DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

For the financial year ended 31 March 2024

The directors present their statement to the members together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2024.

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 127 to 243 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

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

DIRECTORS

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

Mr Simon Claude Israel (Chairman)	
Mr Phang Heng Wee, Vincent (Group Chief Executive Officer)	
Mr Bob Tan Beng Hai	
Ms Elizabeth Kong Sau Wai	
Mrs Fang Ai Lian	
Ms Lim Cheng Cheng	
Ms Chu Swee Yeok	
Mr Gan Chee Yen	(Appointed on 31 October 2023)
Ms Yasmin Binti Aladad Khan	(Appointed on 1 January 2024)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share Options" and "Restricted Share Plan" on pages 116 to 120 of this statement.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2024

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

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

(1) Deemed interest through spouse

(b) According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967, certain directors holding office at the end of the financial year had interests in the options to subscribe for ordinary shares of the Company granted pursuant to the Singapore Post Share Option Scheme, unvested restricted shares and unvested performance share awards of the Company granted pursuant to Singapore Post Restricted Share Plan 2013 as set out below and under "Share Options" and "Restricted Share Plan" on pages 116 to 120 of this statement.

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

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

DIRECTORS' STATEMENT

For the financial year ended 31 March 2024

SHARE OPTIONS

The Singapore Post Share Option Scheme was adopted on 21 March 2003, and a new scheme, known as Singapore Post Share Option Scheme 2012 was adopted on 29 June 2012; collectively known as the "Scheme". The Scheme is administered by the Compensation Committee comprising Mr Bob Tan Beng Hai (Chairman), Mr Simon Claude Israel, Mrs Fang Ai Lian and Ms Yasmin Binti Aladad Khan (from 8 February 2024) during the financial year ended 31 March 2024.

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

The principal terms of the Scheme are as follows:

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

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

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

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

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

DIRECTORS' STATEMENT

For the financial year ended 31 March 2024

SHARE OPTIONS (continued)

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

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

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

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

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

During the financial year ended 31 March 2024, no share options were granted. At the end of the financial year, details of the options granted and the number of unissued ordinary shares of the Company under options outstanding are as follows:

			Number of ordinary shares under options outstanding				
Date of Grant	Exercise Period	Exercise Price	Balance At 1.4.23 ('000)	Granted during financial year ('000)	Options exercised ('000)	Options forfeited ('000)	Balance At 31.3.24 ('000)
Options Granted Under Singapore Post Share Options Scheme For employees (including executive directors)							
17.01.14	18.01.17 to 17.01.24	S$1.350	375	–	–	375	–
07.03.14	08.03.17 to 07.03.24	S$1.330	375	–	–	375	–
20.05.14	21.05.15 to 20.05.24	S$1.450	308	–	–	–	308
07.08.14	08.08.15 to 07.08.24	S$1.760	32	–	–	–	32
19.05.15	20.05.16 to 19.05.25	S$1.890	1,197	–	–	290	907
20.05.16	21.05.17 to 20.05.26	S$1.570	966	–	–	50	916
Total Share Options			**3,253**	**–**	**–**	**1,090**	**2,163**

DIRECTORS' STATEMENT

For the financial year ended 31 March 2024

SHARE OPTIONS (continued)

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

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

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

RESTRICTED SHARE PLAN

The Singapore Post Restricted Share Plan 2013 (the "Plan") was implemented with the approval of shareholders at the Extraordinary General Meeting held on 28 June 2013. The duration of the Plan is 10 years commencing from 28 June 2013 and was further extended for another 10 years up to 27 June 2033. The Plan allows fully paid shares to be granted to non-executive directors of the Group and associated companies.

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

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

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

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

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

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

DIRECTORS' STATEMENT

For the financial year ended 31 March 2024

ENHANCED PLAN

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

(a) Performance Share Award; and

(b) Restricted Share Award.

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

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

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

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

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

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

Performance Share Awards

Since the adoption of the Enhanced Plan to 31 March 2023, a total of 7,264,569 shares have been granted.

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

Date of Grant	Balance As At 1.4.23 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.24 ('000)
31.05.19	591	–	–	591	–
01.06.20	455	–	–	–	455
20.01.22	269	–	–	–	269
03.06.22	1,244	–	–	–	1,244
Total	**2,559**	**–**	**–**	**591**	**1,968**

DIRECTORS' STATEMENT

For the financial year ended 31 March 2024

ENHANCED PLAN (continued)

Restricted Share Awards

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

During the financial year ended 31 March 2024, 5,520,424 shares were granted. Details of the grants are as follows:

Date of Grant	Balance As At 1.4.23 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.24 ('000)
31.05.19	881	–	–	881	–
01.06.20	1,354	–	–	136	1,218
20.01.22	768	–	–	36	732
03.06.22	2,567	–	–	331	2,236
08.06.23	–	5,520	–	–	5,520
Total	**5,570**	**5,520**	–	**1,384**	**9,706**

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

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

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

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

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

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

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

DIRECTORS' STATEMENT

For the financial year ended 31 March 2024

AUDIT COMMITTEE

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

Mrs Fang Ai Lian (Chairman)
Mr Bob Tan Beng Hai
Ms Chu Swee Yeok
Mr Gan Chee Yen (Appointed to the Audit Committee on 8 February 2024)

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

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

The Audit Committee has reviewed the overall scope, plans and results of both internal and independent audits and the assistance given by the Company's officers to the auditors. It has met with the Company's internal and independent auditors to discuss the results of their respective examinations and evaluations of the Company's system of internal accounting controls.

The Audit Committee has also reviewed the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2024 as well as the independent auditor's report thereon prior to their submission to the Board of Directors for approval.

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

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

AUDITOR

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

On behalf of the directors

Mr Simon Claude Israel
Chairman

Mr Phang Heng Wee, Vincent
Director

Singapore

29 May 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Singapore Post Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 127 to 243.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2024, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Our audit performed and responses thereon
Assessment of impairment of goodwill and other intangible assets *Refer to Note 3.9 to the financial statements.* As at 31 March 2024, the goodwill and other intangible assets amounted to S$492.5 million and S$143.8 million respectively. Management has determined the recoverable amounts of respective cash-generating units ("CGUs") based on value-in-use calculations. Management's assessment of the recoverable amounts of the CGUs involves significant judgement about the future cash flow projections of the business and the appropriate terminal growth rates and discount rates applied to these future cash flow projections. In arriving at the recoverable amounts, management has considered strategies and plans that have been approved by the Board and are in the process of being implemented. Management has considered the performance of the different CGUs during the current financial year and the economic environment which these CGUs operate in to develop the future cash flow projections. Overall, management has assessed that there is no impairment of goodwill and other intangible assets as the recoverable amount is higher than the carrying value as at 31 March 2024.	Our key audit procedures focused on evaluating amongst others, the key assumptions used by management in performing the impairment review. These key audit procedures included: • obtaining an understanding of the relevant internal controls to address significant risk of impairment associated with goodwill and other intangible assets, and whether they are properly designed and implemented by management; • evaluating the appropriateness of allocation of goodwill and other intangible assets to the respective CGUs; • challenging management's future cash flow projections through comparison with recent performance, historical trend analyses, expectations of future development of the business and market conditions and publicly available industry and economic data; • involving our specialists to evaluate the appropriateness of management's assumptions, which include terminal growth rates and discount rates, by developing an independent expectation using economic and industry forecasts and rates of comparable companies with consideration for specific jurisdiction factors; • comparing current year's actual results against prior year's forecasts to assess whether assumptions made in prior year on hindsight had been reasonable; and • performing sensitivity analysis over the recoverable amounts of the Group's CGUs, based on reasonably possible changes in the key assumptions as set out above. We have evaluated the adequacy of the Group's disclosures made in relation to goodwill and other intangible assets and found them to be adequate.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

Key Audit Matter	Our audit performed and responses thereon
Valuation of investment properties *Refer to Note 3.6 to the financial statements.* As at 31 March 2024, the Group's investment properties amounted to S$1,002.3 million, representing 32% of the Group's total assets. These investment properties are stated at their fair values based on independent external valuations. The net fair value gain on investment properties recognised during the year amounted to S$38.4 million. The valuation of these investment properties (primarily Singapore Post Centre) located in Singapore is inherently subjective as it involves judgement in determining the appropriate valuation methodologies to be used, the underlying assumptions to be applied and consideration of terms and conditions and restrictions in the property agreements. The assumptions on which the property values are based, are influenced by the tenure and tenancy details for each property, prevailing market yields, comparable market transactions and market conditions during the year.	We obtained an understanding of the Group's process for selection of the external valuer. We evaluated the qualifications and competence of the external valuer and read the engagement terms to determine whether there were any matters that might have affected their independence and objectivity or imposed a limitation on the scope of their work. We held discussions with the valuer to understand the basis of valuation techniques and assumptions applied on the properties' valuations. With the involvement of our internal valuation specialists, we evaluated the appropriateness of the valuation techniques used by the external valuer for the key investment properties. We benchmarked and challenged the key assumptions used in their valuation by reference to externally published industry data, where available, and we also considered whether these assumptions are consistent with the current market environment. We also considered the adequacy of the disclosures in the financial statements regarding the key assumptions used in the valuation and the relationships between the key unobservable inputs and fair values and found them to be adequate.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Mr Yang Chi Chih.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants

Singapore

29 May 2024

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2024

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2024

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

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

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2024

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

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2024

	Note	Attributable to ordinary shareholders of the Company Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000	Perpetual securities S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
Group										
Balance at 1 April 2023		638,762	(29,516)	598,558	(77,620)	1,130,184	251,504	1,381,688	(7,390)	1,374,298
Total comprehensive income for the year		–	–	78,333	(10,756)	67,577	–	67,577	972	68,549
Transactions with owners, recognised directly in equity										
Acquisition of non-controlling interest	(a)	–	–	–	(49,344)	(49,344)	–	(49,344)	49,344	–
Distribution of perpetual securities	5.5	–	–	(10,905)	–	(10,905)	10,905	–	–	–
Distribution paid on perpetual securities		–	–	–	–	–	(10,875)	(10,875)	–	(10,875)
Dividends paid to shareholders	5.6	–	–	(13,050)	–	(13,050)	–	(13,050)	–	(13,050)
Dividends paid to non-controlling interests in subsidiaries		–	–	–	–	–	–	–	(5,443)	(5,443)
Issuance of shares to employee	5.4(b)(iv)	–	273	–	(179)	94	–	94	–	94
Employee share option scheme:										
– Value of employee services	5.4(b)(i)	–	–	235	7,157	7,392	–	7,392	–	7,392
Total		–	273	(23,720)	(42,366)	(65,813)	30	(65,783)	43,901	(21,882)
Balance at 31 March 2024		638,762	(29,243)	653,171	(130,742)	1,131,948	251,534	1,383,482	37,483	1,420,965

Note

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2024

	Note	Attributable to ordinary shareholders of the Company Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000	Perpetual securities S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
Group										
Balance at 1 April 2022		638,762	(29,724)	616,527	81,841	1,307,406	–	1,307,406	(165,305)	1,142,101
Total comprehensive income for the year		–	–	24,679	(4,683)	19,996	–	19,996	15,025	35,021
Transactions with owners, recognised directly in equity										
Acquisition of non-controlling interest	(a)	–	–	–	(152,860)(ii)	(152,860)	–	(152,860)	152,873	13
Issuance of perpetual securities	5.5	–	–	–	–	–	248,972	248,972	–	248,972
Distribution of perpetual securities	5.5	–	–	(10,726)	–	(10,726)	10,726	–	–	–
Distribution paid on perpetual securities		–	–	–	–	–	(8,194)	(8,194)	–	(8,194)
Dividends paid to shareholders	5.6	–	–	(33,296)	–	(33,296)	–	(33,296)	–	(33,296)
Dividends paid to non-controlling interests in a subsidiary		–	–	–	–	–	–	–	(9,983)	(9,983)
Issuance of shares to employee	5.4(b)(iv)	–	208	–	(104)	104	–	104	–	104
Employee share option scheme:										
– Value of employee services	5.4(b)(i)	–	–	1,374	(1,814)	(440)	–	(440)	–	(440)
Total		–	208	(42,648)	(154,778)	(197,218)	251,504	54,286	142,890	197,176
Balance at 31 March 2023		638,762	(29,516)	598,558	(77,620)	1,130,184	251,504	1,381,688	(7,390)	1,374,298

Note

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

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

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2024

	Note	Attributable to ordinary shareholders of the Company				
		Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000
Company						
Balance at 1 April 2023		**638,762**	**(29,516)**	**563,683**	**35,390**	**1,208,319**
Total comprehensive income for the year		**–**	**–**	**47,829**	**208**	**48,037**
Transactions with owners, recognised directly in equity						
Dividends paid to shareholders	5.6	**–**	**–**	**(13,050)**	**–**	**(13,050)**
Issuance of shares to employee	5.4(b)(iv)	**–**	**273**	**–**	**(179)**	**94**
Employee share option scheme:						
– Value of employee services	5.4(b)(i)	**–**	**–**	**235**	**675**	**910**
Total		**–**	**273**	**(12,815)**	**496**	**(12,046)**
Balance at 31 March 2024		**638,762**	**(29,243)**	**598,697**	**36,094**	**1,244,310**
Balance at 1 April 2022		638,762	(29,724)	587,328	37,308	1,233,674
Total comprehensive income for the year		–	–	8,277	–	8,277
Transactions with owners, recognised directly in equity						
Dividends paid to shareholders	5.6	–	–	(33,296)	–	(33,296)
Issuance of shares to employee	5.4(b)(iv)	–	208	–	(104)	104
Employee share option scheme:						
– Value of employee services	5.4(b)(i)	–	–	1,374	(1,814)	(440)
Total		–	208	(31,922)	(1,918)	(33,632)
Balance at 31 March 2023		638,762	(29,516)	563,683	35,390	1,208,319

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2024

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2024

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

Significant non-cash transaction

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

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

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

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

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

1.1 Basis of preparation

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

The financial statements are expressed in Singapore dollars.

