IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached information memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached information memorandum. In accessing the attached information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the securities, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act (as defined below)). The attached information memorandum is being sent at your request and by accepting the e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the United States ("U.S.") nor a U.S. Person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act"), nor are you acting on behalf of a U.S. Person, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and, to the extent you purchase the securities described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this document, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), a relevant person as defined under Section 275(2) of the SFA or persons to whom an offer is being made, as referred to in Section 275(1A) of the SFA, and (B) agree to be bound by the limitations and restrictions described herein.

The attached document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Singapore Post Limited (the "Issuer"), Credit Suisse (Singapore) Limited, DBS Bank Ltd. or any person who controls any of them nor any of their respective directors, officers, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version.

Restrictions: The attached document is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the subscription or purchase of the securities described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of **the Issuer, Credit Suisse (Singapore) Limited or DBS Bank Ltd.** to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the dealers or such affiliate on behalf of the Issuer in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession this information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this document, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to subscribe for or purchase any of the securities described therein.**

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO, AND YOU MAY NOT, FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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SINGAPORE POST LIMITED

(Incorporated with limited liability in the Republic of Singapore on 28 March 1992)
(UEN/Registration No. 199201623M)

S$1,000,000,000
Multicurrency Debt Issuance Programme
(the "**Programme**")

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore ("**MAS**"). Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") and perpetual securities (the "**Perpetual Securities**" and, together with the Notes, the "**Securities**") to be issued from time to time by Singapore Post Limited (the "**Issuer**") pursuant to the Programme may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, (iii) where the Securities are initially acquired pursuant to an offer in reliance of Section 274 or 275 of the SFA, pursuant to, and in accordance with the conditions of, Section 276 of the SFA and any other applicable provision of the SFA, or (iv) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or (in the case of such corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and for the listing and quotation of any Securities which are agreed at or prior to the time of issue thereof to be so listed on the Official List of the SGX-ST. In addition, at the relevant time of issue of the Securities which are agreed at or prior to the time of issue to be listed on the Official List of the SGX-ST, a separate application will be made to the SGX-ST for the listing and quotation of such Securities on the Official List of the SGX-ST. Such permission will be granted when such Securities have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the SGX-ST for the listing and quotation of the Securities of any Series (as defined herein) will be approved. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. The approval in-principle from, and admission to the Official List of, the SGX-ST and quotation of any Securities on the SGX-ST are not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), its joint venture companies (if any) and the Programme or such Securities. Unlisted Securities may also be issued under the Programme. The relevant Pricing Supplement (as defined below) in respect of any Series will specify whether or not such Securities will be listed, and if so, which exchange(s) the Securities are to be listed on.

Arrangers

CREDIT SUISSE DBS

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NOTICE

Credit Suisse (Singapore) Limited and DBS Bank Ltd. (each an "**Arranger**" and together, the "**Arrangers**") have been authorised by the Issuer to arrange the Programme described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Securities denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, its subsidiaries, its associated companies (if any), its joint venture companies (if any), the Programme and the Securities. The Issuer accepts responsibility for this Information Memorandum and, having made all reasonable enquiries, confirms that this Information Memorandum contains all information which is material in the context of the Programme and the issue and offering of the Securities, that all the information contained herein is true and accurate in all material respects, that the opinions and intentions expressed in this Information Memorandum have been carefully considered and have been reached after considering all relevant circumstances and are based on reasonable assumptions, and that there are no other facts the omission of which would, in the context of the Programme and the issue and offering of the Securities, make any statement in this Information Memorandum misleading in any material respect.

Notes may be issued in Series (as defined herein) having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than Variable Rate Notes (as described under the section "Summary of the Programme")) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of Variable Rate Notes) for the issue prices and rates of interest. Each Series may be issued in one or more Tranches (as defined herein) on the same or different issue dates. The Notes will be issued in bearer form or registered form and may be listed on a stock exchange. The Notes will initially be represented by a Temporary Global Security (as defined herein) in bearer form, a Permanent Global Security (as defined herein) in bearer form or a registered Global Certificate (as defined herein) which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP (as defined herein) or common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or otherwise delivered as agreed between the Issuer and the relevant Dealer (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer and may be subject to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer. The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each Series or Tranche of Notes. Details applicable to each Series or Tranche of Notes will be specified in the applicable Pricing Supplement (as defined herein) which is to be read in conjunction with this Information Memorandum.

Perpetual Securities may be issued in Series having one or more issue dates, and on identical terms (including as to listing) except for the issue dates, issue prices and/or the dates of the first payment of distribution. Each Series may be issued in one or more Tranches on the same or different issue dates. The Perpetual Securities will be issued in bearer form or registered form and may be listed on a stock exchange. The Perpetual Securities will initially be represented by a Temporary Global Security in bearer form, a Permanent Global Security in bearer form or a registered Global Certificate which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP or a common depositary for Euroclear and/or Clearstream, Luxembourg or otherwise delivered as agreed between the Issuer and the relevant Dealer(s). Subject to compliance with all relevant laws, regulations and directives, the Perpetual Securities may be subject to redemption or purchase in whole or in part. The Perpetual Securities may confer a right to receive distributions at a fixed or floating rate. Details applicable to each Series or Tranche of Perpetual Securities will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding (as defined in the Trust Deed referred to herein) shall be S$1,000,000,000 (or its equivalent in any other currencies) or such increased amount in accordance with the terms of the Programme Agreement (as defined herein).

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arrangers, any of the Dealers, the Trustee (as defined herein) or any of the Agents (as defined herein). Nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer or any of its subsidiaries, its associated companies (if any) or its joint venture companies (if any). The delivery of this Information Memorandum at any time does not imply that the information contained in it is correct as at any time subsequent to its date. Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, the Arrangers, any of the Dealers, the Trustee or any of the Agents to subscribe for or purchase, the Securities in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum or any such other document or information (or such part thereof) and the offer of the Securities in certain jurisdictions may be prohibited or restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information (or such part thereof) or into whose possession this Information Memorandum or any such other document or information (or such part thereof) comes are required to inform themselves about and to observe any such prohibitions or restrictions and all applicable laws, orders, rules and regulations.

The Securities have not been, and will not be, registered under the Securities Act (as defined herein) or with any securities regulatory authority of any state or other jurisdiction of the United States and include Securities in bearer form that are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

Neither this Information Memorandum nor any other document or information (or any part hereof or thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Arrangers or any of the Dealers to subscribe for or purchase, any of the Securities.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Securities have been prepared solely for the purpose of the initial sale by the relevant Dealer(s) of the Securities from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Securities are sold or with whom they are placed by the relevant Dealer(s) as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Securities shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or any of its subsidiaries, its associated companies (if any) or its joint venture companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arrangers, the Dealers and the Trustee have not separately verified the information contained in this Information Memorandum. None of the Issuer, the Arrangers, the Dealers, the Trustee, the Agents and their respective officers, employees and agents is making any representation or warranty express or implied as to the merits of the Securities or the subscription for, purchase or acquisition thereof, or the creditworthiness or financial condition or otherwise of the Issuer or its subsidiaries, its associated companies (if any) or its joint venture companies (if any). Further, none of the Arrangers, the Dealers, the Trustee and the Agents makes any representation or warranty as to the Issuer, its subsidiaries, its associated companies (if any) or its joint venture companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part hereof or thereof) delivered or supplied under or in relation to the Programme or the issue of the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arrangers, any of the Dealers, the Trustee or any of the Agents that any recipient of this Information Memorandum or such other document or information (or such part hereof or thereof) should subscribe for or purchase any of the Securities. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the business, financial condition, prospects, results and affairs and the creditworthiness of the Issuer and its subsidiaries, its associated companies (if any), and its joint venture companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the business, financial condition, prospects, results and affairs and its appraisal of the creditworthiness of the Issuer and its subsidiaries, its associated companies (if any) or its joint venture companies (if any). Accordingly, notwithstanding anything herein, none of the Issuer, Arrangers, the Dealers, the Trustee, the Agents and their respective officers, employees and agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part hereof or thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part hereof or thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Securities by a recipient of this Information Memorandum or such other document or information (or such part hereof or thereof).

To the fullest extent permitted by law, none of the Arrangers, the Dealers, the Trustee and the Agents accepts any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by either Arranger, any of the Dealers, the Trustee or any of the Agents or on its behalf in connection with the Issuer, the Group (as defined herein), the Programme or the issue and offering of the Securities. Each of the Arrangers, the Dealers, the Trustee and the Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum:

(a) any annual reports of the Issuer;

(b) any audited consolidated financial statements of the Issuer and its subsidiaries;

(c) any unaudited consolidated financial statements of the Issuer and its subsidiaries which are made available on the SGXNET by the Issuer;

(d) any supplement or amendment to this Information Memorandum issued by the Issuer; and

(e) any announcement of the Issuer made on the SGXNET.

This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any Series or Tranche of Securities, any Pricing Supplement in respect of such Series or Tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

Copies of all documents deemed incorporated by reference herein are available for inspection during normal business hours with prior notice at the specified office of the Principal Paying Agent (as defined herein) or as the case may be, the Non-CDP Paying Agent (as defined herein).

Any purchase or acquisition of the Securities is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement and the issue of the Securities by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Securities or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the Arrangers, any of the Dealers, the Trustee or any of the Agents) lapse and cease to have any effect if (for any other reason whatsoever) the Securities are not issued by the Issuer pursuant to the Programme Agreement.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities set out under the section "Subscription, Purchase and Distribution" on pages 164 to 167 of this Information Memorandum.

Any person(s) who is/are invited to purchase or subscribe for the Securities or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Securities or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to purchase or subscribe for purchase or otherwise acquire any of the Securities consult their own legal and other advisers before purchasing or acquiring the Securities.

FORWARD-LOOKING STATEMENTS

Certain statements in this Information Memorandum constitute "forward-looking statements". All statements, other than statements of historical facts, included in this Information Memorandum, including those regarding our financial position and results, business strategy, plans and objectives of management for future operations (including development plans and dividends), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our or our Group's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our and our Group's present and future business strategies and the environment in which we or our Group will operate in the future. Among the important factors that could cause our or our Group's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the condition of and changes in the local, regional or global economy that result in a reduction of the requirement for postal, express delivery or logistics services in Singapore and elsewhere, changes in government regulation and licensing of our or our Group's businesses in Singapore and competition in the postal services, express delivery or logistics industries. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors" and "Business". These forward-looking statements speak only as of the date of this Information Memorandum. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We do not intend to update any of the forward-looking statements after the date of this Information Memorandum to conform those statements to actual results, subject to compliance with all applicable laws and/or rules of the SGX-ST, including the SFA.

CERTAIN TERMS AND CONVENTIONS

In this Information Memorandum, unless the context otherwise requires, "we", "us", "our", "ourselves", "SingPost" and "Group" refer to Singapore Post Limited and its subsidiaries taken as a whole.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

"**Agency Agreement**"	:	The Agency Agreement dated 31 January 2018 made between (1) the Issuer, as issuer, (2) Deutsche Bank AG, Singapore Branch, as principal paying agent, CDP transfer agent and CDP registrar, (3) Deutsche Bank AG, Hong Kong Branch, as non-CDP paying agent, non-CDP transfer agent and non-CDP registrar, and (4) the Trustee, as trustee, as amended, restated or supplemented from time to time
"**Agents**"	:	The Principal Paying Agent, the Non-CDP Paying Agent, the relevant Transfer Agent, the relevant Registrar, the Calculation Agent, the other Paying Agents, the other Transfer Agents or any of them and shall include such other agent or agents as may be appointed from time to time under the Agency Agreement or, as the case may be, the Calculation Agency Agreement
"**Arrangers**"	:	Credit Suisse (Singapore) Limited and DBS Bank Ltd.
"**Bearer Securities**"	:	Securities in bearer form
"**Board**"	:	The Issuer's board of directors as at the date of this Information Memorandum
"**business day**"	:	In respect of each Security, a day (other than a Saturday or Sunday or gazetted public holiday) on which (i) Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) banks and foreign exchange markets are open for general business in the country in which the Principal Paying Agent's specified office is situated and (in the case of Non-CDP Securities) the Non-CDP Paying Agent's specified office is situated and (iii) (if a payment is to be made on that day) (A) (in the case of Notes denominated in Singapore dollars) banks and foreign exchange markets are open for general business in Singapore, (B) (in the case of Notes denominated in Euro) the TARGET System is open for settlement in Euro and (C) (in the case of Notes denominated in a currency other than Singapore dollars and Euro) banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency
"**Calculation Agency Agreement**"	:	A calculation agency agreement between the Issuer, the Trustee and the relevant Calculation Agent made pursuant to Clause 2.5 of the Programme Agreement, substantially in the form set out in Appendix 7 to the Programme Agreement
"**Calculation Agent**"	:	In relation to a Series of Securities, the person appointed as calculation agent for that Series and as specified in the applicable Pricing Supplement as calculation agent or its successor in such capacity
"**CDP**" or the "**Depository**"	:	The Central Depository (Pte) Limited
"**CDP Registrar**"	:	Deutsche Bank AG, Singapore Branch
"**CDP Transfer Agent**"	:	Deutsche Bank AG, Singapore Branch

"**Certificate**"	:	A registered certificate representing one or more Registered Securities of the same Series, and, save as provided in the Conditions of the Notes or the Conditions of the Perpetual Securities, comprising the entire holding by a holder of Registered Securities of that Series
"**Common Depositary**"	:	In relation to a Series of the Securities, a depositary common to Euroclear and Clearstream, Luxembourg
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"**Company**" or "**Issuer**"	:	Singapore Post Limited
"**Conditions**"	:	(i) in relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Notes" as set out in Part III of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly; and (ii) in relation to the Perpetual Securities of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 5 to the Trust Deed, as modified, with respect to any Perpetual Securities represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Perpetual Securities of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Perpetual Securities" as set out in Part III of Schedule 5 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.
"**Couponholders**"	:	The holders of the Coupons
"**Coupons**"	:	The bearer coupons appertaining to an interest or distribution bearing Bearer Security
"**Dealers**"	:	Persons appointed as dealers under the Programme
"**Definitive Security**"	:	A definitive Bearer Security having, where appropriate, Coupons and/or a Talon attached on issue

"**Directors**"	:	The directors (including alternate directors, if any) of the Issuer as at the date of this Information Memorandum
"**Euro**"	:	The currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time
"**FY**" or "**financial year**"	:	Financial year ended or ending 31 March
"**Global Certificate**"	:	A Certificate representing Registered Securities of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of, (i) the Common Depositary, (ii) CDP and/or (iii) any other clearing system
"**Global Security**"	:	A global Security representing Bearer Securities of one or more Tranches of the same Series, being a Temporary Global Security and/or, as the context may require, a Permanent Global Security, in each case without Coupons or a Talon
"**Group**"	:	The Issuer and its subsidiaries taken as a whole
"**IMDA**"	:	Infocomm Media Development Authority of Singapore
"**IRAS**"	:	Inland Revenue Authority of Singapore
"**ITA**"	:	The Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time
"**Latest Practicable Date**"	:	19 January 2018
"**MAS**"	:	Monetary Authority of Singapore
"**Non-CDP Paying Agent**"	:	Deutsche Bank AG, Hong Kong Branch
"**Non-CDP Registrar**"	:	Deutsche Bank AG, Hong Kong Branch
"**Non-CDP Securities**"	:	Each Series of Securities other than Securities cleared or to be cleared through the CDP System
"**Non-CDP Transfer Agent**"	:	Deutsche Bank AG, Hong Kong Branch
"**Noteholders**"	:	The holders of the Notes
"**Notes**"	:	The notes issued or to be issued by the Issuer under the Programme
"**Postal Licence**"	:	The postal licence issued to the Issuer by IMDA (formerly known as Info-communications Development Authority of Singapore)
"**Postal Services Act**"	:	Postal Services Act, Chapter 237A of Singapore
"**Paying Agents**"	:	The Principal Paying Agent and the Non-CDP Paying Agent, or such other or further institutions as may from time to time be appointed by the Issuer as paying agent for the Securities and the Coupons
"**Permanent Global Security**"	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Security

"**Perpetual Securities**"	:	The perpetual securities issued or to be issued by the Issuer under the Programme
"**Perpetual Securityholders**"	:	The holders of the Perpetual Securities
"**Pricing Supplement**"	:	In relation to a Tranche or Series, a pricing supplement, to be read in conjunction with this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series
"**Principal Paying Agent**"	:	Deutsche Bank AG, Singapore Branch
"**Programme**"	:	The S$1,000,000,000 Multicurrency Debt Issuance Programme of the Issuer
"**Programme Agreement**"	:	The Programme Agreement dated 31 January 2018 made between (1) the Issuer, as issuer, (2) the Arrangers, as arrangers, and (3) Credit Suisse (Singapore) Limited and DBS Bank Ltd., as dealers, as amended, restated or supplemented from time to time
"**Registered Securities**"	:	Securities in registered form
"**Securities**"	:	The Notes and the Perpetual Securities
"**Securities Act**"	:	Securities Act of 1933 of the United States, as amended or modified from time to time
"**Securityholders**"	:	The Noteholders and the Perpetual Securityholders
"**Senior Perpetual Securities**"	:	Perpetual Securities which are expressed to rank as senior obligations of the Issuer
"**Series**"	:	(1) (in relation to Securities other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single Series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of (in the case of Notes other than Variable Rate Notes) interest or (in the case of Perpetual Securities) distribution and (2) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest
"**SFA**"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
"**SFRS**"	:	Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council, as amended from time to time
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shares**"	:	Ordinary shares in the capital of the Issuer
"**Subordinated Perpetual Securities**"	:	Perpetual Securities which are expressed to rank as subordinated obligations of the Issuer
"**Talons**"	:	Talons for further Coupons or, as the context may require, a specific number of them and includes any replacement Talons issued pursuant to the relevant Conditions

"**TARGET System**"	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto
"**Temporary Global Security**"	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series on issue
"**Tranche**"	:	Securities which are identical in all respects (including as to listing)
"**Trust Deed**"	:	The Trust Deed dated 31 January 2018 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended, restated or supplemented from time to time
"**Trustee**"	:	DB International Trust (Singapore) Limited
"**United States**" or "**U.S.**"	:	United States of America
"**Winding-up**"	:	Bankruptcy, winding-up, liquidation, receivership or similar proceedings
"**S$**", "**$**" or "**Singapore dollars**" and "**cents**"	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
"**US$**" or "**US dollars**"	:	United States dollars, being the lawful currency of the United States of America
"**%**"	:	Per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

Board of Directors	:	Simon Claude Israel Paul William Coutts Chen Jun Fang Ai Lian Aliza Knox Elizabeth Kong Sau Wai Steven Robert Leonard Lim Cheng Cheng Bob Tan Beng Hai Zulkifli Bin Baharudin
Company Secretary	:	Genevieve Tan McCully
Registered Office	:	10 Eunos Road 8 Singapore Post Centre Singapore 408600
Auditors to the Issuer for the Financial Years ended 31 March 2017 and 31 March 2016	:	PricewaterhouseCoopers LLP 7 Straits View, Marina One East Tower, Level 12 Singapore 018936
Auditors to the Issuer from Financial Year starting 1 April 2017	:	Deloitte & Touche LLP 6 Shenton Way OUE Downtown 2 #33-00 Singapore 068809
Arrangers of the Programme	:	Credit Suisse (Singapore) Limited One Raffles Link #03-01 South Lobby Singapore 039393 DBS Bank Ltd. 12 Marina Boulevard Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the Arrangers	:	WongPartnership LLP 12 Marina Boulevard Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the Issuer	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Trustee, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar, the CDP Transfer Agent and the Non-CDP Transfer Agent	:	Norton Rose Fulbright (Asia) LLP 1 Raffles Quay, North Tower #34-02 Singapore 048583

Principal Paying Agent, CDP Registrar and CDP Transfer Agent	:	Deutsche Bank AG, Singapore Branch One Raffles Quay #16-00 South Tower Singapore 048583
Non-CDP Paying Agent, Non-CDP Transfer Agent and Non-CDP Registrar	:	Deutsche Bank AG, Hong Kong Branch Level 52 International Commerce Centre 1 Austin Road West Kowloon Hong Kong
Trustee for the Securityholders	:	DB International Trust (Singapore) Limited One Raffles Quay #16-00 South Tower Singapore 048583

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Programme Agreement, the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	:	Singapore Post Limited.
Arrangers	:	Credit Suisse (Singapore) Limited and DBS Bank Ltd.
Dealers	:	Credit Suisse (Singapore) Limited and DBS Bank Ltd. and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	:	DB International Trust (Singapore) Limited.
Principal Paying Agent, CDP Registrar and CDP Transfer Agent	:	Deutsche Bank AG, Singapore Branch.
Non-CDP Paying Agent, Non-CDP Registrar and Non-CDP Transfer Agent	:	Deutsche Bank AG, Hong Kong Branch.
Description	:	S$1,000,000,000 Multicurrency Debt Issuance Programme.
Programme Size	:	The maximum aggregate principal amount of the Securities outstanding at any time shall be S$1,000,000,000 (or its equivalent in other currencies) or such increased amount in accordance with the terms of the Programme Agreement.

NOTES

Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Notes may be issued at par or at a discount, or premium, to par.
Maturities	:	Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).
Mandatory Redemption	:	Unless previously redeemed or purchased and cancelled in accordance with the Conditions, each Note will be redeemed at its redemption amount on the maturity date shown on its face (if it is shown on its face to be a Fixed Rate Note, Hybrid Note (during the fixed rate period) or Zero Coupon Note) or on the interest payment date falling in the redemption month shown on its face (if it is shown on its face to be a Floating Rate Note, Variable Rate Note or a Hybrid Note (during the floating rate period)).

Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest.
Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	:	Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s), as adjusted for any applicable margin.
Variable Rate Notes	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S$ SIBOR or S$ SWAP RATE (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).
Zero Coupon Notes	:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
Form and Denomination of Notes	:	The Notes will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Notes may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, the Common Depositary and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may

		be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for definitive Notes upon the terms therein. Each Tranche or Series of registered Notes will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, the Common Depositary and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Conditions of the Notes, a Certificate shall be issued in respect of each Noteholder's entire holding of registered Notes of one Series.
Custody of the Notes	:	Notes which are to be listed on the SGX-ST may be cleared through CDP, Euroclear and/or Clearstream, Luxembourg. Notes which are cleared through CDP are required to be kept with CDP as authorised depository. Notes which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with the Common Depositary.
Status of the Notes	:	The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Optional Redemption and Purchase	:	If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the Noteholders. Further, if so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the Noteholders.
Redemption upon Cessation or Suspension of Trading of Shares	:	In the event that (a) the shares of the Issuer cease to be listed or traded on the SGX-ST or (b) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than ten (10) market days, the Issuer shall within fourteen (14) days after the Effective Date, give notice to the Trustee, the Principal Paying Agent and the Noteholders of the occurrence of the event specified in this paragraph (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option), and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to the date fixed for redemption on the date falling 60 days after the Effective Date. For purposes of the above paragraph, (i) "**<u>Effective Date</u>**" means (where the shares of the Issuer cease to be listed or traded on the SGX-ST) the date of cessation of listing or trading or (where trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than ten (10) market days) the business day immediately following the expiry of such continuous period of ten (10) market days; and

		(ii) "**market day**" means a day on which the SGX-ST is open for securities trading.
Redemption for Taxation Reasons	:	If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6.10 of the Notes) (together with interest accrued to (but excluding) the date fixed for redemption), if (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 of the Notes, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the date on which agreement is reached to issue the first Tranche of Notes or any other date specified in the Pricing Supplement, and (b) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.
Redemption in the case of Minimal Outstanding Amount	:	If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.
Negative Pledge	:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, the Issuer will not, and will ensure that none of its Principal Subsidiaries (as defined in Condition 4.1 of the Notes) will, create or permit to subsist, any mortgage, charge, lien, pledge or other form of encumbrance or security interest, upon the whole or any part of the undertaking, revenues, property or assets, present or future, of each of the Issuer and its Principal Subsidiaries to secure any Capital Market Indebtedness (as defined below), or to secure any guarantee or indemnity in respect of any Capital Market Indebtedness, without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any such Capital Market Indebtedness, guarantee or indemnity or such other security or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of the above paragraph, "**Capital Market Indebtedness**" means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stocks or other securities which for the time being are, or are capable of being, quoted, listed or ordinarily dealt with in on any stock exchange, over-the-counter or other securities market having an original maturity of more than 365 days from the date of issue, and for the avoidance of doubt excludes (i) bilateral and syndicated loans arranged or granted by a bank or other financial institution and (ii) collateralised mortgage backed securities (whether not so quoted, listed, dealt or traded) arranged by a bank or financial institution and issued to finance the ownership, acquisition, construction, creation, development, operation and/or maintenance of any undertaking or asset (the "**Relevant Property**") provided that such securities has no recourse whatsoever to the Issuer or any of its Principal Subsidiaries (other than the issuer of such securities) for the repayment of or payment of all of any portion of such securities, and has no recourse whatsoever other than recourse to the Relevant Property and/or income, cashflow or other rights or interest derived from the Relevant Property.

Disposals : The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, the Issuer will not, and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under this paragraph, would have a material adverse effect on the financial position or performance of the Group or on the ability of the Issuer to perform or comply with any of its obligations under any of the Issue Documents or the Notes. The following disposals shall not be taken into account under this paragraph:

(i) disposals in the ordinary course of business on arm's length and on normal commercial terms;

(ii) any disposal to any Principal Subsidiary; and

(iii) any disposal approved by the Trustee or by the Noteholders by way of an Extraordinary Resolution.

Restructuring : The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, the Issuer will not consolidate with or merge or amalgamate into any entity, where the Issuer is not the surviving or resulting entity, or convey, transfer or sell, assign, or lease, in one transaction or a series of transactions, directly or indirectly, all or substantially all its assets to, or declare itself a trustee of all or substantially all its assets to any entity, unless:

(i) the resulting, surviving or transferee entity (the "**Surviving Entity**") will be a corporation validly organised and existing under the laws of the jurisdiction where it is organised and will expressly assume, by a supplemental trust deed to the Trust Deed, executed and delivered to the Trustee, all the obligations of the Issuer under the Issue Documents and the Notes, including the obligation to pay any additional amounts pursuant to Condition 8 of the Notes (amended as necessary to reflect the jurisdiction in which such Surviving Entity is organised);

(ii) immediately after giving effect to such transaction on a *pro forma* basis, no Event of Default or Enforcement Event will have occurred and be unwaived; and

(iii) the Issuer or such Surviving Entity shall have delivered to the Trustee (A) a certificate signed by two (2) authorised signatories of the Issuer confirming paragraph (ii) above and (B) a written opinion from legal counsel, stating that such supplemental trust deed complies with paragraph (i) above.

Events of Default	:	See Condition 10 of the Notes.
Taxation	:	All payments in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, see the section on "Taxation – A. Singapore Taxation" herein.
Listing	:	Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or its equivalent in foreign currencies).
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section on "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Governing Law	:	The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

PERPETUAL SECURITIES

Currency	:	Subject to compliance with all relevant laws, regulations and directives, Perpetual Securities may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	:	Perpetual Securities may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Perpetual Securities may be issued at par or at a discount, or premium, to par.
No Fixed Maturity	:	The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right (but not the obligation) to redeem or purchase them in accordance with the provisions of the Conditions of the Perpetual Securities.
Distribution Basis	:	Perpetual Securities may confer a right to receive distribution at fixed or floating rates.
Fixed Rate Perpetual Securities	:	Fixed Rate Perpetual Securities will confer a right to receive distribution at a fixed rate which will be payable in arrear on specified dates. If so provided on the face of the Fixed Rate Perpetual Securities, the distribution rate may be reset on such dates and bases as may be set out in the applicable Pricing Supplement.
Floating Rate Perpetual Securities	:	Floating Rate Perpetual Securities which are denominated in Singapore dollars will confer a right to receive distribution at a rate to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Distribution periods in relation to the Floating Rate Perpetual Securities will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Perpetual Securities which are denominated in other currencies will confer a right to receive distribution at a rate to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
Distribution Discretion	:	If Optional Payment is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date (as defined in the Conditions of the Perpetual Securities) by giving notice to the Trustee and the Principal Paying Agent and the Perpetual Securityholders (in accordance with Condition 14 of the Perpetual Securities) not more than 15 nor less than five business days (or such other notice period as may be specified on the face of the Perpetual Security and the relevant Pricing Supplement) prior to a scheduled Distribution Payment Date.

If a Dividend Pusher is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following have occurred:

(i) a dividend, distribution or other payment has been declared or paid by the Issuer or any of its subsidiaries on or in respect of any of the Issuer's Junior Obligations (as defined in the Conditions of the Perpetual Securities) or, in relation to Subordinated Perpetual Securities only, (except on a *pro-rata* basis) any of the Issuer's Parity Obligations (as defined in the Conditions of the Perpetual Securities); or

(ii) any of the Issuer's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration by the Issuer or any of its subsidiaries or, in relation to Subordinated Perpetual Securities only, (except on a *pro-rata* basis) any of the Issuer's Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired by the Issuer or any of its subsidiaries for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group or (2) as a result of the exchange or conversion of the Issuer's Parity Obligations for the Junior Obligations and/or as otherwise specified in the applicable Pricing Supplement.

Non-Cumulative Deferral and Cumulative Deferral	:	If Non-Cumulative Deferral is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4.4 of the Perpetual Securities is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4.4(e) of the Perpetual Securities. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to Condition 4.4 of the Perpetual Securities. Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

If Cumulative Deferral is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4.4 of the Perpetual Securities shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4.4(a) of the Perpetual Securities) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution.

The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4.4 of the Perpetual Securities except that Condition 4.4(c) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

If Additional Distribution is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to Condition 4 of the Perpetual Securities and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of Condition 4 of the Perpetual Securities. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

Restrictions in the case of Non-Payment : If a Dividend Stopper is so provided on the face of the Perpetual Security and the relevant Pricing Supplement and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 4.4 of the Perpetual Securities, the Issuer shall not and shall procure that none of its subsidiaries shall:

(i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on any of the Issuer's Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro-rata* basis) any of the Issuer's Parity Obligations; or

(ii) redeem, reduce, cancel, buy-back or acquire for any consideration and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer's Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro-rata* basis) any of the Issuer's Parity Obligations,

in each case other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group or (2) as a result of the exchange or conversion of the Issuer's Parity Obligations for the Junior Obligations unless and until (a) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution and Additional Distribution Amount, (b) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption

		of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (c) the Issuer is permitted to do so by an Extraordinary Resolution of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.
Form and Denomination of the Perpetual Securities	:	The Perpetual Securities will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Perpetual Securities may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, the Common Depositary and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or definitive Perpetual Securities (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for definitive Perpetual Securities upon the terms therein. Each Tranche or Series of registered Perpetual Securities will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, the Common Depositary and/or any other agreed clearing system. Each Global Certificate may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Conditions of the Perpetual Securities, a Certificate shall be issued in respect of each Perpetual Securityholder's entire holding of registered Perpetual Securities of one Series.
Custody of the Perpetual Securities	:	Perpetual Securities which are to be listed on the SGX-ST may be cleared through CDP, Euroclear and/or Clearstream, Luxembourg. Perpetual Securities which are to be cleared through CDP are required to be kept with CDP as authorised depository. Perpetual Securities which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with the Common Depositary.
Status of the Senior Perpetual Securities	:	The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Status of the Subordinated Perpetual Securities	:	The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer.

Subordination of the Subordinated Perpetual Securities	:	Subject to the insolvency laws of Singapore and other applicable laws, in the event of the winding-up of the Issuer, the rights of the Perpetual Securityholders and Couponholders in respect of Subordinated Perpetual Securities to payment of principal of and distribution on the Subordinated Perpetual Securities and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the claims of the Subordinated Perpetual Securities and in priority to (i) the other subordinated obligations of the Issuer that are expressed by their terms to rank junior to the claims of the Perpetual Securityholders and (ii) the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.
Set-off in relation to the Subordinated Perpetual Securities	:	Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.
Redemption at the Option of the Issuer	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face thereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to the date fixed for redemption.

Redemption for Taxation Reasons : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

(a) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

(i) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the ITA and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or

(ii) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(b) (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Perpetual Securities, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the date on which agreement is reached to issue the first tranche of the Perpetual Securities or any other date specified in the Pricing Supplement, and

(ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Redemption for Accounting Reasons : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any

Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the SFRS or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.

Redemption for Tax Deductibility : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

(a) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

(i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;

(ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or

(iii) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is issued or announced before the Issue Date,

the distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, fully deductible by the Issuer for Singapore income tax purposes; or

		(b) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.
Redemption in the case of Minimal Outstanding Amount	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.
Redemption upon a Ratings Event	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, at any time, at their Redemption Amount together with the distribution including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption, on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), if as of the date fixed for redemption, an amendment, clarification or change has occurred or will in the Distribution Period immediately following the date fixed for redemption occur in the equity credit criteria, guidelines or methodology of Standard & Poor's or any other rating agency of equivalent recognised standing requested from time to time by the Issuer to grant an equity classification to the Perpetual Securities and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Perpetual Securities than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time.
Limited right to institute proceedings in relation to Perpetual Securities	:	The right to institute proceedings for Winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4.4 of the Perpetual Securities.
Proceedings for Winding-Up	:	If (i) an order is made or an effective resolution is passed for the Winding-up of the Issuer or (ii) the Issuer fails to make payment in respect of the Perpetual Securities when due and such failure continues for a period of five (5) business days, the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the

		provisions of Condition 9.4 of the Perpetual Securities, institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.
Taxation	:	All payments in respect of the Perpetual Securities and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on "Taxation – A. Singapore Taxation" herein.
Listing	:	Each Series of the Perpetual Securities may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Perpetual Securities is approved, for so long as such Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require, such Perpetual Securities will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or its equivalent in foreign currencies).
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Perpetual Securities and the distribution of offering material relating to the Perpetual Securities, see the section on "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Perpetual Securities.
Governing Law	:	The Programme and any Perpetual Securities issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a Trust Deed (as amended, restated or supplemented from time to time, the "**Trust Deed**") dated 31 January 2018 made between (1) Singapore Post Limited, as issuer (the "**Issuer**"), and (2) DB International Trust (Singapore) Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below), and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended, restated or supplemented from time to time, the "**Deed of Covenant**") dated 31 January 2018 executed by the Issuer, relating to Notes ("**CDP Notes**") cleared or to be cleared through the CDP System (as defined in the Trust Deed). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Issuer has entered into an agency agreement (as amended, restated or supplemented from time to time, the "**Agency Agreement**") dated 31 January 2018 made between (1) the Issuer, as issuer, (2) Deutsche Bank AG, Singapore Branch, as principal paying agent (in such capacity, the "**Principal Paying Agent**"), transfer agent in respect of CDP Notes (in such capacity, the "**CDP Transfer Agent**") and registrar in respect of CDP Notes (in such capacity, the "**CDP Registrar**"), (3) Deutsche Bank AG, Hong Kong Branch, as paying agent in respect of Notes cleared or to be cleared through a clearing system other than the CDP System ("**Non-CDP Notes**") (in such capacity, the "**Non-CDP Paying Agent**" and, together with the Principal Paying Agent and any other paying agents that may be appointed, the "**Paying Agents**"), the transfer agent in respect of Non-CDP Notes (in such capacity, the "**Non-CDP Transfer Agent**" and, together with the CDP Transfer Agent and any other transfer agents that may be appointed, the "**Transfer Agents**") and registrar in respect of Non-CDP Notes (in such capacity, the "**Non-CDP Registrar**", and together with the CDP Registrar, the "**Registrars**"), and (4) the Trustee and (where applicable) a calculation agency agreement (as amended, restated or supplemented from time to time, the "**Calculation Agency Agreement**") made between (1) the Issuer, (2) the Trustee and (3) the entity specified thereon as calculation agent of the Notes. The Noteholders and the holders (the "**Couponholders**") of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement (where applicable) and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Principal Paying Agent shall, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Paying Agent, (b) the Registrar shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Registrar and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Registrar and (c) the Transfer Agent shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Transfer Agent and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Transfer Agent, and (unless the context otherwise requires) all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement (where applicable), the Deed of Covenant and the financial statements of the Issuer delivered to the Trustee in accordance with the Trust Deed are available for inspection during usual business hours with a prior appointment at the principal office of the Trustee for the time being and at the respective specified offices of the Principal Paying Agent, or as the case may be, the Non-CDP Paying Agent for the time being. The Trustee or the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent may, with the consent of the Issuer, following the request of a Noteholder, send (by electronic mail or otherwise) electronic copies of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement (where applicable), the Deed of Covenant and the financial statements of the Issuer delivered to the Trustee in accordance with the Trust Deed in Portable Document Form (PDF) to such Noteholder(s). None of the Issuer, the Trustee, the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent shall be responsible or liable to any Noteholder or Couponholder or any other person for any discrepancies or errors in such electronic copies that may have occurred during the process of transmission.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

(a) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"), in each case in the Denomination Amount shown hereon. In the case of Registered Notes, such Notes are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.

(b) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).

(c) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 7.8) in these Conditions are not applicable.

(d) Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2.3, each Certificate shall represent the entire holding of Registered Notes by the same holder.

1.2 Title

(a) Subject as set out below, title to the Bearer Notes and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

(b) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, trust or any interest in it, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(c) For so long as any of the Notes is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below), and such Global Security or Global Certificate is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the credit of the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent (as defined below), all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes standing to the credit of the account of such person. Other than with respect to the payment of principal, premium (if any), interest, redemption or purchase amount (if any) and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions, where the context requires, shall be construed accordingly). Notes which are represented by the Global Security or, as the case may be, the Global Certificate and held by Euroclear, Clearstream, Luxembourg and/or the Depository will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

For so long as any of the Notes is represented by a Global Security or, as the case may be, a Global Certificate and such Global Security or, as the case may be, Global Certificate is held by the Depository, the payment of principal, premium (if any), interest, redemption or purchase amount (if any) and any other amounts in respect of the Notes shall be made by the Depository to the persons shown in the records of the Depository as the holder of Notes in accordance with the rules and procedures for the time being of the Depository and the record date for the purposes of determining entitlements to any payment of principal, interest and any other amounts in respect of the Notes shall, unless otherwise specified by the Issuer, be the date falling five (5) business days prior to the relevant payment date (or such other date as may be prescribed by the Depository).

For so long as any of the Notes is represented by a Global Security or, as the case may be, a Global Certificate and such Global Security or, as the case may be, Global Security is held by a common depositary for Euroclear and/or Clearstream, Luxembourg, the record date for purposes of determining entitlements to any payment of principal, premium (if any), interest, redemption or purchase amount (if any) and any other amounts in respect of the Note shall be the close of business on the Clearing System Business Day immediately prior to the relevant payment date, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January (or such other date as may be prescribed by Euroclear and/or Clearstream, Luxembourg).

(d) In these Conditions, "**Global Security**" means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, "**Global Certificate**" means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (i) a common depositary for Euroclear and/or Clearstream, Luxembourg, (ii) the Depository and/or (iii) any other clearing system, "**Noteholder**" means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and "**holder**" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be), "**Series**" means (A) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (1) expressed to be consolidated and forming a single series and (2) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (B) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(e) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. NO EXCHANGE OF NOTES AND TRANSFERS OF REGISTERED NOTES

2.1 No Exchange of Notes: Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.

2.2 Transfer of Registered Notes: Subject to Conditions 2.5 and 2.6 below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed (in the case of any regulation proposed by the Issuer) with the approval of the Trustee, the Transfer Agents and the Registrar and (in the case of any regulation proposed by the Registrar) with the approval of the Issuer and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

2.3 Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes: In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, or purchase of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

2.4 Delivery of New Certificates: Each new Certificate to be issued pursuant to Condition 2.2 or 2.3 shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6.5) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2.4, "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the relevant Registrar or the relevant Transfer Agent (as the case may be).

2.5 Transfers Free of Charge: Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the relevant Registrar or the relevant Transfer Agent may require) in respect of tax or charges.

2.6 Closed Periods: No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6.4, (ii) after any such Note has been called for redemption or (iii) during the period of seven (7) days ending on (and including) any Record Date (as defined in Condition 7.2(b)).

3. STATUS

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu,* without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

4. NEGATIVE PLEDGE AND OTHER COVENANTS

4.1 Negative Pledge

The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, the Issuer will not, and will ensure that none of its Principal Subsidiaries (as defined below) will, create or permit to subsist, any mortgage, charge, lien, pledge or other form of encumbrance or security interest, upon the whole or any part of the undertaking, revenues, property or assets, present or future, of each of the Issuer and its Principal Subsidiaries to secure any Capital Market Indebtedness (as defined below), or to secure any guarantee or indemnity in respect of any Capital Market Indebtedness, without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any such Capital Market Indebtedness, guarantee or indemnity or such other security or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of these Conditions:

(a) "**Capital Market Indebtedness**" means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stocks or other securities which for the time being are, or are capable of being, quoted, listed or ordinarily dealt with in on any stock exchange, over-the-counter or other securities market having an original maturity of more than 365 days from the date of issue, and for the avoidance of doubt excludes (i) bilateral and syndicated loans arranged or granted by a bank or other financial institution and (ii) collateralised mortgage backed securities (whether not so quoted, listed, dealt or traded) arranged by a bank or financial institution and issued to finance the ownership, acquisition, construction, creation, development, operation and/or maintenance of any undertaking or asset (the "**Relevant Property**") provided that such securities has no recourse whatsoever to the Issuer or any of its Principal Subsidiaries (other than the issuer of such securities) for the repayment of or payment of all of any portion of such securities, and has no recourse whatsoever other than recourse to the Relevant Property and/or income, cashflow or other rights or interest derived from the Relevant Property;

(b) "**Principal Subsidiary**" means, at any particular time, any subsidiary (as defined below) of the Issuer:

(i) whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a corporation which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 10 per cent. of the total assets of the Group as shown by such audited consolidated accounts; or

(ii) whose total revenue, as shown by the accounts of such subsidiary (consolidated in the case of a corporation which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 10 per cent. of the total revenue of the Group as shown by such audited consolidated accounts,

provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or a material part of its business, undertaking or assets to another subsidiary or the Issuer (the "**transferee**") then:

(aa) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(bb) if a material part of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (aa) above or which remains or becomes a Principal Subsidiary by virtue of (bb) above shall continue to be a Principal Subsidiary until the earlier of (i) the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets or, as the case may be, total revenue as shown by the accounts of such subsidiary (consolidated in the case of a corporation which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the total assets or, as the case may be, less than 10 per cent. of the total revenue of the Group, as shown by such audited consolidated accounts and (ii) a report by the Auditors (as defined in the Trust Deed) as described below which shows the total assets or, as the case may be, total revenue of such subsidiary to be less than 10 per cent. of the total assets or, as the case may be, less than 10 per cent. of the total revenue of the Group. A report by the Auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(c) "**subsidiary**" means, in relation to the Issuer, any company, corporation, trust, fund or other entity (whether or not a body corporate):

(i) which is controlled, directly or indirectly, by that person;

(ii) more than half of the issued share capital or interests of which is beneficially owned, directly or indirectly, by that person; or

(iii) which is a subsidiary of any company, corporation, trust, fund or other entity (whether or not a body corporate) to which paragraph (i) or paragraph (ii) above applies,

and, for these purposes, a company, corporation, trust, fund or other entity (whether or not a body corporate) shall be treated as being controlled by a person if that person is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

4.2 Other Covenants

(a) Delivery of Accounts to Trustee: The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, the Issuer will send to the Trustee (i) at the time of issue thereof and in any event within 120 days (or such longer period as the authorities may permit and which is notified to the Trustee) after the end of each of its financial years (beginning with the current one), a copy (whether physical or electronic) of its annual report and audited consolidated accounts as at the end of and for that financial year, together with copies of the related reports and approvals referred to in Clause 15(f)(i) of the Trust Deed, (ii) at the time of issue thereof and in any event within

60 days (or such longer period as the authorities may permit and which is notified to the Trustee) after the end of the first six (6) months of each of its financial years (beginning with the current one), a copy (whether physical or electronic) of its unaudited consolidated accounts as at the end of and for that six (6) month period announced by it on the website of the SGX-ST (as defined in the Trust Deed), provided that it is so required to publish the same under the listing rules of the SGX-ST, and (iii) at the time of issue thereof and in any event within 45 days (or such longer period as the authorities may permit and which is notified to the Trustee) after the end of each financial quarter, a copy (whether physical or electronic) of its unaudited quarterly consolidated accounts as at the end of and for that financial quarter announced by it on the website of the SGX-ST, provided that it is so required to publish the same under the listing rules of the SGX-ST;

(b) Disposals: The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, the Issuer will not, and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under this paragraph, would have a material adverse effect on the financial position or performance of the Group or on the ability of the Issuer to perform or comply with any of its obligations under any of the Issue Documents or the Notes. The following disposals shall not be taken into account under this paragraph:

(i) disposals in the ordinary course of business on arm's length and on normal commercial terms;

(ii) any disposal to any Principal Subsidiary; and

(iii) any disposal approved by the Trustee or by the Noteholders by way of an Extraordinary Resolution; and

(c) Restructuring: The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, the Issuer will not consolidate with or merge or amalgamate into any entity, where the Issuer is not the surviving or resulting entity, or convey, transfer or sell, assign, or lease, in one transaction or a series of transactions, directly or indirectly, all or substantially all its assets to, or declare itself a trustee of all or substantially all its assets to any entity, unless:

(i) the resulting, surviving or transferee entity (the "**Surviving Entity**") will be a corporation validly organised and existing under the laws of the jurisdiction where it is organised and will expressly assume, by a supplemental trust deed to the Trust Deed, executed and delivered to the Trustee, all the obligations of the Issuer under the Issue Documents and the Notes, including the obligation to pay any additional amounts pursuant to Condition 8 (amended as necessary to reflect the jurisdiction in which such Surviving Entity is organised);

(ii) immediately after giving effect to such transaction on a *pro forma* basis, no Event of Default or Enforcement Event will have occurred and be unwaived; and

(iii) the Issuer or such Surviving Entity shall have delivered to the Trustee (A) a certificate signed by two (2) authorised signatories of the Issuer confirming paragraph (c)(ii) above and (B) a written opinion from legal counsel, stating that such supplemental trust deed complies with paragraph (c)(i) above.

