the key stockholder, a call option was granted to the Group to purchase the remaining 28.9% interest in JP and a put option was granted to the key stockholder to sell the remaining 28.9% interest in JP to the Group.

The consideration for the 28.9% under option is dependent on the audited average earnings before interest, tax, depreciation and amortisation ("EBITDA") of JP for the 3 consecutive financial years ending 31 December 2015 to 31 December 2017. The fair value of the consideration at the acquisition date was estimated at S$13,809,000 based on a multiple of forecasted average EBITDA for the relevant financial years and estimated net debt of S$6,731,000, discounted at 2.9% per annum.

As at 31 March 2018, the fair value of contingent consideration amounted to S$14,803,000 (1 April 2017: S$15,786,000).

The fair value of contingent consideration payable was derived using the income approach and is classified as a Level 3 fair value under the fair value hierarchy.

26. BORROWINGS

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Other borrowings	**290,876**	243,978	363,985	**200,796**	201,569	320,061
Financial guarantee	**–**	–	–	**67,785**	–	–
	290,876	243,978	363,985	**268,581**	201,569	320,061

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

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Current						
– Borrowings (secured)	**1,666**	6,475	14,043	**–**	–	–
– Borrowings (unsecured)	**280,176**	17,000	134,743	**200,796**	–	117,743
	281,842	23,475	148,786	**200,796**	–	117,743
Non-current						
– Borrowings (secured)	**9,034**	18,934	12,881	**–**	–	–
– Borrowings (unsecured)	**–**	201,569	202,318	**–**	201,569	202,318
	9,034	220,503	215,199	**–**	201,569	202,318
	290,876	243,978	363,985	**200,796**	201,569	320,061

Secured borrowings comprise external bank loans and are secured over investment properties with carrying amount of S$50.5 million (31 March 2018: S$50.2 million, 1 April 2017: S$49.3 million) (Note 22) or assets with carrying amount of S$41.9 million (31 March 2018: S$41.0 million, 1 April 2017: S$38.0 million) at the end of the reporting period, or guaranteed by a director of a subsidiary with non-controlling interests.

The Group's unsecured borrowings mainly comprised S$200 million 10-year Fixed Rate Notes (the "Notes") issued in March 2010. The Notes are listed on the SGX-ST and carry a fixed interest rate of 3.5% (31 March 2018: 3.5%, 1 April 2017: 3.5%) per annum.

Financial guarantee

The Company provides a financial guarantee to a bank in respect of loans borrowed by certain subsidiaries. The financial guarantee liability is recorded at the higher of its fair value or lifetime expected credit losses.

Fair value of non-current borrowings

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Non-current						
– Borrowings (secured)	**9,034**	18,934	12,881	**–**	–	–
– Borrowings (unsecured)	**–**	204,386	207,896	**–**	204,386	207,896
	9,034	223,320	220,777	**–**	204,386	207,896

26. BORROWINGS *(continued)*

The fair value of the Notes above are determined based on the over-the-counter quoted price.

The fair value of external bank loans are computed based on cash flows discounted at market borrowing rates. The fair value is classified within Level 2 of the fair value hierarchy.

The exposure of non-current borrowings to interest rate risks is disclosed in Note 37(a)(ii).

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes		
	1 April 2018 S$'000	Financing cash flows (i) S$'000	Foreign exchange movement S$'000	Other changes (ii) S$'000	31 March 2019 S$'000
Borrowings	**243,978**	**37,450**	**(617)**	**10,065**	**290,876**

			Non-cash changes		
	1 April 2017 S$'000	Financing cash flows (i) S$'000	Foreign exchange movement S$'000	Other changes (ii) S$'000	31 March 2018 S$'000
Borrowings	363,985	(125,338)	(1,112)	6,443	243,978

(i) The cash flows consist of interest paid, net amount of proceeds from borrowings and repayments of borrowings in the consolidated statement of cash flows.

(ii) Other changes include interest accruals and payments.

27. CONTRACT LIABILITIES

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Advances received for postassurance collaboration (Note (a))	**45,444**	52,302	58,916	**45,444**	52,302	58,916
Advance billings (Note (b))	**31,064**	30,789	31,712	**15,931**	17,992	18,525
Others	**40**	322	926	**–**	–	175
	76,548	83,413	91,554	**61,375**	70,294	77,616
Analysed as:						
Current	**38,214**	37,929	38,930	**23,041**	24,850	25,314
Non-current	**38,334**	45,484	52,624	**38,334**	45,444	52,302
	76,548	83,413	91,554	**61,375**	70,294	77,616

(a) Arises from definitive agreements with respect to the postassurance collaboration with AXA Life Insurance Singapore Private Limited ("AXA") which is recognised in profit or loss over the period of 10 years till 19 January 2025.

(b) Mainly relates to advance billings for rental and unearned revenue from paid postage.

There were no significant changes in the contract liability balances during the reporting period apart from the recognition of advances from AXA to profit or loss.

28. 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		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Deferred income tax assets	**3,194**	3,197	6,218	**–**	–	–
Deferred income tax liabilities	**41,875**	52,392	62,547	**22,896**	23,253	22,603

Movement in the deferred income tax account is as follows:

	Group		Company	
	2019 S$'000	2018 S$'000	**2019 S$'000**	2018 S$'000
Beginning of financial year	**49,195**	56,329	**23,253**	22,603
Currency translation differences	**189**	(2,074)	**–**	–
Tax (credited)/charged to profit or loss (Note 11)	**(10,703)**	(5,060)	**(357)**	650
End of financial year	**38,681**	49,195	**22,896**	23,253

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$263,563,000 (31 March 2018: S$197,657,000, 1 April 2017: S$155,534,000) at the end of the reporting period which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry dates.

Deferred income tax liabilities

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

Group

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Others [1] S$'000	Total S$'000
2019			
Beginning of financial year	**36,053**	**24,580**	**60,633**
Currency translation differences	**82**	**(5)**	**77**
Credited to profit or loss	**(3,317)**	**(7,294)**	**(10,611)**
End of financial year	**32,818**	**17,281**	**50,099**
2018			
Beginning of financial year	39,979	30,806	70,785
Currency translation differences	(967)	(1,428)	(2,395)
Credited to profit or loss	(2,959)	(4,798)	(7,757)
End of financial year	36,053	24,580	60,633

[1] Mainly arises from intangible assets.

28. DEFERRED INCOME TAXES *(continued)*

Group *(continued)*

Deferred income tax assets

	Provisions S$'000	Tax losses S$'000	Total S$'000
2019			
Beginning of financial year	**(9,958)**	**(1,480)**	**(11,438)**
Currency translation difference	**12**	**100**	**112**
Credited to profit or loss	**(92)**	**–**	**(92)**
End of financial year	**(10,038)**	**(1,380)**	**(11,418)**
2018			
Beginning of financial year	(12,829)	(1,627)	(14,456)
Currency translation difference	193	128	321
Charged to profit or loss	2,678	19	2,697
End of financial year	(9,958)	(1,480)	(11,438)

Company

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Others S$'000	Total S$'000
2019			
Beginning of financial year	**22,938**	**503**	**23,441**
(Credited)/charged to profit or loss	**(558)**	**189**	**(369)**
End of financial year	**22,380**	**692**	**23,072**
2018			
Beginning of financial year	22,337	452	22,789
Charged to profit or loss	601	51	652
End of financial year	22,938	503	23,441

Deferred income tax assets

	Provisions S$'000
2019	
Beginning of financial year	**(188)**
Charged to profit or loss	**12**
End of financial year	**(176)**
2018	
Beginning of financial year	(186)
Credited to profit or loss	(2)
End of financial year	(188)

29. 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				
2019				
Beginning of financial year	**2,275,089**	**(12,327)**	**638,762**	**(16,023)**
– Treasury shares purchased	**–**	**(14,300)**	**–**	**(15,143)**
Employee share option scheme				
– Treasury shares re-issued	**–**	**769**	**–**	**992**
End of financial year	**2,275,089**	**(25,858)**	**638,762**	**(30,174)**
2018				
Beginning of financial year	2,275,084	(1,181)	638,756	(1,227)
– Treasury shares purchased	–	(12,283)	–	(15,977)
Employee share option scheme				
– New shares issued	5	–	6	–
– Treasury shares re-issued	–	1,137	–	1,181
End of financial year	2,275,089	(12,327)	638,762	(16,023)

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

(a) Treasury shares

The Company acquired 14,300,000 (31 March 2018: 12,283,000, 1 April 2017: Nil)) of its issued shares in the open market during the financial year. The total amount paid to acquire the shares was S$15,143,000 (31 March 2018: S$15,977,000, 1 April 2017: Nil) and this was presented as a component within shareholders' equity.

The Company re-issued 769,000 (31 March 2018: 1,137,000, 1 April 2017: 865,000) treasury shares during the financial year pursuant to the Singapore Post Share Option Scheme at exercise prices ranging from S$1.07 to S$1.10. The cost of the treasury shares re-issued amounted to S$992,000 (31 March 2018: S$1,181,000, 1 April 2017: S$889,000).

(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 Mr Zulkifli Bin Baharudin[2] during the financial year ended 31 March 2019.

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

[2] Mr Zulkifli Bin Baharudin retired from the Board following the conclusion of the AGM held on 11 July 2018. Upon his retirement, he ceased to be chairperson and member of the NCGC and member of both the Audit Committee and Compensation Committee.

29. SHARE CAPITAL AND TREASURY SHARES *(continued)*

(b) Share options *(continued)*

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

- 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 2018, a total of 178,687,936 share options were granted. Particulars of the options were set out in the Directors' Statement for the respective financial years.

29. SHARE CAPITAL AND TREASURY SHARES *(continued)*

(b) Share options *(continued)*

During the financial year ended 31 March 2019, 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 1.4.18 ('000)	Granted during financial year ('000)	Options exercised ('000)	Options forfeited ('000)	Balance At 31.3.19 ('000)
Options Granted Under Singapore Post Share Options Scheme							
For employees (including executive directors)							
30.06.08	01.07.09 to 30.06.18	S$1.100	190	–	140	50	–
29.06.10	30.06.11 to 29.06.20	S$1.140	513	–	–	–	513
26.07.11	27.07.12 to 26.07.21	S$1.100	653	–	38	15	600
11.05.12	19.05.14 to 11.05.22	S$1.030	1,007	–	–	–	1,007
10.08.12	11.08.13 to 10.08.22	S$1.070	1,374	–	79	91	1,204
17.01.14	18.01.17 to 17.01.24	S$1.350	4,194	–	–	1,849	2,345
07.03.14	08.03.17 to 07.03.24	S$1.330	500	–	–	125	375
01.04.14	02.04.17 to 01.04.24	S$1.360	200	–	–	200	–
20.05.14	21.05.15 to 20.05.24	S$1.450	3,423	–	–	421	3,002
07.08.14	08.08.15 to 07.08.24	S$1.760	318	–	–	46	272
13.05.15	14.05.16 to 13.05.25	S$1.910	850	–	–	–	850
19.05.15	20.05.16 to 19.05.25	S$1.890	5,472	–	–	1,308	4,164
12.06.15	13.06.16 to 12.06.25	S$1.880	40	–	–	–	40
20.05.16	21.05.17 to 20.05.26	S$1.570	4,815	–	–	1,351	3,464
Total Share Options			**23,549**	**–**	**257**	**5,456**	**17,836**

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.

29. SHARE CAPITAL AND TREASURY SHARES *(continued)*

(b) Share options *(continued)*

Restricted Share Plan

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

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

The release schedule for the shares granted to eligible employees (excluding non-executive directors) prior to FY2017/18 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 2018, a total of 5,839,118 restricted shares were granted.

During the financial year ended 31 March 2019, no restricted shares were granted under the Plan. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year is as follows:

Date of Grant	Balance As At 1.4.18 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.19 ('000)
05.08.13	8	–	8	–	–
20.05.14	3	–	3	–	–
19.05.15	169	–	160	9	–
20.05.16	848	–	341	151	356
Total	**1,028**	**–**	**512**	**160**	**356**

29. SHARE CAPITAL AND TREASURY SHARES *(continued)*

(b) Share options *(continued)*

Enhanced Plan

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

a) Performance Share Award; and

b) Restricted Share Award.

The Performance Share Award, granted to senior management, has two long-term performance hurdles: Return on Equity and Absolute Total Shareholder Returns. The Restricted Share Award, granted to a broader group of executives and key talents, have one long-term performance hurdle: Underlying Net Profit. The performance period for the awards granted is three or four years depending on when performance targets are achieved.

The performance conditions would incorporate stretched targets aimed at delivering long-term shareholder value. Depending on the extent of the satisfaction of the relevant performance criteria, 0% to 200% of the shares comprised in the awards may vest.

Performance Share Awards

Since the adoption of the Enhanced Plan to 31 March 2018, a total of 359,478 restricted shares were granted.

During the financial year ended 31 March 2019, 2,397,811 restricted shares were granted. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year are as follows:

Date of Grant	Balance As At 1.4.18 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.19 ('000)
18.01.18	359	–	–	–	359
31.05.18	–	2,398	–	–	2,398
Total	**359**	**2,398**	**–**	**–**	**2,757**

Restricted Share Awards

Since the adoption of the Enhanced Plan to 31 March 2018, a total of 1,354,999 restricted shares were granted.

During the financial year ended 31 March 2019, 1,492,606 restricted shares were granted. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year are as follows:

Date of Grant	Balance As At 1.4.18 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.19 ('000)
18.01.18	1,318	–	–	230	1,088
31.05.18	–	1,493	–	193	1,300
Total	**1,318**	**1,493**	**–**	**423**	**2,388**

29. 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 17,836,000 (2018: 23,549,000) shares, 16,816,800 (2018: 16,182,000) options are exercisable as at 31 March 2019. Options were exercised throughout the year. The weighted average share price during the financial year was S$1.12 (2018: S$1.31).

Following is the details of the significant inputs into the valuation model to determine fair value of the share incentive granted during the financial year.

Type of Share Options	Performance Share Awards (TSR)	Performance Share Awards (ROE)	Restricted Share Awards (UNP)
2019			
Total fair value of options granted during financial year	S$1,206,099	S$1,462,665	S$1,585,722
Valuation Model	Black-Scholes & Monte Carlo Simulation	Discounted Cashflow	Discounted Cashflow
Weighted average share price at the grant dates	S$1.32	S$1.32	S$1.32
Expected volatility	20%	–	–
Expected option life	3 years	3 years	3 years
Expected dividend yield	2.7%	2.7%	2.7%
2018			
Total fair value of options granted during financial year	S$99,755	S$213,889	S$1,568,575
Valuation Model	Black-Scholes & Monte Carlo Simulation	Discounted Cashflow	Discounted Cashflow
Weighted average share price at the grant dates	S$1.26	S$1.26	S$1.26
Expected volatility	19%	–	–
Expected option life	3 years	3 years	3 years
Expected dividend yield	2.5%	2.5%	2.5%

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.

30. OTHER RESERVES

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
(a) Composition:						
Share option reserve	**10,828**	9,422	8,990	**10,828**	9,422	8,990
Fair value reserve	**494**	(236)	(659)	**(8)**	(236)	(659)
Currency translation reserve	**(13,322)**	(7,304)	–	**–**	–	–
Other capital reserve	**35,935**	35,935	37,447	**–**	–	–
Asset valuation reserve	**44,089**	43,850	43,850	**29,307**	28,918	28,918
	78,024	81,667	89,628	**40,127**	38,104	37,249

Other reserves are non-distributable.

30. OTHER RESERVES *(continued)*

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
(b) Movements:						
(i) Share option reserve						
Beginning of financial year	**9,422**	8,990	6,904	**9,422**	8,990	6,904
Employee share option scheme:						
– Value of employee services (Note 5)	**2,117**	1,359	3,351	**2,117**	1,359	3,351
– Issue of shares	**–**	–	(376)	**–**	–	(376)
– Re-issuance of treasury shares	**(711)**	(927)	(889)	**(711)**	(927)	(889)
End of financial year	**10,828**	9,422	8,990	**10,828**	9,422	8,990
(ii) Fair value reserve						
Beginning of financial year	**(236)**	(659)	(1,105)	**(236)**	(659)	(1,105)
Fair value gain	**989**	423	446	**228**	423	446
Less: Non-controlling interests	**(259)**	–	–	**–**	–	–
End of financial year	**494**	(236)	(659)	**(8)**	(236)	(659)
(iii) Currency translation reserve						
Beginning of financial year	**(7,304)**	–	(25,042)	**–**	–	–
Net currency translation differences of financial statements of foreign subsidiaries and associated companies	**(7,384)**	(7,298)	6,797	**–**	–	–
Acquisition of non-controlling interests	**–**	–	23	**–**	–	–
Partial divestment of a subsidiary	**–**	–	405	**–**	–	–
Reclassification on disposal of subsidiaries and associated companies	**–**	–	73	**–**	–	–
Transfer to profit and loss on dilution/ divestment of interests in associated companies	**844**	–	–	**–**	–	–
Adjusted for non-controlling interests	**522**	(6)	(97)	**–**	–	–
Effect of changes from adoption of SFRS(I) 1	**–**	–	17,841	**–**	–	–
End of financial year	**(13,322)**	(7,304)	–	**–**	–	–
(iv) Other capital reserve						
Beginning of financial year	**35,935**	37,447	37	**–**	–	–
Acquisition of non-controlling interest (Note 21)	**–**	(433)	(1,622)	**–**	–	–
Adjustment	**–**	(1,139)	–	**–**	–	–
Partial divestment of a subsidiary	**–**	–	39,032	**–**	–	–
Transfer of non-controlling interest of subsidiary to capital reserve	**–**	60	–	**–**	–	–
End of financial year	**35,935**	35,935	37,447	**–**	–	–

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

	Group			Company		
(v) Asset valuation reserve						
Beginning of financial year	**43,850**	43,850	26,464	**28,918**	28,918	28,914
Revaluation gain on property, plant and equipment upon transfer to investment property (Note 23)	**239**	–	17,386	**389**	–	4
End of financial year	**44,089**	43,850	43,850	**29,307**	28,918	28,918

31. PERPETUAL SECURITIES

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

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

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

During the financial year, distributions amounting to S$14,875,000 (2018: S$14,875,000) were made to perpetual securities holders.