1.2 Adoption of new and revised standards

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

1. GENERAL INFORMATION (continued)

1.2 Adoption of new and revised standards (continued)

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

The Group and the Company have adopted the amendments to SFRS(I) 1-12 for the first time in the current year. The scope of SFRS(I) 1-12 was amended to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules.

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

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

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

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

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

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

1.3 Material accounting policy information

1.3.1 Group Accounting

Company's separate financial statements

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

1. GENERAL INFORMATION (continued)

1.3 Material accounting policy information (continued)

1.3.2 Foreign currency transactions and translation

Functional and presentation currency

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

Transactions and balances

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

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

Translation of Group entities' financial statements

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

1. GENERAL INFORMATION (continued)

1.3 Material accounting policy information (continued)

1.3.3 Fair value measurement

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

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

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

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

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

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

1.3.4 Financial instruments

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

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

Financial assets are initially measured at fair value (except for trade receivables that do not have a significant financing component which are measured at transaction price). Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

1. GENERAL INFORMATION (continued)

1.3 Material accounting policy information (continued)

1.3.4 Financial instruments (continued)

(i) Classification of financial assets

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

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

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

(ii) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables that are measured at amortised cost or at FVTOCI as well as on loan commitments and financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The ECL incorporates forward-looking information and is a probability weighted estimate of the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. Details about the Group's credit risk management and impairment policies are disclosed in Note 4.5(b).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

1. GENERAL INFORMATION (continued)

1.3 Material accounting policy information (continued)

1.3.4 Financial instruments (continued)

(iii) Derecognition of financial assets

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

Financial liabilities and equity

(i) Classification as debt or equity

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

(ii) Equity instruments

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

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

(iii) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.3.5 Impairment of non-financial assets

(a) Goodwill

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

1. GENERAL INFORMATION (continued)

1.3 Material accounting policy information (continued)

1.3.5 Impairment of non-financial assets (continued)

(a) *Goodwill* (continued)

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

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

(b) *Trademarked brand with indefinite useful life*

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

1. GENERAL INFORMATION (continued)

1.4 Critical accounting judgements and key sources of estimation uncertainty

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

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

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

1.4.2 Key sources of estimation uncertainty

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

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

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

Estimated impairment of other non-financial assets

Property, plant and equipment (Note 3.7), right-of-use assets (Note 3.8) and investments in subsidiaries (Note 6.1), associated companies and joint ventures (Note 6.2) are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amount of an asset, and where applicable, a CGU, is determined based on the higher of fair value less costs to sell and value-in-use calculation prepared on the basis of management's assumptions and estimates.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

1. GENERAL INFORMATION (continued)

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

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

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

1.5.2 Significant acquisition of a subsidiary

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

2. GROUP PERFORMANCE

2.1 Segment information

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

SingPost Group classifies the reporting of business units into three key business segments, namely Post and Parcel, Logistics and Property.

- ***Post and Parcel*** segment comprises the core postal and parcel delivery business of the Group. This includes Domestic post and parcels, International post and parcels, as well as products and services transacted at the post offices.

- ***Logistics*** segment comprises the logistics businesses of the Group. The services are divided into freight forwarding and eCommerce logistics, which includes front-end related eCommerce solutions, warehousing, fulfilment, delivery and other value-added services in Asia Pacific.

- ***Property*** segment includes the provision of commercial property rental, as well as the self-storage business.

All other segments comprising unallocated corporate overhead items are categorised as Others.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.1 Segment information (continued)

(a) *Segment revenues and results*

The following is an analysis of the Group's revenues and results by reportable segments that were provided to the CODM for the financial years ended 31 March 2024 and 2023.

	Post and Parcel S$'000	Logistics S$'000	Property S$'000	Eliminations S$'000	Total S$'000	All other segments S$'000	Total S$'000
Group							
Full year ended 31 March 2024							
Revenue:							
– External	**499,440**	**1,131,263**	**56,040**	**–**	**1,686,743**	**–**	**1,686,743**
– Inter-segment	**14,664**	**34,027**	**21,640**	**(70,331)**	**–**	**–**	**–**
	514,104	**1,165,290**	**77,680**	**(70,331)**	**1,686,743**	**–**	**1,686,743**
Operating profit / (loss)	**7,496**	**67,370**	**42,228**	**–**	**117,094**	**(32,170)**	**84,924**
Full year ended 31 March 2023							
Revenue:							
– External	508,718	1,313,027	50,514	–	1,872,259	–	1,872,259
– Inter-segment	15,801	9,331	26,119	(51,251)	–	–	–
	524,519	1,322,358	76,633	(51,251)	1,872,259	–	1,872,259
Operating profit / (loss)	(12,030)	84,742	40,168	–	112,880	(19,714)	93,166

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

Reconciliation of Segment profits

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.1 Segment information (continued)

(b) Segment assets

The following is an analysis of the Group's segment assets as at 31 March 2024 and 2023 that were provided to the CODM:

	Post and Parcel S$'000	Logistics S$'000	Property S$'000	Total S$'000	All other segments S$'000	Total S$'000
Group						
31 March 2024						
Segment assets	**212,092**	**1,300,718**	**1,221,581**	**2,734,391**	**39,685**	**2,774,076**
Segment assets include:						
Investment in associated companies	**–**	**2,130**	**–**	**2,130**	**20,977**	**23,107**
Intangible assets	**4,134**	**632,128**	**–**	**636,262**	**–**	**636,262**
31 March 2023						
Segment assets	240,885	1,007,617	1,174,111	2,422,613	40,518	2,463,131
Segment assets include:						
Investment in associated companies	–	3,018	–	3,018	28,931	31,949
Intangible assets	4,329	496,629	–	500,958	–	500,958

Reconciliation of segment assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.1 Segment information (continued)

(c) Other segment information

	Post and Parcel S$'000	Logistics S$'000	Property S$'000	All other segments S$'000	Total S$'000
Group					
2024					
Depreciation and amortisation	**21,896**	**46,375**	**10,886**	**1,891**	**81,048**
Additions to[1]:					
– Property, plant and equipment	**19,949**	**24,114**	**4,951**	**1,464**	**50,478**
– Right-of-use assets	**2,527**	**30,055**	**–**	**–**	**32,582**
– Intangible assets	**–**	**4,732**	**–**	**–**	**4,732**
2023					
Depreciation and amortisation	22,874	45,986	11,601	2,109	82,570
Additions to[1]:					
– Property, plant and equipment	6,789	15,073	385	1,764	24,011
– Right-of-use assets	3,292	35,786	–	–	39,078
– Intangible assets	–	4,441	–	–	4,441

(1) Net of inter-segment elimination

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.1 Segment information (continued)

(d) Revenue from major products and services

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

(e) Geographical information

The Group's three business segments operate in two main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore where 34% (2023: 32%) of its revenues are generated. The operations in this area comprise principally of the core postal business, post office products and services, courier activities and investment holding.

- Australia – the operations in this area are principally delivery services and e-commerce logistics solutions.

- Other countries – the operations include warehousing and logistics delivery in Japan and Hong Kong, and freight forwarding businesses in Europe and New Zealand.

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

The geographical information on the Group's non-current assets is not presented as it is not used for segmental reporting purposes.

(f) Information about major customers

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.2 Revenue

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

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

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

	Group 2024 Revenue from services rendered S$'000	2024 Sale of products S$'000	2024 Total S$'000	2023 Revenue from services rendered S$'000	2023 Sale of products S$'000	2023 Total S$'000
Post and Parcel	**498,486**	**954**	**499,440**	507,454	1,264	508,718
Logistics	**1,131,263**	**–**	**1,131,263**	1,313,027	–	1,313,027
Property	**56,040**	**–**	**56,040**	50,514	–	50,514
	1,685,789	**954**	**1,686,743**	1,870,995	1,264	1,872,259
Timing of revenue recognition in respect of revenue from contracts with customers[(1)]						
At a point in time	**7,293**	**954**	**8,247**	9,328	1,264	10,592
Over time	**1,635,496**	**–**	**1,635,496**	1,822,215	–	1,822,215
	1,642,789	**954**	**1,643,743**	1,831,543	1,264	1,832,807

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.2 Revenue (continued)

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

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

Transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period relates to 'Advances received for post assurance collaboration'. Refer to Note 3.11 for further details.

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

(a) Trade and other receivables (Note 3.2)

(b) Contract liabilities (Note 3.11)

Material accounting policy information

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

(a) Post and Parcel

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.2 Revenue (continued)

Material accounting policy information (continued)

(a) Post and Parcel (continued)

When the period between the recognition of revenue and payment by the customer exceeds one year, an adjustment is made to the transaction price for the time value of money. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is one year or less.

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

(b) Logistics

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

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

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

(c) Property

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

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

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

2.3 Labour and related expenses

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.3 Labour and related expenses (continued)

Material accounting policy information

(a) *Employee compensation*

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

(i) *Defined contribution plans*

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

(ii) *Share-based compensation*

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

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

2.4 Volume-related expenses

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

2.5 Administrative and other expenses

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.6 Depreciation and amortisation

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

2.7 Exceptional items

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

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

For the preceding financial year, the Group completed its acquisition of additional 37% equity interest in FMH through exercising of a put option written with the non-controlling shareholder. The fair value loss of put option redemption liability of S$22.9 million was included as part of the S$21.7 million loss above (offset by a separate fair value gain) and arose from the fair value movement of this liability from 1 April 2022 to 31 March 2023.

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

Material accounting policy information

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.8 Interest income and investment income (net)

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

Material accounting policy information

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

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

2.9 Finance expenses

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

Material accounting policy information

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.10 Income tax expense

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

The tax expense on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as explained below:

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

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

Material accounting policy information

Refer to Note 2.11.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.11 Deferred income taxes

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

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

Movement in the deferred income tax account is as follows:

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

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses and capital allowance of S$114,725,000 (2023: S$139,796,000) at the end of the reporting period which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry dates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.11 Deferred income taxes (continued)

Deferred income tax liabilities

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

Group

Deferred income tax liabilities

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

Deferred income tax assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.11 Deferred income taxes (continued)

Company

Deferred income tax liabilities

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

Deferred income tax assets

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

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

Material accounting policy information

Income tax expense comprises current and deferred tax.

Current tax

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.11 Deferred income taxes (continued)

Material accounting policy information (continued)

Deferred tax

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. GROUP PERFORMANCE (continued)

2.12 Earnings per share

(a) Basic earnings per share

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

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

(b) Diluted earnings per share

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

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

There is no dilution of earnings per share for the financial years ended 31 March 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES

3.1 Cash and cash equivalents

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

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

Material accounting policy information

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

3.2 Trade and other receivables – current

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

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

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

Material accounting policy information

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.3 Trade and other receivables – non-current

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

Loans to subsidiaries of S$11,195,000 (2023: S$11,641,000) are non-trade related, unsecured, interest bearing at Singapore Overnight Rate Average (SORA) plus 1.2% per annum (2023: Singapore Interbank Offered Rate (SIBOR) plus 1.2% per annum) and are not expected to be repayable within the next twelve months. The carrying amount of these loans approximate their fair value.

Loan to a subsidiary of S$41,443,000 (2023: S$41,924,000) is non-trade related, unsecured, interest bearing at bank bill swap bid rate (BBSY) plus 1.38% per annum and will be repaid in full on 29 March 2026. The carrying amount of the loan approximates its fair value.

Loans to subsidiaries of S$165,463,000 (2023: S$164,538,000) are non-trade related, unsecured, interest bearing at 2.52% to 4.65% per annum and not expected to be repayable in the next twelve months. The fair value of the loans is S$164,612,000 (2023: S$160,561,000). The fair value of the loans is computed based on cash flows discounted at the difference between market and existing borrowing rates 3.177% to 3.678% (2023: of 2.992% to 3.777%). The fair value is within Level 2 of the fair value hierarchy.