5. INTEREST AND OTHER CALCULATIONS

5.1 Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its outstanding principal amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, the first payment will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5.1 to the Relevant Date (as defined in Condition 8).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one (1) year will be calculated on the Day Count Fraction shown on the face of the Note. The amount of interest payable per Calculation Amount in respect of any Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the face of the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency.

5.2 Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its outstanding principal amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period (as defined below) on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 5.2(c)) in respect of any Variable Rate Note for any Interest Period (as defined below) relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding business day and (B) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5.2 to the Relevant Date.

(b) Rate of Interest - Floating Rate Notes

(i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The "Spread" is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5.5(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Calculation Agent on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX - SIBOR AND SWAP OFFER RATES - RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided hereon) and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to four (4) decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Calculation Agent;

(C) if on any Interest Determination Date, two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four (4) decimal places) of the rates quoted by the Reference Banks or those of them (being at least two (2) in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be the most appropriate and as adjusted by the Spread (if any) or if on such Interest Determination Date, one (1) only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four (4) decimal places)of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to four (4) decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Calculation Agent may select; and

(C) if on any Interest Determination Date. the Calculation Agent is otherwise unable to determine the Rate of Interest under paragraphs (b)(ii)(2)(A) and (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four (4) decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two (2) in number) to the Calculation Agent at or about the Relevant Time as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four (4) decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate is a Screen Page, subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(ab) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four (4) decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) <u>Rate of Interest - Variable Rate Notes</u>

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**<u>Agreed Yield</u>**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**<u>Rate of Interest</u>**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Rate of Interest for such Variable Rate Note for such Interest Period shall be zero); and

(C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**<u>Agreed Rate</u>**") and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) The Issuer has undertaken in the Agency Agreement that it will:

(1) as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined, but not later than 10.30 a.m. (Singapore time) on the next following business day, notify the Principal Paying Agent and the Calculation Agent of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

(2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Principal Paying Agent to the relevant Noteholder at its request.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "Spread" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 5.5(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 5.2(b)(ii) above *(mutatis mutandis)* and references therein to "Rate of Interest" shall mean "Fall Back Rate".

(v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period (as defined below) relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) Minimum/Maximum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest and/or a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with Condition 5.2(b) or Condition 5.2(c) above is less than such Minimum Rate of Interest, or more than such Maximum Rate of Interest, as the case may be, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest, or such Maximum Rate of Interest, as the case may be.

(e) Definitions

As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Note, a day (other than a Saturday, Sunday or gazetted public holiday) on which (i) Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) banks and foreign exchange markets are open for general business in the country in which the Principal Paying Agent's specified office is situated and (in the case of Non-CDP Notes) the Non-CDP Paying Agent's specified office and (iii) (if a payment is to be made on that day) (A) (in the case of Notes denominated in Singapore dollars) banks and foreign exchange markets are open for general business in Singapore, (B) (in the case of Notes denominated in Euro) the TARGET System is open for settlement in Euro and (C) (in the case of Notes denominated in a currency other than Singapore dollars and Euro) banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

"**Calculation Agent**" means, in relation to any Series of Notes, the person appointed as the calculation agent pursuant to the terms of the Agency Agreement or, where applicable, the relevant Calculation Agency Agreement as specified in the applicable Pricing Supplement;

"**Calculation Amount**" means the amount specified as such on the face of any Note or, if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with Condition 5:

(i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360; and

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

"**Interest Determination Date**" means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

"**Issue Date**" means the date specified as such in the applicable Pricing Supplement;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Calculation Agent;

"**Reference Banks**" means the institutions specified as such in the applicable Pricing Supplement or, if none, three reputable top-tier banks selected by the Calculation Agent, subject to prior consultation with the Issuer (provided that such consultation shall be deemed to be satisfied if the Issuer does not provide the Calculation Agent with its feedback within one business day of such consultation), in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency'** means the currency in which the Notes are denominated;

"**Relevant Dealer**" means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

"**Relevant Financial Centre**" means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

5.3 Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5.3 to the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one (1) year will be calculated on the Day Count Fraction shown on the face of the Note during the Fixed Rate Period.

(c) Floating Rate Period

(i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (1) such date shall be brought forward to the immediately preceding business day and (2) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(ii) The period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5.3 and the Agency Agreement to the Relevant Date.

(iv) The provisions of Condition 5.2(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

5.4 Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6.10). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6.10).

5.5 Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Paying Agent, the Trustee, the Issuer and (if the Issuer so instructs in writing that notice should be given) any Stock Exchange on which Notes are for the time being listed as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as possible after their determination but in no event later than the fourth business day thereafter. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Calculation Agent does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances, and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(d) Calculation Agent and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

6. REDEMPTION AND PURCHASE

6.1 Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

6.2 Purchase at the Option of Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

All Notes in respect of which any such notice is given shall be purchased on the date specified in such notice in accordance with this Condition 6.2.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

6.3 Purchase at the Option of Noteholders

(a) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Variable Rate Notes to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Variable Rate Note(s) to be purchased with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes or Certificates representing such Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Variable Rate Note (together with all unmatured Coupons and unexchanged Talons) to the Principal Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Variable Rate Notes to the Registrar. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(b) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons and unexchanged Talons) to the Principal Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

6.4 Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6.4.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be fair and reasonable in the circumstances, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

6.5 Redemption at the Option of Noteholders

If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

6.6 Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6.10 below) (together with interest accrued to (but excluding) the date fixed for redemption), if (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the date on which agreement is reached to issue the first Tranche of Notes or any other date specified in the Pricing Supplement, and (b) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6.6, the Issuer shall deliver to the Trustee:

(i) a certificate signed by two duly authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and

(ii) an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence that the satisfaction of the conditions precedent to the right of the Issuer so to redeem has occurred, in which event it shall be conclusive and binding on the Noteholders.

All Notes in respect of which any such notice of redemption is given in accordance with this Condition 6.6 shall be redeemed on the date specified in such notice.

6.7 Redemption upon Cessation or Suspension of Trading of Shares

In the event that (a) the shares of the Issuer cease to be listed or traded on the SGX-ST or (b) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than ten (10) market days, the Issuer shall within fourteen (14) days after the Effective Date, give notice to the Trustee, the Principal Paying Agent and the Noteholders of the occurrence of the event specified in this Condition 6.7 (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option), and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to the date fixed for redemption on the date falling 60 days after the Effective Date. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with an Exercise Notice in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar or any Transfer Agent or the Issuer (as applicable), no later than 30 days after the Effective Date. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

In this Condition 6.7,

(i) "**Effective Date**" means (where the shares of the Issuer cease to be listed or traded on the SGX-ST) the date of cessation of listing or trading or (where trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than ten (10) market days) the business day immediately following the expiry of such continuous period of ten (10) market days; and

(ii) "**market day**" means a day on which the SGX-ST is open for securities trading.

6.8 Redemption in the case of Minimal Outstanding Amount

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

All Notes in respect of which any such notice of redemption is given in accordance with this Condition 6.8 shall be redeemed on the date specified in such notice.

6.9 Purchases

The Issuer and/or any of its subsidiaries may at any time purchase Notes at any price (provided that, in the case of Bearer Notes, they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by the Issuer and/or any of its subsidiaries may be surrendered by the purchaser through the Issuer to, in the case of Bearer Notes, the Principal Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer or the relevant subsidiary be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

6.10 Early Redemption of Zero Coupon Notes

(a) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6.6 or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(b) Subject to the provisions of sub-paragraph (c) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(c) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6.6 or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (b) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5.4.

Where such calculation is to be made for a period of less than one (1) year, it shall be made on the basis of the Day Count Fraction shown on the face of the Note.

6.11 Cancellation

All Notes purchased by or on behalf of the Issuer and/or any of its subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Principal Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold.

7. PAYMENTS

7.1 Principal and Interest in respect of Bearer Notes

Payments of principal and interest (which shall include the Redemption Amount and the Early Redemption Amount) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of the Principal Paying Agent or any other Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

7.2 Principal and Interest in respect of Registered Notes

(a) Payments of principal in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7.2(b).

(b) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made by a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

7.3 Payments subject to Law etc.

Without prejudice to the provisions of Condition 8, all payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations or agreements thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law, regulation or directive implementing such an intergovernmental agreement). No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

7.4 Appointment of Agents

The Principal Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and their specified offices are listed hereon. The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, the Non-CDP Paying Agent, any other Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, any other Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents and Calculation Agents; provided that it will at all times maintain (a) a Principal Paying Agent having a specified office in Singapore and (in the case of Non-CDP Notes) a Non-CDP Paying Agent, as the case may be, (b) a Transfer Agent in relation to Registered Notes, (c) a Registrar in relation to Registered Notes and (d) a Calculation Agent where the Conditions so require.

Notice of any such change or any change of any specified office will promptly be given by the Issuer to the Noteholders within the period specified in the Agency Agreement in accordance with Condition 16.

The Agency Agreement may be amended by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of any holder of any Note or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein of a formal, minor or technical nature, to correct a manifest error or to comply with mandatory provisions of Singapore law or which is required by Euroclear and/or Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held or in any manner which the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which is not, in the opinion of the Issuer and the Trustee, materially prejudicial to the interests of the holders of the Notes or the Coupons. Any such amendment shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees in writing, the Issuer shall cause such amendment to be notified to the Noteholders as soon as practicable in accordance with Condition 16.

7.5 Unmatured Coupons and Unexchanged Talons

(a) Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within the prescription period relating thereto under Condition 9 from the Relevant Date for the payment of such principal.

(b) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(c) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(d) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.

(e) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

7.6 Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

7.7 Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

7.8 Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Principal Paying Agent to be equal to one (1) per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Principal Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

8. TAXATION

All payments in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

(a) by or on behalf of a holder who is subject to such Taxes by reason of his being connected with Singapore (including, without limitation, the holder being (A) a resident in Singapore for tax purposes or (B) a non-resident of Singapore who has been granted an exemption by the Inland Revenue Authority of Singapore in respect of the requirement to withhold tax on payments made to it) otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon;

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(c) by or on behalf of a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence but fails to do so.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven (7) days after that on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

9. PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within five (5) years from the appropriate Relevant Date for payment.

10. EVENTS OF DEFAULT

If any of the following events ("**Events of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, in each case, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, give notice in writing to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

(a) the Issuer does not pay any sum in respect of principal payable by it under any of the Notes when due at the place at and in the currency in which it is expressed to be payable and such default continues for a period of seven (7) days, or the Issuer does not pay any sum in respect of interest under any of the Notes when due at the place at and in the currency in which it is expressed to be payable and such default continues for a period of 14 days;

(b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under the Trust Deed or any of the Notes and if that default is capable of remedy, it is not remedied within 60 days of the Trustee having given written notice to the Issuer of the failure to perform or comply and requiring the same to be remedied;

(c) (i) any other present or future indebtedness of the Issuer in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any default, event of default or any analogous event (however described) or is not paid when due or, as the case may be, within any applicable grace period; or

(ii) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided however that no Event of Default will occur under paragraph (c)(i) or (c)(ii) unless and until the aggregate amount of the indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned in paragraph (c)(i) or (c)(ii) has or have occurred equals or exceeds S$35,000,000 or its equivalent in any other currency(ies);

(d) the Issuer is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or any material part of (or of a particular type of) its indebtedness, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of all or any material part of (or of a particular type of) its indebtedness or a moratorium is agreed or declared in respect of or affecting all or any material part of (or of a particular type of) the indebtedness of the Issuer;

(e) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the property, assets or revenues of the Issuer and is not discharged or stayed within 60 days;

(f) any mortgage, charge, pledge, lien or other form of encumbrance, present or future, created or assumed by the Issuer on or over the whole or any material part of its property, assets or revenues becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, judicial manager or other similar person);

(g) an order is made or an effective resolution is passed for the winding-up or dissolution of the Issuer, or the Issuer ceases or threatens to cease to carry on all or a material part of its business or operations where such cessation would result in the Group no longer being in the postal and logistics business, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders;

(h) any governmental authority or agency seizes, compulsorily acquires, expropriates or nationalises all or a material part of the assets of the Issuer;

(i) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done in order (A) to enable it lawfully to enter into, exercise its rights and perform and comply with its obligations under each of the Issue Documents and Notes, (B) to ensure that those obligations are valid, legally binding and enforceable, (C) to ensure that those obligations rank and will at all times rank in accordance with Condition 3 and (D) to make the Issue Documents, the Notes and Coupons admissible in evidence in the courts of Singapore, is not taken, fulfilled or done, or any such consent ceases to be in full force and effect (unless that consent or condition is no longer required or applicable);

(j) it is or will become unlawful for the Issuer to perform or comply with any one or more of its payment or other material obligations under the Trust Deed or any of the Notes; and

(k) any event occurs which, under the law of any relevant jurisdiction has an analogous effect to any of the events mentioned in any of the foregoing paragraphs.

11. ENFORCEMENT OF RIGHTS

At any time after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes, together with accrued interest and to enforce the provisions of the Issue Documents but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

12. MEETING OF NOTEHOLDERS AND MODIFICATIONS

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than 10 per cent. of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of principal, (where applicable) interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes or the interest (including default interest under Condition 7.8, if applicable) payable on the Notes, (c) to reduce the rate or rates of interest (including default interest under Condition 7.8, if applicable) in respect of the Notes, or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any amount of interest in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies, time(s) or place(s) of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees in writing, the Issuer shall cause such modification, authorisation or waiver to be notified to the Noteholders as soon as practicable in accordance with Condition 16.

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, authorisation or waiver of any breach or proposed breach of any of the Conditions or any of the provisions of the Issue Documents), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to any interest arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders except to the extent provided for in Condition 8.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

For the purpose of ascertaining the right to attend and vote at any meeting of the Noteholders convened for the purpose of and in relation to Conditions 10, 11 and 12 and Clauses 9.5 (*Power to Institute Proceedings*) and 25 (*Assumption of Performance of Covenants*) of, and Schedule 11 to, the Trust Deed, those Notes (if any) which are beneficially held by, or are held on behalf of the Issuer and any of its subsidiaries and not cancelled shall (unless and until ceasing to be so held) be disregarded when determining whether the requisite quorum of such meeting has been met and any votes cast or purported to be cast at such meeting in respect of such Notes shall be disregarded and be null and void.

13. REPLACEMENT OF NOTES, CERTIFICATES, COUPONS AND TALONS

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange requirements or other relevant authority regulations, at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or, as the case may be, Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 16, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia,* that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes of any Series and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "**Notes**" shall be construed accordingly.

15. PROVISIONS RELATING TO THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment and from taking action to convene meetings unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of its subsidiaries without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

Each Noteholder and Couponholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Noteholder and Couponholder shall not rely on the Trustee in respect thereof.

The Trust Deed also provides that the Trustee will not be liable for any action taken or omitted by it except to the extent that a court of competent jurisdiction determines that the Trustee's gross negligence, wilful default or fraud was the primary cause of any loss to the Noteholders and/or Couponholders.

The Trustee may in relation to any of the Issue Documents act (or refrain from acting) on the opinion, advice, report or certificate of, or any information obtained from, any lawyer, valuer, banker, securities company, broker, accountant, surveyor, auctioneer, auditor, (where applicable) rating agency or other expert in Singapore or elsewhere whether obtained by the Trustee, the Issuer, any subsidiary or the Principal Paying Agent, the Non-CDP Paying Agent or otherwise, whether or not addressed to the Trustee, and whether or not the opinion, advice, report, certificate or information contains a monetary or other limit on liability or limits the scope and/or basis for such opinion, advice, report, certificate or information and the Trustee and each of its directors, officers, employees and agents appointed by the Trustee under, or involved in the performance of obligations under, the Issue Documents shall not be responsible for any loss occasioned by so acting (or refraining from acting).

The Trustee shall not be under any duty to monitor or ensure compliance by the Issuer of its obligations under the Conditions and the Trustee will not be responsible to Noteholders and/or Couponholders for any loss arising from any failure to do so.

16. NOTICES

16.1 Notices to the holders of Notes shall be valid if:

(a) mailed to them at their respective addresses in the Register;

(b) for so long as the Notes are listed on the SGX, published on the website of the SGX-ST at http://www.sgx.com; or

(c) published in a daily newspaper of general circulation in Singapore (it is expected that such publication will be made in The Business Times), and such notices shall be deemed to have been given:

(i) in respect of mailed notices, on the fourth weekday (being a day other than a Saturday, Sunday or gazetted public holiday) after the date of mailing;

(ii) in respect of notices published on the website of the SGX-ST, on the date of such publication or, if published more than once, on the first date on which publication is made; and

(iii) in respect of notices published in such newspaper, on the date of such publication or, published more than once or on different dates, on the date of the first publication in such newspaper.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16.

16.2 So long as the Notes are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, there may be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with sub-paragraph (b) of Condition 16.1 above. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository. In the event that notice is published in accordance with sub-paragraph (b) of Condition 16.1 above, such notice shall be deemed to have been given to the Noteholders on the date of such publication.

16.3 Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Certificates). Whilst the Notes are represented by a Global Security or a Global Certificate, such notice may be given by any Noteholder to the Principal Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Principal Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

16.4 Notwithstanding the other provisions of this Condition, in any case where the identities and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given two (2) days from the date of despatch to the Noteholders.

17. <u>CONTRACTS (RIGHTS OF THIRD PARTIES) ACT</u>

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore).

18. <u>GOVERNING LAW AND JURISDICTION</u>

18.1 <u>Governing Law</u>

The Trust Deed, the Notes, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

18.2 <u>Jurisdiction</u>

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed or any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or any Notes, Coupons or Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Perpetual Securities in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Perpetual Securities. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Perpetual Securities or on the Certificates relating to such Registered Perpetual Securities. References in the Conditions to "**Perpetual Securities**" are to the Perpetual Securities of one Series only, not to all Perpetual Securities that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Perpetual Securities and in the relevant Pricing Supplement.*

The Perpetual Securities are constituted by a Trust Deed (as amended, restated or supplemented from time to time, the "**Trust Deed**") dated 31 January 2018 made between (1) Singapore Post Limited, as issuer (the "**Issuer**"), and (2) DB International Trust (Singapore) Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Perpetual Securityholders (as defined below), and (where applicable) the Perpetual Securities are issued with the benefit of a deed of covenant (as amended, restated or supplemented from time to time, the "**Deed of Covenant**") dated 31 January 2018 executed by the Issuer, relating to the Perpetual Securities ("**CDP Perpetual Securities**") cleared or to be cleared through the CDP System (as defined in the Trust Deed). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. The Issuer has entered into an agency agreement (as amended, restated or supplemented from time to time, the "**Agency Agreement**") dated 31 January 2018 made between (1) the Issuer, as issuer, (2) Deutsche Bank AG, Singapore Branch, as principal paying agent (in such capacity, the "**Principal Paying Agent**"), transfer agent in respect of CDP Perpetual Securities (in such capacity, the "**CDP Transfer Agent**") and registrar in respect of CDP Perpetual Securities (in such capacity, the "**CDP Registrar**"), (3) Deutsche Bank AG, Hong Kong Branch, as paying agent in respect of Perpetual Securities cleared or to be cleared through a clearing system other than the CDP System ("**Non-CDP Perpetual Securities**") (in such capacity, the "**Non-CDP Paying Agent**" and, together with the Principal Paying Agent and any other paying agents that may be appointed, the "**Paying Agents**"), the transfer agent in respect of Non-CDP Perpetual Securities (in such capacity, the "**Non-CDP Transfer Agent**") and, together with the CDP Transfer Agent and any other transfer agents that may be appointed, the "**Transfer Agents**"), and registrar in respect of Non-CDP Perpetual Securities (in such capacity, the "**Non-CDP Registrar**", and together with the CDP Registrar, the "**Registrars**"), and (4) the Trustee, and (where applicable) a calculation agency agreement (as amended, restated or supplemented from time to time, the "**Calculation Agency Agreement**") made between (1) the Issuer, (2) the Trustee and (3) the entity specified thereon as calculation agent of the Perpetual Securities. The Perpetual Securityholders and the holders (the "**Couponholders**") of the distribution coupons (the "**Coupons**") appertaining to the Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons (the "**Talons**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement (where applicable) and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Principal Paying Agent shall, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Paying Agent, (b) the Registrar shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Registrar and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Registrar, and (c) the Transfer Agent shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Transfer Agent and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Transfer Agent, and (unless the context otherwise requires) all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement (where applicable), the Deed of Covenant and the financial statements of the Issuer delivered to the Trustee in accordance with the Trust Deed are available for inspection during usual business hours with a prior appointment at the principal office of the Trustee for the time being and at the respective specified offices of the Principal Paying Agent, or as the case may be, the Non-CDP Paying Agent for the time being. The Trustee or the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent may, with the consent of the Issuer, following the request of a Perpetual Securityholder, send (by electronic mail or otherwise) electronic copies of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement (where applicable), the Deed of Covenant and the financial statements of the Issuer delivered to the Trustee in accordance with the Trust Deed in Portable Document Form (PDF) to such Perpetual Securityholder(s). None of the Issuer, the Trustee, the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent shall be responsible or liable to any Perpetual Securityholder or Couponholder or any other person for any discrepancies or errors in such electronic copies that may have occurred during the process of transmission.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

(a) The Perpetual Securities of the Series of which this Perpetual Security forms part (in these Conditions, the "**Perpetual Securities**") are issued in bearer form ("**Bearer Perpetual Securities**") or in registered form ("**Registered Perpetual Securities**"), in each case in the Denomination Amount shown hereon. In the case of Registered Perpetual Securities, such Perpetual Securities are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.

(b) This Perpetual Security is a Fixed Rate Perpetual Security or a Floating Rate Perpetual Security (depending upon the Distribution Basis shown on its face).

(c) Bearer Perpetual Securities are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached.

(d) Registered Perpetual Securities are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2.3, each Certificate shall represent the entire holding of Registered Perpetual Securities by the same holder.