32. DIVIDENDS

	2019 S$'000	2018 S$'000
Ordinary dividends paid		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 2.0 cents per share (2018: 0.5 cent)	**45,270**	11,357
Interim exempt (one-tier) dividend paid in respect of the first quarter of current financial year of 0.5 cent per share (2018: 0.5 cents)	**11,307**	11,356
Interim exempt (one-tier) dividend paid in respect of the second quarter of current financial year of 0.5 cent per share (2018: 0.5 cent)	**11,283**	11,337
Interim exempt (one-tier) dividend paid in respect of the third quarter of current financial year of 0.5 cent per share (2018: 0.5 cent)	**11,259**	11,323
	79,119	45,373

At the Annual General Meeting on 18 July 2019, a final exempt (one-tier) dividend of 2.0 cents per share amounting to S$45.0 million will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2020.

33. POST-EMPLOYMENT BENEFITS

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

	Group	
	2019 S$'000	2018 S$'000
The amount recognised in the statement of financial position is determined as follows:		
Present value of unfunded obligations (Note 25)	**1,728**	1,893
The amounts recognised in profit or loss are as follows:		
Current service cost	**449**	463
Interest cost	**15**	13
	464	476
Beginning of financial year	**1,893**	2,068
Current service cost	**449**	463
Interest cost	**15**	13
Benefits paid	**(615)**	(623)
Currency translation differences	**(14)**	(28)
End of financial year	**1,728**	1,893
The significant actuarial assumptions used were as follows:		
Discount rate	**0.60%**	0.60%
Retirement age	**60**	60
Salary growth rates	**2.5%**	2.5%
Withdrawal	**0%**	0%
The cumulative actuarial losses recognised for the defined benefit pension plans was as follows:		
Beginning and end of financial year	**(11)**	(11)

34. CONTINGENT LIABILITIES

A foreign subsidiary has tax-related contingent liabilities arising from certain tax compliance issues which, due to inherent uncertainties, is not possible to make an accurate quantification of such liability at this juncture. The Company had notified the relevant regulatory authorities regarding these tax compliance issues. These tax-related contingent liabilities are subject to an indemnity claim by the Group against the vendor under the sale and purchase agreement entered into between the Company and the vendor for which the acquisition of the foreign subsidiary was made.

35. 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		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Property, plant and equipment	**17,822**	84,233	111,762	**8,718**	70,673	103,286

(b) Operating lease commitments – 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.

The future minimum lease payables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, are as follows:

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Not later than one year	**37,956**	35,110	38,776	**8,763**	6,835	9,413
Between one and five years	**75,713**	61,177	65,278	**14,300**	11,512	11,307
Later than five years	**38,187**	21,610	43,513	**1,880**	1,131	2,209
	151,856	117,897	147,567	**24,943**	19,478	22,929

(c) Operating lease commitments – where the Group is a lessor

The Group and Company lease out various retail and office space under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease receivables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as receivables, are as follows:

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Not later than one year	**50,935**	26,518	44,214	**48,846**	24,248	39,575
Between one and five years	**89,883**	46,141	58,558	**87,829**	45,225	55,143
Later than five years	**873**	12,029	3,750	**873**	12,029	3,750
	141,691	84,688	106,522	**137,548**	81,502	98,468

36. CORPORATE GUARANTEES

The Company provided corporate guarantees to banks in respect of bank facilities provided to its subsidiaries. The total bank borrowings outstanding at 31 March 2019 was S$67.8 million (31 March 2018 and 1 April 2017: S$Nil). (Note 26).

37. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Board Risk Committee then performs oversight responsibilities to ensure the financial risks are managed in accordance with the objectives and underlying principles approved by the Board of Directors.

(a) Market risk

(i) *Currency risk*

The currency transaction risk of the Group arises mainly from the international mail business, which generates inpayments and outpayments denominated in foreign currencies. The currency exposure is primarily in Special Drawing Rights ("SDR"), Euro ("EUR") and United States Dollar ("USD"). SDR is an International Monetary Fund unit of account used for valuing international transactions, which is defined in terms of a basket of currencies. The actual settlement is usually in 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.

37. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) *Currency risk (continued)*

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

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	HKD S$'000	AUD S$'000	MYR S$'000	Others S$'000	Total S$'000
Group									
As at 31 March 2019									
Financial assets									
Cash and cash equivalents	**317,872**	**–**	**5,705**	**23,906**	**5,644**	**14,201**	**2,855**	**22,037**	**392,220**
Trade and other receivables	**174,307**	**7,040**	**8,585**	**32,380**	**4,948**	**22,515**	**1,292**	**21,419**	**272,486**
Other financial assets	**2,827**	**–**	**1,522**	**1,990**	**1,264**	**500**	**372**	**3,558**	**12,033**
Financial assets	**35,882**	**–**	**–**	**–**	**–**	**–**	**–**	**77,137**	**113,019**
Derivative financial instruments	**–**	**–**	**–**	**–**	**–**	**20**	**16**	**22**	**58**
	530,888	**7,040**	**15,812**	**58,276**	**11,856**	**37,236**	**4,535**	**124,173**	**789,816**
Financial liabilities									
Derivative financial instruments	**–**	**–**	**(66)**	**(272)**	**–**	**–**	**–**	**(102)**	**(440)**
Borrowings	**(222,057)**	**–**	**–**	**(64,863)**	**–**	**–**	**(3,956)**	**–**	**(290,876)**
Trade and other payables	**(168,364)**	**(227,924)**	**(5,351)**	**(52,933)**	**(2,282)**	**(16,896)**	**(1,661)**	**(24,725)**	**(500,136)**
	(390,421)	**(227,924)**	**(5,417)**	**(118,068)**	**(2,282)**	**(16,896)**	**(5,617)**	**(24,827)**	**(791,452)**
Net financial assets/(liabilities)	**140,467**	**(220,884)**	**10,395**	**(59,792)**	**9,574**	**20,340**	**(1,082)**	**99,346**	
Less: Net financial assets/ (liabilities) denominated in the respective entities' functional currencies	140,467	–	7,380	(80,768)	9,592	19,845	(983)	20,672	
Add/(less): Currency forwards	–	144,814	–	(13,229)	–	(704)	–	–	
Currency exposure	**–**	**(76,070)**	**3,015**	**7,747**	**(18)**	**(209)**	**(99)**	**78,674**	
As at 31 March 2018									
Financial assets									
Cash and cash equivalents	266,956	–	2,435	7,322	4,657	12,392	2,599	17,689	314,050
Trade and other receivables	179,530	4,681	8,750	40,830	2,632	21,637	1,250	19,360	278,670
Other financial assets	3,222	–	3,230	595	1,305	224	127	2,691	11,394
Financial assets	37,122	–	–	–	–	–	–	259	37,381
Derivative financial instruments	–	–	–	1,293	–	–	18,546	17	19,856
	486,830	4,681	14,415	50,040	8,594	34,253	22,522	40,016	661,351
Financial liabilities									
Derivative financial instruments	–	–	(146)	–	–	–	(186)	(133)	(465)
Borrowings	(226,814)	–	–	(12,405)	–	–	(4,617)	(142)	(243,978)
Trade and other payables	(183,395)	(235,716)	(4,844)	(49,235)	(1,865)	(15,051)	(1,474)	(22,219)	(513,799)
	(410,209)	(235,716)	(4,990)	(61,640)	(1,865)	(15,051)	(6,277)	(22,494)	(758,242)
Net financial assets/(liabilities)	**76,621**	**(231,035)**	**9,425**	**(11,600)**	**6,729**	**19,202**	**16,245**	**17,522**	
Less: Net financial assets/ (liabilities) denominated in the respective entities' functional currencies	76,621	–	6,563	(16,816)	5,875	17,461	(1,637)	19,400	
Add/(less): Currency forwards	–	115,664	–	(37,449)	–	–	–	–	
Currency exposure	**–**	**(115,371)**	**2,862**	**(32,233)**	**854**	**1,741**	**17,882**	**(1,878)**	

37. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) *Currency risk (continued)*

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	HKD S$'000	AUD S$'000	MYR S$'000	Others S$'000	Total S$'000
Group									
As at 1 April 2017									
Financial assets									
Cash and cash equivalents	259,026	–	4,926	59,105	8,834	12,319	2,144	20,260	366,614
Trade and other receivables	102,197	5,710	5,009	37,129	8,936	21,859	1,436	23,822	206,098
Other financial assets	3,639	–	3,879	333	1,251	183	137	2,130	11,552
Financial assets	40,049	–	–	–	–	–	–	262	40,311
Derivative financial instruments	–	–	–	–	–	–	16,079	–	16,079
	404,911	5,710	13,814	96,567	19,021	34,361	19,796	46,474	640,654
Financial liabilities									
Derivative financial instruments	–	–	(357)	(597)	–	–	–	(101)	(1,055)
Borrowings	(346,805)	–	–	(11,497)	–	–	(4,809)	(874)	(363,985)
Trade and other payables	(169,327)	(145,249)	(3,412)	(45,971)	(1,826)	(15,163)	(1,287)	(20,957)	(403,192)
	(516,132)	(145,249)	(3,769)	(58,065)	(1,826)	(15,163)	(6,096)	(21,932)	(768,232)
Net financial assets/(liabilities)	**(111,221)**	**(139,539)**	**10,045**	**38,502**	**17,195**	**19,198**	**13,700**	**24,542**	
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	(111,221)	–	5,284	(17,804)	13,651	17,682	(2,379)	19,216	
Add/(less): Currency forwards	–	79,565	–	(85,340)	–	–	–	–	
Currency exposure	**–**	**(59,974)**	**4,761**	**(29,034)**	**3,544**	**1,516**	**16,079**	**5,326**	

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

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	AUD S$'000	MYR S$'000	Others S$'000	Total S$'000
Company								
As at 31 March 2019								
Financial assets								
Cash and cash equivalents	310,083	–	1,281	18,846	1	–	55	330,266
Trade and other receivables	435,897	7,040	–	–	683	6,752	–	450,372
Other financial assets	1,887	–	–	–	–	–	–	1,887
Financial assets	35,882	–	–	–	–	–	–	35,882
Derivative financial instruments	–	–	–	–	20	16	22	58
	783,749	7,040	1,281	18,846	704	6,768	77	818,465
Financial liabilities								
Derivative financial instruments	–	–	(66)	(272)	–	–	(102)	(440)
Borrowings	(200,796)	–	–	(67,785)	–	–	–	(268,581)
Trade and other payables	(181,311)	(227,924)	–	–	–	–	–	(409,235)
	(382,107)	(227,924)	(66)	(68,057)	–	–	(102)	(678,256)
Net financial assets/(liabilities)	**401,642**	**(220,884)**	**1,215**	**(49,211)**	**704**	**6,768**	**(25)**	
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	401,642	–	–	–	–	–	–	
Add/(less): Currency forwards	–	144,814	–	(13,229)	(704)	–	–	
Currency exposure	**–**	**(76,070)**	**1,215**	**(62,440)**	**–**	**6,768**	**(25)**	

37. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) *Currency risk (continued)*

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	AUD S$'000	MYR S$'000	Others S$'000	Total S$'000
Company								
As at 31 March 2018								
Financial assets								
Cash and cash equivalents	257,442	–	33	601	5	–	31	258,112
Trade and other receivables	573,979	4,681	–	38,574	–	6,570	–	623,804
Other financial assets	2,323	–	–	–	–	–	–	2,323
Financial assets	37,122	–	–	–	–	–	–	37,122
Derivative financial instruments	–	–	–	1,293	–	18,546	17	19,856
	870,866	4,681	33	40,468	5	25,116	48	941,217
Financial liabilities								
Derivative financial instruments	–	–	(146)	–	–	(172)	(133)	(451)
Borrowings	(201,569)	–	–	–	–	–	–	(201,569)
Trade and other payables	(206,412)	(235,716)	–	–	–	–	–	(442,128)
	(407,981)	(235,716)	(146)	–	–	(172)	(133)	(644,148)
Net financial assets/(liabilities)	**462,885**	**(231,035)**	**(113)**	**40,468**	**5**	**24,944**	**(85)**	
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	462,885	–	–	–	–	–	–	
Add/(less): Currency forwards	–	115,664	–	(37,449)	–	–	–	
Currency exposure	**–**	**(115,371)**	**(113)**	**3,019**	**5**	**24,944**	**(85)**	
As at 1 April 2017								
Financial assets								
Cash and cash equivalents	245,017	–	972	54,510	25	–	2,655	303,179
Trade and other receivables	534,448	5,710	–	32,437	–	5,831	–	578,426
Other financial assets	2,359	–	–	–	–	–	–	2,359
Financial assets	39,702	–	–	–	–	–	–	39,702
Derivative financial instruments	–	–	–	–	–	16,142	–	16,142
	821,526	5,710	972	86,947	25	21,973	2,655	939,808
Financial liabilities								
Derivative financial instruments	–	–	(357)	(597)	–	–	(101)	(1,055)
Borrowings	(320,061)	–	–	–	–	–	–	(320,061)
Trade and other payables	(191,977)	(145,249)	–	–	–	–	–	(337,226)
	(512,038)	(145,249)	(357)	(597)	–	–	(101)	(658,342)
Net financial assets/(liabilities)	**309,488**	**(139,539)**	**615**	**86,350**	**25**	**21,973**	**2,554**	
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	309,488	–	–	–	–	–	–	
Add/(less): Currency forwards	–	79,565	–	(85,340)	–	–	–	
Currency exposure	**–**	**(59,974)**	**615**	**1,010**	**25**	**21,973**	**2,554**	

37. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

If the SDR changes against the SGD by 1% (2018: 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	
	2019 S$'000	2018 S$'000
Group		
SDR against SGD		
– strengthened	**(761)**	(2,307)
– weakened	**761**	2,307
Company		
SDR against SGD		
– strengthened	**(761)**	(2,307)
– weakened	**761**	2,307

If the EUR changes against the SGD by 2% (2018: 2%) with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease) Profit before tax	
	2019 S$'000	2018 S$'000
Group		
EUR against SGD		
– strengthened	**60**	57
– weakened	**(60)**	(57)
Company		
EUR against SGD		
– strengthened	**24**	(2)
– weakened	**(24)**	2

If the USD changes against the SGD by 3% (2018: 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	
	2019 S$'000	2018 S$'000
Group		
USD against SGD		
– strengthened	**232**	(1,289)
– weakened	**(232)**	1,289
Company		
USD against SGD		
– strengthened	**(1,873)**	121
– weakened	**1,873**	(121)

37. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant variable interest-bearing assets, the Group's interest income and operating cash flows are substantially independent of changes in market interest rates.

The Group's policy is to minimise the interest expense consistent with maintaining an acceptable level of exposure to interest rate fluctuations. A target mix of fixed and floating debt based on the assessment of interest rate trends is used to achieve this objective. The Group was exposed to interest rate risk from its borrowings (Note 26) which bear interest ranging from 1.13% to 3.5% (2018: 0.88% to 3.5%).

For the financial years ended 31 March 2019 and 2018, if the interest rate had increased/decreased by 1% with all other variables, being held constant, it would have insignificant impact on the profit before tax for the year.

(iii) Equity price risk management

The Group is exposed to equity risks arising from equity investments classified as at FVTOCI. Equity investments measured at FVTOCI are held for strategic rather than trading purposes. The Group does not actively trade such investments.

Further details of these equity investments can be found in Note 14.

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

In respect of equity investments at FVTOCI, if the inputs to the valuation model had been 10% higher/lower while all other variables were held constant, the Group's fair value reserve would increase/decrease by S$8.2 million (2018: S$674,000).

(b) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 March 2019, 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 and financial guarantees provided by the Group arises from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the maximum amount the Group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised as disclosed in Note 36. The related loss allowance is disclosed in the respective notes to the financial statements.

37. FINANCIAL RISK MANAGEMENT *(continued)*

(b) Overview of the Group's exposure to credit risk *(continued)*

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

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
By geographical areas						
Singapore	**63,625**	53,950	56,373	**51,843**	84,457	104,466
Other countries	**195,497**	207,478	134,757	**124,982**	117,237	53,714
	259,122	261,428	191,130	**176,825**	201,694	158,180
By types of customers						
Related parties	**2,293**	122,241	47,891	**13,940**	161,168	112,159
Non-related parties:						
– Government bodies	**2,902**	3,610	6,321	**2,901**	3,610	6,321
– Banks	**6,117**	7,582	6,360	**5,956**	7,307	6,109
– Overseas postal administrations	**6,903**	4,562	5,615	**6,903**	4,562	5,615
– Other companies	**240,907**	123,433	124,943	**147,125**	25,047	27,976
	259,122	261,428	191,130	**176,825**	201,694	158,180

(i) Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on similar credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers under each business.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Any recoveries made are recognised in profit or loss. The Group generally considers a financial asset in default if the counterparty fails to make contractual payments within 90 days past due or there is evidence indicating the asset is credit-impaired.