The Claimant Loan is unsecured, interest bearing at 4.8% to 5.1% per annum (2023: 1.7% to 5.2% per annum). The carrying amount of the loan approximates its fair value. Management is of the view that the loan is recoverable and the settlement of the loan is not foreseeable within the next twelve months.

Material accounting policy information

Refer to Note 3.2.

3.4 Staff loans

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

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

3. OPERATING ASSETS AND LIABILITIES (continued)

3.5 Other assets

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

3.6 Investment properties

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

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

The following amounts are recognised in profit or loss:

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

Material accounting policy information

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.6 Investment properties (continued)

At the end of the reporting period, the details of the Group's investment properties are as follows:

Location	Description / existing use	Tenure
10 Eunos Road 8, Singapore Post Centre	Building for commercial and retail.	Leasehold of 99 years expiring on 30 August 2081
10 Choa Chu Kang Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
373 Tanjong Katong Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
1 Killiney Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
396 Pasir Panjang Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
10 Palm Avenue	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
350 Bedok Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
56 Tanglin Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
755 Upper Serangoon Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
5 Mandai Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
21 Ghim Moh Road	Building for commercial and retail.	Leasehold of 82 years expiring on 1 April 2076
1 Lim Ah Pin Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
70 Macpherson Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
54 Serangoon Garden Way	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
3B Toh Guan Road East	Building for warehousing.	Leasehold of 30 + 30 years expiring on 31 August 2049
29 Tampines Street 92	Building for warehousing.	Leasehold of 30 + 30 years expiring on 1 January 2052

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.6 Investment properties (continued)

	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1) S$'000	Significant other observable inputs (Level 2) S$'000	Significant unobservable inputs (Level 3) S$'000
2024			
– Commercial and retail / warehousing - Singapore	–	**2,636**	**999,705**
2023			
– Commercial and retail / warehousing - Singapore	–	2,484	963,287

Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's properties have been derived using the sales comparison approach. Sales proceeds of comparable properties in close proximity are adjusted for differences in key attributes such as property size and timing of sale. The most significant input in this valuation approach is the selling price per square metre.

Valuation techniques used to derive Level 3 fair values

Level 3 fair values have been generally derived using capitalisation/income approach, discounted cash flow approach and/or direct comparison approach.

In the capitalisation/income approach, the net income of the property is capitalised for the balance term of the lease tenure at a yield rate which is appropriate for the type of use, tenure and reflective of the quality of the investment. The revenue is adjusted for outgoings such as property tax and also vacancies to arrive at net income.

The discounted cash flow approach involved the estimation and projection of the net rent over a period and discounting the future income stream to arrive at a present value. Net rent is the balance sum after deducting property tax, cost of repairs and maintenance and a reasonable percentage for vacancy from the gross rent.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.6 Investment properties (continued)

Valuation techniques and inputs used in Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3:

Description	Fair value (S$'000) 2024	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2024	Relationship of unobservable inputs to fair value
Group					
Building for commercial and retail (Singapore Post Centre)	**885,695** (2023: 850,170)	Capitalisation / income approach	Capitalisation rate	**3.75 – 6.00%** (2023: 3.75-6.00%)	The higher the capitalisation rate, the lower the valuation.
		Discounted cash flow approach	Discount rate	**6.75 – 8.00%** (2023: 7.00-7.50%)	The higher the discount rate, the lower the valuation.
Building for commercial and retail (12 (2023: 13) SLA Properties)	**95,314** (2023: 94,544)	Capitalisation / income approach	Capitalisation rate	**4.50 – 4.75%** (2023: 4.25-4.75%)	The higher the capitalisation rate, the lower the valuation.
		Discounted cash flow approach	Discount rate	**Not applicable** (2023: 7.25-7.50%)	The higher the discount rate, the lower the valuation.
Warehousing – Singapore	**18,696** (2023: 18,573)	Capitalisation / income approach	Capitalisation rate	**6.75%** (2023: 6.25-6.50%)	The higher the capitalisation rate, the lower the valuation.
		Discounted cash flow approach	Discount rate	**Not applicable** (2023: 7.50-7.75%)	The higher the discount rate, the lower the valuation.
		Direct comparison method	Adjusted price per square foot	**$203 – $222** (2023: Not applicable)	The higher the adjusted price per square foot, the higher the valuation.
	999,705				

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.6 Investment properties (continued)

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

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

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use. As at 31 March 2024, the fair values of the Group's investment properties have been determined by Knight Frank Pte Ltd (2023: Colliers International Consultancy & Valuation (Singapore) Pte. Ltd).

Key sources of estimation uncertainty

Valuation of investment properties

The estimated fair values determined by independent professional valuers at the end of the reporting period may differ significantly from the prices at which these properties can be sold due to the actual negotiations between willing buyers and sellers as well as changes in assumptions and conditions arising from ongoing development of macroeconomic uncertainties and other unforeseen events. Consequently, the actual results and the realisation of these properties could differ significantly from the estimates disclosed in these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.7 Property, plant and equipment

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Motor vehicles S$'000	Capital work-in-progress S$'000	Total S$'000
Group							
2024							
Cost							
Beginning of financial year	82,216	375,599	48,046	183,732	50,659	6,756	747,008
Additions	–	–	–	11,034	20,663	18,781	50,478
Reclassifications from investment properties – At fair value (Note 3.6)	1,572	300	–	–	–	–	1,872
Write off	–	–	–	(64)	–	(425)	(489)
Disposals	–	–	(63)	(31,953)	(3,356)	–	(35,372)
Acquisition of subsidiaries (Note 6.3)	–	–	–	40,222	22,160	616	62,998
Transfers	–	223	298	9,081	–	(9,602)	–
Currency translation differences	–	–	–	(916)	(241)	(7)	(1,164)
End of financial year	83,788	376,122	48,281	211,136	89,885	16,119	825,331
Accumulated depreciation and accumulated impairment losses							
Beginning of financial year	29,473	157,975	33,038	119,022	20,147	425	360,080
Depreciation charge	1,608	8,349	4,528	18,370	8,241	–	41,096
Write off	–	–	–	(64)	–	(425)	(489)
Disposals	–	–	(63)	(26,009)	(3,150)	–	(29,222)
Currency translation differences	–	–	–	(168)	(236)	–	(404)
End of financial year	31,081	166,324	37,503	111,151	25,002	–	371,061
Net book value							
End of financial year	52,707	209,798	10,778	99,985	64,883	16,119	454,270

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.7 Property, plant and equipment (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Motor vehicles S$'000	Capital work-in-progress S$'000	Total S$'000
Group							
2023							
Cost							
Beginning of financial year	82,011	377,065	48,112	192,248	50,205	8,381	758,022
Additions	–	–	–	11,365	7,550	5,096	24,011
Reclassification to assets held for sale (Note 7.5)	(540)	(454)	–	–	–	–	(994)
Reclassifications from / (to) investment properties							
– At fair value (Note 3.6)	745	(2,098)	–	–	–	–	(1,353)
– Transfer from valuation reserve (Note 5.4(v))	–	298	–	–	–	–	298
Write off	–	–	–	(2,224)	–	(2,574)(1)	(4,798)
Disposals	–	–	(114)	(13,328)	(2,455)	–	(15,897)
Acquisition of subsidiaries (Note 6.3)	–	–	–	984	2,362	366	3,712
Transfers	–	788	48	3,669	–	(4,505)	–
Currency translation differences	–	–	–	(8,982)	(7,003)	(8)	(15,993)
End of financial year	82,216	375,599	48,046	183,732	50,659	6,756	747,008
Accumulated depreciation and accumulated impairment losses							
Beginning of financial year	27,972	149,851	28,536	118,526	20,683	–	345,568
Depreciation charge	1,635	8,198	4,583	20,145	6,409	–	40,970
Write off	–	–	–	(2,195)	–	–	(2,195)
Disposals	–	–	(81)	(12,648)	(2,220)	–	(14,949)
Reclassification to assets held for sale (Note 7.5)	(134)	(74)	–	–	–	–	(208)
Impairment	–	–	–	–	–	425	425
Currency translation differences	–	–	–	(4,806)	(4,725)	–	(9,531)
End of financial year	29,473	157,975	33,038	119,022	20,147	425	360,080
Net book value							
End of financial year	52,743	217,624	15,008	64,710	30,512	6,331	386,928

(1) The balance comprises S$1.0 million and S$1.6 million which were presented as part of 'impairment charge of property, plant and equipment' and 'restructuring of operations' respectively in Note 2.7.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.7 Property, plant and equipment (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Motor vehicles S$'000	Capital work-in-progress S$'000	Total S$'000
Company							
2024							
Cost							
Beginning of financial year	62,134	226,591	64,582	150,081	27,356	1,712	532,456
Additions	–	–	–	2,511	7,876	15,977	26,364
Reclassifications from investment properties							
– At fair value (Note 3.6)	2,752	4,956	–	–	–	–	7,708
Write-off	–	–	–	–	–	(425)	(425)
Disposals	–	–	(63)	(25,044)	(3,124)	–	(28,231)
Transfers	–	237	298	9,067	–	(9,602)	–
End of financial year	64,886	231,784	64,817	136,615	32,108	7,662	537,872
Accumulated depreciation and accumulated impairment losses							
Beginning of financial year	22,494	104,090	33,038	123,839	18,829	425	302,715
Depreciation charge	789	3,455	4,527	10,180	3,048	–	21,999
Disposals	–	–	(63)	(22,078)	(2,886)	–	(25,027)
Write-off	–	–	–	–	–	(425)	(425)
End of financial year	23,283	107,545	37,502	111,941	18,991	–	299,262
Net book value							
End of financial year	41,603	124,239	27,315	24,674	13,117	7,662	238,610

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.7 Property, plant and equipment (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Motor vehicles S$'000	Capital work-in-progress S$'000	Total S$'000
Company							
2023							
Cost							
Beginning of financial year	61,929	227,461	64,648	156,949	25,463	1,382	537,832
Additions	–	–	–	742	3,580	4,428	8,750
Reclassifications from / (to) investment properties							
– At fair value (Note 3.6)	745	(797)	–	–	–	–	(52)
Reclassification to assets held for sale (Note 7.5)	(540)	(454)	–	–	–	–	(994)
Disposals	–	–	(114)	(11,279)	(1,687)	–	(13,080)
Transfers	–	381	48	3,669	–	(4,098)	–
End of financial year	62,134	226,591	64,582	150,081	27,356	1,712	532,456
Accumulated depreciation and accumulated impairment losses							
Beginning of financial year	21,825	100,578	28,536	123,430	17,645	–	292,014
Reclassification to assets held for sale (Note 7.5)	(134)	(74)	–	–	–	–	(208)
Depreciation charge	803	3,586	4,583	11,448	2,723	–	23,143
Disposals	–	–	(81)	(11,039)	(1,539)	–	(12,659)
Impairment	–	–	–	–	–	425	425
End of financial year	22,494	104,090	33,038	123,839	18,829	425	302,715
Net book value							
End of financial year	39,640	122,501	31,544	26,242	8,527	1,287	229,741

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

Material accounting policy information

(a) *Measurement*

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.7 Property, plant and equipment (continued)

Material accounting policy information (continued)

(b) *Depreciation*

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

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

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

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

(c) *Subsequent expenditure*

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

(d) *Disposal*

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

(e) *Transfer*

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

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

(f) *Impairment*

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.8 Leases (Group as a lessee)

3.8.1 Right-of-use assets

	Properties S$'000	Motor vehicles S$'000	Equipment S$'000	Total S$'000
Group				
2024				
Cost				
Beginning of financial year	**130,342**	**2,151**	**1,363**	**133,856**
Acquisition of subsidiaries (Note 6.3)	**63,300**	**–**	**6,592**	**69,892**
Additions	**30,680**	**724**	**1,178**	**32,582**
Disposals	**(17,313)**	**(1,269)**	**(389)**	**(18,971)**
Transfers	**24**	**(357)**	**333**	**–**
Currency translation differences	**(956)**	**(5)**	**(89)**	**(1,050)**
End of financial year	**206,077**	**1,244**	**8,988**	**216,309**
Accumulated depreciation				
Beginning of financial year	**59,490**	**1,487**	**1,314**	**62,291**
Depreciation charge	**31,764**	**576**	**529**	**32,869**
Disposals	**(16,060)**	**(1,269)**	**(389)**	**(17,718)**
Transfers	**7**	**(101)**	**94**	**–**
Currency translation differences	**(1,120)**	**6**	**(27)**	**(1,141)**
End of financial year	**74,081**	**699**	**1,521**	**76,301**
Net book value				
End of financial year	**131,996**	**545**	**7,467**	**140,008**
2023				
Cost				
Beginning of financial year	112,032	2,490	1,604	116,126
Additions	38,070	784	224	39,078
Reclassifications to investment properties				
– At fair value (Note 3.6)	(157)	–	–	(157)
Disposals	(4,673)	(884)	(353)	(5,910)
Currency translation differences	(14,930)	(239)	(112)	(15,281)
End of financial year	130,342	2,151	1,363	133,856
Accumulated depreciation				
Beginning of financial year	41,999	1,600	1,261	44,860
Depreciation charge	32,695	856	408	33,959
Disposals	(4,655)	(883)	(347)	(5,885)
Currency translation differences	(10,549)	(86)	(8)	(10,643)
End of financial year	59,490	1,487	1,314	62,291
Net book value				
End of financial year	70,852	664	49	71,565