1.2 Title

(a) Subject as set out below, title to the Bearer Perpetual Securities and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Perpetual Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

(b) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Perpetual Security, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Perpetual Security, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Perpetual Security, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, trust or any interest in it, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(c) For so long as any of the Perpetual Securities is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Perpetual Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent (as defined below), all other agents of the Issuer and the Trustee as the holder of such principal amount of Perpetual Securities standing to the credit of the account of such person. Other than with respect to the payment of principal, premium (if any), interest, distribution, redemption or purchase amount (if any) and/or any other amounts in respect of the Perpetual Securities, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent , all other agents of the Issuer and the Trustee as the holder of such Perpetual Securities in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Perpetual Securityholder**" and "**holder of Perpetual Securities**" and related expressions, where the context requires, shall be construed accordingly). Perpetual Securities which are represented by the Global Security or, as the case may be, the Global Certificate and held by Euroclear, Clearstream, Luxembourg and/or the Depository will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

For so long as any of the Perpetual Securities is represented by a Global Security or, as the case may be, a Global Certificate and such Global Security or, as the case may be, Global Certificate is held by the Depository, the payment of principal, premium (if any), interest, distribution, redemption or purchase amount (if any) and any other amounts in respect of the Perpetual Securities shall be made by the Depository to the persons shown in the records of the Depository as the holder of Perpetual Securities in accordance with the rules and procedures for the time being of the Depository and the record date for the purposes of determining entitlements to any payment of principal, distribution and any other amounts in respect of the Perpetual Securities shall, unless otherwise specified by the Issuer, be the date falling five (5) business days prior to the relevant payment date (or such other date as may be prescribed by the Depository from time to time).

For so long as any of the Perpetual Securities is represented by a Global Security or, as the case may be, a Global Certificate and such Global Security or, as the case may be, Global Security is held by a common depositary for Euroclear and/or Clearstream, Luxembourg, the record date for purposes of determining entitlements to any payment of principal, premium (if any), interest, distribution, redemption or purchase amount (if any) and any other amounts in respect of the Perpetual Security shall be the close of business on the Clearing System Business Day immediately prior to the relevant payment date, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January (or such other date as may be prescribed by Euroclear and/or Clearstream, Luxembourg).

(d) In these Conditions, "**Global Security**" means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, "**Global Certificate**" means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (i) a common depositary for Euroclear and/or Clearstream, Luxembourg, (ii) the Depository and/or (iii) any other clearing system, "**Perpetual Securityholder**" means the bearer of any Bearer Perpetual Security or the person in whose name a Registered Perpetual Security is registered (as the case may be) and "**holder**" (in relation to a Perpetual Security, Coupon or Talon) means the bearer of any Bearer Perpetual Security, Coupon or Talon or the person in whose name a Registered Perpetual Security is registered (as the case may be), "**Series**" means a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of distribution and ''**Tranche**" means Perpetual Securities which are identical in all respects (including as to listing).

(e) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. NO EXCHANGE OF PERPETUAL SECURITIES AND TRANSFERS OF REGISTERED PERPETUAL SECURITIES

2.1 No Exchange of Perpetual Securities: Registered Perpetual Securities may not be exchanged for Bearer Perpetual Securities. Bearer Perpetual Securities of one Denomination Amount may not be exchanged for Bearer Perpetual Securities of another Denomination Amount. Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities.

2.2 Transfer of Registered Perpetual Securities: Subject to Conditions 2.5 and 2.6 below, one or more Registered Perpetual Securities may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Perpetual Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Perpetual Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed (in the case of any regulation proposed by the Issuer) with the approval of the Trustee, the Transfer Agents and the Registrar and (in the case of any regulation proposed by the Registrar) with the approval of the Issuer and the Trustee. A copy of the current regulations will be made available by the Registrar to any Perpetual Securityholder upon request.

2.3 Exercise of Options or Partial Redemption or Purchase in Respect of Registered Perpetual Securities: In the case of an exercise of an Issuer's option in respect of, or a partial redemption of, or purchase of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

2.4 Delivery of New Certificates: Each new Certificate to be issued pursuant to Condition 2.2 or 2.3 shall be available for delivery within five (5) business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2.4, "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the relevant Registrar or the relevant Transfer Agent (as the case may be).

2.5 Transfers Free of Charge: Transfers of Perpetual Securities and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the relevant Registrar or the relevant Transfer Agent may require) in respect of tax or charges.

2.6 Closed Periods: No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered (a) during the period of 15 days prior to any date on which Perpetual Securities may be called for redemption by the Issuer at its option pursuant to Condition 5.2, (b) after any such Perpetual Security has been called for redemption or (c) during the period of seven (7) days ending on (and including) any Record Date (as defined in Condition 6.2(b)).

3. STATUS

3.1 Senior Perpetual Securities: This Condition 3.1 applies to Perpetual Securities that are Senior Perpetual Securities (being the Perpetual Securities that specify their status as senior in the applicable Pricing Supplement). The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

3.2 Subordinated Perpetual Securities: This Condition 3.2 applies to Perpetual Securities that are Subordinated Perpetual Securities (being the Perpetual Securities that specify their status as subordinated in the applicable Pricing Supplement).

(a) Status of Subordinated Perpetual Securities

The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer. The rights and claims of the Perpetual Securityholders and Couponholders in respect of the Subordinated Perpetual Securities are subordinated as provided in this Condition 3.2.

In these Conditions, "**Parity Obligation**" means, in relation to the Issuer, any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer (i) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Subordinated Perpetual Securities and (ii) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

(b) Ranking of claims on winding-up

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the winding-up of the Issuer, the rights of the Perpetual Securityholders and Couponholders in respect of the Subordinated Perpetual Securities to payment of principal of and distribution on the Subordinated Perpetual Securities and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the claims of the Perpetual Securityholders and in priority to (i) the other subordinated obligations of the Issuer that are expressed by their terms to rank junior to the claims of the Perpetual Securityholders and (ii) the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.

(c) No set-off

Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

3A. OTHER COVENANTS

3A.1 Delivery of Accounts to Trustee: The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Perpetual Securities or Coupons remains outstanding, the Issuer will send to the Trustee (i) at the time of issue thereof and in any event within 120 days (or such longer period as the authorities may permit and which is notified to the Trustee) after the end of each of its financial years (beginning with the current one), a copy (whether physical or electronic) of its annual report and audited consolidated accounts as at the end of and for that financial year, together with copies of the related reports and approvals referred to in Clause 15(f)(i) of the Trust Deed, (ii) at the time of issue thereof and in any event within 60 days (or such longer period as the authorities may permit and which is notified to the Trustee) after the end of the first six (6) months of each of its financial years (beginning with the current one), a copy (whether physical or electronic) of its unaudited consolidated accounts as at the end of and for that six (6) month period announced by it on the website of the SGX-ST, provided that it is so required to publish the same under the listing rules of the SGX-ST, and (iii) at the time of issue thereof and in any event within 45 days (or such longer period as the authorities may permit and which is notified to the Trustee) after the end of each financial quarter, a copy (whether physical or electronic) of its unaudited quarterly consolidated accounts as at the end of and for that financial quarter announced by it on the website of the SGX-ST, provided that it is so required to publish the same under the listing rules of the SGX-ST.

3A.2 Restructuring: The Issuer has covenanted with the Trustee in Clause 16(u) of the Trust Deed that so long as any of the Perpetual Securities or Coupons remains outstanding, the Issuer will not consolidate with or merge or amalgamate into any entity, where the Issuer is not the surviving or resulting entity, or convey, transfer or sell, assign, or lease, in one transaction or a series of transactions, directly or indirectly, all or substantially all its assets to, or declare itself a trustee of all or substantially all its assets to any entity, unless:

(i) the resulting, surviving or transferee entity (the "**Surviving Entity**") will be a corporation validly organised and existing under the laws of the jurisdiction where it is organised and will expressly assume, by a supplemental trust deed to the Trust Deed, executed and delivered to the Trustee, all the obligations of the Issuer under the Issue Documents and the Perpetual Securities, including the obligation to pay any additional amounts pursuant to Condition 7 (amended as necessary to reflect the jurisdiction in which such Surviving Entity is organised);

(ii) immediately after giving effect to such transaction on a *pro forma* basis, no Event of Default or Enforcement Event will have occurred and be unwaived; and

(iii) the Issuer or such Surviving Entity shall have delivered to the Trustee (A) a certificate signed by two (2) authorised signatories of the Issuer confirming paragraph (ii) above and (B) a written opinion from legal counsel, stating that such supplemental trust deed complies with paragraph (i) above.

4. DISTRIBUTION AND OTHER CALCULATIONS

4.1 Distribution on Fixed Rate Perpetual Securities

(a) **Distribution Rate and Accrual**

Each Fixed Rate Perpetual Security confers a right to receive distribution on its outstanding principal amount from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security at the rate per annum (expressed as a percentage) equal to the Distribution Rate shown on the face of such Perpetual Security payable in arrear on each Distribution Payment Date or Distribution Payment Dates shown on the face of such Perpetual Security in each year.

The first payment of distribution will be made on the Distribution Payment Date next following the Distribution Commencement Date (and if the Distribution Commencement Date is not a Distribution Payment Date, the first payment will amount to the Initial Broken Amount shown on the face of such Perpetual Security).

Distribution will cease to accrue on each Fixed Rate Perpetual Security from the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Perpetual Security is improperly withheld or refused, in which event distribution at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4.1 to the Relevant Date (as defined in Condition 7).

(b) **Distribution Rate**

The Distribution Rate applicable to each Fixed Rate Perpetual Security shall be:

(i) (if no Reset Date is specified in the applicable Pricing Supplement),

(A) if no Step-Up Margin is specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security; or

(B) if a Step-Up Margin is specified in the applicable Pricing Supplement, (1) for the period from (and including) the Distribution Commencement Date to (but excluding) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (2) for the period from the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security plus the Step-Up Margin (as specified in the applicable Pricing Supplement); and

(ii) (if a Reset Date is specified in the applicable Pricing Supplement), (A) for the period from (and including) the Distribution Commencement Date to (but excluding) the First Reset Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (B) for the period from (and including) the First Reset Date and each Reset Date (as specified in the applicable Pricing Supplement) falling thereafter to (but excluding) the immediately following Reset Date, the Reset Distribution Rate.

For the purposes of these Conditions:

"**Reset Distribution Rate**" means the Swap Offer Rate or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement) plus the Step-Up Margin (if applicable, as specified in the applicable Pricing Supplement); and

"**Swap Offer Rate**" means:

(1) the rate per annum (expressed as a percentage) notified by the Calculation Agent to the Issuer equal to the swap offer rate published by the Association of Banks in Singapore (or such other equivalent body) for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement on the second business day prior to the relevant Reset Date (the "**Reset Determination Date**");

(2) if on the Reset Determination Date, there is no swap offer rate published by the Association of Banks in Singapore (or such other equivalent body), the Calculation Agent will determine the swap offer rate for such Reset Period (determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four (4) decimal places) of the rates (excluding the highest and the lowest rates) which appears on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon - Rates - Interest Rate Swaps - Asia Pac - SGD" and the column headed "Ask" (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on each of the five (5) consecutive business days prior to and ending on the Reset Determination Date);

(3) if on the Reset Determination Date, rates are not available on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon - Rates - Interest Rate Swaps - Asia Pac - SGD" and the column headed "Ask" (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on one or more of the said five (5) consecutive business days, the swap offer rate will be the rate per annum notified by the Calculation Agent to the Issuer equal to the arithmetic mean (rounded up, if necessary, to four (4) decimal places) of the rates which are available in such five-consecutive-business-day period or, if only one rate is available in such five-consecutive-business-day period, such rate; and

(4) if on the Reset Determination Date, no rate is available on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon - Rates - Interest Rate Swaps - Asia Pac - SGD" and the column headed "Ask" (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business in such five-consecutive-business-day period, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotation(s) of their swap offer rates for a period equivalent to the duration of the Reset Period at the close of business on the Reset Determination Date. The swap offer rate for such Reset Period shall be the arithmetic mean (rounded up, if necessary, to four (4) decimal places) of such offered quotations, as determined by the Calculation Agent or, if only one of the Reference Banks provides the Calculation Agent with such quotation, such rate quoted by that Reference Bank,

provided that, in each case, in the event the Swap Offer Rate is less than zero, the Swap Offer Rate shall be equal to zero per cent. per annum.

(c) **Calculation of Reset Distribution Rate**

The Calculation Agent will, on the second business day prior to each Reset Date, determine the applicable Reset Distribution Rate payable in respect of each Perpetual Security. The determination of any rate, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(d) **Notification of Relevant Reset Distribution Rate**

The Calculation Agent will cause the applicable Reset Distribution Rate to be notified to the Principal Paying Agent, the Trustee, the Issuer and (if the Issuer so instructs in writing that notice should be given) any Stock Exchange on which the Perpetual Securities are for the time being listed as soon as possible after its determination but in no event later than the fourth business day thereafter. The Calculation Agent shall cause notice of the then applicable Reset Distribution Rate or applicable Distribution Rate to be notified to the Perpetual Securityholders in accordance with Condition 14 as soon as possible after determination thereof.

(e) **Determination or Calculation by Trustee**

If the Calculation Agent does not at any material time determine or calculate the applicable Reset Distribution Rate, the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition 4.1, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances, and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(f) **Calculations**

In the case of a Fixed Rate Perpetual Security, distribution in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Perpetual Security. The amount of distribution payable per Calculation Amount (as defined in Condition 4.2(c)) for any Fixed Rate Distribution Period in respect of any Perpetual Security shall be calculated by multiplying the product of the Distribution Rate and the Calculation Amount, by the Day Count Fraction shown on the face of the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency.

In these Conditions, "**Fixed Rate Distribution Period**" means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date.

4.2 Distribution on Floating Rate Perpetual Securities

(a) Distribution Payment Dates

Each Floating Rate Perpetual Security confers a right to receive distribution on its outstanding principal amount from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security, and such distribution will be payable in arrear on each distribution payment date ("**Distribution Payment Date**"). Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Date(s) or, if no Specified Distribution Payment Date(s) is/are shown hereon, Distribution Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Distribution Period (as defined below) on the face of the Perpetual Security (the "**Specified Number of Months**") after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date (and which corresponds numerically with such preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be). If any Distribution Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (i) the Floating Rate Business Day

Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding business day and (B) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date is herein called a "**Distribution Period**".

Distribution will cease to accrue on each Floating Rate Perpetual Security from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event distribution will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4.2 to the Relevant Date.

(b) Rate of Distribution - Floating Rate Perpetual Securities

(i) Each Floating Rate Perpetual Security confers a right to receive distribution on its outstanding principal amount at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Perpetual Security, being (in the case of Perpetual Securities which are denominated in Singapore dollars) SIBOR (in which case such Perpetual Security will be a SIBOR Perpetual Security) or Swap Rate (in which case such Perpetual Security will be a Swap Rate Perpetual Security) or in any other case (or in the case of Perpetual Securities which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Perpetual Security.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Perpetual Security. The "**Spread**" is the percentage rate per annum specified on the face of such Perpetual Security as being applicable to the rate of distribution for such Perpetual Security. The rate of distribution so calculated shall be subject to Condition 4.3(a) below.

The rate of distribution payable in respect of a Floating Rate Perpetual Security from time to time is referred to in these Conditions as the "**Rate of Distribution**".

(ii) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security will be determined by the Calculation Agent on the basis of the following provisions:

(A) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:

(1) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX - SIBOR AND SWAP OFFER RATES - RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement

page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided hereon) and as adjusted by the Spread (if any);

(2) if on any Distribution Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "**SGD SIBOR**" (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to four (4) decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Calculation Agent;

(3) if on any Distribution Determination Date, two (2) but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Distribution for the relevant Distribution Period shall be determined in accordance with paragraph (2) above on the basis of the quotations of those Reference Banks providing such quotations; and

(4) if on any Distribution Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four (4) decimal places) of the rates quoted by the Reference Banks or those of them (being at least two (2) in number) to the Calculation Agent at or about the Relevant Time on such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be the most appropriate and as adjusted by the Spread (if any) or if on such Distribution Determination Date, one (1) only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four (4) decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date and as adjusted by the Spread (if any);

(B) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities:

(1) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under

the caption "SGD SOR rates as of 11:00hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period and as adjusted by the Spread (if any);

(2) if on any Distribution Determination Date, no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Distribution for such Distribution Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to four (4) decimal places)) for a period equal to the duration of such Distribution Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Calculation Agent may select; and

(3) if on any Distribution Determination Date the Calculation Agent is otherwise unable to determine the Rate of Distribution under paragraphs (b)(ii)(B)(1) and (b)(ii)(B)(2) above, the Rate of Distribution shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four (4) decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two (2) in number) to the Calculation Agent at or about the Relevant Time as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four (4) decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Distribution Determination Date and as adjusted by the Spread (if any); and

(C) in the case of Floating Rate Perpetual Securities which are not SIBOR Perpetual Securities or Swap Rate Perpetual Securities or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Distribution in respect of any Distribution Period at or about the Relevant Time on the Distribution Determination Date in respect of such Distribution Period as follows:

(1) if the Primary Source (as defined below) for the Floating Rate Perpetual Securities is a Screen Page (as defined below), subject as provided below, the Rate of Distribution in respect of such Distribution Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or (bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Distribution Determination Date,

and as adjusted by the Spread (if any);

(2) if the Primary Source for the Floating Rate Perpetual Securities is Reference Banks or if paragraph (b)(ii)(C)(1)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Distribution Determination Date or if paragraph (b)(ii)(C)(1)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Distribution Determination Date, subject as provided below, the Rate of Distribution shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four (4) decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Distribution Determination Date and as adjusted by the Spread (if any); and

(3) if paragraph (b)(ii)(C)(2) applies and the Calculation Agent determines that fewer than two (2) Reference Banks are so quoting Relevant Rates, the Rate of Distribution shall be the Rate of Distribution determined on the previous Distribution Determination Date.

(iii) On the last day of each Distribution Period, the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.

(iv) For the avoidance of doubt, in the event that the Rate of Distribution in relation to any Distribution Period is less than zero, the Rate of Distribution in relation to such Distribution Period shall be equal to zero.

(c) Definitions

As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Perpetual Security, a day (other than a Saturday, Sunday or gazetted public holiday) on which (i) Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) banks and foreign exchange markets are open for general business in the country in which the Principal Paying Agent's specified office is situated and (in the case of Non-CDP Perpetual Securities) the Non-CDP Paying Agent's specified office and (iii) (if a payment is to be made on that day) (A) (in the case of Perpetual Securities denominated in Singapore dollars) banks and foreign exchange markets are open for general business in Singapore, (B) (in the case of Perpetual Securities denominated in Euro) the TARGET System is open for settlement in Euro and (C) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars and Euro) banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

"**Calculation Agent**" means, in relation to any Series of Perpetual Securities, the person appointed as the calculation agent pursuant to the terms of the Agency Agreement or, where applicable, the relevant Calculation Agency Agreement as specified in the applicable Pricing Supplement;

"**Calculation Amount**" means the amount specified as such on the face of any Perpetual Security or, if no such amount is so specified, the Denomination Amount of such Perpetual Security as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with Condition 4:

(i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 365 (or, if any portion of that Fixed Rate Distribution Period or, as the case may be, Distribution Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a non-leap year divided by 365);

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 360; and

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 365;

"**Distribution Commencement Date**" means the Issue Date or such other date as may be specified as the Distribution Commencement Date on the face of such Perpetual Security;

"**Distribution Determination Date**" means, in respect of any Distribution Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Perpetual Security;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Issue Date**" means the date specified as such in the applicable Pricing Supplement;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Calculation Agent;

"**Reference Banks**" means the institutions specified as such in the applicable Pricing Supplement or, if none, three reputable top-tier banks selected by the Calculation Agent, subject to prior consultation with the Issuer (provided that such consultation shall be deemed to be satisfied if the Issuer does not provide the Calculation Agent with its feedback within one business day of such consultation), in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Perpetual Securities are denominated;

"**Relevant Financial Centre**" means, in the case of distribution to be determined on a Distribution Determination Date with respect to any Floating Rate Perpetual Security, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Distribution Period;

"**Relevant Time**" means, with respect to any Distribution Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Bloomberg agency and Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

4.3 Calculations

(a) Determination of Rate of Distribution and Calculation of Distribution Amounts

The Calculation Agent will, as soon as practicable after the Relevant Time on each Distribution Determination Date determine the Rate of Distribution and calculate the amount of distribution payable (the "**Distribution Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Perpetual Securities for the relevant Distribution Period. The amount of distribution payable per Calculation Amount in respect of any Floating Rate Perpetual Security shall be calculated by multiplying the product of the Rate of Distribution and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Calculation Agent will cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to the Principal Paying Agent, the Trustee, the Issuer and (if the Issuer so instructs in writing that notice should be given) any Stock Exchange on which the Perpetual Securities are for the time being listed as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Perpetual Securities, the Calculation Agent will also cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth business day thereafter. The Distribution Amounts and the Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Distribution Period by reason of any Distribution Payment Date not being a business day. If an Enforcement Event (as defined below) occurs in relation to the Floating Rate Perpetual Securities, the Rate of Distribution and Distribution Amounts payable in respect of the Floating Rate Perpetual Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Distribution and Distribution Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Calculation Agent does not at any material time determine or calculate the Rate of Distribution for a Distribution Period or any Distribution Amount, the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(d) Calculation Agent and Reference Banks

The Issuer will procure that, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Distribution for any Distribution Period or to calculate the Distribution Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

4.4 Distribution Discretion

(a) Optional Payment

If Optional Payment is set out hereon, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an "**Optional Payment Notice**") to the Trustee and the Principal Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 15 nor less than five business days (or such other notice period as may be specified hereon) prior to a scheduled Distribution Payment Date.

If Dividend Pusher is set out hereon, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following (each such event a "**Compulsory Distribution Payment Event**") have occurred:

(i) a dividend, distribution or other payment has been declared or paid by the Issuer or any of its subsidiaries on or in respect of any of the Issuer's Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of its Parity Obligations; or

(ii) any of the Issuer's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration by the Issuer or any of its subsidiaries or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of its Parity Obligations has been redeemed, reduced cancelled, bought back or acquired by the Issuer or any of its subsidiaries for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group or (2) as a result of the exchange or conversion of the Issuer's Parity Obligations for the Junior Obligations and/or as otherwise specified in the applicable Pricing Supplement.

In these Conditions, "**Junior Obligation**" means, in relation to the Issuer, any of its ordinary shares and any class of its share capital and any other instruments or securities (including without limitation any preference shares or subordinated perpetual securities) issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Perpetual Securities.

Each Optional Payment Notice shall be accompanied, in the case of the notice to the Trustee, by a certificate signed by signed by two duly authorised officers of the Issuer confirming that no Compulsory Distribution Payment Event has occurred during the Reference Period. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred during the Reference Period and the Trustee and the Principal Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Perpetual Securityholder or any other person on any Optional Payment Notice or any certificate as aforementioned. Each Optional Payment Notice shall be conclusive and binding on the Perpetual Securityholders.

(b) No Obligation to Pay

If Optional Payment is set out hereon and subject to Condition 4.4(c) and Condition 4.4(d), the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) Non-Cumulative Deferral and Cumulative Deferral

(i) If Non-Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4.4 is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4.4(e). There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to this Condition 4.4.