(ii) Other financial assets at amortised cost

In determining the expected credit loss, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors/debt instrument and general economic conditions of the industry in which the debtors/debt instrument operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

37. FINANCIAL RISK MANAGEMENT *(continued)*

(b) Overview of the Group's exposure to credit risk *(continued)*

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	External credit rating	Internal credit rating	12-month ("12m") or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
31 March 2019					S$'000	S$'000	S$'000
Group							
Trade receivables	15	N.A.	(i)	Lifetime ECL (simplified approach)	264,836	(5,714)	259,122
Other receivables	15,18	N.A.	(ii)	12m ECL	13,364	–	13,364
Other financial assets	17	N.A.	(ii)	12m ECL	12,033	–	12,033
Bonds	14	At least BBB-	N.A.	12m ECL	30,591	–	30,591
						(5,714)	
Company							
Trade receivables	15	N.A.	(i)	Lifetime ECL (simplified approach)	177,372	(547)	176,825
Other receivables	15,18	N.A.	(ii)	12m ECL and lifetime ECL	537,300	(263,753)	273,547
Other financial assets	17	N.A.	(ii)	12m ECL	1,887	–	1,887
Bonds	14	At least BBB-	N.A.	12m ECL	30,591	–	30,591
						264,300	

N.A. Not Available

(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.

Trade receivables	Expected weighted credit loss rate	Estimated total gross carrying amount at default	Lifetime ECL	Total
31 March 2019	%	S$'000	S$'000	S$'000
Group				
Current (not past due)	*	198,868	–	198,868
1 to 90 days past due	0.1%	50,696	(30)	50,666
More than 90 days past due	37.2%	15,272	(5,684)	9,588
		264,836	(5,714)	259,122
Company				
Current (not past due)	*	132,767	–	132,767
1 to 90 days past due	0.1%	34,930	(28)	34,902
More than 90 days past due	5.4%	9,675	(519)	9,156
		177,372	(547)	176,825

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

37. FINANCIAL RISK MANAGEMENT *(continued)*

(b) Overview of the Group's exposure to credit risk *(continued)*

(ii) Other receivables and other financial assets at amortised cost except for the credit impaired other receivables are considered to be recoverable as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default since initial recognition. The Group assesses that no loss allowance is required in respect of these financial assets. Loss allowance recognised arises from loans to subsidiaries and is determined after taking into account the financial position of the subsidiary adjusted for factors specific to them and general economic conditions of the industries in which the subsidiaries operate.

The Company has issued financial guarantees to banks for borrowings of its US subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9 *Financial Instruments*. The Company has assessed that these subsidiaries will not have the financial capacity to meet the contractual cash flow obligations in the near future and accordingly determines that there are significant credit losses arising from these guarantees. Loss allowances for financial guarantees issued are presented as "Borrowings"(Note 26) in the Company's statement of financial position.

Movements in loss allowance are as follows:

	Trade receivables S$'000
Group	
Balance as at 1 April 2018	10,053
Amount written off	(6,517)
Loss allowance recognised in profit or loss during the year	2,178
Balance as at 31 March 2019	5,714

	Trade receivables S$'000	Loans to subsidiaries S$'000
Company		
Balance as at 1 April 2018	775	194,365
Loss (written-back)/allowance recognised in profit or loss during the year	(228)	69,388
Balance as at 31 March 2019	547	263,753

37. FINANCIAL RISK MANAGEMENT *(continued)*

(b) Overview of the Group's exposure to credit risk *(continued)*

Previous accounting policy for impairment of financial assets

Prior to 1 April 2018, the impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other financial assets were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

The Group's and the Company's credit risk exposure in relation to financial assets under FRS 39 *Financial Instruments: Recognition and Measurement* as at 31 March 2018 and 2017 are as follows:

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

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

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired as at 31 March 2018 and 2017 is as follows:

	Group		Company	
	2018 S$'000	2017 S$'000	**2018 S$'000**	2017 S$'000
Past due up to 3 months	**60,897**	69,076	**39,258**	42,459
Past due over 3 months	**20,111**	5,143	**15,715**	1,058
	81,008	74,219	**54,973**	43,517

The carrying amount of trade receivables individually and collectively determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	2018 S$'000	2017 S$'000	**2018 S$'000**	2017 S$'000
Gross amount	**10,053**	5,665	**775**	951
Less: Allowance for impairment	**(10,053)**	(5,665)	**(775)**	(951)
	–	–	**–**	–
Beginning of financial year	**5,665**	5,390	**951**	1,741
Allowance made	**5,528**	1,356	**(142)**	–
Allowance utilised	**(1,140)**	(1,081)	**(34)**	(790)
End of financial year	**10,053**	5,665	**775**	951

The impaired trade receivables arise mainly from sales to certain customers that are in significant financial difficulty.

37. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Credit risk management

The major classes of financial assets of the Group and of the Company are bank deposits, trade and other receivables, investments in financial assets and financial instruments used in hedging activities. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level. Trade receivables from a customer which ceased to be an associated company during the financial year (Note 20) represented 45% (31 March 2018: 46%, 1 April 2017: 24%) and 66% (31 March 2018: 60%, 1 April 2017: 29%) of the Group's and Company's trade receivables respectively. Revenues of S$326,927,000 (2018: S$278,168,000) are derived from this company. These revenues are attributable to the Post and Parcel segment.

Bank deposits are placed in banks which are regulated.

(d) Liquidity risk

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

As at 31 March 2019, the Group and Company's current liabilities exceeded their current assets by $165,549,000 and $190,313,000 respectively. This was largely due to the reclassification of the Group's S$200 million bond which is due in March 2020 from non-current to current liability. Management is of the view that the Company is able to pay its debts when they fall due given its cash position as well as the Company has more than sufficient uncommitted credit facility available and a S$1 billion multicurrency Debt Issuance Programme in place.

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.

37. FINANCIAL RISK MANAGEMENT *(continued)*

(d) Liquidity risk *(continued)*

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000
Group				
At 31 March 2019				
Trade and other payables	**(486,990)**	**(2,101)**	**(1,096)**	**(9,949)**
Borrowings	**(288,842)**	**(1,561)**	**–**	**–**
	(775,832)	**(3,662)**	**(1,096)**	**(9,949)**
At 31 March 2018				
Trade and other payables	(495,002)	(8,407)	(2,450)	(7,940)
Borrowings	(30,475)	(223,281)	(5,677)	–
	(525,477)	(231,688)	(8,127)	(7,940)
At 1 April 2017				
Trade and other payables	(363,372)	(25,602)	(6,171)	(8,047)
Borrowings	(155,786)	(8,561)	(221,112)	–
	(519,158)	(34,163)	(227,283)	(8,047)
Company				
At 31 March 2019				
Trade and other payables	**(408,147)**	**(347)**	**(581)**	**(160)**
Borrowings	**(275,581)**	**–**	**–**	**–**
	(683,728)	**(347)**	**(581)**	**(160)**
At 31 March 2018				
Trade and other payables	(440,770)	(709)	(394)	(255)
Borrowings	(7,000)	(208,569)	–	–
	(447,770)	(209,278)	(394)	(255)
At 1 April 2017				
Trade and other payables	(335,156)	(577)	(943)	(550)
Borrowings	(124,743)	(7,000)	(209,318)	–
	(459,899)	(7,577)	(210,261)	(550)

37. FINANCIAL RISK MANAGEMENT *(continued)*

(d) Liquidity risk *(continued)*

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

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000
Group				
At 31 March 2019				
Cash and cash equivalents	**392,220**	**–**	**–**	**–**
Trade and other receivables	**265,034**	**7,642**	**23**	**132**
Other financial assets	**9,226**	**8**	**73**	**2,726**
Financial assets	**8,019**	**10,078**	**96,800**	**–**
	674,499	**17,728**	**96,896**	**2,858**
At 31 March 2018				
Cash and cash equivalents	314,050	–	–	–
Trade and other receivables	271,937	4,552	2,407	128
Other financial assets	6,257	1,615	1,679	1,843
Financial assets	2,924	7,353	30,050	–
	595,168	13,520	34,136	1,971
At 1 April 2017				
Cash and cash equivalents	366,614	–	–	–
Trade and other receivables	199,792	–	6,959	132
Other financial assets	6,354	920	3,048	1,230
Financial assets	5,321	977	29,828	8,161
	578,081	1,897	39,835	9,523

37. FINANCIAL RISK MANAGEMENT *(continued)*

(d) Liquidity risk *(continued)*

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000
Company				
At 31 March 2019				
Cash and cash equivalents	**330,266**	**–**	**–**	**–**
Trade and other receivables	**203,267**	**248,249**	**1,079**	**132**
Other financial assets	**1,887**	**–**	**–**	**–**
Financial assets	**8,019**	**10,078**	**19,663**	**–**
	543,439	**258,327**	**20,742**	**132**
At 31 March 2018				
Cash and cash equivalents	258,112	–	–	–
Trade and other receivables	237,084	392,086	1,457	128
Other financial assets	2,323	–	–	–
Financial assets	2,924	7,353	29,791	–
	500,443	399,439	31,248	128
At 1 April 2017				
Cash and cash equivalents	303,179	–	–	–
Trade and other receivables	178,817	267,936	142,570	132
Other financial assets	2,821	–	–	–
Financial assets	4,974	977	29,566	8,161
	489,791	268,913	172,136	8,293

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		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Less than 1 year						
Net settled:						
Warrants	**–**	18,521	16,011	**–**	18,521	16,011
Gross settled:						
Foreign exchange forward						
– Gross inflow	**175,318**	199,171	700,474	**175,318**	199,185	700,537
– Gross outflow	**(175,700)**	(198,301)	(701,461)	**(175,700)**	(198,301)	(701,461)
	(382)	19,391	15,024	**(382)**	19,405	15,087

37. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the dividend policy, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets.

Management monitors capital based on gearing ratio. In the management of the debt and capital structure, the Group and Company aim to sustain a strong investment-grade credit profile.

The gearing ratio is calculated as net debt divided by total equity. Net debt/(cash) is calculated as borrowings less cash and cash equivalents.

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Net (cash)/debt	**(101,344)**	(70,072)	(2,629)	**(61,685)**	(56,543)	16,882
Total equity	**1,660,463**	1,746,245	1,704,970	**1,581,373**	1,745,946	1,677,099
Gearing ratio	**(6.1%)**	(4.0%)	(0.2%)	**(3.9%)**	(3.2%)	1.0%

The Group and Company have no externally imposed capital requirements for the financial years ended 31 March 2019 and 2018.

(f) Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter derivatives) are based on quoted market prices at the end of the reporting period. The quoted market prices used for financial assets are the current bid price; the appropriate quoted market prices used for financial liabilities are the current asking prices. The instruments are presented within Level 1 of the fair value hierarchy.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and make 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 value of contingent consideration payable is estimated by using a valuation technique that is not based on observable market data and is accordingly classified as a Level 3 fair value measurement. Refer to Note 25 for details.

The fair values of current and non-current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

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

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

37. FINANCIAL RISK MANAGEMENT *(continued)*

(f) Fair value estimation of financial assets and liabilities *(continued)*

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
31 March 2019				
Assets				
Financial assets designated as FVTOCI	**730**	**–**	**81,698**	**82,428**
Financial assets at amortised cost – Bonds	**30,591**	**–**	**–**	**30,591**
Derivative financial instruments	**–**	**58**	**–**	**58**
Liabilities				
Derivative financial instruments	**–**	**440**	**–**	**440**
Contingent consideration payable	**–**	**–**	**2,462**	**2,462**
31 March 2018				
Assets				
Available-for-sale financial assets	1,921	–	4,820	6,741
Held-to-maturity financial assets	30,640	–	–	30,640
Derivative financial instruments	18,521	1,335	–	19,856
Liabilities				
Derivative financial instruments	–	465	–	465
Contingent consideration payable	–	–	17,980	17,980
1 April 2017				
Assets				
Available-for-sale financial assets	3,954	–	5,170	9,124
Held-to-maturity financial assets	31,187	–	–	31,187
Derivative financial instruments	16,011	68	–	16,079
Liabilities				
Derivative financial instruments	–	1,055	–	1,055
Contingent consideration payable	–	–	23,363	23,363

37. FINANCIAL RISK MANAGEMENT *(continued)*

(f) Fair value estimation of financial assets and liabilities *(continued)*

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Company				
31 March 2019				
Assets				
Financial assets designated as FVTOCI	**730**	**–**	**4,561**	**5,291**
Financial assets at amortised cost – Bonds	**30,591**	**–**	**–**	**30,591**
Derivative financial instruments	**–**	**58**	**–**	**58**
Liabilities				
Derivative financial instruments	**–**	**440**	**–**	**440**
31 March 2018				
Assets				
Available-for-sale financial assets	1,921	–	4,561	6,482
Held-to-maturity financial assets	30,640	–	–	30,640
Derivative financial instruments	18,521	1,335	–	19,856
Liabilities				
Derivative financial instruments	–	451	–	451
1 April 2017				
Assets				
Available-for-sale financial assets	3,954	–	4,561	8,515
Held-to-maturity financial assets	31,187	–	–	31,187
Derivative financial instruments	16,011	131	–	16,142
Liabilities				
Derivative financial instruments	–	1,055	–	1,055

37. FINANCIAL RISK MANAGEMENT *(continued)*

(f) Fair value estimation of financial assets and liabilities *(continued)*

The following table presents the changes in Level 3 instruments:

	Company	Group		
	Financial assets designated as FVTOCI S$'000	Financial assets designated as FVTOCI S$'000	Contingent consideration S$'000	Total S$'000
2019				
Beginning of financial year	**4,561**	**4,820**	**17,980**	**22,800**
Retained interest in a former associated company	**–**	**76,119**	**–**	**76,119**
Disposal	**–**	**–**	**–**	**–**
Fair value gains/(losses) recognised in				
– Profit or loss	**–**	**–**	**28**	**28**
Partial settlement of contingent consideration	**–**	**–**	**(15,875)**	**(15,875)**
Currency translation differences	**–**	**759**	**329**	**1,088**
End of financial year	**4,561**	**81,698**	**2,462**	**84,160**
Total profit for the year included in profit or loss for assets and liabilities held at the end of the financial year	**–**	**–**	**28**	**28**

	Available-for sale financial assets S$'000	Available-for sale financial assets S$'000	Contingent consideration S$'000	Total S$'000
2018				
Beginning of financial year	4,561	5,170	23,363	28,533
Fair value gains/(losses) recognised in				
– Profit or loss	–	–	(452)	(452)
– Other comprehensive income	–	(347)	–	(347)
Partial settlement of contingent consideration	–	–	(4,635)	(4,635)
Currency translation differences	–	(3)	(296)	(299)
End of financial year	4,561	4,820	17,980	22,800
Total losses for the year included in profit or loss for assets and liabilities held at the end of the financial year	–	–	(452)	(452)

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

37. FINANCIAL RISK MANAGEMENT *(continued)*

(g) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and in Notes 13, 15 and 25 to the financial statements, except for the following:

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Financial assets at amortised cost	**676,739**	604,114	584,264	**782,525**	884,239	883,964
Financial liabilities at amortised cost	**500,136**	513,799	403,192	**409,235**	442,128	337,226

(h) Offsetting financial assets and financial liabilities

There were no financial instruments subject to enforceable master netting arrangement as at 31 March 2019 and 2018.

The Group and Company have the following financial instruments subject to enforceable master netting arrangements or similar agreement as at 1 April 2017:

	(a)	(b)	(c)=(a)-(b)	(d)		(e)=(c)+(d)
	Related amounts set off in the statement of financial position			Related amounts not set off in the statement of financial position		
	Gross amounts of recognised financial assets S$'000	Gross amounts of recognised financial liabilities S$'000	Net amounts of financial assets/ (liabilities) presented in the statement of financial position S$'000	Financial instruments S$'000	Cash collateral pledged S$'000	Net amount S$'000
At 1 April 2017						
Currency forwards	**724**	**(1,779)**	**(1,055)**	**–**	**–**	**(1,055)**

38. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group had the following significant transactions with its related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2019 S$'000	2018 S$'000
Services rendered to an associated company[(1)]	**145,363**	278,168
Services received from associated companies	**(2,020)**	(968)
Services rendered to related companies of a substantial shareholder	**20,813**	19,478
Services received from related companies of a substantial shareholder	**(10,730)**	(11,429)
Interest received from loans to associated companies	**105**	86

(1) Pertains to service rendered to a former associated company up to the date of loss of significant influence.

During the financial year ended 31 March 2019, the Company made payments on behalf of subsidiaries totalling S$52.4 million (2018: S$50.2 million) which were subsequently reimbursed.

Outstanding balances at 31 March 2019, 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 15 and 25 respectively.