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.8 Leases (Group as a lessee) (continued)

3.8.1 Right-of-use assets (continued)

	Properties S$'000	Motor vehicles S$'000	Equipment S$'000	Total S$'000
Company				
2024				
Cost				
Beginning of financial year	**58,243**	**826**	**344**	**59,413**
Additions	**2,898**	**520**	**25**	**3,443**
Disposals	**(6,439)**	**(825)**	**(185)**	**(7,449)**
End of financial year	**54,702**	**521**	**184**	**55,407**
Accumulated depreciation				
Beginning of financial year	**20,200**	**715**	**239**	**21,154**
Depreciation charge	**12,788**	**304**	**107**	**13,199**
Disposals	**(6,240)**	**(825)**	**(185)**	**(7,250)**
End of financial year	**26,748**	**194**	**161**	**27,103**
Net book value				
End of financial year	**27,954**	**327**	**23**	**28,304**
2023				
Cost				
Beginning of financial year	30,877	1,544	363	32,784
Additions	29,879	–	28	29,907
Disposals	(2,513)	(718)	(47)	(3,278)
End of financial year	58,243	826	344	59,413
Accumulated depreciation				
Beginning of financial year	11,937	1,076	124	13,137
Depreciation charge	10,776	357	162	11,295
Disposals	(2,513)	(718)	(47)	(3,278)
End of financial year	20,200	715	239	21,154
Net book value				
End of financial year	38,043	111	105	38,259

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.8 Leases (Group as a lessee) (continued)

3.8.1 Right-of-use assets (continued)

In addition, certain right-of-use assets are secured by the Group and Company with no future payments required and are presented within property, plant and equipment (Note 3.7). The carrying amounts of such assets are as follows:

	Group		Company	
	Carrying amount S$'000	Depreciation during the year S$'000	Carrying amount S$'000	Depreciation during the year S$'000
2024				
Leasehold land	**52,707**	**1,608**	**41,603**	**789**
Plant and machinery	**3,812**	**193**	**77**	**12**
Total	**56,519**	**1,801**	**41,680**	**801**
2023				
Leasehold land	52,743	1,635	39,640	803
Plant and machinery	4,005	193	89	12
Total	56,748	1,828	39,729	815

3.8.2 Lease liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.8 Leases (Group as a lessee) (continued)

Material accounting policy information

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

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

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

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

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

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. Lease liability is remeasured by discounting the revised lease payments using a revised discount rate when there is a change in the lease term upon exercising extension options not previously included in the determination of the lease term. A corresponding adjustment is made to the related right-of-use asset.

3.9 Intangible assets

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.9 Intangible assets (continued)

(a) *Goodwill on acquisitions*

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

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

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

Material accounting policy information

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.9 Intangible assets (continued)

(b) *Customer relationships*

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

Material accounting policy information

Customer relationships acquired in business combination are recognised at fair value at the acquisition date. The customer relationships have finite useful lives and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over 6 to 17 years, which is the expected lives of the customer relationships. Refer to Note 1.3.5(c) on accounting policy for impairment.

(c) *Acquired software licences*

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

Material accounting policy information

Acquired software licence is initially capitalised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over the licence term or the estimated useful lives of 1 to 10 years. Refer to Note 1.3.5(c) on accounting policy for impairment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.9 Intangible assets (continued)

(d) *Trademarked brands*

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

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

Material accounting policy information

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

The trademarked brands with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over 5 years. Refer to Note 1.3.5(c) on accounting policy for impairment.

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

Key sources of estimation uncertainty

Estimated impairment of goodwill and other intangible assets

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

When value-in-use calculations are undertaken, the Group uses discounted cash flow projections based on approved financial budgets covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.9 Intangible assets (continued)

(d) Trademarked brands (continued)

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

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

As at 31 March 2024, management believes that any reasonably possible change in the key assumptions on which the recoverable amounts of the CGUs were based would not cause the carrying amount to exceed the recoverable amount of the related group of CGUs.

Significant judgements are used to estimate the terminal growth rates and discount rates applied in computing the recoverable amounts of the different CGUs. In making these estimates, management has relied on past performance, its expectations of the future developments of the various businesses and market (including the impact arising from geopolitical tensions and rising interest rates) and publicly available industry and economic data.

Other intangible assets are tested for impairment whenever there is any objective evidence of indication that these assets may be impaired.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.10 Trade and other payables

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

(a) Contingent consideration payable / Deferred consideration

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

(b) Provision for restructuring

Restructuring provision comprises mainly of lease termination penalties and employee termination payments from overseas subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.10 Trade and other payables (continued)

(c) *Provision for reinstatement costs*

A provision is recognised for the present value of costs to be incurred for the restoration of the Group's investment properties and property, plant and equipment.

Movement in this provision is as follows:

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

(d) *Loans from a subsidiary*

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

The fair value of the loans computed based on cash flows discounted at the difference between market and existing borrowing rates of 3.10% to 3.18% (2023: 2.95% to 2.99%) is S$523,226,000 (2023: S$512,756,000). The fair value is within Level 2 of the fair value hierarchy.

(e) *Put option redemption liabilities*

(i) A put option was granted to the non-controlling shareholders of FPS Rotterdam to sell the remaining 15% interest to the Group, which is exercisable at any time after 31 March 2025. The put option redemption liability is recorded at fair value as at 31 March 2024 and 2023.

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

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

Material accounting policy information

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

Provisions

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. OPERATING ASSETS AND LIABILITIES (continued)

3.11 Contract liabilities

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

(a) Arises from definitive agreements with respect to the post assurance collaboration with HSBC Life (Singapore) Pte Ltd ("HSBC Life") (formerly known as AXA Life Insurance Singapore Private Limited) which is recognised in profit or loss over the period of 10 years till 19 January 2025.

(b) Mainly relates to advance billings to customers and unearned revenue from paid postage.

As at 1 April 2022, contract liabilities amounted to S$44.8 million.

The change in contract liabilities during the reporting period is due to recognition of advance billings and advances from HSBC Life to profit or loss.

Material accounting policy information

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

4.1 Financial instruments by category

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

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

4.2 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter derivatives) are based on quoted market prices at the end of the reporting period. The quoted market prices used for financial assets are the current bid price; the appropriate quoted market prices used for financial liabilities are the current asking prices. The instruments are presented within Level 1 of the fair value hierarchy.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions existing at the end of each reporting period. Where appropriate, quoted market price or dealer quotes for similar instruments are used.

The fair values of currency forwards are determined using actively quoted forward exchange rates. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. These investments are classified as Level 2 and comprise derivative financial instruments.

The fair values of financial assets designated as at FVTOCI, contingent consideration payable and put option redemption liabilities are estimated by using valuation techniques that are not based on observable market data and are accordingly classified as a Level 3 fair value measurement.

The fair values of current and non-current financial assets and liabilities carried at amortised cost approximate their carrying amounts, except for certain financial assets and non-current borrowings which fair values are disclosed in Notes 4.4 and 5.2 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

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

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

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
2024				
Assets				
Financial assets designated as at FVTOCI	**9,266**	–	**79,304**	**88,570**
Derivative financial instruments	–	**1,882**	**12,526**	**14,408**
Liabilities				
Derivative financial instruments	–	**1,951**	–	**1,951**
Contingent consideration payable	–	–	**13,196**	**13,196**
Put option redemption liabilities	–	–	**7,723**	**7,723**
2023				
Assets				
Financial assets designated as at FVTOCI	–	–	42,076	42,076
Derivative financial instruments	–	372	56,879	57,251
Liabilities				
Derivative financial instruments	–	1,413	–	1,413
Contingent consideration payable	–	–	28,608	28,608
Put option redemption liabilities	–	–	72,827	72,827
Company				
2024				
Assets				
Derivative financial instruments	–	**402**	–	**402**
Liabilities				
Derivative financial instruments	–	**105**	–	**105**
2023				
Assets				
Derivative financial instruments	–	372	–	372
Liabilities				
Derivative financial instruments	–	1,132	–	1,132

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

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

The following table presents the changes in Level 3 instruments:

	Financial assets at FVTOCI – put option S$'000	Financial assets designated as at FVTOCI S$'000	Contingent consideration payable S$'000	Put option redemption liability S$'000
2024				
Beginning of financial year	**56,879**	**42,076**	**(28,608)**	**(72,827)**
Acquisition of additional interest in a subsidiary	**–**	**–**	**–**	**67,138**
Acquisition of subsidiary (Note 6.3)	**–**	**–**	**(13,103)**	**–**
Fair value gains / (losses) recognised in				
– Profit or loss	**–**	**–**	**1,106**	**(2,592)**
– Other comprehensive income	**(44,353)**	**37,253**	**–**	**–**
Settlement of contingent consideration	**–**	**–**	**25,764**	**–**
Currency translation differences	**–**	**(25)**	**1,645**	**558**
End of financial year	**12,526**	**79,304**	**(13,196)**	**(7,723)**
Total profit / (loss) for the year included in profit or loss for assets and liabilities held at the end of the financial year	**–**	**–**	**1,106**	**(2,592)**
2023				
Beginning of financial year	–	90,631	(7,971)	(249,215)
Acquisition of additional interest in a subsidiary	–	–	(18,696)	174,815
Acquisition of a subsidiary	–	–	(12,925)	–
Fair value gains / (losses) recognised in				
– Profit or loss	–	–	1,284	(21,719)
– Other comprehensive income	56,879	(48,532)	–	–
Settlement of contingent consideration	–	–	10,697	–
Currency translation differences	–	(23)	(997)	23,292
End of financial year	56,879	42,076	(28,608)	(72,827)
Total profit / (loss) for the year included in profit or loss for assets and liabilities held at the end of the financial year	–	–	1,284	(21,719)

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.3 Derivative financial instruments

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.3 Derivative financial instruments (continued)

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

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

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

Currency forwards

Currency forwards are transacted to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates within twelve months from the end of the reporting period. The currency forwards have maturity dates that coincide within the expected occurrence of these transactions. Changes in fair value of the currency forwards not designated as hedging are recognised in profit or loss.

Equity option

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

One of the main sources of hedge ineffectiveness in this hedge relationship is the effect of the counterparty's credit risk on the fair value of the put option, which is not reflected in the fair value of the hedged item attributable to the change in fair value.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.3 Derivative financial instruments (continued)

Equity option (continued)

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

Interest rate swaps

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.3 Derivative financial instruments (continued)

Material accounting policy information

Derivative financial instruments

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

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

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

Hedge accounting

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

(i) Fair value hedges

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.3 Derivative financial instruments (continued)

Material accounting policy information (continued)

Hedge accounting (continued)

(ii) Cash flow hedges

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

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

(iii) Discontinuation of hedge accounting

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. In respect of fair value hedge, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date. For cash flow hedge, any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

Key sources of estimation uncertainty

Equity option

The Group has a right to a put option ("equity option"), valid till June 2025, to put its equity interest in 4PX to an external shareholder of 4PX at a fixed exercise price. Upon fulfilment of certain conditions (including the completion of a loan capitalisation exercise) by this shareholder, the Group can exercise the put option granted. This external shareholder also has a corresponding right to call and acquire the Group's equity interest in 4PX at the same fixed exercise price. Based on discussions with various parties, management believes that the conditions will be fulfilled.

The fair value of the equity option is derived using the discounted cash flow approach and incorporates the probability of the various contingent events that affect the exercise of the options. Such probabilities are considered as key management judgement and key sources of estimation uncertainty. It is expected that the value of the equity option and the value of 4PX will change in the opposite direction.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.4 Financial assets

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

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

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

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

Material accounting policy information

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

Key sources of estimation uncertainty

Valuation of 4PX

As the fair value of 4PX cannot be determined from active markets, valuation techniques including trading multiples of comparable companies with entity-specific adjustments made are used. The valuation of 4PX is determined based on Enterprise Value / Revenue multiples of selected comparable companies at the end of the reporting period. The inputs to the valuation model are derived from market observable data where possible, including but not limited to financial data of selected public companies in logistics services, freight management, supply chain management and e-commerce, but where this is not feasible, a degree of judgement is required to establish fair value. Details of the valuation techniques and inputs used are disclosed in Note 4.2.

4.5 Financial risk management

Financial risk factors

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

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Board Risk and Technology Committee then performs oversight responsibilities to ensure the financial risks are managed in accordance with the objectives and underlying principles approved by the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(a) *Market risk*

(i) *Currency risk management*

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

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

Group Treasury's risk management policy is to hedge planned divestment of overseas investments using currency forwards to manage the currency risk. These instruments are used mainly to hedge underlying exposures and the instruments are not entered into for speculative reasons.