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

(ii) If Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4.4 shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4.4(a)) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4.4 except that this Condition 4.4(c) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

(iii) If Additional Distribution is set out hereon, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(d) Restrictions in the case of Deferral

If Dividend Stopper is set out hereon and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of this Condition 4.4, the Issuer shall not and shall procure that none of its subsidiaries shall:

(i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of its Parity Obligations; or

(ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer's Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of its Parity Obligations,

in each case other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group or (2) as a result of the exchange or conversion of the Issuer's Parity Obligations for the Junior Obligations unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution and Additional Distribution Amount, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

(e) Satisfaction of Optional Distribution or Arrears of Distribution

The Issuer:

(i) may, at its sole discretion, satisfy an Optional Distribution or Arrears of Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee, the Principal Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 15 nor less than five business days (or such other notice period as may be specified hereon) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution or Arrears of Distribution on the payment date specified in such notice); and

(ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:

(A) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);

(B) the next Distribution Payment Date following the occurrence of a breach of Condition 4.4(d) or following the occurrence of a Compulsory Distribution Payment Event; and

(C) the date such amount becomes due under Condition 9 or on a winding-up of the Issuer.

Any partial payment of an Optional Distribution or Arrears of Distribution, as the case may be, by the Issuer shall be shared by the Perpetual Securityholders of all outstanding Perpetual Securities on a *pro rata* basis.

(f) No Default

Notwithstanding any other provision in these Conditions, the non-payment of any distribution payment in accordance with this Condition 4.4 shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Perpetual Securities.

5. REDEMPTION AND PURCHASE

5.1 No Fixed Redemption Date

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9) only have the right to redeem or purchase them in accordance with the following provisions of this Condition 5.

5.2 Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.

All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 5.2.

In the case of a partial redemption of the Perpetual Securities, the notice to Perpetual Securityholders shall also contain the certificate numbers of the Bearer Perpetual Securities or, in the case of Registered Perpetual Securities, shall specify the principal amount of Registered Perpetual Securities drawn and the holder(s) of such Registered Perpetual Securities, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be fair and reasonable in the circumstances, subject to compliance with any applicable laws. So long as the Perpetual Securities are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Perpetual Securities.

5.3 Redemption for Taxation Reasons

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

(a) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

(i) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act (Chapter 134 of Singapore) (the "**ITA**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or

(ii) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(b) (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the date on which agreement is reached to issue the first tranche of the Perpetual Securities or any other date specified in the Pricing Supplement, and

(ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5.3, the Issuer shall deliver to the Trustee:

(A) a certificate signed by two duly authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and

(B) in the case of a notice of redemption pursuant to Condition 5.3(b), an opinion of an independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment to the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax.

The Trustee shall be entitled to accept such certificate and opinion or ruling as sufficient evidence that the satisfaction of the conditions precedent to the right of the Issuer so to redeem has occurred, in which event it shall be conclusive and binding on the Perpetual Securityholders.

All Perpetual Securities in respect of which any such notice is given in accordance with this Condition 5.3 shall be redeemed on the date specified in such notice.

5.4 Redemption for Accounting Reasons

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council, as amended from time to time (the "**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 5.4, the Issuer shall deliver to the Trustee:

(a) a certificate signed by two duly authorised officers of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(b) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence that the circumstances referred to above prevail and shall not be responsible for determining or verifying the circumstances set out in such certificate, in which event such certificate shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5.4, the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5.4.

5.5 Redemption for Tax Deductibility

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

(a) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

(i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;

(ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or

(iii) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is issued or announced before the Issue Date,

the distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, fully deductible by the Issuer for Singapore income tax purposes; or

(b) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.

Prior to the publication of any notice of redemption pursuant to this Condition 5.5, the Issuer shall deliver or procure that there is delivered to the Trustee and the Principal Paying Agent:

(A) a certificate signed by two duly authorised officers of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(B) in the case of a notice of redemption pursuant to Condition 5.5(a), an opinion of an independent tax, legal or other professional adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change, amendment, interpretation or pronouncement has taken place or is due to take effect.

The Trustee shall be entitled to accept such certificate and opinion or ruling as sufficient evidence that the circumstances referred to above prevail and shall not be responsible for determining or verifying the circumstances set out in such certificate, in which event such certificate shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5.5, the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5.5.

5.6 Redemption in the case of Minimal Outstanding Amount

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Upon the expiry of any such notice as is referred to in this Condition 5.6, the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5.6.

5.7 Redemption upon a Ratings Event

If so provided hereon, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, at any time, at their Redemption Amount together with the distribution including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption, on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), if as of the date fixed for redemption, an amendment, clarification or change has occurred or will in the Distribution Period immediately following the date fixed for redemption occur in the equity credit criteria, guidelines or methodology of Standard & Poor's or any other rating agency of equivalent recognised standing requested from time to time by the Issuer to grant an equity classification to the Perpetual Securities and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Perpetual Securities than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time.

Prior to the publication of any notice of redemption pursuant to this Condition 5.7, the Issuer shall deliver, or procure that there is delivered, to the Trustee and the Principal Paying Agent a certificate signed by two duly authorised officers stating that the circumstances referred to above prevail and setting out the details of such circumstances.

Upon the expiry of any such notice as is referred to in this Condition 5.7, the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5.7.

5.8 Purchases

The Issuer and/or any of its subsidiaries may at any time purchase Perpetual Securities at any price (provided that, in the case of Bearer Perpetual Securities, they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Perpetual Securities purchased by the Issuer and/or any of its subsidiaries may be surrendered by the purchaser through the Issuer to, in the case of Bearer Perpetual Securities, the Principal Paying Agent and, in the case of Registered Perpetual Securities, the Registrar for cancellation or may at the option of the Issuer or, as the case may be, the relevant subsidiary, be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

5.9 Cancellation

All Perpetual Securities purchased by or on behalf of the Issuer and/or any of its subsidiaries may be surrendered for cancellation, in the case of Bearer Perpetual Securities, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons to the Principal Paying Agent at its specified office and, in the case of Registered Perpetual Securities, by surrendering the Certificate representing such Perpetual Securities to the Registrar and, in each case, if so surrendered, shall, together with all Perpetual Securities redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Perpetual Securities or Certificates so surrendered for cancellation may not be reissued or resold.

6. PAYMENTS

6.1 Principal and Distribution in respect of Bearer Perpetual Securities

Payments of principal and distribution in respect of Bearer Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Securities or Coupons, as the case may be, at the specified office of the Principal Paying Agent or any other Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

6.2 Principal and Distribution in respect of Registered Perpetual Securities

(a) Payments of principal in respect of Registered Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6.2(b).

(b) Distribution on Registered Perpetual Securities shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of distribution on each Registered Perpetual Security shall be made by a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such Perpetual Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of distribution may be made by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

6.3 Payments Subject to Law etc.

Without prejudice to the provisions of Condition 7, all payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations or agreements thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law, regulation or directive implementing such an intergovernmental agreement). No commission or expenses shall be charged to the Perpetual Securityholders or Couponholders in respect of such payments.

6.4 Appointment of Agents

The Principal Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and their specified offices are listed hereon. The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, the Non-CDP Paying Agent, any other Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, any other Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents and Calculation Agents, provided that it will at all times maintain (a) a Principal Paying Agent having a specified office in Singapore and (in the case of Non-CDP Perpetual Securities) a Non-CDP Paying Agent, as the case may be, (b) a Transfer Agent in relation to Registered Perpetual Securities, (c) a Registrar in relation to Registered Perpetual Securities and (d) a Calculation Agent where the Conditions so require.

Notice of any such change or any change of any specified office will promptly be given by the Issuer to the Perpetual Securityholders within the period specified in the Agency Agreement in accordance with Condition 14.

The Agency Agreement may be amended by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of any holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein of a formal, minor or technical nature, to correct a manifest error or to comply with mandatory provisions of Singapore law or which is required by Euroclear and/or Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Perpetual Securities may be held or in any manner which the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which is not, in the opinion of the Issuer and the Trustee, materially prejudicial to the interests of the holders of the Perpetual Securities or the Coupons. Any such amendment shall be binding on the Perpetual Securityholders and the Couponholders and, unless the Trustee otherwise agrees in writing, the Issuer shall cause such amendment to be notified to the Perpetual Securityholders as soon as practicable in accordance with Condition 14.

6.5 Unmatured Coupons and Unexchanged Talons

(a) Bearer Perpetual Securities which comprise Fixed Rate Perpetual Securities should be surrendered for payment together with all unmatured Coupons (if any) relating to such Perpetual Securities, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within the prescription period relating thereto under Condition 8 from the Relevant Date for the payment of such principal.

(b) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Perpetual Security comprising a Floating Rate Perpetual Security, unmatured Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.

(c) Upon the due date for redemption of any Bearer Perpetual Security, any unexchanged Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(d) Where any Bearer Perpetual Security comprising a Floating Rate Perpetual Security is presented for redemption without all unmatured Coupons, and where any Bearer Perpetual Security is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(e) If the due date for redemption or repayment of any Perpetual Security is not a due date for payment of distribution, distribution accrued from the preceding due date for payment of distribution or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Perpetual Security or Certificate.

6.6 Talons

On or after the Distribution Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Perpetual Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

6.7 Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Perpetual Security or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further distribution or other payment in respect of any such delay.

7. TAXATION

All payments in respect of the Perpetual Securities and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Perpetual Security or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

(a) by or on behalf of a holder who is subject to such Taxes by reason of his being connected with Singapore (including, without limitation, the holder being (A) a resident of, or a permanent establishment in, Singapore for tax purposes or (B) a non-resident of Singapore who is exempt from withholding tax on payments in respect of the Perpetual Securities and the Coupons made to it otherwise than by reason only of the holding of such Perpetual Security or Coupon or the receipt of any sums due in respect of such Perpetual Security or Coupon;

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(c) by or on behalf of a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence but fails to do so.

As used in these Conditions, "**Relevant Date**" in respect of any Perpetual Security or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven (7) days after that on which notice is duly given to the Perpetual Securityholders in accordance with Condition 14 that, upon further presentation of the Perpetual Security (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Perpetual Securities, all Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, "**distribution**" shall be deemed to include all Distribution Amounts and all other amounts payable pursuant to Condition 4 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**distribution**" shall be deemed to include any additional amounts which may be payable under these Conditions.

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Perpetual Securities and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

8. PRESCRIPTION

Claims against the Issuer for payment in respect of the Perpetual Securities and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within five (5) years from the appropriate Relevant Date for payment.

9. NON-PAYMENT

9.1 Non-payment when due

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for Winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4.4. In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities or the Trust Deed.

For the purposes of these Conditions, "**Winding-up**" means bankruptcy, winding-up, liquidation, receivership or similar proceedings.

9.2 Proceedings for Winding-Up

If (i) an order is made or an effective resolution is passed for Winding-up of the Issuer or (ii) the Issuer fails to make payment in respect of the Perpetual Securities when due and such failure continues for a period of five (5) business days (together, the "**Enforcement Events**"), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9.4, institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

9.3 Enforcement

Without prejudice to Condition 9.2 but subject to the provisions of Condition 9.4, the Trustee may without further notice to the Issuer institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Perpetual Securities or the Trust Deed, as the case may be, (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)) and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

9.4 Entitlement of Trustee

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9.2 or Condition 9.3 against the Issuer to enforce the terms of the Trust Deed or the Perpetual Securities unless (a) it shall have been so directed by an Extraordinary Resolution of the Perpetual Securityholders or so requested in writing by Perpetual Securityholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded by the Perpetual Securityholders to its satisfaction.

9.5 Right of Perpetual Securityholders or Couponholder

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the Winding-up or claim in the liquidation of the Issuer or to prove in such Winding-up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-up or claim in such liquidation, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 9.

9.6 Extent of Perpetual Securityholders' remedy

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Perpetual Securityholders or Couponholders, whether for the recovery of amounts owing in respect of the Trust Deed, the Perpetual Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Perpetual Securities (as applicable).

10. MEETING OF PERPETUAL SECURITYHOLDERS AND MODIFICATIONS

The Trust Deed contains provisions for convening meetings of Perpetual Securityholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Perpetual Securities of such Series (including these Conditions insofar as the same may apply to such Perpetual Securities) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Perpetual Securityholders holding not less than 10 per cent. of the principal amount of the Perpetual Securities of any Series for the time being outstanding, and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of principal, or (where applicable) distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities or the distribution payable on the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies, time(s) or place(s) of payment or denomination of the Perpetual Securities, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Perpetual Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or the Depository and/or any other clearing system in which the Perpetual Securities may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Perpetual Securityholders. Any such modification, authorisation or waiver shall be binding on the Perpetual Securityholders and the Couponholders and, unless the Trustee otherwise agrees in writing, the Issuer shall cause such modification, authorisation or waiver to be notified to the Perpetual Securityholders as soon as practicable in accordance with Condition 14.

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, authorisation or waiver of any breach or proposed breach of any of the Conditions or any of the provisions of the Issue Documents), the Trustee shall have regard to the interests of the Perpetual Securityholders a class and shall not have regard to any interest arising from circumstances particular to individual Perpetual Securityholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Perpetual Securityholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof and the Trustee shall not be entitled to require, nor shall any Perpetual Securityholder be entitled to claim, from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Perpetual Securityholders except to the extent provided for in Condition 7.

These Conditions may be amended, modified, or varied in relation to any Series of Perpetual Securities by the terms of the relevant Pricing Supplement in relation to such Series.

For the purpose of ascertaining the right to attend and vote at any meeting of the Perpetual Securityholders convened for the purpose of and in relation to Conditions 9 and 10 and Clauses 9.5 (*Power to Institute Proceedings*) and 25 (*Assumption of Performance of Covenants*) of, and Schedule 11 to, the Trust Deed, those Perpetual Securities (if any) which are beneficially held by, or are held on behalf of the Issuer and any of its subsidiaries and not cancelled shall (unless and until ceasing to be so held) be disregarded when determining whether the requisite quorum of such meeting has been met and any votes cast or purported to be cast at such meeting in respect of such Perpetual Securities shall be disregarded and be null and void.

11. REPLACEMENT OF PERPETUAL SECURITIES, CERTIFICATES, COUPONS AND TALONS

If a Perpetual Security, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange requirements or other relevant authority regulations, at the specified office of the Principal Paying Agent (in the case of Bearer Perpetual Securities, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or, as the case may be, Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Perpetual Securityholders in accordance with Condition 14, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia,* that if the allegedly lost, stolen or destroyed Perpetual Security, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Perpetual Security, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Perpetual Securities, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

12. FURTHER ISSUES

The Issuer may from time to time without the consent of the Perpetual Securityholders or Couponholders create and issue further perpetual securities having the same terms and conditions as the Perpetual Securities of any Series and so that the same shall be consolidated and form a single Series with such Perpetual Securities, and references in these Conditions to "**Perpetual Securities**" shall be construed accordingly.

13. PROVISIONS RELATING TO THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment and from taking action to convene meetings unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of its subsidiaries without accounting to the Perpetual Securityholders or Couponholders for any profit resulting from such transactions.

Each Perpetual Securityholder and Couponholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Perpetual Securityholder and Couponholder shall not rely on the Trustee in respect thereof.

The Trust Deed also provides that the Trustee will not be liable for any action taken or omitted by it except to the extent that a court of competent jurisdiction determines that the Trustee's gross negligence, wilful default or fraud was the primary cause of any loss to the Perpetual Securityholders and/or Couponholders.

The Trustee may in relation to any of the Issue Documents act (or refrain from acting) on the opinion, advice, report or certificate of, or any information obtained from, any lawyer, valuer, banker, securities company, broker, accountant, surveyor, auctioneer, auditor, (where applicable) rating agency or other expert in Singapore or elsewhere whether obtained by the Trustee, the Issuer, any subsidiary or the Principal Paying Agent, the Non-CDP Paying Agent or otherwise, whether or not addressed to the Trustee, and whether or not the opinion, advice, report, certificate or information contains a monetary or other limit on liability or limits the scope and/or basis for such opinion, advice, report, certificate or information and the Trustee and each of its directors, officers, employees and agents appointed by the Trustee under, or involved in the performance of obligations under, the Issue Documents shall not be responsible for any loss occasioned by so acting (or refraining from acting).

The Trustee shall not be under any duty to monitor or ensure compliance by the Issuer of its obligations under the Conditions and the Trustee will not be responsible to Perpetual Securityholders and/or Couponholders for any loss arising from any failure to do so.

14. NOTICES

14.1 Notices to the holders of Perpetual Securities shall be valid if:

(a) mailed to them at their respective addresses in the Register;

(b) for so long as the Perpetual Securities are listed on the SGX, published on the website of the SGX-ST at http://www.sgx.com; or

(b) published in a daily newspaper of general circulation in Singapore (it is expected that such publication will be made in The Business Times),

and such notices shall be deemed to have been given:

(i) in respect of mailed notices, on the fourth weekday (being a day other than a Saturday, Sunday or gazetted public holiday) after the date of mailing;

(ii) in respect of notices published on the website of the SGX-ST, on the date of such publication or, if published more than once, on the first date on which publication is made; and

(iii) in respect of notices published in such newspaper, on the date of such publication or, published more than once or on different dates, on the date of the first publication in such newspaper.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Perpetual Securities in accordance with this Condition 14.

14.2 So long as the Perpetual Securities are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, there may be substituted for such delivery under the preceding paragraph the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Perpetual Securityholders, except that if the Perpetual Securities are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with sub-paragraph (b) of Condition 14.1 above. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository. In the event that notice is published in accordance with sub-paragraph (b) of Condition 14.1 above, such notice shall be deemed to have been given to the Perpetual Securityholders on the date of such publication.

14.3 Notices to be given by any Perpetual Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Perpetual Security or Perpetual Securities, with the Principal Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Certificates). Whilst the Perpetual Securities are represented by a Global Security or a Global Certificate, such notice may be given by any Perpetual Securityholder to the Principal Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Principal Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

14.4 Notwithstanding the other provisions of this Condition, in any case where the identities and addresses of all the Perpetual Securityholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given two (2) days from the date of despatch to the Perpetual Securityholders.

15. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

No person shall have any right to enforce any term or condition of the Perpetual Securities under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore).

16. GOVERNING LAW AND JURISDICTION

16.1 Governing Law

The Trust Deed, the Perpetual Securities, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

16.2 Jurisdiction

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed or any Perpetual Securities, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or any Perpetual Securities, Coupons or Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors or existing holders of the Securities should carefully consider, amongst other things, all the information set forth in this Information Memorandum including any documents incorporated by reference hereto and the risk factors set out below.

Any of the following risks could adversely affect the Issuer and/or the Group's business, assets, financial condition, results of operations, performance or prospects and, as a result, investors could lose all or part of their investment. The risk factors set out below do not purport to be complete or comprehensive of all the risk factors that may be involved in the business, assets, financial condition, results of operations, performance or prospects of the Issuer, its subsidiaries, associated companies and/or joint venture companies (if any), or any decision to purchase, own or dispose of the Securities. Additional risks and uncertainties which the Issuer is currently unaware of may also impair the businesses, assets, financial condition, results of operations, performance or prospects of the Issuer, its subsidiaries, associated companies and/or joint venture companies (if any). If any of the following risk factors develop into actual events, the business, assets, financial condition, results of operations, performance or prospects of the Issuer, its subsidiaries, associated companies and/or joint venture companies (if any) could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Trust Deed and the Securities may be adversely affected.

Prospective investors should not rely on the information set out herein as the sole basis for any investment decision in relation to the Securities but should seek appropriate and relevant advice concerning the appropriateness of an investment in the Securities for their particular circumstances.

LIMITATIONS OF THIS INFORMATION MEMORANDUM

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing holder of the Securities may require in investigating the Issuer or the Group, prior to making an investment or divestment decision in relation to the Securities issued under the Programme

Neither this Information Memorandum nor any document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Securities (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, any of the Dealer(s) or the Arrangers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Securities.

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Securities only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Securities is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, its subsidiaries, its associated companies (if any) and its joint venture companies (if any), any of the Dealer(s), the Arrangers, the Trustee, any of the Agents or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained therein or any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling the Securities should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer and its subsidiaries and/or its associated companies (if any) and its joint venture companies (if any), the Conditions of the Securities and any other factors relevant to its decision, including the merits and risk involved. A prospective investor should consult with its legal, tax, financial and/or other advisers prior to deciding to make an investment in the Securities.

The investment considerations and risk factors discussed below also include forward-looking statements and the actual results of the Issuer and the Group may differ substantially from those discussed in these forward-looking statements. Sub-headings are for convenience only and investment considerations and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.

RISKS RELATING TO OUR BUSINESS AND OPERATIONS

Increasing substitution of our postal service by alternative methods of delivery and the uncertainty over the drop in letter volumes could materially reduce the volumes, revenues and profitability of our Postal business and adversely affect our revenues and profitability

Our Postal business delivers letter-mail items such as bills and bank statements as well as other printed matters such as magazines, publications, catalogues, annual reports and newsletters. The ongoing success of our Postal business requires us to offer new solutions through the innovative use of technology to meet evolving market trends and customer demands. With the disruption from e-substitution technology and the move towards eco-friendly sustainability, we have also witnessed organisations such as banks and government agencies replacing the use of paper-based mails and documents with electronic mails, e-statements and other technology-based platforms such as internet, mobile and e-direct marketing to send or make available the information contained in such items at a faster pace and, in many cases, at a lower price than traditional postal services. More of our customers are also turning to bill consolidation, lighter weight posting and offshore printing to reduce their costs of operations. The combined effect of e-substitution, the uncertainty over the drop in letter volumes which is experienced by postal agencies all over the world and cost savings measures by our customers could adversely affect the volumes, revenues and profitability of our Postal business, our express delivery business as well as our agency business (where we act as service agents for third parties).

Our international expansion comes with risks and this could have a material adverse effect on our business, results of operations and financial condition

Operating in overseas jurisdictions and markets requires significant management resources and expertise to successfully manage the integration process. We also need to be agile and be able to adapt our services and pricing models to meet specific country demands in order to be competitive.

All acquisitions and investments have the potential to expose us to hidden or unforeseen liabilities and these may adversely affect our business. In addition, we may also have to recognise impairment losses on goodwill arising from our acquisitions. Even if we can identify and execute acquisition opportunities, there is no assurance that acquired companies will be successfully integrated into our business, that existing customer relationship and revenue levels will be maintained or that synergies and economies of scale will be achieved. For example, restructurings of operations, transformation processes with regard to operations and other cost related measures may not achieve the results intended and/or may incur restructuring and other costs and charges to us in excess of original estimates. Any deviations from expected savings or restructuring costs could adversely affect our revenue, results of operations and/or financial condition. Failure to achieve the expected synergies or other benefits or an increase in the integration costs may have an adverse impact on our business, results of operations and financial condition.

The successful integration of these subsidiaries and associated companies is crucial to optimising scale and synergy benefits envisioned in our investment decisions, while avoiding risks of talent flight and corporate culture misfit.