(b) Key management personnel compensation is as follows:

	Group	
	2019 S$'000	2018 S$'000
Salaries and other short-term employee benefits	**6,800**	6,709
Post-employment benefits	**90**	98
Share-based staff costs	**1,227**	417
	8,117	7,224

Included in the above is total compensation to non-executive directors of the Company amounting to S$1,148,000 (2018: S$1,235,000).

39. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Group Chief Executive Officer and Group Chief Financial Officer ("Chief Operating Decision Maker" or "CODM") that are used to make strategic decisions.

The CODM considers the business from a business segment perspective. From 1 April 2018, the Group has reclassified the reporting of certain business units into four business segments, namely Post and Parcel, Logistics, eCommerce and Property (2018: Postal, Logistics, eCommerce and Property). Management manages and monitors the business in these primary business areas:

- ***Post and Parcel*** segment provides comprehensive services for collecting, sorting, transporting and distributing domestic and international mail as well as sale of philatelic products, agency services and financial services. International mail service covers the handling of incoming international mail and outgoing international mail. Mail division also offers ePost hybrid mail service which integrates electronic data communication with traditional mail.
- ***Logistics*** segment provides a diverse range of logistics solutions, comprising freight, warehousing, domestic and international distribution, and delivery services. The services include eCommerce logistics, warehousing, fulfilment and distribution, and other value-added services (Quantium Solutions) and freight forwarding (Famous Group).
- ***eCommerce*** ("eCom") segment comprises the front-end related eCommerce businesses.
- ***Property*** segment includes the provision of commercial property rental, as well as the self-storage business.

Others comprise unallocated corporate overhead items and trade-related translation differences, as they are not included in the reports provided to the CODM. The results of these operations are included in the "All other segments" column.

In line with the change in reporting structure of the Group as set out above, segment revenues and results for the previous financial year as well as segment assets as at 31 March 2018 have been restated to conform to current year's presentation.

39. SEGMENT INFORMATION *(continued)*

(a) Segment revenues and results

The following is an analysis of the Group's revenues and results by reportable segments that were provided to the CODM for the financial years ended 31 March 2019 and 2018:

Group	Post and Parcel S$'000	Logistics S$'000	eCom S$'000	Property S$'000	All other segments S$'000	Eliminations S$'000	Total S$'000
2019							
Revenue:							
– External	**744,752**	**484,116**	**248,904**	**78,918**	**–**	**–**	**1,556,690**
– Inter-segment	**19,999**	**12,021**	**–**	**11,824**	**–**	**(43,844)**	**–**
	764,751	**496,137**	**248,904**	**90,742**	**–**	**(43,844)**	**1,556,690**
Other income and gains (net)							
– External	**1,484**	**1,266**	**(6)**	**13,212**	**(12,389)**	**–**	**3,567**
– Inter-segment	**–**	**92**	**–**	**30,715**	**–**	**(30,807)**	**–**
	1,484	**1,358**	**(6)**	**43,927**	**(12,389)**	**(30,807)**	**3,567**
Profit/(loss) on operating activities	**165,864**	**(2,514)**	**(51,930)**	**53,664**	**(28,792)**	**–**	**136,292**
2018							
Revenue:							
– External	709,753	485,073	249,776	68,825	–	–	1,513,427
– Inter-segment	25,093	12,363	–	11,109	–	(48,565)	–
	734,846	497,436	249,776	79,934	–	(48,565)	1,513,427
Other income and gains (net)							
– External	1,054	687	2,758	1,013	1,165	–	6,677
– Inter-segment	3	–	–	30,398	–	(30,401)	–
	1,057	687	2,758	31,411	1,165	(30,401)	6,677
Profit/(loss) on operating activities	164,255	(10,574)	(19,602)	41,330	(28,536)	–	146,873

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.

39. SEGMENT INFORMATION *(continued)*

(a) Segment revenues and results *(continued)*

Reconciliation of segment profits

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

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

	Group	
	2019 S$'000	**2018 S$'000**
Profit on operating activities for reportable segments	**165,084**	175,409
Other segments loss on operating activities	**(28,792)**	(28,536)
Exceptional items	**(69,313)**	22,293
Finance expenses	**(10,309)**	(10,597)
Interest income and investment income (net)	**5,007**	(169)
Share of loss of associated companies and joint venture	**(7,061)**	(3,099)
Profit before tax	**54,616**	155,301

(b) Segment assets

The following is an analysis of the Group's segment assets as at 31 March 2019 and 2018 that were provided to the CODM:

Group	Post and Parcel S$'000	Logistics S$'000	eCom S$'000	Property S$'000	All other segments S$'000	Eliminations S$'000	Total S$'000
31 March 2019							
Segment assets	**244,199**	**516,354**	**46,739**	**1,392,717**	**57,204**	**–**	**2,257,213**
Segment assets include:							
Investment in associated companies	**–**	**9,442**	**–**	**–**	**30,398**	**–**	**39,840**
Intangible assets	**–**	**275,488**	**51**	**31,899**	**–**	**–**	**307,438**
31 March 2018							
Segment assets	255,231	487,170	159,595	1,381,102	93,800	–	2,376,898
Segment assets include:							
Investment in associated companies	–	52,984	–	–	61,941	–	114,925
Intangible assets	–	282,289	71,435	32,006	–	–	385,730

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.

39. SEGMENT INFORMATION *(continued)*

(b) Segment assets *(continued)*

Reconciliation of segment assets (continued)

	Group	
	31 March 2019 S$'000	31 March 2018 S$'000
Segment assets for reportable segments	**2,200,009**	2,283,098
Other segments assets	**57,204**	93,800
Unallocated:		
Cash and cash equivalents	**326,087**	250,259
Financial assets	**35,882**	37,122
Derivative financial instruments	**58**	19,856
Total assets	**2,619,240**	2,684,135

(c) Other segment information

Group	Post and Parcel S$'000	Logistics S$'000	eCom S$'000	Property S$'000	All other segments S$'000	Eliminations S$'000	Total S$'000
2019							
Depreciation and amortisation	**12,473**	**5,300**	**19,724**	**15,053**	**5,383**	**–**	**57,933**
Additions to:							
– Property, plant and equipment	**6,623**	**4,186**	**5,979**	**3,659**	**2,746**	**–**	**23,193**
– Investment property	**–**	**–**	**–**	**1,727**	**–**	**–**	**1,727**
2018							
Depreciation and amortisation	12,441	5,555	20,508	15,996	4,728	–	59,228
Additions to:							
– Property, plant and equipment	6,997	2,857	4,941	9,028	10,330	–	34,153
– Investment property	–	–	–	32,691	–	–	32,691

In addition to the depreciation and amortisation reported above, impairment losses of S$3.4 million (2018: $Nil), S$29.4 million (2018: $Nil), S$30.5 million (2018: S$Nil) and S$37.2 million (2018: S$Nil) were recognised in respect of investment in associated company, property, plant and equipment, goodwill and other intangible assets respectively.

These impairment losses were attributable to the following reportable segments:

	2019 S$'000
Property	**1,630**
eCommerce	**(98,668)**
Others	**(3,399)**
	(100,437)

39. SEGMENT INFORMATION *(continued)*

(d) Revenue from major products and services

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

(e) Geographical information

The Group's four business segments operate in four main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore where 55% (2018: 54%) 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.
- The United States – the operations in this area are principally front-end related e-commerce businesses.
- 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.

	Revenue	
	2019 **S$'000**	2018 S$'000
Singapore	**861,063**	819,697
The United States	**237,132**	235,811
Australia	**190,669**	194,241
Other countries	**267,826**	263,678
	1,556,690	1,513,427

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$744,752,000 (2018: S$705,753,000) are revenues of approximately S$326,927,000 (2018: S$278,168,000) derived from the Group's largest customer which ceased to be an associated company during the year (Note 20).

40. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK

The Group and the Company adopted the new financial reporting framework – Singapore Financial Reporting Standards (International) ("SFRS(I)") for the first time for financial year ended 31 March 2019 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied in the first set of SFRS(I) financial statements. SFRS(I) is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

As a first-time adopter of SFRS(I), the Group and the Company have applied retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (31 March 2019), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ended 31 March 2019, an additional opening statement of financial position as at date of transition (1 April 2017) is presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are presented for equity as at date of transition (1 April 2017) and as at end of last financial period under FRS (31 March 2018), and for total comprehensive income and cash flows reported for the last financial period under FRS (for the year ended 31 March 2018). Additional disclosures are made for specific transition adjustments if applicable.

There is no change to the Group's and the Company's previous accounting policies under FRS or material adjustments on the initial transition to the new framework, other than those arising from the application of SFRS(I) 9 and SFRS(I) 15 which are effective at the same time, and the election of certain transition options available under SFRS(I) 1.

40. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK *(continued)*

Management has elected the following transition exemptions:

- SFRS(I) 3 *Business Combinations* has not been applied to acquisitions of subsidiaries that are considered businesses under SFRS(I) that occurred before 1 April 2017. The FRS carrying amounts of assets and liabilities determined in that business combination, that are required to be recognised under SFRS(I), are the deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with SFRS(I). Assets and liabilities that do not qualify for recognition under SFRS(I) are excluded from the opening SFRS(I) statement of financial position. The Group did not recognise or exclude any previously recognised amounts as a result of SFRS(I) recognition requirements.

  SFRS(I) 1 also requires that the FRS carrying amount of goodwill must be used in the opening SFRS(I) statement of financial position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with SFRS(I) 1, the Group has tested goodwill for impairment at the date of transition to SFRS(I). No goodwill impairment was deemed necessary at 1 April 2017.

- As disclosed in Note 2.12, the Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 April 2018. Accordingly, the requirements of FRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 31 March 2018. The Group is also exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosure* to the extent that the disclosures required by SFRS(I) 7 relate to the items within scope of SFRS(I) 9.

  As a result, the requirements under FRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within scope of SFRS(I) 9.

- As permitted under SFRS(I) 1, the transaction price allocated to (partially) unsatisfied performance obligations as of 31 March 2018 is not disclosed using the transition provisions of SFRS(I) 15.
- The Group has applied the option to measure certain property, plant and equipment at the date of transition to SFRS(I) at its fair value and use that fair value as its deemed cost at that date.
- The Group has applied the option to reset the cumulative translation differences for all foreign operations to zero at the date of transition to SFRS(I). The gain or loss on a subsequent disposal of any foreign operation shall exclude the translation differences that arose before 1 April 2017 and shall include later translation differences.
- SFRS(I) 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Group has adopted the terminology used in SFRS(I) 15 to describe such balances.

40. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK *(continued)*

Reconciliation of equity and total comprehensive income

The effects of transition to SFRS(I) and the initial application of SFRS(I) 15 are presented and explained below.

(i) Impact on Statement of Financial Position as at 1 April 2017

Group	Previously reported under FRS S$'000	Application of SFRS(I) 1 S$'000	Note	Initial application of SFRS(I) 15 S$'000	Note	As adjusted under SFRS(I) S$'000
Current assets						
Cash and cash equivalents	366,614	–		–		366,614
Financial assets	4,301	–		–		4,301
Trade and other receivables	199,007	–		–		199,007
Derivative financial instruments	16,079	–		–		16,079
Inventories	4,450	–		–		4,450
Other current assets	17,174	–		–		17,174
Non-current assets						
Financial assets	36,010	–		–		36,010
Trade and other receivables	7,091	–		–		7,091
Investments in associated companies and joint venture	117,783	–		–		117,783
Investment properties	970,392	–		–		970,392
Property, plant and equipment	565,583	(49,864)	(a)	–		515,719
Intangible assets	400,683	–		–		400,683
Deferred income tax assets	6,218	–		–		6,218
Other non-current assets	5,198	–		–		5,198
Current liabilities						
Trade and other payables	395,084	–		(31,712)	(d)	363,372
Current income tax liabilities	34,774	–		–		34,774
Deferred income	7,413	–		(7,413)	(d)	–
Contract liabilities	–	–		38,930	(c), (d)	38,930
Derivative financial instruments	1,055	–		–		1,055
Borrowings	148,786	–		–		148,786
Non-current liabilities						
Trade and other payables	44,462	–		–		44,462
Borrowings	215,199	–		–		215,199
Deferred income	49,545	–		(49,545)	(d)	–
Contract liabilities	–	–		52,624	(c), (d)	52,624
Deferred income tax liabilities	62,547	–		–		62,547
Capital, reserves and non-controlling interests						
Share capital	638,756	–		–		638,756
Treasury shares	(1,227)	–		–		(1,227)
Other reserves	71,787	17,841	(b)	–		89,628
Retained earnings	650,007	(49,864)	(a)	(2,884)	(c)	579,418
		(17,841)	(b)			
Perpetual securities	346,826	–		–		346,826
Non-controlling interests	51,569	–		–		51,569

40. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK *(continued)*

Reconciliation of equity and total comprehensive income *(continued)*

(i) Impact on Statement of Financial Position as at 1 April 2017 *(continued)*

Company	Previously reported under FRS S$'000	Application of SFRS(I) 1 S$'000	Note	Initial application of SFRS(I) 15 S$'000	Note	As adjusted under SFRS(I) S$'000
Current assets						
Cash and cash equivalents	303,179	–		–		303,179
Financial assets	3,954	–		–		3,954
Trade and other receivables	173,304	–		–		173,304
Derivative financial instruments	16,142	–		–		16,142
Inventories	107	–		–		107
Other current assets	5,180	–		–		5,180
Non-current assets						
Financial assets	35,748	–		–		35,748
Trade and other receivables	405,122	–		–		405,122
Investments in associated companies and joint venture	14,849	–		–		14,849
Investments in subsidiaries	340,533	–		–		340,533
Investment properties	927,538	–		–		927,538
Property, plant and equipment	240,371	–		–		240,371
Current liabilities						
Trade and other payables	353,681	–		(18,525)	(d)	335,156
Current income tax liabilities	30,367	–		–		30,367
Deferred income	7,413	–		(7,413)	(d)	–
Contract liabilities	–	–		25,314	(c), (d)	25,314
Derivative financial instruments	1,055	–		–		1,055
Borrowings	117,743	–		–		117,743
Non-current liabilities						
Trade and other payables	2,070	–		–		2,070
Borrowings	202,318	–		–		202,318
Deferred income	49,545	–		(49,545)	(d)	–
Contract liabilities	–	–		52,302	(c), (d)	52,302
Deferred income tax liabilities	22,603	–		–		22,603
Capital, reserves and non-controlling interests						
Share capital	638,756	–		–		638,756
Treasury shares	(1,227)	–		–		(1,227)
Other reserves	37,249	–		–		37,249
Retained earnings	657,628	–		(2,133)	(c)	655,495
Perpetual securities	346,826	–		–		346,826

40. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK *(continued)*

Reconciliation of equity and total comprehensive income *(continued)*

(ii) Impact on Statement of Financial Position as at 31 March 2018

Group	Previously reported under FRS S$'000	Application of SFRS(I) 1 S$'000	Note	Initial application of SFRS(I) 15 S$'000	Note	As adjusted under SFRS(I) S$'000
Current assets						
Cash and cash equivalents	314,050	–		–		314,050
Financial assets	1,921	–		–		1,921
Trade and other receivables	271,583	–		–		271,583
Derivative financial instruments	19,856	–		–		19,856
Inventories	959	–		–		959
Other current assets	18,204	–		–		18,204
Non-current assets						
Financial assets	35,460	–		–		35,460
Trade and other receivables	7,087	–		–		7,087
Investments in associated companies and joint venture	114,925	–		–		114,925
Investment properties	1,014,315	–		–		1,014,315
Property, plant and equipment	532,283	(40,572)	(a)	–		491,711
Intangible assets	385,730	–		–		385,730
Deferred income tax assets	3,197	–		–		3,197
Other non-current assets	5,137	–		–		5,137
Current liabilities						
Trade and other payables	525,791	–		(30,789)	(d)	495,002
Current income tax liabilities	39,172	–		–		39,172
Deferred income	7,238	–		(7,238)	(d)	–
Contract liabilities	–	–		37,929	(c), (d)	37,929
Derivative financial instruments	465	–		–		465
Borrowings	23,475	–		–		23,475
Non-current liabilities						
Trade and other payables	23,468	–		–		23,468
Borrowings	220,503	–		–		220,503
Deferred income	42,307	–		(42,307)	(d)	–
Contract liabilities	–	–		45,484	(c), (d)	45,484
Deferred income tax liabilities	52,392	–		–		52,392
Capital, reserves and non-controlling interests						
Share capital	638,762	–		–		638,762
Treasury shares	(16,023)	–		–		(16,023)
Other reserves	63,826	17,841	(b)	–		81,667
Retained earnings	716,159	(40,572)	(a)	(3,079)	(c)	654,667
		(17,841)	(b)			
Perpetual securities	346,826	–		–		346,826
Non-controlling interests	40,346	–		–		40,346

40. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK *(continued)*

Reconciliation of equity and total comprehensive income *(continued)*

(ii) Impact on Statement of Financial Position as at 31 March 2018 *(continued)*

Company	Previously reported under FRS S$'000	Application of SFRS(I) 1 S$'000	Note	Initial application of SFRS(I) 15 S$'000	Note	As adjusted under SFRS(I) S$'000
Current assets						
Cash and cash equivalents	258,112	–		–		258,112
Financial assets	1,921	–		–		1,921
Trade and other receivables	231,983	–		–		231,983
Derivative financial instruments	19,856	–		–		19,856
Inventories	66	–		–		66
Other current assets	7,867	–		–		7,867
Non-current assets						
Financial assets	35,201	–		–		35,201
Trade and other receivables	391,821	–		–		391,821
Investments in associated companies and joint venture	15,366	–		–		15,366
Investments in subsidiaries	340,533	–		–		340,533
Investment properties	970,378	–		–		970,378
Property, plant and equipment	241,463	–		–		241,463
Current liabilities						
Trade and other payables	458,762	–		(17,992)	(d)	440,770
Current income tax liabilities	30,926	–		–		30,926
Deferred income	7,238	–		(7,238)	(d)	–
Contract liabilities	–	–		24,850	(c), (d)	24,850
Derivative financial instruments	451	–		–		451
Non-current liabilities						
Trade and other payables	1,358	–		–		1,358
Borrowings	201,569	–		–		201,569
Deferred income	42,307	–		(42,307)	(d)	–
Contract liabilities	–	–		45,444	(c), (d)	45,444
Deferred income tax liabilities	23,253	–				23,253
Capital, reserves and non-controlling interests						
Share capital	638,756	–		–		638,756
Treasury shares	(16,023)	–		–		(16,023)
Other reserves	38,104	–		–		38,104
Retained earnings	741,034	–		(2,757)	(c)	738,277
Perpetual securities	346,826	–		–		346,826

40. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK *(continued)*

Reconciliation of equity and total comprehensive income *(continued)*

(iii) Impact on Consolidated Statement of Comprehensive Income for financial year ended 31 March 2018.