The Group's significant currency exposure is as follows:

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(a) *Market risk* (continued)

(i) *Currency risk management* (continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(a) *Market risk* (continued)

(i) *Currency risk management* (continued)

The Company's significant currency exposure is as follows:

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

(1) Excludes rental received in advance.

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

If the SDR changes against the SGD by 2% (2023: 2%) with all other variables being held constant, the effects arising from the net financial liability / asset position will be as follows:

	Increase / (decrease) Profit before tax	
	2024 S$'000	2023 S$'000
Group and Company		
SDR against SGD		
– strengthened	**(2,034)**	(5,135)
– weakened	**2,034**	5,135

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(a) *Market risk* (continued)

(i) *Currency risk management* (continued)

If the AUD changes against the SGD by 4% (2023: 4%) with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase / (decrease) Profit before tax	
	2024	2023
	S$'000	S$'000
Group		
AUD against SGD		
– strengthened	**(12,410)**	(9,338)
– weakened	**12,410**	9,338
Company		
AUD against SGD		
– strengthened	**291**	1
– weakened	**(291)**	(1)

If the RMB changes against the SGD by 4% (2023: 3%) with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase / (decrease) Profit before tax	
	2024	2023
	S$'000	S$'000
Group		
RMB against SGD		
– strengthened	**819**	870
– weakened	**(819)**	(870)
Company		
RMB against SGD		
– strengthened	**814**	870
– weakened	**(814)**	(870)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(a) *Market risk* (continued)

(ii) *Interest rate risk management*

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant variable interest-bearing assets, the Group's interest income and operating cash flows are substantially independent of changes in market interest rates.

The Group's policy is to minimise the interest expense consistent with maintaining an acceptable level of exposure to interest rate fluctuations. A target mix of fixed and floating debt based on the assessment of interest rate trends is used to achieve this objective. The Group was exposed to interest rate risk from its borrowings (Note 5.2) which bear interest ranging from 5.6% to 6.7% (2023: 4.9% to 5.1%).

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

(iii) *Equity price risk management*

The Group is exposed to equity risks arising from equity investments classified as at FVTOCI. Equity investments measured at FVTOCI are held for strategic rather than trading purposes. The Group does not actively trade such investments.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(b) *Credit risk management*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 March 2024 and 2023, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The major classes of financial assets of the Group and of the Company are bank deposits, trade and other receivables, investments in financial assets and financial instruments used in hedging activities. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to any individual counterparty is restricted by credit limits that are approved based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level. As at 31 March 2024, trade receivables from a customer represented 9% and 20% (2023: 13% and 27%) of the Group's and Company's trade receivables respectively and contributed revenue of S$173,119,000 (2023: S$174,809,000). The revenue is attributable to the Post and Parcel segment.

Bank deposits are placed in banks which are regulated.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(b) *Credit risk management* (continued)

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	External credit rating	Internal credit rating	12-month ("12m") or lifetime ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
2024							
Group							
Trade receivables	3.2	N.A.	(i)	Lifetime ECL (simplified approach)	247,582	(4,162)	243,420
Other receivables	3.2, 3.3	N.A.	(ii)	12m ECL	12,247	–	12,247
Other financial assets	3.5	N.A.	(ii)	12m ECL	7,214	–	7,214
						(4,162)	
Company							
Trade receivables	3.2	N.A.	(i)	Lifetime ECL (simplified approach)	119,064	(2,167)	116,897
Other receivables	3.2,3.3	N.A.	(ii)	12m ECL and lifetime ECL	277,100	(46,366)	230,734
Other financial assets	3.5	N.A.	(ii)	12m ECL	1,580	–	1,580
						(48,533)	
2023							
Group							
Trade receivables	3.2	N.A.	(i)	Lifetime ECL (simplified approach)	226,877	(2,667)	224,210
Other receivables	3.2,3.3	N.A.	(ii)	12m ECL	10,566	–	10,566
Other financial assets	3.5	N.A.	(ii)	12m ECL	10,721	–	10,721
						(2,667)	
Company							
Trade receivables	3.2	N.A.	(i)	Lifetime ECL (simplified approach)	112,425	(1,207)	111,218
Other receivables	3.2,3.3	N.A.	(ii)	12m ECL and lifetime ECL	270,518	(46,366)	224,152
Other financial assets	3.5	N.A.	(ii)	12m ECL	1,637	–	1,637
						(47,573)	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(b) *Credit risk management* (continued)

(i) For trade receivables, the Group has applied the simplified approach in SFRS (I) 9 *Financial Instruments* to measure the loss allowance at lifetime ECL. The credit risk profile is presented based on the trade receivables' past due status in terms of the provision matrix.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix.

	Expected weighted credit loss rate %	Estimated total gross carrying amount at default S$'000	Lifetime ECL S$'000	Total S$'000
Trade receivables				
2024				
Group				
Current (not past due)	*****	**159,525**	**–**	**159,525**
1 to 90 days past due	**1.1%**	**56,870**	**(636)**	**56,234**
More than 90 days past due	**11.3%**	**31,187**	**(3,526)**	**27,661**
		247,582	**(4,162)**	**243,420**
Company				
Current (not past due)	*****	**77,402**	**–**	**77,402**
1 to 90 days past due	**4.5%**	**14,276**	**(636)**	**13,640**
More than 90 days past due	**5.6%**	**27,386**	**(1,531)**	**25,855**
		119,064	**(2,167)**	**116,897**
2023				
Group				
Current (not past due)	*	170,382	–	170,382
1 to 90 days past due	1.2%	33,905	(423)	33,482
More than 90 days past due	9.9%	22,590	(2,244)	20,346
		226,877	(2,667)	224,210
Company				
Current (not past due)	*	82,027	–	82,027
1 to 90 days past due	3.9%	10,964	(423)	10,541
More than 90 days past due	4.0%	19,434	(784)	18,650
		112,425	(1,207)	111,218

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(b) *Credit risk management* (continued)

(ii) Other receivables and other financial assets at amortised cost except for the credit impaired other receivables are considered to be recoverable as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default since initial recognition. The Group assesses that no loss allowance is required in respect of these financial assets. Loss allowance recognised arises from loans to associated companies and subsidiaries and is determined after taking into account the financial position of the associated company and subsidiary adjusted for factors specific to them and general economic conditions of the industries in which the associated companies and subsidiaries operate.

Movements in loss allowance are as follows:

	Trade receivables S$'000	Loans to associated companies S$'000
Group		
Balance as at 1 April 2022	5,282	2,390
Amount written off	(2,484)	(1,865)
Reversal of loss allowance recognised in profit or loss during the year	(131)	(525)
Balance as at 31 March 2023	2,667	–
Amount written off	(418)	–
Loss allowance recognised in profit or loss during the year	1,913	–
Balance as at 31 March 2024	4,162	–

	Trade receivables S$'000	Loans to subsidiaries S$'000
Company		
Balance as at 1 April 2022	4,436	46,480
Amount written off	(3,229)	–
Reversal of loss allowance recognised in profit or loss during the year	–	(114)
Balance as at 31 March 2023	1,207	46,366
Amount written off	(22)	–
Loss allowance recognised in profit or loss during the year	982	–
Balance as at 31 March 2024	2,167	46,366

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(b) *Credit risk management* (continued)

Material accounting policy information

(i) *Trade receivables*

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

In measuring the expected credit losses, trade receivables are grouped based on similar credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers under each business.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Any recoveries made are recognised in profit or loss. The Group generally considers a financial asset in default if the counterparty fails to make contractual payments within 90 days past due or there is evidence indicating the asset is credit-impaired.

(ii) *Other financial assets at amortised cost*

For all other financial assets, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. In determining the expected credit loss, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors / debt instrument and general economic conditions of the industry in which the debtors / debt instrument operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

Key sources of estimation uncertainty

Calculation of loss allowance for trade and other receivables

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Apart from the estimates involved in determining likelihood of default over a given time horizon to determine ECL, when there are events indicating that trade and other receivables are credit impaired, management has to estimate the loss allowance required.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(c) *Liquidity risk management*

The Group and Company manage the liquidity risk by maintaining sufficient cash and cash equivalents to enable them to meet their normal operating commitments, having an adequate amount of credit facilities and the ability to close market positions at short notice.

The table below analyses the maturity profile of the Group's and Company's financial liabilities (excluding derivative financial liabilities) based on contractual undiscounted cash flows.

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000
Group				
2024				
Trade and other payables	**(604,954)**	**(16,152)**	**(706)**	**(6,813)**
Lease liabilities	**(52,032)**	**(38,638)**	**(66,579)**	**(42,173)**
Borrowings	**(50,363)**	**(150,100)**	**(514,569)**	**(260,311)**
	(707,349)	**(204,890)**	**(581,854)**	**(309,297)**
2023				
Trade and other payables	(632,539)	(12,348)	(988)	(6,448)
Lease liabilities	(36,284)	(21,315)	(22,134)	(8,351)
Borrowings	(23,178)	(54,667)	(396,025)	(266,636)
	(692,001)	(88,330)	(419,147)	(281,435)
Company				
2024				
Trade and other payables	**(438,995)**	**(24,823)**	**(377,886)**	**(255,364)**
Lease liabilities	**(11,790)**	**(7,905)**	**(11,058)**	**–**
	(450,785)	**(32,728)**	**(388,944)**	**(255,364)**
2023				
Trade and other payables	(438,417)	(22,900)	(407,822)	(269,514)
Lease liabilities	(13,182)	(10,653)	(17,557)	–
	(451,599)	(33,553)	(425,379)	(269,514)

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

4.5 Financial risk management (continued)

(c) *Liquidity risk management* (continued)

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000
Group				
2024				
Cash and cash equivalents	**476,738**	**–**	**–**	**–**
Trade and other receivables	**254,156**	**3,102**	**2**	**133**
Other financial assets	**3,536**	**–**	**–**	**2,949**
	734,430	**3,102**	**2**	**3,082**
2023				
Cash and cash equivalents	495,696	–	–	–
Trade and other receivables	230,648	4,810	1	134
Other financial assets	4,889	–	–	4,491
	731,233	4,810	1	4,625
Company				
2024				
Cash and cash equivalents	**362,373**	**–**	**–**	**–**
Trade and other receivables	**142,436**	**225,983**	**1,979**	**133**
Other financial assets	**1,580**	**–**	**–**	**–**
	506,389	**225,983**	**1,979**	**133**
2023				
Cash and cash equivalents	375,071	–	–	–
Trade and other receivables	127,256	224,562	3,152	134
Other financial assets	1,637	–	–	–
	503,964	224,562	3,152	134

The following table details the liquidity analysis for derivative financial liabilities. The table has been drawn up based on the undiscounted net cash inflows and (outflows) on the derivative instruments that settle on a net basis and the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE

5.1 Capital management policies and objectives

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the dividend policy, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets. The Group's overall strategy remains unchanged from 2023.

Management monitors capital based on gearing ratio. In the management of the debt and capital structure, the Group and Company aim to sustain a strong investment-grade credit profile.

The gearing ratio is calculated as net debt / (cash) with and without perpetual securities divided by total equity. Net debt / (cash) is calculated as borrowings less cash and cash equivalents.

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

The capital structure of the Group and Company consists of equity attributable to owners of the parents comprising issued capital, perpetual securities, reserves, retained earnings and borrowings (Note 5.2). The Group is in compliance with externally imposed capital requirements for the financial years ended 31 March 2024 and 2023.

5.2 Borrowings

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.2 Borrowings (continued)

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

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

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

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

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

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

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

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

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

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

Material accounting policy information

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.2 Borrowings (continued)

Fair value of non-current borrowings

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

The fair value of the Notes above are determined based on the over-the-counter quoted price. The fair value of external bank loans are computed based on cash flows discounted at market borrowing rates. The fair value is classified within Level 2 of the fair value hierarchy.

The exposure of non-current borrowings to interest rate risks is disclosed in Note 4.5(a)(ii).

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

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

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

(i) The cash flows consist of interest paid and repayments of lease liabilities in the consolidated statement of cash flows.

(ii) Other changes include interest accruals, as well as additions and disposals of right-of-use assets.

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

5. CAPITAL STRUCTURE (continued)

5.3 Share capital and treasury shares

	Number of ordinary shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital S$'000	Treasury Shares S$'000
Group and Company				
As at 1 April 2022	2,275,089	(25,512)	638,762	(29,724)
Issuance of shares	–	162	–	208
As at 31 March 2023	**2,275,089**	**(25,350)**	**638,762**	**(29,516)**
Issuance of shares	–	**213**	–	**273**
As at 31 March 2024	**2,275,089**	**(25,137)**	**638,762**	**(29,243)**

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

(a) *Treasury shares*

During the financial years ended 31 March 2024, 213,000 treasury shares (2023: 162,000) amounting to S$273,000 (2023: S$208,000) were reissued.