Our eCommerce and Logistics businesses require us to interact directly and indirectly with merchants and end consumers around the world and these businesses are affected by many risks which are beyond our control. They include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding our liability and enforcement, changes in local laws, controls on the repatriation of capital or profits, and credit risks of local customers and distributors.

We may also face the risk of litigation or regulatory actions by either licensed national postal administrations or independent regulators or both. These risks may also include legal disputes and proceedings involving our directors, officers, and employees, exposing them to criminal liability and may cause us to incur additional costs and delays. These may increase as we pursue our strategy to expand our operations into new markets. Our overall success as a global business depends in part, on our ability to succeed in different economic, social, socio-economic and political conditions. We may not be able to continue to succeed in developing and implementing policies and strategies that are effective in each location where our business is conducted. Any failure to do so may affect our overseas operations and consequently our financial condition and results of operations.

We may not be able to control or exercise any influence over entities in which we have minority interests

We have undertaken certain strategic investments and we may, in future acquisitions, acquire minority interests in investment entities and/or enter into joint ventures and arrangements in connection with our business plans. There can be no assurance that we will be able to control such entities or exercise any influence over our joint ventures and/or investment partners and we may not be able to reap the benefits of the investments or do so at the level that we anticipate. The management of these entities may also make decisions which could adversely affect the operations of those entities thereby affecting our business, results of operations and financial condition.

There may be disagreements between ourselves and our joint venture partners regarding the business and operations of the joint ventures which we may not be able to resolve amicably. Our joint venture partners may (i) have economic or business interests that are inconsistent with ours, (ii) take actions contrary to our instructions, requests, policies or objectives, (iii) be unable or unwilling to fulfil their obligations, (iv) have financial difficulties, or (v) have disputes with us as to the scope of their responsibilities and obligations. Any of these and other factors may materially and adversely affect the performance of our joint ventures, which may in turn materially and adversely affect our business, results of operations and financial condition.

If we do not manage our network of strategic partners effectively, our business, financial condition and results of operations may be materially and adversely affected

We have close cooperations with certain strategic partners to strengthen our business activities and contribute to our growth particularly in the area of eCommerce logistics. We have also entered into certain agreements to enhance our strategic competitiveness. There is no guarantee that we will be able to maintain our relationships with these strategic partners in the future or that they will not change their business direction or operations. As and when the existing agreements expire or terminate, we may be unable to renew these agreements or replace a strategic partner easily or at all. If our relationships with our strategic partners deteriorate, there could be an impact on our ability to expand our reach and compete effectively and this could materially and adversely affect our business, financial condition and results of operations.

We are subject to investment risks associated with investment proposals

As we look for suitable investment opportunities, both in Singapore and overseas, we are subject to investment risks. These risks may vary depending on the structure of the investment undertaken. There is no assurance that we will be successful in any of our investments or that such investments will generate an adequate return. We may also face considerable financial risks if these new investments do not meet the expectations of customers in these new market segments.

The success of our business is dependent on the continuing general growth of the economies in which our investments are situated, in particular the Asia-Pacific region. As our investments are concentrated in this region, our business may be susceptible to a downturn in the market in this region. This may lead to a decline in sales which will have a material adverse effect on our business, financial condition and results of operations.

Any changes to our strategic direction in maintaining operations in certain geographies and markets may affect our business, financial condition and results of operations

Our decision to remain and maintain our operations in certain geographies and markets are influenced and affected not only by economic, political and/or legal developments but also by whether the investments in these geographies and markets have achieved the intended objectives, benefits or revenue-enhancing opportunities. Although we have expanded internationally and have made significant investments in overseas markets over the past few years, we will need to continue to review our investments and assess our ability to manage our financial returns from these investments. As a result, we may exit or scale down our investments in some of these geographies and markets to ensure that we operate efficiently and competitively. Our business, financial condition and results of operations may be materially and adversely affected if and when we do make a decision to exit from certain geographies and markets.

Our business and growth are significantly affected by developments in eCommerce transaction and related demand for integrated logistics solutions

Our eCommerce and eCommerce logistics businesses serve merchants in particular and these merchants rely on our services to fulfil orders placed by consumers. As such, our business opportunities are dependent upon the continued integration of online and offline retail channels both in terms of large platforms such as Amazon.com and brands, small and medium enterprises and micro-merchants such as start-ups.

The future development and landscape of eCommerce are affected by a number of factors, many of which are beyond our control. These factors include the consumption power and disposable income of consumers as well as changes in demographics and consumer preferences. The development of the retail industry in particular is also subject to the selection, price and popularity of products offered through the online and offline retail channels of original brand manufacturers and changes in the availability, reliability and security of such channels. Further, the emergence of alternative channels or business models that better suit the needs of consumers and the development of online-to-offline supply chain integration by retailers can also affect the development of the retail industry. Another important factor is the development of fulfilment, payment and other ancillary services associated with the retail industry. Macroeconomic conditions, particularly as retail spending tends to decline during recessions and other economic factors affecting consumer confidence, including inflation and deflation, fluctuations of currency exchange rates, volatility of stock and property markets, interest rates, tax rates and changes in unemployment rates, can also impact the development of the retail industry. If the demand for integrated supply chain solutions fails to develop as we expect, our business and growth could be adversely affected.

If our customers are able to reduce their logistics and supply chain costs or increase utilisation of their internal solutions, our business and operating results may be materially and adversely affected

One major factor for merchants and other customers to outsource and use the services of third-party logistics providers such as those provided by us are the high cost and degree of difficulty associated with developing in-house logistics and supply chain expertise and operational efficiencies. If our customers are able to develop their own logistics solutions, increase utilisation of their in-house supply chain, reduce their logistics spending or otherwise choose to terminate our services, our eCommerce and Logistics businesses and operating results may be materially and adversely affected.

Decreased availability or increased costs of equipment, supplies and materials could impact our cost of operations

We are dependent on supplies of equipment, including vehicles and sorting machines, conveyor systems and other network facilities, replacement parts and materials. There is a limited number of suppliers for certain types of equipment and supplies. Any significant reduction in availability or increase in cost of any such supplies could adversely affect our operations and increase our costs, which could adversely affect our operating results and cash flows.

Fluctuations in our traffic expenses, in particular, expenses resulting from changes to the terminal dues system or increased air conveyance costs, could adversely affect our results of operations

Fluctuation in fuel prices are beyond our control and could impact our business through increased traffic expenses, among other things. Traffic expenses are out-payments and include expenses such as terminal dues and conveyance fees, including air conveyance fees, and form a significant portion of our total operating expenses. Factors that may impact terminal dues payments include the type and volume of mail, destination mix and the country classification by the Universal Postal Union ("**UPU**").

Singapore has been classified as a Target Country with effect from 1 January 2014 for the purpose of terminal dues settlement. This change in classification has resulted in an increase in the net terminal dues payments as payments under the new classification are generally higher. With effect from 1 January 2018, there will be a new terminal dues system. Under this new system, there will be a separate rate for packages. The new rates are generally higher than letter-mail rates to reflect the higher cost of processing and delivery. Further increases in the net terminal dues payments would likely result in an increase in our terminal dues payments for international mailing and thereby affect our competitiveness.

Our traffic expenses may also increase as a result of an increase in air conveyance fees. Any increase in air transport costs, including fuel, airline security or insurance costs, could result in these contracts being more expensive when we enter into any new air conveyance contracts, thereby increasing our operating expenses.

In addition to the lack of predictability of price and supply of fuel, geopolitical developments actions by the Organization of the Petroleum Exporting Countries and other oil and gas producers, war and unrest in oil producing countries, regional production patterns and environmental concerns are also outside our control. The cost of transportation (which includes freight rates and fuel prices) comprises a significant portion of the operation costs of our logistics business. Fluctuations in these costs could pose a risk to our profitability and revenue. If we are unable to put in measures to mitigate such price increases, we may not be able to compete effectively and this could have an adverse impact on the demand for our international mail and express delivery services.

We depend on the support of IT systems, the functioning of which may be substantially impaired by internal and external factors

Our operations and administration are dependent on an IT infrastructure that is critical to the day-to-day management of operations and administration. Since computer and communications systems are particularly vulnerable to disruptions, damage, power failures, terrorism or other acts of sabotage, computer viruses, fires and similar events, there can be no full assurance that our IT systems will not suffer from disruptions or breakdowns. If one or more elements of our IT infrastructure fail and backup facilities do not operate successfully, or administrative and/or operational processes related to such an element are impeded, our operations, revenues, results of operations and/or financial condition could be adversely affected.

While we refresh technology and IT systems as these systems become due for update, there may be risks associated with obsolete systems that may be introduced to our information and communication technology landscape due to merger and acquisition activities. These may require substantial resources to refresh and update.

We have in place a four-prong total defence strategy for our IT systems: identification (of signs of attacks and vulnerabilities of our IT infrastructure), detection, prevention and reaction, and cyber security awareness training for senior management. There can be no full assurance that this defence strategy will be sufficient and effective or that our business, financial condition and results of operations would not be adversely affected by such cyber security threats, data privacy breaches as well as other network security risks.

Failure to keep pace with technological advancements and the impact of technology disruption would adversely affect the competitiveness of our businesses

We operate in a competitive environment where cost-effectiveness, efficiency and the range of services provided are important factors to our customers. Effective and efficient electronic management systems are important in streamlining our operations and maximising work efficiency. As the demands and needs of our customers become increasingly sophisticated or if our customers are able to develop their own logistics and supply chain solutions and we are not able to continually enhance and improve our businesses' operating systems and processes to adapt to new requirements in order for us to remain competitive, our financial performance will be affected. Failure to keep abreast of technological advancements in operating or management systems may render our businesses less competitive. In the event of a loss of our competitive edge, our businesses, results of operation and prospects will be adversely affected.

New technologies may fail and/or not produce the benefits that are expected

We plan to continue to introduce and/or invest in new products, services and offerings, make changes to our existing products, services and offerings and these initiatives may involve the use or investments in new technologies that we have little or no experience with. There is no guarantee that these new technologies will succeed. If our new products, services and offerings involving the use of new technologies fail to attract or engage our customers or partners and/or fail to generate the revenue, operating margin or value that justify our investments, our business and operating results may be materially and adversely affected.

Our mail and parcel automation facilities may be significantly affected by factors beyond our control

A significant portion of the infrastructure for our mail and logistics businesses are concentrated in single locations for which we have limited or no back-up facilities in the event of a disruption of operations at these locations. Accordingly, any catastrophic event that adversely affects such mail and parcel sorting automation capabilities will affect and interrupt our operations significantly.

The operation of our facilities is susceptible to many risks, including power failures, the breakdown, failure or substantial performance of equipment, hardware failures, disruptions or shutdowns during the process of upgrading or replacing software, databases or components thereof, computer viruses, malicious insiders, telecommunication failures, user errors and other natural disasters, catastrophic incidents such as airplane crashes, fires and explosions that are beyond our control as well as normal hazards associated with operating a complex infrastructure. If there are significant interruptions of operations at one or more of our key facilities and operations cannot be easily or quickly transferred to other locations, we may not be able to meet the needs of our customers and our business, results of operations and financial condition could be adversely affected.

We are dependent on sufficient insurance coverage

We maintain various insurance policies to safeguard against risks and unexpected events. We have obtained insurance policies from commercial insurers to cover risks arising from our business activities, in particular air transport risks, but insurance policies could prove to offer insufficient coverage in individual cases of damages, losses or liability claims. We do not maintain terrorism-risk insurance for all the properties that we own or deploy for our businesses. If we incur losses that are not covered by our insurance policies or our insurers are unwilling or the amounts reimbursed are significantly less than our actual losses, our businesses, financial condition and results of operations could be materially and adversely affected.

Our delivery services are effected through a large number of personnel and commercial vehicles and are therefore exposed to transportation safety and risks. Items may be lost or damaged in the course of delivery. The insurance maintained by us may not fully cover the damages and injuries that may be occasioned by such risks and consequently, we may be liable for further compensation to affected parties.

Moreover, it is also uncertain whether companies with global operations such as ourselves will be able to continue to obtain suitable insurance coverage for all business risks on economically acceptable terms at all times in the future. It is possible that insurance companies may stop providing coverage under comprehensive/third-party liability insurance policies for certain risks in connection with terrorist attacks, war or other hostile actions at commercially acceptable terms or may suspend such insurance entirely. Further terrorist attacks, acts of sabotage, and other disasters, especially if they occur during air travel or are directed against aircrafts, could result in insurance coverage for air transport risks becoming more expensive or limited in scope and covered amount. Any such development could adversely affect our revenues, results of operations and/or financial condition.

Data privacy laws, rules and regulations in our geographical markets could have a material adverse effect on our businesses, financial condition and results of operations

We gather, transmit, store and use customer information through the Internet and our information systems particularly with respect to our eCommerce business. We attach great importance to customer information security and have taken actions as appropriate to protect it. However, we may not be able to prevent the loss, leakage, theft or misuse of customer information resulting from hacking or virus infection caused by, among others, defective software and hardware, or wilful misconduct or negligence committed by operators. We face risks related to the non-compliance with applicable laws, rules and regulations on the collection, use, disclosure and security of personal information under data privacy laws. Any system failure, breach or lapses on our part to exercise due care and control over these personal data will affect our reputation and business. Changes in data privacy laws, rules and regulations could have a material adverse effect on our business, financial condition and results of operations. Compliance with these laws, rules and regulations requires us to incur increased expense and devote considerable time to compliance efforts.

If any of the above occurs, we may be subject to investigations, warnings or punishments from the regulatory authorities or be subject to the obligation to compensate the victims as well as other legal and regulatory liabilities. Claims against us may exceed the amount of our insurance coverage, or may not be covered by insurance at all. If our services or reputation is affected by these factors, our reputation, business, financial condition and results of operations may be materially and adversely affected.

Our failure or alleged failure to comply with anti-corruption laws in particular the U.S. Foreign Corrupt Practices Act could result in penalties, which could harm our reputation and have an adverse effect on our business, results of operations and financial condition

We operate in many jurisdictions for which there are strict laws and regulations related to anti-corruption, which prohibit bribery to government agencies, state or government owned or controlled enterprises or entities, to government officials or officials that work for state or government owned enterprises or entities, as well as bribery to non-government entities or individuals. We are mindful in particular of the U.S. Foreign Corrupt Practices Act (the "**FCPA**"), which generally prohibits companies and any individuals or entities acting on their behalf from offering or making improper payments or providing benefits to foreign officials for the purpose of obtaining or keeping business, along with various other anti-corruption laws. Our existing policies prohibit anti-corruption and anti-bribery activities and we are in the process of implementing additional policies and procedures, and providing training, to ensure that we, our employees, suppliers and other third parties comply with our anti-corruption policies and practices which make reference to the FCPA and other anti-corruption laws to which we are subject. There is, however, no assurance that such policies or procedures will work effectively at all times or protect us against liability under the FCPA or other anti-corruption laws. There is no assurance that our employees, suppliers and other third parties will always observe our policies and practices and we may be potentially exposed to FCPA violations. If we are found not to be in compliance with the FCPA and other applicable anti-corruption laws, we may be subject to criminal, administrative, and civil penalties and other remedial measures, which could have an adverse impact on our business, results of operations and financial condition. Any investigation of any potential violations of the FCPA or other anti-corruption laws by U.S. or foreign authorities, could adversely impact our reputation, resulting in us losing customers and these could have an adverse impact on our business, results of operations and financial condition.

We are dependent on the hiring and retention of qualified employees and senior managers as well as on a good relationship with our employees, employee representatives and trade unions

Our employees and their skills are essential to our future success. In many of the countries and regions in which we operate, we face increasing competition for qualified employees and executives. Across all our business areas, we are dependent on our ability to hire highly qualified employees and to retain them for the long term. Even though we endeavour to mitigate the risk of losing expertise as a result of a loss of key employees by implementing various measures designed to motivate, commit, develop and promote our employees, there can be no full assurance that we will be successful in retaining key employees. In addition, demographic change could lead to a decrease in the pool of available talent in various markets. Any failure to succeed in recruiting and retaining suitable employees could adversely affect our business, revenues, results of operations and/or financial condition. Furthermore, increasing staff costs or labour disputes / strikes could adversely affect our revenues, results of operations and/or financial condition.

Our business and operations may be disrupted due to terrorism-related activities

Terrorist attacks, including acts of sabotage, bioterrorism and new forms of terrorism, armed conflicts, political unrest, embargoes and economic instability throughout the world or organised crime could adversely affect global business and the political environment in general. Our business and operations may be disrupted by the threat of anthrax attacks or mail bombs, whether real or hoaxes, or any other terrorism-related activities. Any such incident involving our customers or our employees could negatively impact the confidence in our operations and could harm our business, results of operations, financial condition and reputation.

Furthermore, any enhancement of security measures could result in increased costs for us and could adversely affect our revenues, results of operations and/or financial condition, if we are not successful in passing any increase in cost on to our customers or if we are not in a position to fully adhere to more stringent regulatory requirements.

Our eCommerce business is exposed to the success of our customers' business and any changes to their business strategies

Our eCommerce business depends on the success of our customers' business. Failure by our customers to successfully market their brands or to provide reliable or satisfactory services may result in them pulling out of that market or region thereby causing us to lose out on future business opportunities in that particular market or region. Our eCommerce business also depends on whether there are any changes to our customers' business strategies or the strategies of their distributors. In the event that they undertake major changes to their business model, they might not require our services thereby causing us to lose our further business opportunities with them.

The eCommerce logistics business is highly competitive and competition will continue to intensify. If we are not able to maintain or improve our market share or profit margins, our business may be materially and adversely affected

We face significant competition in almost every aspect of our eCommerce logistics business, both domestically and in the regions that we have our operations in. This includes larger and more established companies which are able to provide customers with a wider variety of services and products, some of which may compete directly with our services and products. Many of our current and potential competitors may also have significantly greater resources and broader global recognition and may also occupy better competitive positions in the markets that we have our operations in. These factors may allow our competitors to respond more quickly to new or emerging technologies and changes in market requirements than we can. Our competitors may also develop products, features or services that are able to achieve greater market acceptance in the short term through more aggressive product development efforts, marketing campaigns and/or pricing policies and there is no assurance that we may be able to respond in a manner so as to maintain our competitiveness. If we cannot compete effectively, this may make our products, services and offerings less attractive to our customers and partners which may in turn affect our operating margins and profits.

Economic conditions and seasonality may adversely affect our business, results of operations and financial condition

Developments and trends in the economy may have a material adverse effect on our business, results of operations and financial condition as they may impact customer demand for our business. There is a correlation between economic development and trade flows and, consequently, economic downturns and phases of prolonged instability often coincide with a sharp decline in trade volumes. These effects could be exacerbated in situations where future economic and/or political developments are particularly uncertain – examples might include the economic and/or political developments in countries or regions such as China.

A weak economy and prolonged instability, in particular in countries or regions, in which we currently generate a significant portion of our revenue, may generally result in a stagnation of, or decline in, the demand for our services which could adversely affect our business. Particularly our express and global forwarding/freight business is cyclical and highly sensitive to fluctuations of trade flows. Declining trade flows could lead to a significant decrease in volumes and weight per consignment transported by us and could thus adversely affect our revenue, results of operations and/or financial condition. Any economic or political instability which may also delay our trade process, may adversely impact our fast-moving consumer goods as many of these fast-moving consumer goods have expiry dates.

Seasonality also makes it challenging for us to accurately predict demand in the areas of capacity expansion, procurement commitments and manpower needs. The fluctuations in volumes can vary significantly and unexpectedly. Consequently, the failure to meet such seasonality demands may adversely affect our financial condition and results of operations.

As our business has high fixed costs and we require an adequate volume to be generated by our businesses to recover such costs, a global economic downturn could have a material adverse effect on the results of our business. If economic conditions do not improve, our business, results of operations and financial condition could be affected.

If we are unable to meet service level expectations and contractual commitments, our business may be materially and adversely affected

Our reputation and our continual ability to retain existing customers and to attract new customers are highly dependent on our ability to meet contractual service response timelines, standards and other commitments. Consequently, a failure to meet the contracted service response timelines, standards and/or commitments that we have agreed with our customers could materially and adversely affect our business, financial condition and results of operations, and may lead to reputational damage.

As we outsource some of our services to third party providers, there can be no assurance that we will be able to claim from these third party providers any indemnity or compensation for claims made against us for failing to meet the service response timelines, standards and/or other commitments that we had contractually agreed with our customers. In the event that we are involved in any legal dispute or court proceedings relating to our services, we may incur a significant amount of expenses and resources on such proceedings. As such, our business, results of operations and financial performance may be adversely affected, and may lead to reputational damage.

Our costs may grow rapidly which could seriously harm our business or increase our losses

Many of our businesses, in particular our eCommerce logistics business operate on very thin margins. As we continue to innovate and expand our services, products and offerings and expand our operations, we expect that our expenses, including those related to labour costs and investments in technology as well as marketing, sales, and other operating expenses may increase in the future. There can be no assurance that we will be able to manage our costs and expenses effectively or that we will be able to use our resources and infrastructure more efficiently. If there is no corresponding increase in our revenue and profits, our business, results of operations and financial condition may be materially and adversely affected.

We are exposed to risks associated with the content of the items we handle, deliver, and/or store

Our Postal and Logistics businesses handle, deliver and/or store a large volume of mail and parcels on a daily basis. While we will always do our best to screen shipments, we may fail to detect unsafe or prohibited/restricted articles and inventories. There is also a possibility of unsafe items and/or dangerous goods such as flammables, explosives, toxic, corrosive and radioactive items that may be shipped and are not notified to us by the customers or are not detected in our premises which may damage other items or our facilities. If we are found not to have prevented prohibited or restricted items and we handle the delivery of such items, we may be subject to measures or restrictions imposed by local or governmental authorities as well as potentially significant civil and criminal liabilities. This could adversely affect our revenues, results of operations and/or financial condition. Further, a significant incident, particularly a well-publicised incident involving potential or actual harm to member of the public, could damage our reputation.

Many aspects of our business are provided through third parties and we have limited control over these outsourced personnel and may be liable for violations of laws and regulations

For cost efficiency purposes, we outsource many aspects of our business to third party contractors. We enter into agreements with third party outsourcing providers only and do not have any contractual relationship with the personnel provided by them. Since these outsourced personnel are not directly employed by us, our control over them is limited as compared to our control over our own employees. If any outsourced personnel fail to operate in accordance with our instructions, policies and business guidelines, our market reputation, brand image and results of operations could be materially and adversely affected.

We operate in highly regulated industries

Our businesses and operations are subject to international, country, state and/or local rules and regulations and the laws of the other jurisdictions and countries in which we operate. These laws, rules and regulations govern various aspects of our businesses. In particular, we seek to operate in the local logistics regulatory framework of each country and require the requisite licences for mailroom, parcel forwarding, freight forwarding, warehousing, fulfilment as well as customs clearance (where applicable) in the relevant countries. In addition, some of our facilities are subject to periodic inspection by governmental agencies and/or regulatory bodies.