Group	Previously reported under FRS S$'000	Application of SFRS(I) 1 S$'000	Note	Initial application of SFRS(1) 15 S$'000	Note	Reclassifications and comparatives S$'000	Note	Adjusted amount S$'000
Revenue	1,464,099	–		1,829	(c)	47,499	42	1,513,427
Other income and gains (net)								
– Rental and property-related income	47,499	–		–		(47,499)	42	–
– Miscellaneous	11,346	–		–		(11,346)	42	–
Labour and related expenses	(328,162)	–		–		–		(328,162)
Volume-related expenses	(816,090)	–		–		–		(816,090)
Administrative and other expenses	(154,687)	–		–		–		(154,687)
Depreciation and amortisation	(60,749)	1,521	(a)	–		–		(59,228)
Selling-related expenses	(15,064)	–		–		5,528	(1)	(9,536)
Impairment loss on trade and other receivables	–	–		–		(5,528)	(1)	(5,528)
Other income	–	–		–		6,677	42	6,677
Share of loss of associated companies and joint venture	(3,099)	–		–		–		(3,099)
Exceptional items	14,522	7,771	(a)	–		–		22,293
Interest income and investment income (net)	–	–		–		(169)	42	(169)
Finance expenses	(13,411)	–		(2,024)	(c)	4,838	42	(10,597)
Income tax expense	(30,659)	–		–		–		(30,659)
Profit for the year	115,545	9,292		(195)		–		124,642
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss								
Net fair value gain on available-for-sale financial assets	423	–		–		–		423
Currency translation losses arising from consolidation	(7,298)	–		–		–		(7,298)
Total comprehensive income for the year	108,670	9,292		(195)		–		117,767

(1) SFRS(I) 1-1 *Presentation of Financial Statements* requires impairment losses in trade and other receivables to be disclosed in the income statement.

40. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK *(continued)*

Reconciliation of equity and total comprehensive income *(continued)*

(iv) Impact on Consolidated Statement of Cash Flows for financial year ended 31 March 2018

The transition to SFRS(I) and the initial application of SFRS(I) 15 do not have a material impact on the consolidated statement of cash flows.

Notes to the reconciliations:

Application of SFRS(I) 1 First Time Adoption of SFRS(I)

(a) The Group has elected the use of fair value as "deemed cost" as at 1 April 2017 for certain property, plant and equipment. As a result, property, plant and equipment and retained earnings as at 1 April 2017 were reduced by S$49,864,000.

Property, plant and equipment and retained earnings as at 31 March 2018 were reduced by S$40,572,000. The movement from S$49,864,000 arises from depreciation expense corresponding to the decrease as at 1 April 2017 and adjustment to capitalised cost as at 31 March 2018.

(b) The Group has elected to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 April 2017. As a result, a cumulative translation loss of S$17,841,000 was reclassified from currency translation reserve to retained earnings as at 1 April 2017.

Adoption of SFRS(I) 15 Revenue from Contracts with Customers

(c) The Group and Company received upfront payments from certain financial services contracts which were recognised in profit or loss over the contract period. The Group and Company have determined that a significant financing component arises from these upfront payments received. As a result, finance expenses have been recognised. Apart from the above, retained earnings of the Group has further reduced following adoption of SFRS(I) 15 for certain eCommerce contracts.

(d) Advances received are presented as contract liabilities.

41. 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 expected to have an impact to the Group and the Company in the periods of their initial application.

Effective for financial year beginning on 1 April 2019

- SFRS(I) 16 *Leases*
- Amendments to SFRS(I) 1-19 *Employee Benefits: Plan Amendment, Curtailment or Settlement*
- Amendments to SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- Annual Improvements to SFRS(I)s 2015-2017 Cycle

41. PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE *(continued)*

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 *Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and 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:

(a) SFRS(I) 16 *Leases*

The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer. This will take effect from the next financial year, with retrospective application.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exemptions for short-term leases and leases of low value assets). The standard maintains substantially the lessor accounting approach under the existing framework.

The Standard will affect primarily the accounting for the Group's operating leases as a lessee. As at the reporting date, the Group has non-cancellable operating lease commitments of S$151.9 million (Note 35(b)). Upon adoption of SFRS(I)16, all non-cancellable lease obligations other than those which fall within the above exemptions will be recognised as liabilities concurrently with the recognition of right of use of assets.

42. RECLASSIFICATIONS AND COMPARATIVES (OTHER THAN ARISING FROM FIRST-TIME ADOPTION)

Consolidated income statement

Rental revenue from commercial properties has been reclassified from "Other income and gains" to "Revenue". Certain reclassifications have also been made in the consolidated income statement to present interest income and investment income (net) separately from "other income" and "finance expenses". Net currency exchange difference from investments was previously included in "finance expenses".

As a result, certain line items have been amended in the consolidated income statement and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

The effects of the reclassifications are disclosed in Note 40(iii).

43. LISTING OF COMPANIES IN THE GROUP

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2019 %	by the Group 2018 %	by the Group 2017 %	by the NCI 2019 %	by the NCI 2018 %	by the NCI 2017 %
SUBSIDIARIES								
Held by the Company								
SingPost eCommerce II Pte. Ltd.	Online sale of luxury products	Singapore	**100**	100	100	**–**	–	–
SingPost eCommerce Pte. Ltd.	eCommerce specialising in the provision of online sale of products	Singapore	**100**	100	100	**–**	–	–
SingPost Logistics Holdings Pte. Ltd.	Investment holding	Singapore	**100**	100	100	**–**	–	–
Singapore Post Enterprise Private Limited	Investment holding	Singapore	**100**	100	100	**–**	–	–
SingPost Investments Pte. Ltd.	Investment holding	Singapore	**100**	100	100	**–**	–	–
SingPost Logistics Investments Pte. Ltd.	Investment holding	Singapore	**100**	100	100	**–**	–	–
Held by subsidiaries								
SP Jagged Peak LLC [(1)]	Investment holding	United States	**100**	100	100	**–**	–	–
Jagged Peak, Inc. [(1)]	eCommerce logistics enabler for high-velocity consumer products	United States	**100**	100	100	**–**	–	–
Jagged Peak Canada, Inc. [(1)]	eCommerce logistics enabler for high-velocity consumer products	Canada	**100**	100	100	**–**	–	–
Jagged Peak UK Limited [(1)]	End-to-end eCommerce Solutions including software and fulfillment services	United Kingdom	**100**	100	–	**–**	–	–
SingPost Distribution Pte. Ltd.	Provision of business mail solutions and distribution of mail	Singapore	**100**	100	100	**–**	–	–
SP Commerce Holdings, Inc. [(1)]	Investment holding	United States	**100**	100	100	**–**	–	–
SP Commerce, Inc. [(1)]	Provision of global sale & marketing services	United States	**100**	100	100	**–**	–	–
TG Acquisition Corp. [(1)]	Investment holding	United States	**97.3**	97.3	97.3	**2.7**	2.7	2.7
TradeGlobal Holdings, Inc. [(1)]	eCommerce enablement provider	United States	**97.3**	97.3	97.3	**2.7**	2.7	2.7
TradeGlobal North America Holding, Inc. [(1)]	eCommerce enablement provider	United States	**97.3**	97.3	97.3	**2.7**	2.7	2.7

43. LISTING OF COMPANIES IN THE GROUP *(continued)*

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2019 %	2018 %	2017 %	by the NCI 2019 %	2018 %	2017 %
SUBSIDIARIES *(continued)*								
Held by the Subsidiaries *(continued)*								
TradeGlobal LLC [1]	eCommerce enablement provider	United States	**97.3**	97.3	97.3	**2.7**	2.7	2.7
TradeGlobal Asia Holdings Limited [1]	eCommerce enablement provider	Hong Kong	**97.3**	97.3	97.3	**2.7**	2.7	2.7
TradeGlobal Europe TGE GmbH [1]	eCommerce enablement provider	Germany	**–**	97.3	97.3	**–**	2.7	2.7
Netrada Trading and Consulting (Shanghai) Co, Ltd. [1]	eCommerce enablement provider	China	**97.3**	97.3	97.3	**2.7**	2.7	2.7
SingPost Logistics Enterprise Pte. Ltd.	Investment holding	Singapore	**100**	100	100	**–**	–	–
SingPost Logistics Australia Holdings Pty Ltd	Investment holding	Australia	**100**	100	100	**–**	–	–
Quantium Solutions International Pte. Ltd.	Investment holding, provision of management and consultancy services to related entities	Singapore	**66**	66	66	**34**	34	34
Quantium Solutions (Singapore) Pte. Ltd.	Provision of delivery services and eCommerce logistics solutions	Singapore	**66**	66	66	**34**	34	34
Quantium Mail Logistics Solutions (India) Private Limited	Provision of delivery services and eCommerce logistics solutions	India	**66**	66	66	**34**	34	34
Quantium Express Solutions (India) Private Limited	Provision of delivery services and eCommerce logistics solutions	India	**66**	66	66	**34**	34	34
Quantium Solutions (Australia) Pty Ltd	Provision of delivery services and eCommerce logistics solutions	Australia	**66**	66	66	**34**	34	34
Quantium Solutions (Hong Kong) Limited	Provision of delivery services and eCommerce logistics solutions	Hong Kong	**66**	66	66	**34**	34	34

43. LISTING OF COMPANIES IN THE GROUP *(continued)*

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2019 %	2018 %	2017 %	by the NCI 2019 %	2018 %	2017 %
SUBSIDIARIES *(continued)*								
Held by Subsidiaries *(continued)*								
Quantium Solutions (Japan) Inc.	Provision of delivery services and eCommerce logistics solutions	Japan	**66**	66	66	**34**	34	34
Quantium Solutions International (Malaysia) Sdn. Bhd.	Provision of delivery services and eCommerce logistics solutions	Malaysia	**66**	66	66	**34**	34	34
Quantium Solutions (New Zealand) Pty Limited	Provision of delivery services and eCommerce logistics solutions	New Zealand	**66**	66	66	**34**	34	34
Quantium Solutions (Philippines) Inc. +	Provision of delivery services and eCommerce logistics solutions	Philippines	**26.4**	26.4	26.4	**73.6**	73.6	73.6
Quantium Solutions (Taiwan) Co., Ltd.	Provision of delivery services and eCommerce logistics solutions	Taiwan	**66**	66	66	**34**	34	34
Quantium Solutions (Thailand) Co., Ltd.	Provision of delivery services and eCommerce logistics solutions	Thailand	**66**	66	66	**34**	34	34
PT Quantium Solutions Logistics Indonesia +	Provision of delivery services and eCommerce logistics solutions	Indonesia	**44.22**	44.22	32.34	**55.78**	55.78	67.66
Couriers Please Holdings Pty Ltd	Provision of delivery services and eCommerce logistics solutions	Australia	**100**	100	100	**–**	–	–
Couriers Please Australia Pty Ltd	Provision of delivery services and eCommerce logistics solutions	Australia	**100**	100	100	**–**	–	–
Couriers Please Pty Limited	Provision of delivery services and eCommerce logistics solutions	Australia	**100**	100	100	**–**	–	–
SingPost Storage Company Ltd	Investment holding	Mauritius	**100**	100	100	**–**	–	–
SingPost Investments (Tampines) Pte. Ltd.	Investment holding and real estate activities with owned or leased property	Singapore	**100**	100	100	**–**	–	–
SingPost Investments (Toh Guan) Pte. Ltd.	Investment holding	Singapore	**100**	100	100	**–**	–	–
SingPost Investments (Ecommerce Logistics) Pte. Ltd.	Investment holding	Singapore	**100**	100	100	**–**	–	–

43. LISTING OF COMPANIES IN THE GROUP *(continued)*

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2019 %	by the Group 2018 %	by the Group 2017 %	by the NCI 2019 %	by the NCI 2018 %	by the NCI 2017 %
SUBSIDIARIES *(continued)*								
Held by Subsidiaries *(continued)*								
SingPost Centre (Retail) Pte. Ltd.	Investment holding	Singapore	**100**	100	100	**–**	–	–
SingPost eCommerce Logistics Holdings Pte. Ltd.	Investment holding	Singapore	**100**	100	100	**–**	–	–
General Storage Company Pte. Ltd.	Investment holding & provision of management services	Singapore	**100**	100	100	**–**	–	–
Lock + Store (Chai Chee) Pte. Ltd.	Self storage solutions and warehousing	Singapore	**100**	100	100	**–**	–	–
Lock + Store (Tanjong Pagar) Pte. Ltd.	Self storage solutions	Singapore	**100**	100	100	**–**	–	–
Lock + Store (Ayer Rajah) Pte. Ltd.	Self storage solutions	Singapore	**100**	100	100	**–**	–	–
The Store House Limited	Self storage solutions	Hong Kong	**100**	100	100	**–**	–	–
The Store House Operating Company Limited	Self storage management services	Hong Kong	**100**	100	75	**–**	–	25
Lock and Store (Glenmarie) Sdn. Bhd.	Self storage solutions and warehousing	Malaysia	**100**	100	100	**–**	–	–
L+S Self Storage Pte. Ltd.	Self storage solutions	Singapore	**100**	100	100	**–**	–	–
SP Parcels Pte. Ltd.	Courier activities other than national post activities	Singapore	**100**	100	100	**–**	–	–
Famous Holdings Pte Ltd	Investment holding and provision of management services	Singapore	**100**	100	100	**–**	–	–
Famous Air & Sea Services Pte. Ltd.	Freight forwarding	Singapore	**100**	100	100	**–**	–	–
FPS Global Logistics Pte. Ltd.	Freight forwarding	Singapore	**100**	100	100	**–**	–	–
FPS Famous Pacific Shipping Sdn. Bhd.	Freight forwarding	Malaysia	**100**	100	100	**–**	–	–
Famous Pacific Shipping (WA) Pty Ltd	Freight collections transhipments	Australia	**100**	100	100	**–**	–	–
F.S. Mackenzie Limited	Freight forwarding	United Kingdom	**100**	100	100	**–**	–	–

43. LISTING OF COMPANIES IN THE GROUP *(continued)*

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2019 %	by the Group 2018 %	by the Group 2017 %	by the NCI 2019 %	by the NCI 2018 %	by the NCI 2017 %
SUBSIDIARIES *(continued)*								
Held by Subsidiaries *(continued)*								
Famous Pacific Shipping (NZ) Limited	Freight forwarding	New Zealand	**100**	100	90	**–**	–	10
Mercury Worldwide (NZ) Limited (1)	Freight forwarding	New Zealand	**100**	100	90	**–**	–	10
Eazyshipping (NZ) Limited (1)	Freight forwarding	New Zealand	**–**	50	45	**–**	50	55
FPS Logistics (USA) Inc. (1)	Logistics management and services	United States	**100**	100	100	**–**	–	–
Sino-Famous Intertrans Co., Ltd (1)	Freight forwarding	China	**100**	100	100	**–**	–	–
Famous Container Lines Co Ltd (1)	Freight forwarding	China	**100**	100	100	**–**	–	–
Shinyei Shipping Co Ltd (1)	Freight forwarding	Japan	**89**	89	89	**11**	11	11
Tras - Inter Co., Ltd (1)	Customs brokerage and freight forwarding	Japan	**89**	89	89	**11**	11	11
Rotterdam Harbour Holding B.V. (2)	Investment holdings	Netherlands	**80**	80	80	**20**	20	20
FPS Famous Pacific Shipping B.V. (1)	Logistics services	Netherlands	**80**	80	80	**20**	20	20
Trans Ocean Pacific Forwarding B.V. (1)	Logistics services	Netherlands	**80**	80	80	**20**	20	20
EWC East Way Commodities B.V. (1)	Trading company and purchase organisation for oceanfreight services	Netherlands	**80**	80	80	**20**	20	20
FPS Famous Pacific Shipping Germany GmbH	Sales company for Logistic services	Germany	**80**	80	80	**20**	20	20
FPS Famous Pacific Shipping s.r.o. (1)+	Logistics services	Netherlands	**–**	–	40.8	**–**	–	59.2
SP eCommerce (Thailand) Co Ltd (1)	eCommerce specialising in the provision of online shopping platforms and services	Thailand	**100**	100	100	**–**	–	–
SP eCommerce (Korea) Co., Ltd. (1)	eCommerce specialising in the provision of online shopping platforms and services	Korea	**100**	100	100	**–**	–	–
SP eCommerce (Malaysia) Sdn. Bhd.	eCommerce specialising in the provision of online shopping platforms and services	Malaysia	**100**	100	100	**–**	–	–