(b) *Share options*

The Singapore Post Share Option Scheme was adopted on 21 March 2003, and a new scheme, known as Singapore Post Share Option Scheme 2012 was adopted on 29 June 2012; collectively known as the "Scheme". The Scheme is administered by the Compensation Committee comprising Mr Bob Tan Beng Hai (Chairman), Mr Simon Claude Israel, Mrs Fang Ai Lian and Ms. Yasmin Binti Aladad Khan (from 8 February 2024) during the financial year ended 31 March 2024.

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

The principal terms of the Scheme are as follows:

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.3 Share capital and treasury shares (continued)

(b) *Share options* (continued)

The principal terms of the Scheme are as follows: (continued)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.3 Share capital and treasury shares (continued)

(b) *Share options* (continued)

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.3 Share capital and treasury shares (continued)

(b) *Share options* (continued)

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

During the financial year ended 31 March 2024, no share options were granted. At the end of the financial year, details of the options granted and the number of unissued ordinary shares of the Company under options outstanding are as follows:

			Number of ordinary shares under options outstanding				
Date of Grant	Exercise Period	Exercise Price	Balance At 1.4.23 ('000)	Granted during financial year ('000)	Options exercised ('000)	Options forfeited ('000)	Balance At 31.3.24 ('000)
Options Granted Under Singapore Post Share Options Scheme							
For employees (including executive directors)							
17.01.14	18.01.17 to 17.01.24	S$1.350	375	–	–	375	–
07.03.14	08.03.17 to 07.03.24	S$1.330	375	–	–	375	–
20.05.14	21.05.15 to 20.05.24	S$1.450	308	–	–	–	308
07.08.14	08.08.15 to 07.08.24	S$1.760	32	–	–	–	32
19.05.15	20.05.16 to 19.05.25	S$1.890	1,197	–	–	290	907
20.05.16	21.05.17 to 20.05.26	S$1.570	966	–	–	50	916
Total Share Options			**3,253**	–	–	**1,090**	**2,163**

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

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

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

Restricted Share Plan

The Singapore Post Restricted Share Plan 2013 (the "Plan") was implemented with the approval of shareholders at the Extraordinary General Meeting held on 28 June 2013. The duration of the Plan is 10 years commencing from 28 June 2013 and was further extended for another 10 years up to 27 June 2033. The Plan allows fully paid shares to be granted to non-executive directors of the Group and associated companies.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.3 Share capital and treasury shares (continued)

(b) *Share options* (continued)

Restricted Share Plan (continued)

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

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

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

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

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

Enhanced Plan

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

(a) Performance Share Award; and

(b) Restricted Share Award.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.3 Share capital and treasury shares (continued)

(b) Share options (continued)

Enhanced Plan (continued)

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

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

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

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

Performance Share Awards

Since the adoption of the Enhanced Plan to 31 March 2023, a total of 7,264,569 shares have been granted.

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

Date of Grant	Balance As At 1.4.23 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.24 ('000)
31.05.19	591	–	–	591	–
01.06.20	455	–	–	–	455
20.01.22	269	–	–	–	269
03.06.22	1,244	–	–	–	1,244
Total	**2,559**	**–**	**–**	**591**	**1,968**

Restricted Share Awards

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

During the financial year ended 31 March 2024, 5,520,424 shares were granted. Details of the grants are as follows:

Date of Grant	Balance As At 1.4.23 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.24 ('000)
31.05.19	881	–	–	881	–
01.06.20	1,354	–	–	136	1,218
20.01.22	768	–	–	36	732
03.06.22	2,567	–	–	331	2,236
08.06.23	–	5,520	–	–	5,520
Total	**5,570**	**5,520**	–	**1,384**	**9,706**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.3 Share capital and treasury shares (continued)

(b) *Share options* (continued)

Enhanced Plan (continued)

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

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

Following are the details of the significant inputs into the valuation model to determine fair value of the share incentive granted during the financial year.

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

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

The volatility assumption is based on the actual volatility of Singapore Post's daily closing share price over the three-year period to the valuation date.

The annual risk free rate is interpolated from the yield on Singapore Government Bonds of appropriate term, as detailed by the Monetary Authority of Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.3 Share capital and treasury shares (continued)

(b) *Share options* (continued)

FMH Long Term Incentive Plan

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.3 Share capital and treasury shares (continued)

(b) *Share options* (continued)

Material accounting policy information

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

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

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

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

5.4 Other reserves

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

Other reserves are non-distributable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.4 Other reserves (continued)

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

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

(1) Mainly attributable to the translation differences arising from net investment in Australia entities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.4 Other reserves (continued)

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

5.5 Perpetual securities

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

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

Material accounting policy information

The perpetual securities do not have a maturity. Subject to the relevant terms and conditions in the offering memorandum, the Group may elect to defer making distributions on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred. Accordingly, the Group is not considered to have a contractual obligation to make principal repayments or distributions in respect of its perpetual securities issued and the perpetual securities are presented within equity as the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 *Financial Instruments: Presentation*. Distributions are treated as dividends which will be directly debited from equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. CAPITAL STRUCTURE (continued)

5.6 Dividends

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

Final dividend

At the Annual General Meeting on 24 July 2024, the Board will be recommending a final exempt (one-tier) dividend of 0.56 cents per ordinary share amounting to S$12.6 million for the financial year ended 31 March 2024. Including the interim dividend of 0.18 cents per share paid out in November 2023, total dividend would amount to 0.74 cents per share, or approximately 40% of the underlying net profit. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2025.

The underlying net profit is defined as net profit before exceptional items (Note 2.7). The Group's underlying net profit for the financial year ended 31 March 2024 amounted to S$41,500,000 (2023: S$32,384,000).

Material accounting policy information

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

6. GROUP STRUCTURE

6.1 Investments in subsidiaries

	Company	
	2024 S$'000	2023 S$'000
Equity investments at cost		
Beginning of financial year	**379,099**	379,367
Investment written off	**–**	(268)
	379,099	379,099
Less: Allowance for impairment	**(17,786)**	(17,786)
End of financial year	**361,313**	361,313

Details of the subsidiaries are included in Note 6.4. The proportion of ownership interest held by the Group does not differ from the proportion of voting rights held by the Group.

During the preceding financial year, the Company wrote off allowance for impairment amounting to S$268,000 against the cost of investment in a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.1 Investment in subsidiaries (continued)

Carrying value of non-controlling interests

	2024 S$'000	2023 S$'000
Quantium Solutions International Pte Ltd ("QSI")	**33,264**	36,792
Freight Management Holdings Pty Ltd ("FMH")**	**–**	8,744
Other subsidiaries with immaterial non-controlling interests	**4,219**	5,893
	37,483	51,429
Less: Put option liability to acquire non-controlling interests**	**–**	(58,819)
Total	**37,483**	(7,390)

** The Group completed the acquisition of remaining shareholdings in FMH during the current financial year (Note 1.5).

Summarised financial information of subsidiaries with material non-controlling interests

Set out below is the summarised financial information for a subsidiary that has a non-controlling interest that is material to the Group. These are presented before inter-company eliminations.

Summarised statement of financial position

	QSI		FMH
	2024 S$'000	2023 S$'000	2023 S$'000
Current			
Assets	**48,658**	46,088	95,964
Liabilities	**(46,419)**	(42,027)	(83,967)
Total current net assets	**2,239**	4,061	11,997
Non-current			
Assets	**96,888**	106,676	132,036
Liabilities	**(1,291)**	(2,525)	(71,163)
Total non-current net assets	**95,597**	104,151	60,873
Net assets	**97,836**	108,212	72,870

Summarised income statement

	QSI		FMH
	2024 S$'000	2023 S$'000	2023 S$'000
Revenue	**91,683**	89,075	595,301
(Loss) / Profit before income tax	**(5,067)**	(17,941)	46,613
Income tax credit / (expense)	**317**	(234)	(13,158)
(Loss) / Profit after tax	**(4,750)**	(18,175)	33,455
Other comprehensive (loss) / income	**(5,625)**	13,810	(2,603)
Total comprehensive (loss) / income	**(10,375)**	(4,365)	30,852
Total comprehensive (loss) / income allocated to non-controlling interests	**(3,528)**	(1,484)	15,117
Dividends paid to non-controlling interests	**–**	–	6,577

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.1 Investment in subsidiaries (continued)

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

Summarised cash flows

	QSI		FMH
	2024	2023	2023
	S$'000	S$'000	S$'000
Cash generated from operations	**10,512**	7,562	38,485
Income tax paid	**(436)**	(453)	(15,237)
Net cash from operating activities	**10,076**	7,109	23,248
Net cash from / (used in) investing activities	**107**	(67)	(8,859)
Net cash (used in) / from financing activities	**(3,328)**	(5,891)	6,213
Net increase in cash and cash equivalents	**6,855**	1,151	20,602
Cash and cash equivalents at beginning of year	**15,718**	14,567	107
Cash and cash equivalents at end of year	**22,573**	15,718	20,709

Material accounting policy information

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

Details of the Group's subsidiaries and composition of the Group are disclosed in Note 6.4.

(i) *Basis of consolidation*

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

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

(ii) *Transactions with non-controlling interests*

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.1 Investment in subsidiaries (continued)

Material accounting policy information (continued)

(iii) Put option with non-controlling interests

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

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

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

6.2 Investments in associated companies and joint ventures

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Investments in associated companies (Note (a))	**23,107**	31,939	**21,891**	21,891
Investment in joint ventures (Note (b))	**–**	10	**–**	–
	23,107	31,949	**21,891**	21,891

(a) Associated companies

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Equity investment at cost			**21,891**	21,891
Beginning of financial year	**31,939**	34,072		
Loss of significant influence from dilution of interest in an associated company (Note (i))	**(8,402)**	–		
Reversal of impairment loss in an associated company (Note (ii))	**2,762**	–		
Share of (loss) / profit	**(1,543)**	23		
Dividends received	**(293)**	–		
Currency translation differences	**(1,356)**	(2,156)		
End of financial year	**23,107**	31,939		

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.2 Investments in associated companies and joint ventures (continued)

(a) Associated companies (continued)

(i) During the financial year ended 31 March 2024, the Group lost its significant influence over a former associated company and recognised a loss on deemed disposal amounting to S$136,000. The retained interest is measured at fair value and accounted for as an equity investment measured at FVTOCI (Note 4.4). The loss on deemed disposal was included in "Exceptional items" (Note 2.7) and is calculated as follows:

	2024 S$'000
Fair value of investment in associated company	**8,402**
Less: Carrying amount of the investment on date of loss of significant influence	**(8,402)**
Less: Currency translation reserve transferred to profit or loss arising from loss of significant influence	**(136)**
Loss on deemed disposal of investment in an associated company	**(136)**

(ii) During the financial year ended 31 March 2024, the Group reversed an impairment loss of S$2,762,000 against the carrying amount of its investment in an associated company, being the difference between the carrying amount of the Group's investment and the recoverable amount. The recoverable amount is determined based on the quoted market price of the associated company.

The Group's investments in associated companies include investments in listed associated companies with a carrying value of S$19,962,000 (2023: S$27,845,000), for which the published price quotations are S$33,978,000 (2023: S$49,755,000) at the end of the reporting period and is classified within Level 1 of the fair value hierarchy.

There are no contingent liabilities relating to the Group's interest in the associated companies.

The Group's investments in associates are not individually material. Details of associated companies are disclosed in Note 6.4.

(b) Joint ventures

The Group's investments in joint ventures are not individually material. Details of joint ventures are disclosed in Note 6.4.

Material accounting policy information

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.2 Investments in associated companies and joint ventures (continued)

(b) *Joint ventures* (continued)

Material accounting policy information (continued)

Equity method of accounting

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

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

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

6.3 Acquisition of subsidiaries

2024

On 1 March 2024, the Group acquired 100% shares and voting interest in M J Luff Pty Ltd through its subsidiary, FMH. M J Luff Pty Ltd is an investment holding company that owns 100% of the shares of Border Express Pty Ltd ("BEX") and Yandilla Pty Ltd ("Yandilla"), and operate under the trading name "Border Express". Border Express offers courier and logistics services and occupies a national network that captures all States and Territories of Australia.