To operate our facilities, we must obtain and maintain numerous permits, licences and approvals from various governmental agencies and/or regulatory bodies and these legal compliance costs will add on to our costs of doing business. Failure to obtain such licences and permits could cause our operations to be suspended, expose us to fines or other penalties and adversely impact on our brand and reputation. Fire and safety rules and regulations govern the storage, transportation and handling of flammable chemical or hazardous products. In addition to these rules and regulations, various licences and certificates, such as safety certificates for handling flammable chemical or hazardous products, must be obtained from the relevant bodies in the countries in which we operate.

Our business, results of operations and financial condition may be affected by changes in the laws, government regulations or policies and these may affect the costs associated with our business operations.

We are subject to compliance with various laws, regulations and legislation and non-compliance may materially and adversely affect our business operations

Our business operations are subject to various laws, regulations and governmental directives in the countries that we operate in. While we aim to comply with all applicable and relevant laws, regulations and directives at all material times and have put in place the necessary controls, there can be no assurance that there will not be breaches that may arise from inadvertent oversight and may not be able to rectify all such non-compliances in a timely manner. Any changes in or introduction of new regulations that require our compliance may also increase our cost of operations. Accordingly, a significant increase in compliance costs arising from new government legislation, regulations and policies in the countries that we operate in may adversely affect our operating results.

In relation to our businesses and operations that require the holding of various licences and permits, our ability to continue such businesses and operations is dependent on our ability to comply with the conditions stipulated in such licences and permits and/or the relevant laws and regulations under which such licences and permits are issued. Failure to comply with such conditions could result in the revocation or non-renewal of the relevant licence or permit and this may cause us to be unable to continue with the relevant business or operation. This could have a material and adverse effect on our business, results of operations and financial performance.

Our property operations are subject to risks arising from laws and regulations

Many of our post offices and warehousing facilities are located in properties which we do not own and which are leased from third parties. Many of these lease agreements are for three years and we will usually negotiate for options to renew these leases on the same terms as the existing agreements. However, it is not possible in all cases to renew the leases or to renew the leases on commercially reasonable terms. In addition, we are also subject to the risk of landlords terminating the leases earlier than the expected duration of the lease. Even if the landlords should compensate us, such compensation may not be sufficient to cover our losses in obtaining our replacement properties. In addition, our leases may also be subject to immediate termination should we breach any of the terms and conditions materially. We may be subject to losses and extra costs that are to be incurred for relocation and putting the replacement properties in conditions that are suitable and appropriate for our use.

The Land Acquisition Act, Chapter 152 of Singapore gives the Singapore government the power to acquire any land in Singapore:

- for any public purpose;

- for any work or an undertaking which is of public benefit or of public utility or in public interest; or

- for any residential, commercial or industrial purposes.

In such event, compensation to be awarded would be:

- the market value of the property as at the date of the publication in the Government Gazette of the notification of the likely acquisition of the land (provided that within six months from the date of publication, a declaration of intention to acquire is made by publication in the Government Gazette); or

- the market value of the property as at the date of publication in the Government Gazette of the declaration of intention to acquire.

In such event, the market value of a property (or part thereof) which is acquired by the Singapore government may be less than the price which we paid for the property.

Our self-storage facility businesses are conducted on properties that may also be subjected to fire-control regulatory requirements. In the event that the use of the properties are challenged by the regulators or are affected by fire incidents, we may be forced to relocate from the affected properties. These will have an adverse impact not only on our financial results and performance but also on our brand reputation.

Our property business may be affected by our ability to attract and retain tenants

The cash flow of our property business including our warehouses is affected by our ability to lease the retail, commercial and warehouse spaces. Our ability to lease vacant units and the value of such units in our retail, commercial and/or warehouse properties could be adversely affected by the loss of a key tenant or customer in the event such key tenant files for bankruptcy or insolvency or experiences a downturn in its business. Space that has been vacated by certain tenants could reduce the demand for and value of other warehousing, retail and commercial units in our warehousing, retail and commercial properties. For example, in the case of the retail units at the retail mall at SingPost Centre ("**SPC**"), the loss of a key tenant may affect the ability to draw other customers and footfall to the retail mall. In addition, we may face difficulties in finding suitable replacement tenants for space vacated by such tenants in a timely manner, if at all, and if found, the lease terms with such replacement tenants may be less satisfactory or favourable. Any of these events could materially and adversely affect our ability to optimise revenue and cash flow for such retail, commercial and warehouse spaces thereby affecting our business, results of operations and financial condition.

There could be changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, land and title acquisition, taxes and governmental changes. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure or relocation of our businesses to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to the building standards or town planning laws, or the enactment of new laws.

Any due diligence investigations on the properties, tenancies, buildings and equipment and future acquisitions may not have identified all material defects, breaches of laws and regulations and other deficiencies

While we believe that reasonable due diligence investigations have been conducted with respect to our property investments and acquisitions and will be conducted in respect of future acquisitions prior to their acquisition, there can be no assurance that such properties or acquisitions will not have defects and deficiencies requiring repair or maintenance. Any potential problems may require significant capital expenditures or obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material adverse impact on our business, financial condition, and results of operations.

In addition, if any of the properties or any of the acquired companies are in breach of laws and regulations or fail to comply with certain regulatory requirements in ways that our due diligence investigations did not uncover, we may incur additional financial or other obligations in relation to such breaches or failures, which will have an adverse effect on our business, financial condition, results of operations and prospects.

The properties held by us may face competition from other properties

There are many retail spaces and properties in Singapore that compete with properties held by us in attracting tenants. Our properties may also compete with properties that may be developed in the future. This competition may affect the occupancy rates and rental rates of our properties. We also compete with other real estate owners for property acquisitions and property-related investments. Any of the above factors could have a material adverse effect on our revenues, results of operations and/or financial condition.

The retail property industry for shopping malls is competitive and may become increasingly so because of the increase in eCommerce retail transactions and this may result in a decrease in the demand for new retail malls. Due to the developments in the Paya Lebar area, our retail mall, SPC, is situated in an area that may also face competition from other retail malls that are being developed. The income from, and market value of SPC will depend on its ability to compete against other retail properties which target the same market segment in attracting and retaining tenants. An increase in the number of competitive retail malls in Singapore could have a material adverse effect on the revenue and/or occupancy rates of SPC, as such increased competition may adversely impact the tenants of SPC and consequently affect their profitability and ability to make rental payments or affect their decision whether or not to renew their leases which will in turn affect demand for the retail space in SPC, their rental rates and/or occupancy rates.

Our revenue earned from the rental of our properties may be adversely affected by a number of factors

Our revenue earned from the rental of our properties may be adversely affected by a number of factors, including:

- a general downturn of the economy affecting occupancy and rental rates;

- the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for, changes in market rental rates and operating expenses for its properties);

- competition for occupants from other properties which may affect rental levels or occupancy levels at its properties;

- timing and costs associated with asset enhancement works;

- an increase in consumer purchases through catalogues or the internet;

- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes, government charges and environmental issues, which may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance;

- legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment, which may affect or restrict rights related to the relevant properties; and

- acts of God, wars, terrorist attacks, riots, civil commotions and other events beyond our control (such as the spread of severe acute respiratory syndrome or other communicable diseases).

Our postal business is dependent on the continuity of our Postal Licence

Our provision of mail services in Singapore is regulated under the Postal Services Act which is administered by the IMDA. Pursuant to the Postal Services Act, we are granted a Postal Licence by the IMDA. As the designated Public Postal Licensee, we operate under the postal regulatory framework for basic mail services, which requires compliance with stringent service standards, licensing conditions, the Postal Services Act, the Postal Competition Code, and other regulations. Our Postal Licence was renewed for a further 20 years, with effect from 1 April 2017. There is no assurance that we will be able to renew the Postal Licence that has been granted to us on terms that are the same or equivalent to those that currently apply, or at all or that the Postal Licence will not be revoked. Failure to renew our Postal Licence or the revocation of the Postal Licence will have a material adverse effect on our revenues, results of operations and financial condition of our mail business.

Our operations are subject to operational risks and risks of catastrophic accidents

Logistics services require a complex operating infrastructure (which includes the availability of internal as well as external infrastructure such as roads, railways, harbours and airport infrastructure) with high quality standards to avoid any disruptions to the flow of shipments. Our logistics operations can be compromised by problems arising, for example, with regard to posting and collection, sorting, transport, warehousing, delivery or a catastrophic accident or series of accidents, including accidents that affect our suppliers and contractors. Any disruptions or malfunctions of or any accidents relating to the infrastructure or in our operational processes could adversely impact our revenues, results of operations and/or financial condition.

Some aspects of our operations involve the use of complex machinery and occupational health and safety is a key risk

Some aspects of our postal service operations and logistics infrastructure involve the installation and use of complex machinery. We are therefore required to be constantly vigilant over the health and safety of our employees. Any failure to comply with health and safety regulations may result in fines, damages and criminal or civil sanctions. Actual or alleged violations arising under any health and safety laws may cause interruptions to our operations and may have a material adverse effect on our reputation, business, results of operations and financial condition.

Our ability to borrow in the bank or capital markets may be materially adversely affected by a financial crisis in a particular geographic region, industry or economic sector

Our ability to borrow in the bank or capital markets to meet our financial requirements is dependent on favourable market conditions. Financial crises in particular geographic regions, industries or economic sectors could in the future, lead to sharp declines in the currencies, stock markets and other asset prices in those geographic regions, industries or economic sectors, which in turn threaten affected companies, financial systems and economies, and which may also significantly increase the costs of such borrowing. For these or other reasons, we may be unable to obtain future financing on favourable terms, or at all, to fund our operations, anticipated capital expenditure and working capital requirements and this could materially and adversely affect our business, results of operations and financial condition.

Future financing may place restrictions on our operations

If we are required to raise additional financing to meet capital or operational requirements and such financing requirements are carried out by additional debt financing, we may have restrictions placed on us through such debt financing arrangements which may:

- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to pursue our growth plans;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow to fund capital expenditure, working capital requirements and other general corporate purposes; and
- limit our flexibility in planning for, or reacting to, changes in our business and our industry.

We are exposed to defaults from customers on their obligations.

Our customer base is large and diverse. Our customers are internationally dispersed and operate in a variety of end markets. Our business is predominantly in Asia Pacific region where we believe our growth will be more sustainable although a key part of our strategy involves expanding into the global market. While we attempt to mitigate our counterparty risk by transacting with customers with a good credit history or by requiring customers to place cash deposits, arrange letters of credit facilities or make financial arrangements with established and creditworthy financial institutions, there can be no assurance that we will always be able to transact with customers with a good credit history or adequately mitigate counterparty risk with adequate security. As such, we cannot assure that all of our customers will be able or willing to fulfil their obligations under the contracts that we enter with them.

Uncertainties and instability in global market conditions could adversely affect our business, financial condition and results of operations.

The results of the United Kingdom's referendum on withdrawal from the European Union may have a negative effect on global economic conditions, financial markets and our business.

In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum. The referendum was advisory, and the terms of any withdrawal are subject to a negotiation period that could last at least two years after the government of the United Kingdom formally initiates a withdrawal process. Nevertheless, the referendum has created significant uncertainty about the future relationship between the United Kingdom and the European Union, including with respect to the laws and regulations that will apply as the United Kingdom determines which European Union-derived laws to replace or replicate in the event of a withdrawal. The referendum has also given rise to calls for the governments of other European Union member states to consider withdrawal. These developments or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Securities.

Any change to our credit rating may increase our financing costs and affect our ability to finance our operations and investments

We have been rated by Standard & Poor's. Depending on our rating, our access to the capital markets may be limited and refinancing on the capital markets may be more expensive. The ratings address our ability to perform our obligations under the Conditions of the Securities and credit risks in determining the likelihood that payments will be made when due under the Securities. A rating is not a recommendation to buy, sell or hold the Securities and may be subject to revision, suspension or withdrawal at any time. There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the rating assigned to the Securities may adversely affect the market price of the Securities.

Due to our global operations, we are exposed to fluctuations in foreign exchange rates

We operate and sell our services globally, and a substantial portion of our assets, liabilities, costs, sales and income are denominated in currencies other than the Singapore Dollar. Our main currency transaction risk arises mainly from the international mail business, which generates inpayments and outpayments denominated in foreign currencies. The currency exposure is primarily in Special Drawing Rights ("**SDR**"), Euro and USD. SDR is an International Monetary Fund unit of account used for valuing international transactions, which is defined in terms of a basket of currencies. The actual settlement is usually in US dollars. We use 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, we are 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, associated companies and joint ventures where a divestment is not foreseeable is not hedged by us.

The exchange rates between foreign currencies fluctuate. Although we pursue a policy of hedging currency risks by hedging planned divestment of overseas investments using currency forwards to manage the currency risk, it is nonetheless subject to a significant exposure to currency fluctuations. Fluctuations in exchange rates, could therefore adversely affect our revenues, results of operations and/or financial condition.

Further, our currency hedging might not fully protect us against fluctuations in exchange rates or may otherwise reduce or negate the benefit we are able to derive from positive changes in exchange rates. If our hedging policy proves unsuccessful, it could adversely affect our revenues, results of operations and/or financial condition. Moreover, future changes in the regulation of over-the-counter derivatives trading may increase the costs for hedging currency or commodity risks.

We are exposed to fluctuations in interest rates

Fluctuations in interest rates could adversely affect our revenues, results of operations and/or financial condition. In particular, our interest rate hedging measures may not fully protect us against fluctuations in interest rates or may otherwise reduce or negate the benefit we are able to derive from positive changes in interest rates. Moreover, future changes in the regulation of over-the-counter derivatives trading may increase the costs for hedging interest rate risks.

Our 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. We are exposed to fair value interest rate risk from its bonds and fixed rate notes.

The legal concept of limited liability for loss or damage of goods that we carry is increasingly being challenged and this may result in increased exposure to claims

We transport goods under the conditions of the international conventions in respect of the carriage of goods by air, sea and road. These conventions and our distribution contracts contain provisions that limit our liability in the event we lose or damage goods belonging to our customers. In the past, this principle was generally accepted as normal business practice but in recent years courts and regulators in an increasing number of jurisdictions outside of Singapore are more sympathetic to allegations of "gross negligence" or "lack of due care", thereby setting aside the principles of limited liability. This trend may expose us to more and increased loss and damage claims. These factors, together with the increased value of the goods we carry, could result in a significant increase in our financial exposure to claims which in turn could harm our business, results of operations and financial condition.

We may be involved in legal and other disputes from time to time arising in the ordinary course of our business

We are exposed to various claims relating to our commercial operations, personal injuries, employee and labour disputes, shareholder disputes and other disputes in the ordinary course of our business. We cannot assure that we will obtain outcome favourable to us in arbitrations, litigations or settlements in which we are involved. Any disputes arising in the future may also damage our reputation, increase our operational costs or divert time and other resources from our business.

The outbreak of an infectious disease or any other serious public health concerns in could impact our business, results of operations and financial condition

Natural disasters, severe weather conditions and the outbreak of epidemics may adversely affect the economy and infrastructure in the countries in which we operate. Some cities where we operate are under the threat of flood, earthquake, sandstorm, snowstorm, fire, drought or epidemics such as Severe Acute Respiratory Syndrome (SARS), H5N1 avian flu, H1N1 Influenza (commonly known as swine flu) and/or the Zika virus. Past occurrences of such phenomena, for instance the outbreak of SARS in 2003 which adversely affected Asian economies (including Singapore) and the earthquake in Japan in March 2011 have caused varying degrees of harm to businesses and the national and local economies. Any of the foregoing could have a negative impact on the global economy, and business activities in Asia which may have a material and adverse effect on our business, financial condition, prospects and results of operations.

RISKS RELATING TO THE SECURITIES GENERALLY

The Securities may not be a suitable investment for all investors

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal, interest or distribution payable in one or more currencies, or where the currency for principal, interest or distribution payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets;

(v) understand thoroughly the nature of all these risks before making a decisions to invest in the Securities; and

(vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities are complex financial instruments. Sophisticated investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Investment activities may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Securities are legal investments for them, (2) Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Modification and waivers

The Conditions of the Securities contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

The Conditions of the Securities also provide that the Trustee may agree, without the consent of the Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the Issue Documents (as defined in the Trust Deed) which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Securities may be held, and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and the Couponholders and, unless the Trustee otherwise agrees in writing, the Issuer shall cause such modification, authorisation or waiver to be notified to the Securityholders as soon as practicable.

A change in Singapore law which governs the Securities may adversely affect Securityholders

The Conditions of the Securities are governed by Singapore law. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of issue of the Securities.

The Securities may be represented by Global Securities or Global Certificates and holders of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System (as defined below)

Securities issued under the Programme may be represented by one or more Global Securities or Global Certificates. Such Global Securities or Global Certificates will be deposited with or registered in the name of, or in the name of a nominee of, the Common Depositary, or lodged with CDP (each of Euroclear, Clearstream, Luxembourg and CDP and/or such other clearing system, a "**Clearing System**"). Except in the circumstances described in the relevant Global Security or Global Certificate, investors will not be entitled to receive Definitive Securities. The relevant Clearing System will maintain records of their accountholders in relation to the Global Securities and Global Certificates. While the Securities are represented by one or more Global Securities or Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System.

While the Securities are represented by one or more Global Securities or Global Certificates, the Issuer will discharge its payment obligations under the Securities by making payments to the Common Depositary or, as the case may be, to CDP, for distribution to their accountholders or, as the case may be, to the relevant Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System. A holder of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the relevant Securities. The Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates.

Holders of beneficial interests in the Global Securities and Global Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

Limited liquidity of the Securities issued under the Programme

There can be no assurance regarding the future development of the market for the Securities issued under the Programme or the ability of the Securityholders, or the price at which the Securityholders may be able, to sell their Securities. The Securities may have no established trading market when issued, and one may never develop. Even if a market for the Securities does develop, it may not be very liquid. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities generally would have a more limited secondary market and more price volatility than conventional debt securities.

Illiquidity may have a severely adverse effect on the market value of the Securities. Although the issue of additional Securities may increase the liquidity of the Securities, there can be no assurance that the price of such Securities will not be adversely affected by the issue in the market of such additional Securities.

Fluctuation of market value of the Securities issued under the Programme

Trading prices of the Securities are influenced by numerous factors, including the operating results and/or financial condition of the Issuer, its subsidiaries, its associated companies (if any) and/or its joint venture companies (if any), political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, its subsidiaries, its associated companies (if any) and/or its joint venture companies (if any) generally. Adverse economic developments in Singapore as well as countries in which the Issuer, its subsidiaries, its associated companies (if any) and/or its joint venture companies (if any) operate or have business dealings, could have a material adverse effect on the business, financial performance and financial condition of the Issuer, its subsidiaries, its associated companies (if any) and its joint venture companies (if any).

Global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial condition could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of the Notes.

Interest rate risk

Securityholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in note and/or perpetual security prices, resulting in a capital loss for the Securityholders. However, the Securityholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, note and/or perpetual security prices may rise. The Securityholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates. Investment in fixed rate Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of fixed rate Securities.

Inflation risk

Securityholders may suffer erosion on the return of their investments due to inflation. Securityholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Securities. An unexpected increase in inflation could reduce the actual returns.

The market prices of Securities issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities

The market values of Securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Exchange rate risks and exchange controls may result in Securityholders receiving less interest or principal than expected

The Issuer will pay principal and interest or, as the case may be, distribution on the Securities in the currency specified. This presents certain risks relating to currency conversions if Securityholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the currency in which the Securities are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Securities are denominated or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Securities are denominated would decrease (i) the Investor's Currency equivalent yield on the Securities, (ii) the Investor's Currency equivalent value of the principal payable on the Securities, and (iii) the Investor's Currency equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Securityholders may receive less interest or, as the case may be, distribution or principal than expected, or no interest or, as the case may be, distribution or principal.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Securities. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Performance of contractual obligations

The ability of the Issuer to make payments in respect of the Securities may depend upon the due performance by the other parties to the transaction documents of the obligations thereunder including the performance by the Principal Paying Agent, the Non-CDP Paying Agent, a Transfer Agent, the relevant Registrar and/or the Calculation Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Securities, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Securityholders and the Couponholders.

Securityholders should be aware that Definitive Securities and Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade

In relation to any issue of Securities which have a denomination consisting of a minimum Denomination Amount (as defined in the Conditions) plus a higher integral multiple of another smaller amount, it is possible that the Securities may be traded in amounts in excess of the minimum Denomination Amount that are not integral multiples of such minimum Denomination Amount. In such a case a Securityholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Denomination Amount will not receive a Definitive Security or Certificate in respect of such holding (should definitive Securities or Certificates be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Denomination Amounts. If definitive Securities or Certificates are issued, holders should be aware that definitive Securities or Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade. Definitive Securities will in no circumstances be issued to any person holding Securities in an amount lower than the minimum denomination and such Securities will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote or attend meetings of Securityholders) in respect of such Securities.

The Trustee may request that the Securityholders provide an indemnity and/or security and/or prefunding to its satisfaction

In certain circumstances (including without limitation the giving of notice to the Issuer pursuant to Condition 10 of the Notes and the taking of enforcement steps pursuant to Condition 11 of the Notes or, as the case may be, Condition 9.3 of the Perpetual Securities), the Trustee may (at its sole discretion) request the Securityholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of Securityholders. The Trustee shall not be obliged to take any such actions if not first indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to any indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions notwithstanding the provision of an indemnity or security or prefunding to it in breach of the terms of the Trust Deed constituting the Securities and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such actions directly.

Foreign Account Tax Compliance Withholding

Whilst the Securities are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that the reporting regime and potential withholding tax imposed by Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") will affect the amount of any payment received by the clearing systems (see "Taxation – Foreign Account Tax Compliance Act"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and should provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Securities are discharged once it has paid the relevant clearing system (as registered holder of the Securities) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the hands of the relevant clearing system and custodians or intermediaries. Further, a foreign financial institution in a jurisdiction which has entered into an intergovernmental agreement with the United States (an "**IGA**") would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments it makes.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE SECURITIES AND THE SECURITYHOLDERS IS UNCERTAIN AT THIS TIME. EACH SECURITYHOLDER SHOULD CONSULT ITS OWN TAX ADVISERS TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT EACH SECURITYHOLDER IN ITS PARTICULAR CIRCUMSTANCE.

RISKS RELATING TO THE NOTES

Singapore tax risk

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2018 are intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section on "Taxation – A. Singapore Taxation".

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

Notes subject to optional redemption may have a lower market value than Notes that cannot be redeemed

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer elects to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At that time, Noteholders generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Noteholders should consider reinvestment risk in light of other investments available at that time.