43. LISTING OF COMPANIES IN THE GROUP *(continued)*

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		
			2019 %	2018 %	2017 %
ASSOCIATED COMPANIES					
Held by the Company					
GD Express Carrier Bhd *	Provision of express delivery and customised logistics services	Malaysia	**11.61**	11.22	11.22
Held by subsidiaries					
Postea, Inc. [(1)]	Provision of technology and support in postal, courier and other distribution markets	United States	**27**	27	27
Indo Trans Logistics Corporation [(4)]	Provision of integrated logistics, freight and transport management and aviation services	Vietnam	**–**	30	30
Dash Logistics Company Ltd [(3)]*	Provision of integrated logistics, freight and transport management and aviation services	Vietnam	**30**	51	51
Shenzhen 4PX Information and Technology Co Limited	Provision of international express delivery services, international freight forwarding, import and export of goods and technology	China	**–**	20.14	20.14
Efficient E-Solutions Berhad [(5)]	Provision of data print, record management, data and document processing	Malaysia	**20.81**	20.81	20.81
Hubbed Holdings Pty Ltd [(6)]	eCommerce and logistics retail network	Australia	**30**	30	30
Morning Express & Logistics Limited [(7)]	Provision of courier services and provision of management services to its related company	Hong Kong	**33**	33	33
E Link Station Limited [(7)]	Provision of redemption services	Hong Kong	**50**	50	50

43. LISTING OF COMPANIES IN THE GROUP *(continued)*

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		
			2019 %	2018 %	2017 %
JOINT VENTURE					
Held by subsidiary					
PT Trio SPeCommerce Indonesia [(1)]	Dormant	Indonesia	**33**	33	33

Notes

All companies as at 31 March 2019 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 2019
(2) Audited by Crowe Horwath Peak, The Netherlands
(3) Audited by local statutory auditors in the countries of incorporation
(4) Audited by KPMG Limited, Vietnam
(5) Audited by PKF International, Malaysia
(6) Audited by Assura Group
(7) Audited by HKCMCPA Company Limited
\+ It is considered to be a subsidiary of the Company as the Company can exercise control over its financial and operating policies and voting rights.
* It is considered to be an associate of the Company as the Company can exercise significant influence over its financial and operating policies and voting rights.

SGX Listing Manual Requirements

For the financial year ended 31 March 2019

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*

	2019 S$'000	2018 S$'000
Fees on audit services paid/payable to:		
– Auditor of the Company*	**1,319**	1,351
– Other auditor	**92**	84
Fees on non-audit services paid/payable to:		
– Auditor of the Company*	**397**	394
– Other auditor	**4**	4
	1,812	1,833

* 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 Audit Committee's opinion, affect their independence.

(d) *Internal controls*

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

3. USE OF PROCEEDS

The 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 at S$1.74 each have been utilised 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	11%/ S$20.0 million
(ii)	the general working capital of the Group	25%/ S$46.0 million	25%/ S$46.0 million

4. INTERESTED PERSON TRANSACTIONS

During the full year ended 31 March 2019, the following interested person transactions were entered into by the Group:

	Aggregate value of all interested person transactions during the financial period (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
	2019 S$'000	2018 S$'000	**2019 S$'000**	2018 S$'000
Sales				
Mediacorp Group	**–**	–	**–**	370*
Singapore Telecommunications Group	**–**	–	**1,796***	1,684
SP Services Ltd	**–**	–	**1,246**	1,223
Starhub Group	**–**	–	**558**	638
	–	–	**3,600**	3,915
Purchases				
Ascendas Real Estate Investment Trust	**–**	–	**1,170***	–
PSA Corporation	**–**	–	**2,256***	1,518*
SembCorp Group	**–**	–	**150**	–
Singapore Airlines Group	**–**	–	**6,659**	4,248
Singapore Technologies Engineering Ltd	**–**	–	**–**	127
Singapore Telecommunications Group	**–**	–	**1,231***	499*
SMRT Group	**–**	–	**–**	1,404*
	–	–	**11,466**	7,796
Total interested person transactions	**–**	–	**15,066**	11,711

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 2 months to 5 years) or annual values for open-ended contracts.

* Include contracts of duration exceeding one year.

Shareholding Statistics
As at 31 May 2019

No. of Issued Shares:	2,275,089,525
No. of Issued Shares excluding Treasury Shares:	2,249,578,103
No. of Treasury Shares held:	25,511,422
No. of Subsidiary Holdings held:	Nil
Percentage of the aggregate no. of Treasury Shares and Subsidiary Holdings held:	1.13%
Class of Shares:	Ordinary Shares
No. of Shareholders:	37,177

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)

Substantial Shareholders	No. of Shares Direct Interest	No. of Shares Deemed Interest
Temasek Holdings (Private) Limited	–	497,123,422 [1]
Singapore Telecommunications Limited	494,000,000	–
Alibaba Investment Limited	327,649,907	–
Alibaba Group Holding Limited	–	327,649,907 [2]
SoftBank Group Corp.	–	327,649,907 [3]

Notes
[1] Deemed through its subsidiaries, Singapore Telecommunications Limited, ST Asset Management Ltd. and its associated company, DBS Group Holdings Ltd.
[2] Deemed through its subsidiary, Alibaba Investment Limited.
[3] Deemed through Alibaba Group Holding Limited which is the holding company of Alibaba Investment Limited.

ANALYSIS OF SHAREHOLDERS

Range of Shareholdings	No. of Shareholders	%	No. of Shares (Excluding Treasury Shares)	% *
1 – 99	58	0.16	1,923	0.00
100 – 1,000	4,571	12.29	4,235,656	0.19
1,001 – 10,000	21,843	58.75	119,448,861	5.31
10,001 – 1,000,000	10,650	28.65	517,667,632	23.01
1,000,001 and above	55	0.15	1,608,224,031	71.49
	37,177	100.00	2,249,578,103	100.00

Note
* the percentage of issued ordinary shares is calculated based on the number of issued ordinary shares as at 31 May 2019, excluding any ordinary shares held in treasury as at that date.

MAJOR SHAREHOLDERS LIST – TOP 20

No.	Name	No. of Shares Held	% *
1	Singapore Telecommunications Limited	494,000,000	21.96
2	DB Nominees (Singapore) Pte Ltd	335,893,883	14.93
3	DBS Nominees (Private) Limited	256,744,977	11.41
4	Citibank Nominees (Singapore) Pte Ltd	193,058,728	8.58
5	DBSN Services Pte Ltd	38,500,104	1.71
6	Raffles Nominees (Pte) Limited	37,129,510	1.65
7	United Overseas Bank Nominees (Private) Limited	30,758,057	1.37
8	HSBC (Singapore) Nominees Pte Ltd	27,115,509	1.21
9	OCBC Securities Private Limited	16,043,032	0.71
10	OCBC Nominees Singapore Private Limited	15,954,900	0.71
11	CGS-CIMB Securities (Singapore) Pte Ltd	12,333,038	0.55
12	Phillip Securities Pte Ltd	10,739,418	0.48
13	BPSS Nominees Singapore (Pte) Ltd	10,241,707	0.46
14	NTUC Fairprice Co-operative Ltd	10,000,000	0.44
15	Toh Capital Pte Ltd	10,000,000	0.44
16	UOB Kay Hian Pte Ltd	9,233,000	0.41
17	Heng Siew Eng	8,709,300	0.39
18	Star Resources Pte Ltd	7,000,000	0.31
19	Sunrise Textile Accessories (Pte) Ltd	6,200,000	0.28
20	Maybank Kim Eng Securities Pte Ltd	5,801,971	0.26
		1,535,457,134	68.26

Note
* the percentage of issued ordinary shares is calculated based on the number of issued ordinary shares as at 31 May 2019, 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 31 May 2019, approximately 63.17% 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

Tel: +65 6841 2000
Email: investor@singpost.com
Web: www.singpost.com

GROUP COMPANY SECRETARY
Linda Hoon Siew Kin (Ms)

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

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

AUDITORS
Deloitte & Touche LLP
6 Shenton Way
OUE Downtown 2, #33-00
Singapore 068809
Tel: +65 6224 8288
Fax: +65 6538 6166

AUDIT PARTNER: Shariq Barmaky
Appointed with effect from financial year ended 31 March 2018

Singapore Post Limited
Co. Reg. No. 199201623M

Registered Office
10 Eunos Road 8
Singapore Post Centre
Singapore 408600
www.singpost.com

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

26 June 2019

Dear Shareholder

We are pleased to enclose printed copies of the Notice, Additional Information on Directors Seeking Re-election and Proxy Form for the upcoming 27th Annual General Meeting of Singapore Post Limited ("**SingPost**") which will be held at Suntec Singapore Convention & Exhibition Centre, Level 3, Summit 2, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 18 July 2019 at 2.30pm.

In line with the SingPost Group's sustainability strategy, we have, since 2018, discontinued the practice of mailing SingPost's Annual Reports to shareholders. Instead, SingPost's Annual Report for the financial year ended 31 March 2019, and its Letter to Shareholders dated 26 June 2019 (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 URL https://www.singpost.com/about-us/investor-centre/annual-reports and https://www.singpost.com/about-us/investor-centre/shareholders-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 "full Annual Report" under "FY2018/19 Annual Report".
- To access the Letter to Shareholders, click on the hyperlink for "Letter to Shareholders" under "FY2018/19 AGM".

We hope that you will join our sustainability efforts. If you still wish to receive a printed copy of the Annual Report and the Letter to Shareholders for this year, please complete the Request Form below and return it to SingPost no later than 5 July 2019 to receive in time for the 27th Annual General Meeting.

By completing, signing and returning the Request Form to us, you agree and acknowledge that we and/or our service provider 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 completing your request.

Yours faithfully
For and on behalf of
Singapore Post Limited

Linda Hoon Siew Kin (Ms)
Group 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 2019 and the Letter to Shareholders dated 26 June 2019.

Name of Shareholder: ______________________________

NRIC/Passport Number: ______________________________

Company Registration Number: ______________________________

Mailing Address: ______________________________

Signature: ______________________ Date: ______________

Note: This request is valid for the Annual Report 2018/19 and Letter to Shareholders only.

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Postage will be paid by addressee.
For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 09990

SINGAPORE POST LIMITED
Group Corporate Secretariat
IPP - VAS
25 Loyang Lane
Singapore 508930

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1st fold here

glue all sides firmly
stapling or spot sealing is disallowed

SINGAPORE POST LIMITED

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING of Singapore Post Limited ("**Company**") will be held at Suntec Singapore Convention & Exhibition Centre, Level 3, Summit 2, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 18 July 2019 at 2.30 p.m. to transact the following business:

ROUTINE BUSINESS

1. To receive and adopt the audited Financial Statements for the financial year ended 31 March 2019, and the Directors' Statement and Independent Auditor's Report thereon. (Ordinary Resolution 1)

2. To declare a final tax exempt one-tier dividend of 2.0 cents per ordinary share in respect of the financial year ended 31 March 2019. (Ordinary Resolution 2)

3. To re-elect Ms Chu Swee Yeok who retires in accordance with Article 104 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) Mr Chen Jun (Ordinary Resolution 4)

   (b) Ms Elizabeth Kong Sau Wai (Ordinary Resolution 5)

   (c) Mr Bob Tan Beng Hai (Ordinary Resolution 6)

5. To approve directors' fees payable by the Company of S$1,147,780 for the financial year ended 31 March 2019 (2018: S$1,233,950). (Ordinary Resolution 7)

6. To re-appoint Deloitte & Touche LLP as Auditor of the Company and to authorise the directors to fix its remuneration. (Ordinary Resolution 8)

EXPLANATORY NOTES ON ROUTINE BUSINESS TO BE TRANSACTED

Ordinary Resolution 3

Ms Chu Swee Yeok will, upon re-election as a director of the Company, remain as a member of the Audit Committee and the Board Risk and Technology Committee. Ms Chu is considered by the Board of Directors to be independent. There are no relationships (including immediate family relationships) between Ms Chu and any of the other directors or management, or between Ms Chu and the Company or any of the substantial shareholders of the Company. The profile of Ms Chu can be found in the "Board of Directors" section of the Company's Annual Report 2018/19 and the additional information pursuant to Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") is provided in the "Additional Information on Directors Seeking Re-election" section of this Notice.

Ordinary Resolution 4

Mr Chen Jun will, upon re-election as a director of the Company, remain as a member of Finance and Investment Committee. Mr Chen is considered by the Board of Directors to be non-independent as he is a Vice President of Alibaba Group Holding Limited which is a 14.56% shareholder of the Company. Except for the foregoing, there are no relationships (including immediate family relationships) between Mr Chen and any of the other directors or management, or between Mr Chen and the Company or any of the substantial shareholders of the Company. The profile of Mr Chen can be found in the "Board of Directors" section of the Company's Annual Report 2018/19 and the additional information pursuant to Appendix 7.4.1 of the Listing Manual of the SGX-ST is provided in the "Additional Information on Directors Seeking Re-election" section of this Notice.

Ordinary Resolution 5

Ms Elizabeth Kong Sau Wai will, upon re-election as a director of the Company, remain as a member of the Finance and Investment Committee and the Nominations and Corporate Governance Committee. Ms Kong is considered by the Board of Directors to be independent. There are no relationships (including immediate family relationships) between Ms Kong and any of the other directors or management, or between Ms Kong and the Company or any of the substantial shareholders of the Company. The profile of Ms Kong can be found in the "Board of Directors" section of the Company's Annual Report 2018/19 and the additional information pursuant to Appendix 7.4.1 of the Listing Manual of the SGX-ST is provided in the "Additional Information on Directors Seeking Re-election" section of this Notice.

Ordinary Resolution 6

Mr Bob Tan Beng Hai will, upon re-election as a director of the Company, remain as the chairperson of the Compensation Committee and a member of the Audit Committee and the Board Risk and Technology Committee. Mr Tan is considered by the Board of Directors to be independent. There are no relationships (including immediate family relationships) between Mr Tan and any of the other directors or management, or between Mr Tan and the Company or any of the substantial shareholders of the Company. The profile of Mr Tan can be found in the "Board of Directors" section of the Company's Annual Report 2018/19 and the additional information pursuant to Appendix 7.4.1 of the Listing Manual of the SGX-ST is provided in the "Additional Information on Directors Seeking Re-election" section of this Notice.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any amendments, the following Resolutions 9 to 12 as ordinary resolutions:

Authority to Issue Shares and to Make or Grant Convertible Instruments

7. 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 of the Company 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 per cent 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 per cent 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 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 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 9)

Authority to Offer/Grant Options, Grant Share Awards and Allot/Issue Shares

8. That approval be and is hereby given to the directors to:

(a) offer and grant options in accordance with the provisions of the Singapore Post Share Option Scheme 2012 ("**Share Option Scheme 2012**") and to 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 under the Share Option Scheme 2012; and/or

(b) 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,

provided that the aggregate number of (i) new ordinary shares allotted and issued and/or to be allotted and issued pursuant to options granted under the Share Option Scheme 2012, and (ii) new ordinary shares allotted and issued and/or to be allotted and issued pursuant to awards granted under the Restricted Share Plan 2013, shall not exceed 5 per cent 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 SGX-ST. (Ordinary Resolution 10)

Proposed Renewal of the Shareholders Mandate for Interested Person Transactions

9. That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the SGX-ST, 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 26 June 2019 ("**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 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 11)

Proposed Renewal of the Share Purchase Mandate

10. That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore ("**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 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 after the relevant five-day period;

"**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 of the Company 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 12)

BY ORDER OF THE BOARD

Linda Hoon Siew Kin (Ms)
Group Company Secretary

Singapore
26 June 2019

EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED

STATEMENT PURSUANT TO ARTICLE 61 OF THE CONSTITUTION OF THE COMPANY

Ordinary Resolution 9

Ordinary Resolution 9 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 per cent of the total number of issued shares (excluding treasury shares and subsidiary holdings), with a sub-limit of 10 per cent for issues other than on a *pro rata* basis to shareholders of the Company. The 10 per cent sub-limit for non-*pro rata* share issues is lower than the 20 per cent sub-limit allowed under the Listing Manual of the SGX-ST and the Constitution of the Company. The Company is seeking approval from shareholders for a lower sub-limit for non-*pro rata* share issues as it does not anticipate that it will require a higher sub-limit before the next Annual General Meeting. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time that Ordinary Resolution 9 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting as at the time that Ordinary Resolution 9 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

Ordinary Resolution 10

Ordinary Resolution 10 is to empower the directors:

(a) to offer and grant options, and to allot and issue ordinary shares of the Company pursuant to the Share Option Scheme 2012; and

(b) 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,

provided that the aggregate number of ordinary shares allotted and issued and/or to be allotted and issued pursuant to the Share Option Scheme 2012 and the Restricted Share Plan 2013 does not exceed 5 per cent of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) for the time being.