The initial accounting for the acquisition of Border Express has only been provisionally determined at 31 March 2024. The necessary purchase price allocations and other calculations had not been finalised and they have therefore only been provisionally determined based on the management's best estimate of the likely values.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.3 Acquisition of subsidiaries (continued)

Details at the acquisition date of the consideration paid, the provisional fair value amounts of assets acquired and liabilities assumed, and the effects on the cash flows of the Group, are as follows:

		S$'000
(i)	*Purchase consideration*	
	Cash paid to vendor	104,820
	Deferred consideration	53,324
	Contingent consideration (Note (iv))	13,103
	Total purchase consideration	171,247
(ii)	*Effect on cash flows of the Group*	
	Effect on cash flows of the Group	104,820
	Less: Cash and cash equivalent balances acquired	(7,090)
	Cash outflow on acquisition	97,730
(iii)	*Identifiable assets acquired and liabilities assumed, at fair value*	
	Current assets	
	Cash and cash equivalents	7,090
	Trade and other receivables	32,048
	Inventories	484
	Other current assets	2,458
		42,080
	Non-current assets	
	Property, plant and equipment	62,998
	Intangible assets	61,232
	Right-of-use assets	69,892
		194,122
	Current liabilities	
	Trade and other payables	34,893
	Current income tax liabilities	2,753
	Lease liabilities	13,261
	Borrowings	8,006
		58,913
	Non-current liabilities	
	Trade and other payables	3,045
	Borrowings	5,460
	Lease liabilities	56,631
	Deferred tax liabilities	19,060
		84,196
	Total identifiable assets acquired and liabilities assumed	93,093
	Add: Provisional goodwill arising on acquisition (Note (v))	78,154
	Consideration	171,247

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.3 Acquisition of subsidiaries (continued)

(iv) Contingent consideration

The contingent consideration is dependent on the earned revenue from services provided to qualifying customers within a stipulated period.

(v) Provisional goodwill arising from acquisition

The provisional goodwill of S$78,154,000 arising from the acquisition is attributable to the synergies expected to arise from combining the operations of the Group with Border Express to expand the Group's logistics network and deliver enhanced value to its customers and partners.

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

(vi) Acquisition-related costs

Acquisition-related costs of S$2,171,000 are included in "Exceptional items" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

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

Border Express contributed S$29,561,000 revenue and a net profit of S$909,000 to the Group's profit for the period between the date of acquisition and the reporting date.

If the acquisition of Border Express had been completed on the first day of the financial year, consolidated revenue and consolidated net profit for the year ended 31 March 2024 would have increased by S$343,643,000 and S$28,065,000 respectively.

2023

During the preceding financial year, the following acquisitions were completed:

Parcel Santa Pte. Ltd.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.3 Acquisition of subsidiaries (continued)

2023 (continued)

Details at the acquisition date of the consideration paid, the fair value amounts of assets acquired and liabilities assumed, and the effects on the cash flows of the Group, are as follows:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.3 Acquisition of subsidiaries (continued)

2023 (continued)

(iv) Contingent consideration

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

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

(v) Goodwill arising on acquisition

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

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

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

(vi) Acquisition-related costs

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

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

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

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

Material accounting policy information

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.3 Acquisition of subsidiaries (continued)

Material accounting policy information (continued)

When the consideration transferred by the group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

Refer to Note 3.9 for the subsequent accounting policy on goodwill.

Key sources of estimation uncertainty

Purchase price allocation and estimated contingent consideration

SFRS(I) 3 Business Combinations requires the Group to recognise the identified assets and liabilities at fair value at the date of acquisition, with the excess of the acquisition cost over the identified fair value of recognised assets and liabilities as goodwill. Significant judgement is applied in the identification of any intangible assets acquired and contingent liabilities assumed in the transaction. Significant assumptions and estimates are also used in the determination of the fair values of the identified assets acquired and liabilities assumed.

The assessment of contingent consideration in respect of business acquisitions requires significant management judgment in determining the future results of the acquired business which has a direct impact on the magnitude of contingent consideration to be recognised.

The Group completed its acquisitions of MJ Luff Pty Ltd during the current financial year (2023: Parcel Santa and Spectrum Group). Details are further disclosed above.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.4 Listing of companies in the Group

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2024 %	by the Group 2023 %	by the NCI 2024 %	by the NCI 2023 %
SUBSIDIARIES						
Held by the Company						
Singapore Post Enterprise Private Limited	Investment holding	Singapore	**100**	100	**–**	–
SingPost Logistics Holdings Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Investments Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Logistics Investments Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Group Treasury Pte Ltd	Provision of financial and treasury services to its related companies	Singapore	**100**	100	**–**	–
SingPost eCommerce Pte. Ltd.	eCommerce specialising in the provision of online sale of products	Singapore	**100**	100	**–**	–
Held by subsidiaries						
SingPost Logistics Enterprise Pte. Ltd	Investment holding	Singapore	**100**	100	**–**	–
SingPost Logistics Australia Holdings Pty Ltd	Investment holding	Australia	**100**	100	**–**	–
SingPost Australia Investments Pty Ltd	Investment holding	Australia	**100**	100	**–**	–
Quantium Logistics (Shenzhen) Limited[(1)]	Provision of logistics services	China	**100**	–	**–**	–
Quantium Solutions (Taiwan) Co., Ltd.	Provision of delivery services and eCommerce logistics solutions	Taiwan	**100**	100	**–**	–
Quantium Solutions International Pte. Ltd.	Investment holding, provision of management and consultancy services to related entities	Singapore	**66**	66	**34**	34

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.4 Listing of companies in the Group (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2024 %	by the Group 2023 %	by the NCI 2024 %	by the NCI 2023 %
SUBSIDIARIES						
Held by subsidiaries						
Quantium Solutions (Singapore) Pte. Ltd.	Provision of delivery services and eCommerce logistics solutions	Singapore	**66**	66	**34**	34
Quantium Solutions (Australia) Pty Ltd	Provision of delivery services and eCommerce logistics solutions	Australia	**66**	66	**34**	34
Quantium Solutions (Hong Kong) Limited	Provision of delivery services and eCommerce logistics solutions	Hong Kong	**66**	66	**34**	34
Quantium Mail Logistics Solutions (India) Private Limited(6)	Dormant	India	**66**	66	**34**	34
Quantium Express Solutions (India) Private Limited(6)	Dormant	India	**66**	66	**34**	34
PT Quantium Solutions Logistics Indonesia+	Provision of delivery services and eCommerce logistics solutions	Indonesia	**44**	44	**56**	56
Quantium Solutions (Japan) Inc.(1)	Provision of delivery services and eCommerce logistics solutions	Japan	**66**	66	**34**	34
Quantium Solutions International (Malaysia) Sdn. Bhd.	Provision of delivery services and eCommerce logistics solutions	Malaysia	**66**	66	**34**	34
Quantium Solutions (New Zealand) Pty Limited(1)	Provision of delivery services and eCommerce logistics solutions	New Zealand	**66**	66	**34**	34
Quantium Solutions (Thailand) Co., Ltd.	Provision of delivery services and eCommerce logistics solutions	Thailand	**66**	66	**34**	34
Couriers Please Holdings Pty Ltd	Investment holding	Australia	**100**	100	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.4 Listing of companies in the Group (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2024 %	by the Group 2023 %	by the NCI 2024 %	by the NCI 2023 %
SUBSIDIARIES (continued) Held by subsidiaries (continued)						
Couriers Please Australia Pty Ltd	Investment holding	Australia	**100**	100	**–**	–
Couriers Please Pty Limited	Provision of delivery services and eCommerce logistics solutions	Australia	**100**	100	**–**	–
Freight Management Holdings Pty Ltd	Investment holding and provision of integrated supply chain and distribution services	Australia	**100**	88	**–**	12
efm Logistics Pty Ltd	Provision of logistics consulting and warehousing services	Australia	**100**	88	**–**	12
LHA Network Services Pty Ltd	Provision of logistics consulting and warehousing services	Australia	**100**	88	**–**	12
Logistics Holdings Australia Pty Ltd	Provision of logistics services	Australia	**100**	88	**–**	12
Logistics Holdings Industrial Pty Ltd	Provision of logistics services	Australia	**100**	88	**–**	12
BagTrans Group Pty Ltd	Investment holding	Australia	**100**	88	**–**	12
BagTrans Logistics Pty Ltd	Investment holding	Australia	**100**	88	**–**	12
BagTrans Pty Limited	Provision of logistics services	Australia	**100**	88	**–**	12
BTH2 Pty. Limited	Provision of logistics services	Australia	**100**	88	**–**	12
BagTrans Holdings Pty Limited	Provision of logistics services	Australia	**100**	88	**–**	12
BagTrans Operations (Depot) Pty Ltd	Provision of logistics services	Australia	**100**	88	**–**	12

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.4 Listing of companies in the Group (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group **2024** **%**	by the Group 2023 %	by the NCI **2024** **%**	by the NCI 2023 %
SUBSIDIARIES (continued) Held by subsidiaries (continued)						
BagTrans Operations (Local) Pty Ltd	Provision of logistics services	Australia	**100**	88	**–**	12
BagTrans Operations (Management) Pty Ltd	Provision of management and consultancy services to related entities	Australia	**100**	88	**–**	12
Flemington Fields Pty Ltd	Provision of logistics services	Australia	**100**	88	**–**	12
Otway Logistics Pty Ltd	Investment holding	Australia	**100**	88	**–**	12
Niche Logistics Pty Ltd	Provision of freight logistics services	Australia	**100**	88	**–**	12
Flip Group Technologies Pty Ltd	Provision of management and system support related services to its related entities	Australia	**100**	88	**–**	12
Flip Technologies Pty Ltd	Provision of management and system support related services to its related entities	Australia	**100**	88	**–**	12
Andromeda Nominees Pty. Ltd.	Provision of logistics services	Australia	**100**	88	**–**	12
Spectrum Transport Consol 1 Pty Ltd	Investment holding	Australia	**100**	88	**–**	12
Spectrum Transport QLD Pty Ltd	Provision of logistics services	Australia	**100**	88	**–**	12
Spectrum Transport NSW Pty Ltd	Provision of logistics services	Australia	**100**	88	**–**	12
Spectrum Transport VIC Pty Ltd	Provision of logistics services	Australia	**100**	88	**–**	12

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.4 Listing of companies in the Group (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group **2024** %	by the Group 2023 %	by the NCI **2024** %	by the NCI 2023 %
SUBSIDIARIES (continued) Held by subsidiaries (continued)						
Spectrum Transport Equipment Pty Ltd	Provision of logistics services	Australia	**100**	88	**–**	12
M J Luff Pty Ltd	Investment holding	Australia	**100**	–	**–**	–
Border Express Pty Ltd	Provision of logistics services	Australia	**100**	–	**–**	–
Yandilla Pty Ltd	Provision of logistics services	Australia	**100**	–	**–**	–
Famous Holdings Pte Ltd	Investment holding and provision of management services	Singapore	**100**	100	**–**	–
Famous Air & Sea Services Pte. Ltd.	Freight forwarding	Singapore	**100**	100	**–**	–
FPS Global Logistics Pte. Ltd.	Freight forwarding	Singapore	**100**	100	**–**	–
Famous Pacific Shipping (WA) Pty Ltd	Freight collections transhipments	Australia	**100**	100	**–**	–
Shinyei Shipping Co Ltd(1)	Freight forwarding	Japan	**89**	89	**11**	11
Tras – Inter Co., Ltd(1)	Customs brokerage and freight forwarding	Japan	**89**	89	**11**	11
FPS Famous Pacific Shipping Sdn. Bhd.	Freight forwarding	Malaysia	**100**	100	**–**	–
Rotterdam Harbour Holding B.V.(2)	Investment holdings	Netherlands	**85**	85	**15**	15
FPS Famous Pacific Shipping B.V.(1)	Logistics services	Netherlands	**85**	85	**15**	15
Trans Ocean Pacific Forwarding B.V.(1)	Logistics services	Netherlands	**85**	85	**15**	15
Famous Pacific Shipping (NZ) Limited(3)	Freight forwarding	New Zealand	**100**	100	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.4 Listing of companies in the Group (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2024 %	by the Group 2023 %	by the NCI 2024 %	by the NCI 2023 %
SUBSIDIARIES (continued) Held by subsidiaries (continued)						
Mercury Worldwide (NZ) Limited[7]	Dormant	New Zealand	**–**	100	**–**	–
F.S. Mackenzie Limited[3]	Freight forwarding	United Kingdom	**100**	100	**–**	–
SingPost Investments (Tampines) Pte. Ltd.	Investment holding and real estate activities with owned or leased property	Singapore	**100**	100	**–**	–
SingPost Investments (Toh Guan) Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Investments (Ecommerce Logistics) Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Centre (Retail) Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost eCommerce Logistics Holdings Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SP eCommerce (Thailand) Co Ltd[1]	eCommerce specialising in the provision of online shopping platforms and services	Thailand	**100**	100	**–**	–
SP eCommerce (Malaysia) Sdn. Bhd.	eCommerce specialising in the provision of online shopping platforms and services	Malaysia	**100**	100	**–**	–
TradeGlobal Asia Holdings Limited[3]	Investment holding	Hong Kong	**100**	100	**–**	–
Parcel Santa Pte. Ltd.[3]	Provision of eCommerce logistics solutions	Singapore	**100**	100	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. GROUP STRUCTURE (continued)

6.4 Listing of companies in the Group (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2024 %	2023 %
ASSOCIATED COMPANIES				
Held by the Company				
GDEX Berhad^	Investment holding	Malaysia	**12.27**	12.27
Held by subsidiaries				
Dash Logistics Company Ltd(3)	Provision of integrated logistics, freight and transport management and aviation services	Vietnam	**30**	30
Efficient E-Solutions Berhad(4)	Provision of data print, record management, data and document processing	Malaysia	**15.92**	20.81
Morning Express & Logistics Limited(5)	Provision of courier services and provision of management services to its related company	Hong Kong	**33**	33
JOINT VENTURES				
Held by subsidiaries				
PT Trio SPeCommerce Indonesia(1)	Dormant	Indonesia	**33**	33
Paya Lebar Central Partnership Limited(8)	Provision of management consultancy services	Singapore	**–**	33.33

Notes
All companies as at 31 March 2024 are audited by member firms of Deloitte Touche Tohmatsu Limited, except for the following:
(1) Not required to be audited for the financial year ended 31 March 2024
(2) Audited by Crowe Peak Audit & Assurance, The Netherlands
(3) Audited by local statutory auditors in the countries of incorporation
(4) Audited by Russel Bedford LC & Company, Malaysia. Ceased to be an associate of the Company with effect from 7 March 2024.
(5) Audited by HKCMCPA Company Limited
(6) Placed under members' voluntary liquidation since financial year ended 31 March 2021
(7) Deregistered during the financial year ended 31 March 2024
(8) Struck off pursuant to Section 344A of the Companies Act 1967 of Singapore during the financial year ended 31 March 2024
\+ It is considered to be a subsidiary of the Company as the Company can exercise control over its financial and operating policies and voting rights.
^ It is considered to be an associate of the Company as the Company can exercise significant influence over its financial and operating policies and voting rights.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

7. OTHERS

7.1 Holding company and related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the Group had the following significant transactions with its related parties at terms agreed between the parties:

(a) *Sales and purchases of goods and services*

	Group	
	2024	2023
	S$'000	S$'000
Services received from associated companies	**(866)**	(6,765)
Services rendered to related companies of a substantial shareholder	**15,352**	11,974
Sale of property, plant and equipment to a substantial shareholder	**4,500**	–
Services received from related companies of a substantial shareholder	**(14,928)**	(14,526)
Interest received from loans to associated companies	**–**	17

During the financial year ended 31 March 2024, the Company made payments on behalf of subsidiaries totalling S$1.0 million (2023: S$2.0 million) which were subsequently reimbursed.

Outstanding balances at 31 March 2024, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from the end of the reporting period and are disclosed in Notes 3.2 and 3.10 respectively.

(b) *Key management personnel compensation is as follows:*

	Group	
	2024	2023
	S$'000	S$'000
Salaries and other short-term employee benefits	**6,301**	5,421
Post-employment benefits	**111**	92
Share-based staff costs	**2,031**	806
	8,443	6,319

Included in the above is total compensation to non-executive directors of the Company amounting to S$1,207,970 (2023: S$1,240,410) based on the non-executive director remuneration framework.

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

The total key management personnel compensation reflects the compensation of these 6 executive key management positions (2023: 6 executive key management positions, 4 of whom were in service for the full financial year and 2 for a period of the financial year and for whom the remuneration is for the period of their appointment to the end of the financial year).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

7. OTHERS (continued)

7.2 Post-employment benefits

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

	Group	
	2024	2023
	S$'000	S$'000
The amount recognised in the statement of financial position is determined as follows:		
Present value of unfunded obligations (Note 3.10)	**1,715**	1,832
The amounts recognised in profit or loss are as follows:		
Current service cost	**498**	546
Interest cost	**23**	12
	521	558
Beginning of financial year	**1,832**	1,725
Current service cost	**498**	546
Interest cost	**23**	12
Benefits paid	**(431)**	(278)
Currency translation differences	**(207)**	(173)
End of financial year	**1,715**	1,832
The significant actuarial assumptions used were as follows:		
Discount rate	**1.7%**	0.8%
Retirement age	**60**	60
Salary growth rates	**2.8%**	3.0%
Withdrawal	**0%**	0%
The cumulative actuarial losses recognised for the defined benefit pension plans were as follows:		
Beginning and end of financial year	**(11)**	(11)

Material accounting policy information

Defined benefit plans

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

The liability recognised in the statement of financial position (Note 3.10) in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

7. OTHERS (continued)

7.3 Commitments

(a) *Capital commitments*

Capital expenditures contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	Group		Company	
	2024	2023	**2024**	2023
	S$'000	S$'000	**S$'000**	S$'000
Property, plant and equipment	**22,402**	15,334	**2,728**	6,189

(b) *Operating lease arrangements – where the Group is a lessee*

The Group and Company lease various post offices, warehouse space and machinery under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

At 31 March 2024, the Group is committed to S$0.7 million (2023: S$0.7 million) for short-term leases.

(c) *Operating lease commitments – where the Group is a lessor*

Operating leases, in which the Group is the lessor, relate to investment properties owned by the Group. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The unguaranteed residual values do not represent a significant risk for the Group, as they are not material.

Maturity analysis of operating lease income:

	Group	Company
	S$'000	**S$'000**
2024		
Maturity analysis:		
Year 1	**57,836**	**56,056**
Year 2	**48,147**	**47,277**
Year 3	**32,264**	**31,892**
Year 4	**12,757**	**12,649**
Year 5	**3,264**	**3,264**
	154,268	**151,138**
2023		
Maturity analysis:		
Year 1	46,705	45,415
Year 2	22,834	21,700
Year 3	10,777	10,246
Year 4	4,364	4,172
Year 5	3,261	3,149
Year 6 onwards	801	801
	88,742	85,483

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

7. OTHERS (continued)

7.3 Commitments (continued)

(c) Operating lease commitments – where the Group is a lessor (continued)

Material accounting policy information

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

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

7.4 Contingent liabilities

1st Arbitration

A non-controlling shareholder (the "Claimant") of Famous Holdings Pte Ltd ("FHPL"), a subsidiary of the Company, had exercised his put option in respect of his remaining 37.5% shares in FHPL in September 2016. As there were differences between the parties on the final valuation of the put option, the Claimant commenced arbitration proceedings against the Company in 2017 (the "1st Arbitration").

On 3 June 2020, the arbitral tribunal issued its partial award with respect to the 1st Arbitration (the "1st Partial Award for the 1st Arbitration") and dismissed the Claimant's various claims against the Company for damages for breach of a shareholders' agreement (the "SHA"), conspiracy and inducement of breach of contract. The tribunal also ruled in the Company's favour on material accounting and computational issues under the SHA, which are the most significant determinants of what sums, if any, are due to be paid either by the Company to the Claimant, or by the Claimant to the Company, for the transfer of the Claimant's remaining 37.5% shares in FHPL to the Company. Based on its findings, the tribunal directed the parties to see if they can agree on the final amount payable for the transfer of the Claimant's 37.5% shares in FHPL to the Company, failing which the tribunal will make a final determination.

As there was divergence between the Company and the Claimant on the precise computation for the final amount payable, on 19 January 2022, the tribunal issued a further partial award in respect of the 1st Arbitration (the "2nd Partial Award for the 1st Arbitration") that, amongst others, applied one out of several computation methodologies that were submitted by the parties within the parameters of the 1st Partial Award for the 1st Arbitration, and which would entail the Company paying the Claimant for his 37.5% shares in FHPL at a fair value.

On 28 July 2023, the tribunal issued a further partial award in respect of the 1st Arbitration (the "3rd Partial Award for the 1st Arbitration") pursuant to which it directed, *inter alia*, that the final valuation of FHPL is S$61,707,965, calculated in accordance with the tribunal's determination in the 2nd Partial Award for the 1st Arbitration, which meant that the additional amount to be paid by the Company to the Claimant is S$1,707,965, after taking into account the S$60,000,000 already paid by the Company to the Claimant. The tribunal made further directions for, *inter alia*, the transfer by the Claimant of the 37.5% shares in FHPL to the Company or its nominee, and the payment by the Company of S$1,707,965 to FHPL towards repayment of an outstanding loan amount owed by the Claimant to FHPL (the "Claimant Loan").

The transfer of the 37.5% shares in FHPL to the Company's wholly-owned subsidiary, SingPost Logistics Investments Pte. Ltd. ("SPLI"), and the payment of S$1,707,965 by the Company to FHPL to partially offset the Claimant Loan were completed on 2 October 2023. The financial effects arising from the payment have been reflected in the consolidated income statement for the full year ended 31 March 2024 and statements of financial position as at 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

7. OTHERS (continued)

7.4 Contingent liabilities (continued)

2nd Arbitration

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

3rd Arbitration

A third arbitration was separately commenced by the Claimant against SPLI on 22 February 2022 (the "3rd Arbitration"), in which the Claimant alleged breaches of the SHA which impacted the final amount payable by the Company for the Claimant's remaining 37.5% shares in FHPL which are the subject of the 1st Arbitration. The Claimant had initially quantified his claim at S$16,514,119 plus interest, based on his Statement of Claim filed on 8 August 2022. Based on the revised Statement of Claim and supporting documentation re-filed by the Claimant on 29 October 2022 and 1 November 2022, the Claimant changed the quantum of his claim to S$13,996,884 plus interest.

High Court Proceedings and 4th Arbitration

The Claimant had also commenced proceedings against the Company in the High Court. Based on the Statement of Claim which was served on the Company on 26 September 2022, it was alleged that the Claimant suffered loss and damage as a result of the Company's conduct in the 1st Arbitration. The Claimant had alleged that the Company had engaged in fraud and/or concealed material evidence as regards the independence of a mutually appointed human resource consultant for the provision of market benchmarks on certain key management roles under the share purchase agreement in relation to FHPL and its subsidiaries (the "SPA"), and which allegedly has had an impact on the decisions of the arbitral tribunal in the partial awards in respect of the 1st Arbitration. The Claimant had sought declarations from the High Court that the partial awards issued in the 1st Arbitration are null and void and/or unenforceable as against him and that the human resource consultant was not properly appointed under the SPA. He further claimed for damages to be assessed and for interest, costs and such other relief as the High Court deems just. Subsequently, the Claimant served a Notice of Arbitration on the Company on 28 December 2022 (the "4th Arbitration") and has since discontinued his claim in the High Court. The allegations in the Notice of Arbitration are similar to those in the discontinued claim in the High Court, and the Claimant is seeking for damages to be assessed. On 8 May 2023, the arbitral tribunal in the 1st Arbitration directed that the 4th Arbitration be consolidated with the 1st Arbitration.

5th Arbitration

On 17 May 2023, the Claimant served a new notice of arbitration on the Company (the "5th Arbitration"). In the Notice of Arbitration, the Claimant had sought, among others, declarations regarding his purported legal and beneficial ownership of the 37.5% shares in FHPL and his fiduciary duties to the Company in respect of the 37.5% shares in FHPL, and alleged that in the event that he is no longer the beneficial owner of the 37.5% shares in FHPL, the Company is estopped by representation/conduct from making any claim against him in relation to the 37.5% shares in FHPL and/or the manner in which he had exercised rights available under the 37.5% shares in FHPL from the date of exercise of his put option to the closing date specified in his put option exercise notice.

Findings regarding (among others) the Claimant's beneficial ownership of the 37.5% shares in FHPL had previously been made in the arbitration proceedings commenced by the Claimant against SPLI and FHPL (viz., the 2nd Arbitration), in which the Claimant had claimed (among others) a purported entitlement to dividends under the 37.5% shares in FHPL. All of the Claimant's claims against SPLI and FHPL in the 2nd Arbitration were dismissed under the Final Partial Award in the 2nd Arbitration.

Given the nature of the relief being sought by the Claimant in the 5th Arbitration, which does not include any claim for damages or other monetary relief, the potential financial impact of the 5th Arbitration cannot be quantified at this stage.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

7. OTHERS (continued)

7.4 Contingent liabilities (continued)

Claimant Loan (Note 3.3)

Apart from the above, the Group had an outstanding loan to the Claimant (viz., the Claimant Loan) amounting to S$3,102,035 as at 31 March 2024 (31 March 2023: S$4,810,000).

The Company will, in consultation with its advisors, continue to evaluate the various courses of action available to the Group.

7.5 Assets classified as held for sale

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

	Group and Company 2023 S$'000
Assets classified as held for sale	
Investment property (Note 3.6)	10,914
Property, plant and equipment (Note 3.7)	786
	11,700

The disposal was completed on 30 June 2023 and a gain on disposal of assets held for sale of S$0.9 million was recognised in "Exceptional items" (Note 2.7). The assets classified as held for sale were included in Property segment for the purpose of segmental reporting.

Material accounting policy information

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter the assets classified as held as sale (other than investment property measured at fair value) are generally measured at the lower of their carrying amount and fair value less costs to sell.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

7. OTHERS (continued)

7.6 Pronouncements issued but not yet effective

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements were issued but not effective and are applicable to the Group and the Company.

Effective for annual periods beginning on or after 1 April 2024

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*

Management anticipates that the adoption of the amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

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

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

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

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

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