Although the Rules of the Share Option Scheme 2012 and the Restricted Share Plan 2013 provide that the maximum aggregate number of ordinary shares which may be issued under the Share Option Scheme 2012 and the Restricted Share Plan 2013 is limited to 10 per cent of the total number of issued ordinary shares of the Company, Ordinary Resolution 10 provides for a lower limit, namely, 5 per cent 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 11

Ordinary Resolution 11 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 11 will, if passed, continue being in force until the conclusion of the next Annual General Meeting of the Company.

Ordinary Resolution 12

Ordinary Resolution 12 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 31 May 2019 ("**Latest Practicable Date**") (out of which 25,511,422 Shares were held in treasury and no shares were held as subsidiary holdings as at the Latest Practicable Date), and assuming that on or prior to the Annual General Meeting, (i) no further Shares are issued, (ii) no further Shares are purchased or acquired, or held by the Company as treasury shares, and (iii) no Shares are held as subsidiary holdings, the purchase by the Company of 10% of its issued Shares (excluding the 25,511,422 Shares held in treasury) will result in the purchase or acquisition of 224,957,810 Shares.

In the case of both market purchases and off-market purchases by the Company and assuming that the Company purchases or acquires the 224,957,810 Shares at the Maximum Price of S$0.979 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 224,957,810 Shares is S$220,233,696.

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 2019 based on these assumptions are set out in paragraph 3.7 of the Letter.

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 (i) 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, "**Purposes**"), (ii) 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 (iii) 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.

Notes:

1. (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 meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the 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 form of proxy 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 form of proxy.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.

3. The instrument appointing the proxy must be lodged at the office of the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, not less than 72 hours before the time appointed for the Annual General Meeting. The submission of a Proxy Form by a member does not preclude him from attending and voting in person at the Annual General Meeting if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

Additional Information on Directors Seeking Re-election

Name of Director	Chu Swee Yeok	Chen Jun	Elizabeth Kong Sau Wai	Bob Tan Beng Hai
Date of appointment	1 September 2018	31 July 2014	10 October 2016	10 October 2016
Date of last re-appointment (if applicable)	Not applicable	20 July 2017	20 July 2017	20 July 2017
Age	56	45	37	67
Country of principal residence	Singapore	China	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Ms Chu has continued to discharge her duties well and continued to positively contribute to the Company.	Mr Chen has continued to discharge his duties well and continued to positively contribute to the Company.	Ms Kong has continued to discharge her duties well and continued to positively contribute to the Company.	Mr Tan has continued to discharge his duties well and continued to positively contribute to the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Independent Director Member of the Audit Committee Member of the Board Risk and Technology Committee	Non-Executive and Non-Independent Director Member of the Finance and Investment Committee	Non-Executive and Independent Director Member of the Finance and Investment Committee Member of the Nominations and Corporate Governance Committee	Non-Executive and Independent Director Chairman of the Compensation Committee Member of the Audit Committee Member of the Board Risk and Technology Committee
Professional qualifications	International Directors Programme, INSEAD Advanced Management Programme, Harvard University 2^{nd} Class Upper Honours Degree in Biochemistry, National University of Singapore	Bachelor of International Finance and Accounting, Shanghai University EMBA degree, INSEAD	Double First in Law, Cambridge University	Fellow, Institute of Chartered Accountants in England and Wales Fellow, Singapore Institute of Directors

Name of Director	Chu Swee Yeok	Chen Jun	Elizabeth Kong Sau Wai	Bob Tan Beng Hai
Working experience and occupation(s) during the past 10 years	EDBI Pte Ltd (2011 to present): Chief Executive Officer & President EDB Investments Pte Ltd (2008 to 2011): Chief Executive Officer	Alibaba Group Holding Limited (2011 to present): Vice President SAP SE (1998 to 2011): Director	Clifford Chance Pte Ltd (2017 to present): Counsel Morgan Lewis Stamford LLC (2015 to 2017): Director Stamford Law Corporation (2007 to 2015): Director (2011 to 2015) PSA International (2005 to 2006): Management Associate	Novar International Pte Ltd (2000 to 2005): Managing Director Caradon Asia-Pacific Pte Ltd (1990 to 2000): Managing Director MK Electric (Singapore) Pte Limited (1980 to 1990): General Manager MK Electric Ltd (England) (1977 to 1980): Overseas Operations Accountant Bowker Orford & Co. (England) (1972 to 1977): Articled Clerk
Shareholding interest in the listed issuer and its subsidiaries?	No	No	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil	Nil
Conflict of interests (including any competing business)	Nil	Nil	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	Yes	Yes

Name of Director	Chu Swee Yeok	Chen Jun	Elizabeth Kong Sau Wai	Bob Tan Beng Hai
Other Principal Commitments Including Directorships				
Past (for the last 5 years)	• Alexandra Health System Pte Ltd (Director) • Alexandra Health Fund Limited (Director) • Global Cultural Alliance Limited (Director) • Merlion Pharmaceuticals Pte Ltd (Director) • Bio*One Capital Pte Ltd (Director)	• Alibaba Health Information Technology Limited (Director) • Shanghai Wanxiang Cultural Development Co., Ltd.（上海万象文化发展有限公司）(Director) • Shanghai Wanxiang Culture Logistics Co., Ltd. (上海万象文化配送有限公司）(Director)	• Morgan Lewis Stamford LLC (Director) • George and Samuel Holdings Pte. Ltd. (Director) • LFS Air Ambulance Limited (Director) • Meridian Innovation Pte. Ltd. (Director) • Mild Breeze HT Pte. Ltd. (Director) • Roy & Klas Pte. Ltd. (Director) • Smart Life Holding Pte. Ltd. (Director) • Smart Life Hydro Pte. Ltd. (Director)	• Singapore Manufacturing Federation (Member of Board of Governors) • Singapore LNG Corporation Pte Ltd (Chairman) • SMRT Trains Ltd (Director) • SMRT Corporation Ltd (Director) • CapitaMalls Asia Limited (Director)
Present	Other principal commitments: • EDBI Pte Ltd (Chief Executive Officer & President) Other non-listed companies: • Biomedical Sciences Investment Fund Pte Ltd (Director) • National Healthcare Group Pte Ltd (Director) • Singapore-Suzhou Township Development Pte Ltd (Director)	Other principal commitments: • Alibaba Group Holding Limited (Vice President) Other listed companies: • BEST Inc. (Director) • Sun Art Retail Group Limited (Director) Other non-listed companies: • Deluxe Online Holding (BVI) Limited (Director) • Travel Ease International (Director) • A-RT Retail Group Limited (Director) • AEON International Limited (Director)	Other principal commitments: • Clifford Chance Pte Ltd (Counsel) Other non-listed company: • Cambridge Assessment Singapore (Trustee)	Other principal commitments: • Jurong Engineering Ltd (Chairman) • Institute of Technical Education (Chairman and Board Member) • Inland Revenue Authority of Singapore (Board Member) • NTUC Club Management Council (Member) • Ong Teng Cheong Labour Leadership Institute (Board Member) • SINGEX Holdings Pte Ltd (Chairman) • Sentosa Development Corporation (Chairman) • Sembcorp Marine Ltd (Director)

Name of Director	Chu Swee Yeok	Chen Jun	Elizabeth Kong Sau Wai	Bob Tan Beng Hai
		• Xiamen Monecity Network Technology Co., Ltd. (厦门又一城网络科技有限公司) (Director) • Beijing Easyhome Retail Group Co., Ltd. (北京居然之家家居新零售连锁集团有限公司) (Director) • Theland New Cloud (Shanghai) Digimart Limited (纽仕兰新云（上海）电子商务有限公司) (Director)		• Ascott Residence Trust Management Limited (Manager of Ascott Residence Trust) (Chairman) • Singapore Post Limited (Director) Other listed companies: • Ascott Residence Trust Management Limited (Manager of Ascott Residence Trust) (Chairman) • Sembcorp Marine Ltd (Director) Other appointments: • Monetary Authority of Singapore (Member of Corporate Governance Advisory Committee)
Disclose the following matters concerning the Directors:-				
(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	No	No

Name of Director	Chu Swee Yeok	Chen Jun	Elizabeth Kong Sau Wai	Bob Tan Beng Hai
(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?	Two former EDBI portfolio companies: • Xinya Media Pte Ltd (2012) • Silecs International Pte Ltd (2014)	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	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	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No

Name of Director	Chu Swee Yeok	Chen Jun	Elizabeth Kong Sau Wai	Bob Tan Beng Hai
(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	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	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	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	No	No

Name of Director	Chu Swee Yeok	Chen Jun	Elizabeth Kong Sau Wai	Bob Tan Beng Hai
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—				
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	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	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	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	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	No	No

SINGAPORE POST LIMITED

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

ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. 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/SRS investors who hold ordinary shares through their CPF/SRS funds. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. 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 26 June 2019.

I/We ____________________________ NRIC/Passport/Co. Reg. No. ________________

of ____

being a member/members of Singapore Post Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

or failing the person, or either or both of the persons, referred to above, the Chairman of the 27th Annual General Meeting of the Company (the "**Annual General Meeting**"), as my/our proxy/proxies to attend, speak and to vote for me/us on my/our behalf, at the Annual General Meeting to be held at Suntec Singapore Convention & Exhibition Centre, Level 3, Summit 2, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 18 July 2019 at 2.30 p.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Ordinary Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

Voting will be conducted by poll.

No.	Ordinary Resolutions	For	Against
	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 2.0 cents per ordinary share		
3.	To re-elect Ms Chu Swee Yeok as director		
4.	To re-elect Mr Chen Jun as director		
5.	To re-elect Ms Elizabeth Kong Sau Wai as director		
6.	To re-elect Mr Bob Tan Beng Hai as director		
7.	To approve directors' fees payable by the Company		
8.	To re-appoint Deloitte & Touche LLP as Auditor of the Company and to authorise the directors to fix its remuneration		
	Special Business		
9.	To authorise directors to issue shares and to make or grant instruments convertible into ordinary shares		
10.	To authorise directors to offer/grant options and allot/issue shares pursuant to the Singapore Post Share Option Scheme 2012, and to grant awards and allot/issue shares pursuant to the Singapore Post Restricted Share Plan 2013		
11.	To approve the proposed renewal of the Shareholders Mandate for Interested Person Transactions		
12.	To approve the proposed renewal of the Share Purchase Mandate		

Dated this ______ day of __________ 2019

Total number of shares held	

____

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

IMPORTANT: Please read Notes

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Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 04910

SINGAPORE POST LIMITED
c/o M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

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Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares of the Company held by you.

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 form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (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 form of proxy 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 form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy or proxies must be lodged at the office of the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, not less than 72 hours before the time appointed for the Annual General Meeting. The submission of a Proxy Form by a member does not preclude him from attending and voting in person at the Annual General Meeting if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name 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 26 JUNE 2019

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 Paul William Coutts (*Executive Non-Independent Director*)
Mrs Fang Ai Lian (*Non-Executive Lead Independent Director*)
Mr Chen Jun (*Non-Executive Non-Independent Director*)
Ms Chu Swee Yeok (*Non-Executive Independent Director*)
Ms Lim Cheng Cheng (*Non-Executive Non-Independent Director*)
Ms Elizabeth Kong Sau Wai (*Non-Executive Independent Director*)
Mr Steven Robert Leonard (*Non-Executive Independent Director*)
Mr Bob Tan Beng Hai (*Non-Executive Independent Director*)

Registered Office:

10 Eunos Road 8
Singapore Post Centre
Singapore 408600

26 June 2019

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 27th Annual General Meeting of the Company dated 26 June 2019 (the "**Notice**") convening the 27th Annual General Meeting of the Company to be held on 18 July 2019 (the "**2019 AGM**");

(b) Ordinary Resolution No. 11 relating to the proposed renewal of the Shareholders Mandate (as defined in paragraph 2.1 below) for interested person transactions, as proposed in the Notice; and

(c) Ordinary Resolution No. 12 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 Resolution Nos. 11 and 12, 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.

2. THE PROPOSED RENEWAL OF THE SHAREHOLDERS MANDATE

2.1 **Shareholders Mandate**. At the annual general meeting of the Company held on 11 July 2018 (the "**2018 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 as set out in the Shareholders Mandate. Particulars of the Shareholders Mandate are set out in the Appendix to the Letter to Shareholders dated 19 June 2018 (the "**2018 Letter**").

2.2 **Proposed Renewal of the Shareholders Mandate**. At the 2018 AGM, the Shareholders Mandate was expressed to take effect until the conclusion of the next Annual General Meeting of the Company, being the 2019 AGM. Accordingly, the Directors of the Company (the "**Directors**") propose that the Shareholders Mandate be renewed at the 2019 AGM, to take effect until the 28th Annual General Meeting of the Company. The particulars of the interested person transactions in respect of which the Shareholders Mandate is sought to be renewed remain unchanged.

2.3 **The Appendix**. The Shareholders Mandate, including the rationale for, and the benefits to, the Company, the review procedures for determining transaction prices and other general information relating to Chapter 9 of the Listing Manual, are set out in the Appendix to this Letter.

2.4 **Audit Committee's Statement**. The Audit Committee (currently comprising Mrs Fang Ai Lian, Ms Chu Swee Yeok and Mr Bob Tan Beng Hai) confirms that:

(a) the methods or procedures for determining transaction prices under the Shareholders Mandate have not changed since the 2018 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 Resolution 11, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2019 AGM. The Company will disregard any votes cast by Temasek, Singtel and their respective associates on Resolution 11.

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 Resolution 11, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2019 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 Resolution 11.

Each of the Directors and their respective associates will also decline to accept appointment as proxy for any Shareholder to vote in respect of Resolution 11, unless the Shareholder concerned shall have given instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Resolution 11.

3. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

3.1 **Share Purchase Mandate**. Shareholders had approved the renewal of the mandate (the "**Share Purchase Mandate**") to enable the Company to purchase or otherwise acquire ordinary shares of the Company ("**Shares**") at the 2018 AGM. The authority and limitations on the Share Purchase Mandate were set out in the 2018 Letter and Resolution 10 set out in the Notice of the 2018 AGM.

The Share Purchase Mandate was expressed to take effect on the date of the passing of Resolution 10 at the 2018 AGM and will expire on the date of the forthcoming 2019 AGM to be held on 18 July 2019. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the 2019 AGM.

As at 31 May 2019, being the latest practicable date prior to the printing of this Letter (the "**Latest Practicable Date**"), the Company had purchased or acquired an aggregate of 14,300,000 Shares by way of Market Purchases (as defined in paragraph 3.3.3 below) pursuant to the Share Purchase Mandate approved by Shareholders at the 2018 AGM. The highest and lowest price paid was S$1.340 and S$0.900 per Share respectively and the total consideration paid for all purchases was S$15,142,071.44, excluding commission, brokerage and goods and services tax.

As at the Latest Practicable Date, the Company had 25,511,422 treasury shares and no subsidiary holdings (as defined in the Listing Manual)[1].

[1] "Subsidiary holdings" is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50 of Singapore.

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 2019 AGM, are substantially the same as were previously approved by Shareholders at the 2018 AGM, and 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 2019 AGM. Treasury shares and subsidiary holdings will be disregarded for purposes of computing the 10% limit.

Purely for illustrative purposes, on the basis of 2,275,089,525 Shares in issue as at the Latest Practicable Date (out of which 25,511,422 Shares were held in treasury and no shares were held as subsidiary holdings as at the Latest Practicable Date), and assuming that on or prior to the 2019 AGM, (i) no further Shares are issued, (ii) no further Shares are purchased or acquired, or held by the Company as treasury shares, and (iii) no Shares are held as subsidiary holdings, not more than 224,957,810 Shares (representing 10% of the Shares in issue as at that date and disregarding the 25,511,422 Shares held in treasury) may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate.

3.3.2 ***Duration of Authority***

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2019 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, Chapter 50 of Singapore (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 after the relevant five-day period; 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 2020 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, Chapter 50 of Singapore.

3.6.2 ***Voting and Other Rights***

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

3.6.3 ***Disposal and Cancellation***

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Singapore Code on Take-overs and Mergers (the "**Takeover Code**"):

(a) sell the treasury shares for cash;

(b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;

(c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(d) cancel the treasury shares; or

(e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of outstanding shares before and after such sale, transfer, cancellation and/or use and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

3.7 **Financial Effects**. The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The financial effects on the Group and the Company, based on the audited financial statements of the Group and the Company for the financial year ended 31 March 2019, are based on the assumptions set out below:

3.7.1 ***Maximum Price Paid for Shares Acquired or Purchased***

In the case of both Market Purchases and Off-Market Purchases by the Company and assuming that the Company purchases or acquires 224,957,810 Shares (representing 10% of the Shares in issue as at the Latest Practicable Date and disregarding the Shares held in treasury as at such date) at the maximum price of S$0.979 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 224,957,810 Shares is S$220,233,696.

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 2019 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 2019 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 2020 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 2019				
Share capital	638,762	550,669	638,762	550,669
Capital reserves	35,935	35,935	–	–
Other reserves	42,089	42,089	40,127	40,127
Revenue reserves	579,633	447,492	585,832	453,691
	1,296,419	1,076,185	1,264,721	1,044,487
Treasury shares	(30,174)	(30,174)	(30,174)	(30,174)
Ordinary equity	1,266,245	1,046,011	1,234,547	1,014,313
Perpetual securities	346,826	346,826	346,826	346,826
	1,613,071	1,392,837	1,581,373	1,361,139
Net tangible assets (NTA)	1,353,025	1,132,791	1,581,373	1,361,139
Current assets	686,228	465,994	545,150	324,916
Current liabilities	851,777	851,777	735,463	735,463
Total borrowings	290,876	290,876	268,581	268,581
Cash and cash equivalents	392,220	171,986	330,266	110,032
Number of shares ('000)	2,249,578	2,024,620	2,249,578	2,024,620
Financial ratios				
Basic earnings per share (cents)	0.18	0.18	(3.25)	(3.25)
NTA per share (cents)	60.1	56.0	70.3	67.2
Gross gearing (%)	23.0	27.8	21.8	26.5
Net debt gearing (%)	n.m.	11.4	n.m.	15.6
Current ratio (%)	80.6	54.7	74.1	44.2

Scenario B

Market Purchases or Off-Market Purchases of up to 10% made as to 6% out of profits and as to 4% out of capital and held in treasury

	Group		Company	
	Before share purchase S$'000	**After share purchase S$'000**	**Before share purchase S$'000**	**After share purchase S$'000**
As at 31 March 2019				
Share capital	638,762	638,762	638,762	638,762
Capital reserves	35,935	35,935	–	–
Other reserves	42,089	42,089	40,127	40,127
Revenue reserves	579,633	579,633	585,832	585,832
	1,296,419	1,296,419	1,264,721	1,264,721
Treasury shares	(30,174)	(227,930)	(30,174)	(227,930)
Ordinary equity	1,266,245	1,068,489	1,234,547	1,037,791
Perpetual securities	346,826	346,826	346,826	346,826
	1,613,071	1,415,315	1,581,373	1,383,617
Net tangible assets (NTA)	1,353,025	1,155,269	1,581,373	1,383,617
Current assets	686,228	488,472	545,150	347,394
Current liabilities	851,777	851,777	735,463	735,463
Total borrowings	290,876	290,876	268,581	268,581
Cash and cash equivalents	392,220	194,464	330,266	132,510
Number of shares ('000)	2,249,578	2,047,580	2,249,578	2,047,580
Financial ratios				
Basic earnings per share (cents)	0.18	0.18	(3.25)	(3.25)
NTA per share (cents)	60.1	56.4	70.3	67.6
Gross gearing (%)	23.0	27.2	21.8	25.9
Net debt gearing (%)	n.m.	9.0	n.m.	13.1
Current ratio (%)	80.6	57.3	74.1	47.2

Notes:

The number of Shares which may be held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. As 25,511,422 Shares have been bought back and held as treasury shares as at the Latest Practicable Date, the maximum number of Shares which may be held as treasury shares will be reduced from 227,508,952 Shares to 201,997,530 Shares. The financial effects under Scenario A is computed based on 224,957,810 Shares purchased and cancelled. The financial effects under Scenario B is computed based on 201,997,530 additional Shares purchased and held as treasury shares.

"n.m." means "not meaningful".

3.8 **Listing Status of the Shares**. The Listing Manual requires a listed company to ensure that at least 10% of equity securities (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public. As at the Latest Practicable Date, Singtel has a direct interest in 494,000,000 Shares representing approximately 21.96% of the issued Shares (excluding the Shares held in treasury) as at that date, Temasek has a deemed interest in 497,123,422 Shares (including the Shares held by Singtel) representing approximately 22.10% 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 63.17% 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 59.08% 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, Chapter 237A (the "**Postal Services Act**") currently provides, *inter alia*, that:

(a) no person shall, whether through a series of transactions over a period of time or otherwise, become a 12% controller or a 30% controller of a designated postal licensee (the "**Prescribed Limits**"); and

(b) no person shall enter into any other transaction that constitutes a consolidation with a designated postal licensee,

without obtaining the prior written approval of the Info-communications Media Development Authority of Singapore (the "**IMDA**"), unless otherwise exempted in accordance with any applicable exemption issued under the Postal Services Act.

For the purposes of this paragraph 3.9:

"**consolidation**" means any transaction that, *inter alia*, results in a party becoming a 30% controller of a designated postal licensee, acquiring the business of a designated postal licensee as a going concern or obtaining effective control over a designated postal licensee;

"**12% controller**", in relation to a designated postal licensee, means a person, not being a 30% controller, who alone or together with his associates, (i) holds 12% or more of the total number of voting shares in the designated postal licensee; or (ii) is in a position to control 12% or more of the voting power in the designated postal licensee;

"**30% controller**", in relation to a designated postal licensee, means a person who alone or together with his associates, (i) holds 30% or more of the total number of voting shares in the designated postal licensee; or (ii) is in a position to control 30% or more of the voting power in the designated postal licensee;

"**designated postal licensee**" means a postal licensee (i) which has been declared by the IMDA, by notification published in the *Gazette*, to be a designated postal licensee; or (ii) which is within a class of postal licensees which has been declared by the IMDA, by notification published in the *Gazette*, to be a designated class of postal licensees, for the purposes of Part IVA of the Postal Services Act. The Company has been gazetted as a designated postal licensee; and

"**effective control**" means the ability to cause a designated postal licensee to take, or prevent a designated postal licensee from taking, a decision regarding the management and major operating decisions of the designated postal licensee.

Pursuant to the Postal Services Act, if the IMDA is satisfied that a Shareholder and/or his associates have reached or exceeded the Prescribed Limits in contravention of the Postal Services Act or that the holding or acquisition of voting shares, or control of voting power in the Company by such Shareholder and/or his associates is likely to substantially lessen competition or is against the public interest, or in other specified circumstances, the IMDA may issue certain directions, including but not limited to requiring such Shareholder and/or his associates to divest all or part of the voting shares which it holds or may have acquired in the Company, or require the Company to restrict the voting rights or dividend rights that the Shareholder holds or has obtained through the acquisition of such voting shares.

As a result of a purchase or acquisition of Shares by the Company, the shareholding percentage of a holder of Shares (whose Shares were not the subject of such purchase or acquisition by the Company) in the Shares of the Company immediately following any purchase or acquisition of Shares by the Company will increase correspondingly.

The Company wishes to draw the attention of Shareholders to the following consequences of a purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate, if the renewal of the Share Purchase Mandate is approved by Shareholders:

A purchase or acquisition of Shares by the Company may inadvertently cause a person to reach or exceed the Prescribed Limits (in particular, a person who is currently close to any of the Prescribed Limits). Shareholders who are close to any of the Prescribed Limits and who may exceed any such limits by reason of a purchase or acquisition of Shares by the Company are advised to inform the Company and seek the prior approval of the IMDA to reach or exceed the Prescribed Limits, on such terms as may be imposed by the IMDA, as a consequence of any purchase or acquisition of Shares by the Company. Shareholders who are in any doubt as to the action that they should take should consult their professional advisers.

In addition to the above, Section 8 of the Postal Competition Code 2017, which was issued by the IMDA on 29 May 2017 and which came into effect on 9 June 2017 (the "**Postal Competition Code**") provides some additional guidance on the purchase or acquisition of Shares by the Company. Section 8 states that before entering into any such purchase or acquisition of Shares by the Company, the Company must calculate the percentage of voting shares held by each Shareholder following such purchase or acquisition. If, as a result of such purchase or acquisition:

(i) any Shareholder who previously held less than 5% of the total number of voting shares in the Company, or had control of less than 5% of the voting power in the Company would, after the transaction, hold 5% or more, but less than 12% of the voting shares in the Company, or control 5% or more but less than 12% of the voting power in the Company, the Company may proceed with such purchase or acquisition and shall file the appropriate notification pursuant to the Postal Competition Code; and

(ii) any Shareholder will become a 12% controller of, or will enter into a consolidation with the Company, the Company and that Shareholder must seek the approval of the IMDA before the Company proceeds with such purchase or acquisition.

3.10 **Take-over Implications**. Appendix 2 of the 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 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 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 sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealing set out in Rule 1207(19)(c) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of two weeks immediately preceding the announcement of the Company's results for each of the first three quarters of the financial year, and during the period of one month immediately preceding the announcement of the Company's annual results.

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)]**
Simon Israel	–	–	–	–
Paul William Coutts	–	–	–	–
Fang Ai Lian	–	–	–	–
Chen Jun	–	–	–	–
Chu Swee Yeok	–	–	–	–
Lim Cheng Cheng	–	–	–	–
Elizabeth Kong Sau Wai	–	–	–	–
Steven Robert Leonard	–	–	–	–
Bob Tan Beng Hai	–	–	–	–

Note:

(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.

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	–	497,123,422[(2)]	497,123,422	22.10
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	327,649,907[(3)]	14.56
SoftBank Group Corp.	–	327,649,907	327,649,907[(4)]	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 subsidiaries, Singapore Telecommunications Limited, ST Asset Management Ltd. and its associated company, DBS Group Holdings Ltd.

(3) Deemed through its subsidiary, Alibaba Investment Limited.

(4) Deemed through Alibaba Group Holding Limited which is the holding company of Alibaba Investment Limited.

5. DIRECTORS' RECOMMENDATIONS

5.1 **The Proposed Renewal of the Shareholders Mandate**. All the Directors are interested persons (as described in paragraph 4.1 of the Appendix to this Letter). Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of Resolution 11, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2019 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 Resolution 12, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2019 AGM.

6. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 10 Eunos Road 8, Singapore Post Centre, Singapore 408600, during normal business hours from the date of this Letter up to the date of the 2019 AGM:

(a) the Constitution of the Company;

(b) the Annual Report of the Company for the financial year ended 31 March 2019; and

(c) the 2018 Letter.

The Annual Report of the Company for the financial year ended 31 March 2019 and the 2018 Letter may also be accessed at the URL https://www.singpost.com/about-us/investor-centre/annual-reports and https://www.singpost.com/about-us/investor-centre/shareholders-meetings respectively.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the Proposals, and the Company and its subsidiaries which are relevant to the Proposals, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

Yours faithfully
for and on behalf of
the Board of Directors of
SINGAPORE POST LIMITED

Simon Israel
Chairman

THE SHAREHOLDERS MANDATE

1. Chapter 9 of the Listing Manual

1.1 Chapter 9 of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company's interested persons. When this Chapter applies to a transaction and the value of that transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for that transaction.

1.2 Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated net tangible assets ("**NTA**")) are reached or exceeded. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or which exceeds:

(a) 5% of the listed company's latest audited consolidated NTA; or

(b) 5% of the listed company's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

1.3 Based on the latest audited consolidated financial statements of Singapore Post Limited ("**SingPost**") and its subsidiaries (the "**SingPost Group**") for the financial year ended 31 March 2019, the consolidated NTA of the SingPost Group was S$1,353,025,000. 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 2020 are published, 5% of the latest audited consolidated NTA of the SingPost Group would be S$67,651,250.

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;

(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.

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 18 July 2019 until the next Annual General Meeting of the Company. Thereafter, it is intended that approval from Shareholders for a subsequent renewal of the Shareholders Mandate will be sought at each subsequent Annual General Meeting of the Company.

4. Classes of Interested Persons

4.1 The Shareholders Mandate applies to Interested Person Transactions which are carried out with the following classes of Interested Persons:

(a) Temasek Holdings (Private) Limited and its associates (excluding Singapore Telecommunications Limited ("**Singtel**") and its associates) (the "**Temasek Group**");

(b) Singtel and its associates (the "**Singtel Group**"); and

(c) Directors, Chief Executive Officer(s) and controlling shareholders of the Company (other than the controlling shareholders described in sub-paragraphs (a) and (b) above) and their respective associates.

4.2 Transactions with Interested Persons which do not fall within the ambit of the Shareholders Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

5. Interested Person Transactions

The Interested Person Transactions with the Interested Persons which are covered by the Shareholders Mandate, and the benefits to be derived therefrom, relate to general transactions ("**General Transactions**") in connection with the provision to, or the obtaining from, Interested Persons of products and services in the normal course of business of the EAR Group or which are necessary for the day-to-day operations of the EAR Group (but not in respect of the purchase or sale of assets, undertakings or businesses) comprising the following:

(a) provision of postal services;

(b) provision of fulfilment, warehousing and logistics services;

(c) provision of agency services;

(d) provision and distribution of financial services;

(e) provision of electronic printing and despatching services;

(f) provision of data, document and mail management services;

(g) leasing or rental of premises as lessor and/or lessee;

(h) provision or procurement of software and licensing services, information services, engineering, repair, servicing and technical services;

(i) selling of advertisement space;

(j) provision or procurement of transportation, despatching and conveyance services (including air, sea and land) and freight services;

(k) procurement of communication and all other forms of utility services and products;

(l) procurement, lease or rental of vehicles, equipment, parts, components, repair and maintenance services;

(m) procurement of services for the production of stamps, philatelic products and stationeries;

(n) procurement of security services;

(o) procurement of insurance;

(p) procurement of management and consultancy services;

(q) provision or obtaining of property management, property security, building maintenance services and consultancy services; and

(r) provision or obtaining of such products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services referred to in sub-paragraphs (a) to (q) above.

6. Review Procedures for Interested Person Transactions

6.1 In general, there are procedures established by the EAR Group to ensure that transactions with Interested Persons are undertaken on normal commercial terms consistent with the EAR Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to unrelated third parties.

In particular, the following review procedures have been implemented:

(a) *Provision of services or the sale of products*

The review procedures are:

(i) all contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market rates or prices of the service or product providers, on terms which are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms; and

(ii) where the prevailing market rates or prices are not available due to the nature of service to be provided or the product to be sold, the EAR Group's pricing for such services to be provided or products to be sold to Interested Persons is determined in accordance with the EAR Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the EAR Group for the same or substantially similar type of contract or transaction with unrelated third parties. In determining the transaction price payable by Interested Persons for such services or products, factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account.

(b) *Obtaining of services or the purchasing of products*

The review procedures are:

(i) all contracts entered into or transactions with Interested Persons are to be carried out by obtaining quotations (wherever possible or available) from at least two other unrelated third party suppliers for similar quantities and/or quality of services or products, prior to the entry into of the contract or transaction with the Interested Person, as a basis for comparison to determine whether the prices and terms offered by the Interested Person are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of services or products. In determining whether the prices and terms offered by the Interested Person are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account; and

(ii) in the event that such competitive quotations cannot be obtained (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), the senior management staff of the relevant company in the EAR Group (with no interest, direct or indirect in the transaction), will determine whether the prices and terms offered by the Interested Person are fair and reasonable.

(c) *Threshold limits*

In addition to the review procedures described above, the EAR Group will also ensure that the Interested Person Transactions are undertaken with Interested Persons on normal commercial terms and are not prejudicial to the Company and its minority Shareholders by categorising the transactions as follows:

(i) a Category 1 General Transaction is one where the value thereof is equal to or more than 5% of the latest audited consolidated NTA of the SingPost Group; and

(ii) a Category 2 General Transaction is one where the value is less than 5% of the latest audited consolidated NTA of the SingPost Group.

Category 1 General Transactions must be reviewed and endorsed by the Audit Committee and approved by the Board or other Board Committees, in accordance with the Company's approval limits, prior to their entry with an Interested Person.

Category 2 General Transactions need not be reviewed and endorsed by the Audit Committee prior to their entry with an Interested Person, but shall be reviewed on a quarterly basis by the Audit Committee.

6.2 SingPost will maintain and update the list of companies within the EAR Group and the list of Interested Persons and inform the heads of departments and/or companies within the EAR Group for the purposes of identification of Interested Persons and the recording of all Interested Person Transactions.

6.3 SingPost will review the procedures set out above from time to time to ensure that these remain adequate and appropriate.

6.4 A register will be maintained by SingPost to record all Interested Person Transactions (and the basis on which they are entered into) which are entered into pursuant to the Shareholders Mandate. The annual internal audit plan of SingPost shall incorporate a review of all Interested Person Transactions entered into in the relevant financial year pursuant to the Shareholders Mandate.

6.5 The internal auditors of SingPost shall, on a quarterly basis, report to the Audit Committee on Interested Person Transactions, and the basis of such transactions, entered into by the EAR Group.

6.6 The Audit Committee shall review the internal audit reports on Interested Person Transactions to ascertain that the Interested Person Transactions are entered into with Interested Persons on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders and that the established review procedures for the Interested Person Transactions have been complied with.

6.7 In the event that a member of the Audit Committee, Board or other Board Committees (where applicable) is interested in any Interested Person Transaction, he will abstain from any decision-making in respect of that transaction and the review, endorsement and approval of that transaction will be undertaken by the remaining members of the Audit Committee, Board and/or other Board Committees.

7. Audit Committee's Statements

7.1 The Audit Committee (currently comprising Mrs Fang Ai Lian, Ms Chu Swee Yeok and Mr Bob Tan Beng Hai) has reviewed the terms of the Shareholders Mandate, as proposed to be renewed, and is satisfied that the review procedures for Interested Person Transactions, as well as the reviews to be made periodically by the Audit Committee (with internal audit assistance) in relation thereto, are sufficient to ensure that Interested Person Transactions will be made with the relevant class of Interested Persons on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

7.2 If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the established guidelines and procedures are not sufficient to ensure that the Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, SingPost will revert to Shareholders for a fresh mandate based on new procedures for transactions with Interested Persons.

8. Disclosure

8.1 SingPost will announce the aggregate value of transactions conducted with Interested Persons pursuant to the Shareholders Mandate for the quarterly 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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