RISKS RELATING TO THE PERPETUAL SECURITIES

Perpetual Securities may be issued for which investors have no right to require redemption

The Perpetual Securities are perpetual and have no fixed final maturity date. Perpetual Securityholders have no right to require the Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual Securities by sale. Perpetual Securityholders who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, Perpetual Securityholders should be aware that they may be required to bear the financial risks of an investment in Perpetual Securities for an indefinite period of time.

If specified in the relevant Pricing Supplement, Perpetual Securityholders may not receive distribution payments if the Issuer elects to not to pay all or a part of a distribution under the Conditions of the Perpetual Securities

If Optional Payment is specified in the relevant Pricing Supplement, the Issuer may, at its sole discretion and subject to certain conditions, elect not to pay any scheduled distribution on the Perpetual Securities in whole or in part for any period of time. The Issuer is subject to certain restrictions in relation to the declaration or payment of distributions on its Junior Obligations and (except on a *pro-rata* basis) its Parity Obligations and the redemption and repurchase of its Junior Obligations and (except on a *pro-rata* basis) its Parity Obligations in the event that it does not pay a distribution in whole or in part. The Issuer is not subject to any limit as to the number of times or the amount with respect to which the Issuer can elect not to pay distributions under the Perpetual Securities. While the Issuer may, at its sole discretion, and at any time, elect to pay an Optional Distribution, being an optional amount equal to the amount of distribution which is unpaid in whole or in part, there is no assurance that the Issuer will do so, and distributions which are not paid in whole or in part may remain unpaid for an indefinite period of time. Any non-payment of a distribution in whole or in part shall not constitute a default for any purpose. Any election by the Issuer not to pay a distribution, whether in whole or in part, will likely have an adverse effect on the market price of the Perpetual Securities. In addition, as a result of the potential non-cumulative distribution feature of the Perpetual Securities and the Issuer's ability to elect not to pay a distribution in whole or in part, the market price of the Perpetual Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such election not to pay and may be more sensitive generally to adverse changes in our financial condition.

Any deferral of distribution will likely have an adverse effect on the market price of the Perpetual Securities. In addition, as a result of the distribution deferral provision of the Perpetual Securities, the market price of the Perpetual Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the Issuer's option on the date(s) specified in the relevant Pricing Supplement or on the occurrence of certain other events

The Perpetual Securities are perpetual securities and have no fixed final redemption date. If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer on certain date(s) specified in the relevant Pricing Supplement at their principal amount (or such other redemption amount stated in the relevant Pricing Supplement) together with all outstanding Arrears of Distribution, Additional Distribution Amounts and distribution accrued to (but excluding) the date fixed for redemption. In addition, if specified on the relevant Pricing Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date, or any time after such Distribution Payment Date, upon the occurrence of certain other events. See "Terms and Conditions of the Perpetual Securities — Redemption and Purchase".

The date on which the Issuer elects to redeem the Perpetual Securities may not accord with the preference of individual Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of the Perpetual Securityholders. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

There are limited remedies for default under the Perpetual Securities

Any scheduled distribution will not be due if the Issuer elects not to pay all or a part of that distribution pursuant to the Conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute winding-up proceedings of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer is limited to circumstances where payment has become due and the Issuer fails to make the payment when due. The only remedy against the Issuer available to the Trustee or, where the Trustee has failed to proceed against the Issuer as provided in the Conditions, any Perpetual Securityholders for recovery of amounts in respect of the Perpetual Securities following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Securities will be instituting proceedings for the winding-up of the Issuer and/or proving in such winding-up and/or claiming in the liquidation of the Issuer in respect of any payment obligations of the Issuer arising from the Perpetual Securities.

The Issuer may raise or redeem other capital which affects the price of the Perpetual Securities

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the Conditions of the Perpetual Securities, the Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by Perpetual Securityholders on a winding-up of the Issuer, and may increase the likelihood of a deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of Perpetual Securityholders to sell their Perpetual Securities.

The Subordinated Perpetual Securities are subordinated obligations

The obligations of the Issuer under the Subordinated Perpetual Securities will constitute unsecured and subordinated obligations of the Issuer. In the event of the winding-up of the Issuer, the rights of the holders of Subordinated Perpetual Securities to receive payments in respect of the Subordinated Perpetual Securities will rank senior to the holders of all Junior Obligations and *pari passu* with the holders of all Parity Obligations, but junior to the claims of all other creditors, including, for the avoidance of doubt, the holders of Senior Perpetual Securities and/or Notes. In the event of a shortfall of funds or a winding-up, there is a real risk that an investor in the Subordinated Perpetual Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid Arrears of Distribution, Additional Distribution Amounts or accrued distribution.

In addition, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the Issuer without the consent of the Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities on a winding-up of the Issuer and/or may increase the likelihood of a non-payment of distribution under the Subordinated Perpetual Securities.

Tax treatment of the Perpetual Securities is unclear

It is not clear whether any particular tranche of the Perpetual Securities (the "**Relevant Tranche of the Perpetual Securities**") will be regarded as debt securities by the IRAS for the purposes of the ITA or whether distribution payments made under the Relevant Tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and whether the tax concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in the section "Taxation – A. Singapore Taxation") would apply to the Relevant Tranche of the Perpetual Securities.

If the Relevant Tranche of the Perpetual Securities is not regarded as debt securities for the purposes of the ITA or the distribution payments made under the Relevant Tranche of the Perpetual Securities is not regarded as interest payable on indebtedness and holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of the Relevant Tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of the Perpetual Securities.

THE ISSUER

OVERVIEW AND BACKGROUND

As the designated Public Postal Licensee for Singapore, we offer reliable and quality domestic and international postal services as well as end-to-end mail solutions, including letter shopping, delivery and mailroom management. With one of the largest retail distribution networks through our multi-channel platform of post offices, Self-service Automated Machine ("**SAM**") kiosks and POPStation smart lockers, we provide convenience to our customers for a wide range of products and services, including agency, postal and financial services. With the strategic investments and collaborative partnerships made over the last few years, we have expanded our capabilities as an eCommerce logistics enabler to support and benefit from the growth of global online retail operations.

Building on our trusted communications through domestic and international postal services, we are able to offer end-to-end integrated and digital mail solutions. The suite of our eCommerce logistics solutions includes front-end web management, warehousing and fulfilment, last mile delivery and international freight forwarding.

We have been listed on the Main Board of the SGX-ST since 2003. As at the Latest Practicable Date, our market capitalisation stood at S$2.88 billion and our credit rating is BBB+ with a stable outlook as rated by Standard & Poor's.

HISTORY

Through our predecessor entities, we have a long history dating back to 1819. Following independence in August 1965, Singapore took over its own postal functions in stages and was admitted to the UPU in January 1966. The Singapore Postal Services Department became a fully autonomous body in January 1967. Following a merger in 1982, the Telecommunication Authority of Singapore ("**TAS**") took over the provision of postal services from the Postal Services Department.

After the privatisation of the telecommunications services provided by the TAS, we were incorporated in Singapore on 28 March 1992 and were subsequently granted a licence by the TAS to provide postal services in Singapore. We were granted a 25-year Postal Licence on 1 April 1992 by the TAS, with a 15-year exclusive right for the delivery of all letters and postcards. Our monopoly in the basic mail services market came to an end on 31 March 2007 with the Singapore Government's decision to liberalise the postal industry with effect from 1 April 2007. Following the expiry of this licence, we were granted a further renewal of the Postal Licence for another 20 years with effect from 1 April 2017.

Since our listing on the SGX-ST in 2003, we have been reinventing and transforming our business to meet the evolving demands of our customers as well as to mitigate the various challenges that we face. These include the decline of letter mail due to e-substitution, lifestyle changes and cost-cutting measures along with increased competition and margin pressures. With the new eCommerce retail landscape, we are optimising our last-mile delivery network, and innovating new products and processes, to improve efficiency and service quality to customers, and to serve their changing postal and eCommerce needs.

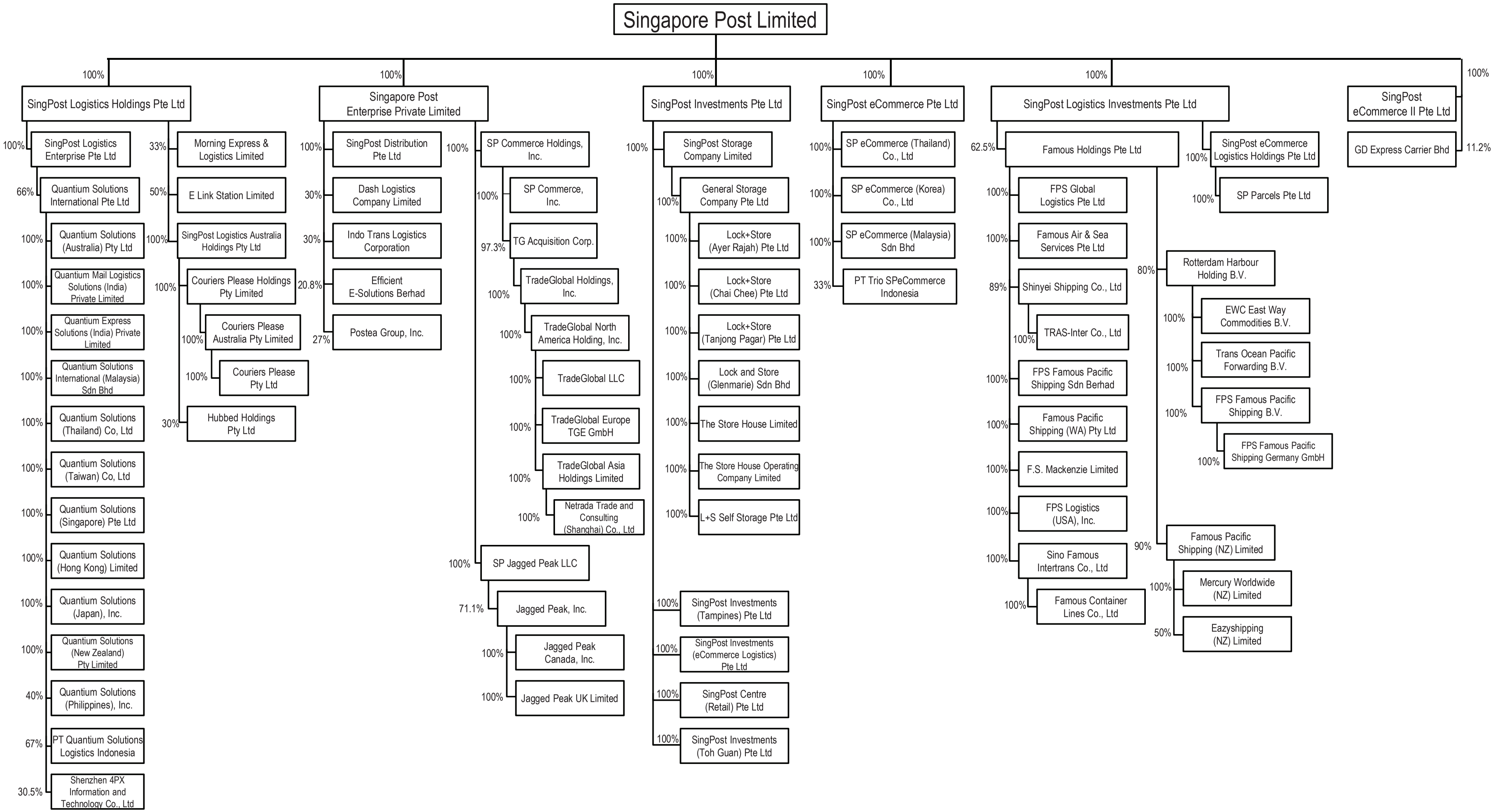
The continuing decline in the traditional mail business has led us to embark on a transformation path. We are leveraging on our postal capabilities to build and enhance our logistics infrastructure in order to benefit from the new growth brought about by eCommerce. We believe the integration of these businesses and capabilities into a seamless platform will better serve the evolving needs and demands of our customers. This is complemented by our acquisitions and investments over the past few years which have enabled us to strengthen and extend our logistics capabilities and geographical reach for eCommerce transactions.

On 28 May 2014, we entered into an investment agreement ("**First Investment Agreement**") with Alibaba Investment Limited ("**Alibaba**"). Following the completion of the First Investment Agreement on 31 July 2014, Alibaba became a 10.35 per cent shareholder of our enlarged issued and paid-up share capital (excluding treasury shares). Pursuant to a second investment agreement signed on 8 July 2015 which was completed on 16 January 2017, and following approval given by the IMDA, Alibaba increased its shareholding in us to 14.4 per cent.

Separately, our subsidiary Quantium Solutions International Pte. Ltd. ("**QSI**"), entered into a joint venture agreement on 8 July 2015 with Alibaba (the "**QSI JV Agreement**"). The QSI JV Agreement was completed on 27 October 2016 pursuant to which Alibaba was allotted 34 per cent of the total issued and paid-up capital in QSI. Under the QSI JV Agreement, the parties have developed a joint strategic business development framework to leverage on each other's strengths and scale to further improve efficiency and integration in eCommerce logistics.

With the investments made by Alibaba in us and through the QSI JV Agreement, we believe that we are able to (i) raise the Group's profile among our customers, (ii) accelerate existing and new revenue generating initiatives between us and Alibaba in the eCommerce logistics space, (iii) advance the build-up of eCommerce logistics infrastructure and services, and (iv) strengthen our overall capital base so that we may capitalise on potential acquisition opportunities and continue with our long-term growth and expansion. Other than Alibaba, we are working with other partners in the eCommerce and logistics sectors to further the business objectives.

Singapore Post Limited
- Corporate Structure as at 31 January 2018



STRATEGY

Our principal strategic objectives are to:

- ***Win in our home market*: ** Strive to be the leading eCommerce logistics player in Singapore, building on our strong infrastructure backbone and harnessing technologies to serve the urban logistics needs of a smart nation.

- ***Deliver full value from overseas investments*: ** Integrate our businesses across geographies and maximise the potential of our overseas investments, including a turnaround of our TradeGlobal business.

- ***Ignite our future growth engines*: ** Aim to capture global cross-border eCommerce flows by strengthening our strategic collaboration with Alibaba and its associated companies, and build out our eCommerce logistics capabilities in Southeast Asia.

- ***Drive cost leadership*: ** Optimise costs and re-engineer our operations to enhance competitiveness and provide best value for customers.

Our group-wide initiatives to implement our strategic objectives include:

- ***Strengthening our mail and eCommerce logistics network:*** We aim to build on our infrastructure and core competencies to maintain and strengthen our position as a reliable mail and cross-border logistics operator.

- ***Strengthening and leveraging our partnerships:*** We will continue to identify strategic partners to work with as we expand our international mail and logistics business and domestic retail offerings. Our strategic investments in overseas companies provide us with a foothold in their respective domestic markets. We will work with our associate companies for which we have invested in to tap the growth in their markets as well as in the region.

- ***Integrating our investments:*** We aim to integrate our investments and derive synergistic benefits from the integration of our assets. This will help strengthen our end-to-end eCommerce logistics network across markets, products and geographies. We will also focus on increasing traffic and volumes onto our eCommerce logistics network and increase utilisation of existing infrastructure, so as to benefit from greater economies of scale and operating leverage.

- ***Investing in technology:*** We will continue to emphasise on technological innovation. With the changing landscape of mail and logistics, there are new competitors disrupting the way things are done by using technology. The future of logistics will be driven by big data, artificial intelligence and robotics. Innovation will be the key to unlocking the future. These developments will offer us opportunities and at the same time, position us to leverage off the strength of Alibaba which is very advanced in the use of big data.

- ***Investing in human capital to build a high performing, engaging and future ready workforce:*** Our people strategy enables our employees to excel and teams to win by driving and embedding a high performance culture aligned to organisational goals, forward looking and competitive human resource programmes and work practices. Our strategy focuses on building future ready talent and leadership bench strength to support our growth aspirations and evolving business needs. This is achieved through a balanced "buy" and "build" approach based on robust talent acquisition, talent management, succession planning, comprehensive career and mobility programmes as well as competency based learning and development. Underpinning our overall strategy, is our commitment to build a great place to work, characterised by a values based, fun and engaging work environment, open communication and a proactive focus on enhancing employee engagement as we progress to become an employer of choice.

- ***Maintaining our strong financial profile:*** We intend to maintain a strong financial profile and generate positive cash flow from our businesses to support the Group's transformation initiatives.

- ***Maximising returns to shareholders:*** We will review our assets continually with a view to maximising shareholder value. We will ensure that our dividends are sustainable and paid out of underlying net profit. To this end, we will focus our business strategy and operations towards growing our underlying net profit and dividends over time.

CORE COMPETITIVE STRENGTHS

Our competitive strengths include:

- ***Leading position in our domestic mail market:*** The size and scale of our network and mail processing facilities are our strengths. We are committed to continually upgrading our infrastructure to improve delivery service standards in the light of increased eCommerce retail activities. We are revamping our post office network to increase convenience and accessibility for our customers. We have upgraded a majority of our post offices with features that integrate essential services with digital access, making key services such as parcel collection and bill payment available to customers around the clock.

- ***Highly efficient mail delivery service:*** As at 30 June 2017, we operate a highly automated mail processing system which enables us to handle approximately three million mail items per day. More than 90 per cent of these items are sorted by machines. The efficiency of our automated systems and the quality of our staff, facilities and infrastructure allows us to operate an efficient next day delivery service for domestic mail. Our long history in local deliveries provides us with the experience and established process to enjoy a significant competitive strength.

- ***Comprehensive and innovative range of products and services:*** Armed with a combination of local expertise in the markets where our customers operate, a good understanding of local consumer insight, and a comprehensive range of global and enterprise grade solutions, we believe we are able to assist our customers in expanding into new geographies. We strive to make continual improvements and enhancements to our products and service offerings so as to meet our customers' evolving requirements. Our ability to provide a one-stop comprehensive end-to-end solution enables us to price our services competitively, while offering our customers the convenience of a single point of contact for all of their eCommerce logistics needs.

- ***Strong brand recognition:*** We are one of the most recognised brands in Singapore. Please see the section on "Awards, Accolades and Achievements".

- ***Strong base for regional and international expansion:*** As at 30 June 2017, we operate in a total of 19 countries globally including through our subsidiaries, QSI, Famous Holdings Pte. Ltd. ("**Famous**"), TradeGlobal Holdings, Inc. ("**TradeGlobal**") and Jagged Peak Inc ("**Jagged Peak**"). QSI is our eCommerce logistics arm providing a full suite of warehousing, fulfilment and other logistics services in the Asia-Pacific region, while Famous handles freight forwarding and consolidation in Asia-Pacific, Europe and the U.S. Through the acquisition of TradeGlobal and Jagged Peak, we are able to provide eCommerce logistics solutions to customers across the U.S. These provide us with a platform for regional and international expansion.

- ***Quick adaptation to growing needs***: We have quickly adapted to the growing and ever demanding needs of the end consumer. Consumers who shop online are increasingly expecting best-in-class shopping experiences with fast and convenient ways to receive their packages. Adapting to their needs, we have built capabilities to offer omni-channel solutions that allow online shoppers to choose between getting their shopping shipped to their home, office or collecting it at a POPStation.

PRINCIPAL BUSINESS ACTIVITIES

We have three principal business pillars – Postal, Logistics and eCommerce. In addition, we also recognise the revenue generated from our property assets. These business pillars are organised and streamlined to align with the Group's strategy and enhance performance tracking.

- ***Postal*** – Postal segment provides comprehensive services for collecting, sorting, transporting and distributing domestic and international mail as well as sale of philatelic products, agency services and financial services. International mail service covers the handling of incoming international mail and outgoing international mail. The Mail division also offers ePost hybrid mail service which integrates electronic data communication with traditional mail. For the financial year ended 31 March 2017, our Postal business accounted for 38.5 per cent of our revenue and 102.5 per cent of our operating profit before exceptional items (41.0 per cent and 106.7 per cent respectively for the half year ended 30 September 2017).

- ***Logistics*** – Logistics segment provides a diverse range of logistics solutions, comprising freight, warehousing, fulfilment, domestic and international distribution, and delivery services. The services include eCommerce logistics, warehousing, fulfilment and distribution, and other value-added services (QSI), parcel delivery (SP Parcels Pte. Ltd. ("**SP Parcels**")), freight forwarding (Famous), and self-storage solutions (General Storage Company Pte. Ltd. ("**GSC**")). For the financial year ended 31 March 2017, our Logistics business accounted for 41.7 per cent of our revenue and 16.1 per cent of our operating profit before exceptional items (41.0 per cent and 0.3 per cent respectively for the half year ended 30 September 2017).

- ***eCommerce*** – eCommerce segment comprises the front-end eCommerce solutions. For the financial year ended 31 March 2017, our eCommerce business accounted for 19.8 per cent of our revenue and -23.0 per cent of our operating profit before exceptional items (18.0 per cent of our operating revenue and -10.6 per cent of our operating profit for the half year ended 30 September 2017).

- ***Property & Others*** – Property & Others includes the provision of the commercial property rental and corporate costs of the Group not allocated to the reportable operating segments. For the financial year ended 31 March 2017, Property & Others accounted for 4.4 per cent of our operating profit before exceptional items (3.6 per cent of our operating profit for the half year ended 30 September 2017).

Postal

Our Postal services division remains our core. We provide a comprehensive range of services for collecting, sorting, transporting and distributing domestic and international mail, including personal mail, business mail, publications, direct mail, promotional mail, registered mail and Business Reply Service ("**BRS**") mail.

The Postal services division includes the following principal businesses:

- Domestic Mail
- International Mail
- Digital Postal Mail
- Philately and Stamps
- Post Office Network Retail (Products and Services)
- Financial Services

Although domestic mail revenue continues to decline, we have grown our international mail business to mitigate the impact. As Singapore's Public Postal Licensee, we are investing and innovating to optimise our operations and services in the light of the evolving trends so that we may broaden our scope of product and service offerings to meet the needs of our postal customers.

Domestic Mail

The handling of mail posted in Singapore to addresses in Singapore is the primary service offered by our domestic mail service. The market for basic mail services was liberalised by the Singapore Government with effect from 1 April 2007. Upon liberalisation, the basic letter services cover the conveyance of letters weighing 500 grams and below. "Basic letter services" excludes the conveyance and delivery of books, catalogues, newspapers and periodicals. The conveyance of direct mail is also exempted from licensing. Our domestic mail traffic profile is generally categorised into public mail, corporate or bulk mail and other mail products and services.

- *Public Mail*

  Public mail consists primarily of stamped mail (i.e. mail where postage is paid by the affixing of stamps) and franked mail (i.e. mail where postage is paid by means of a franked impression). Stamped mail is sent primarily by individuals and franked mail is used primarily by home offices and small-and medium-sized companies.

  Public mail volume has been decreasing. With respect to stamped mail, the main reason for this decline is the substitution of traditional mail particularly by electronic communication such as the Internet and electronic mail. As for franked mail, the main reason for the decline in volumes is the upgrading of franked mail customers to bulk mail.

- *Bulk Mail*

  Bulk mail (i.e. mail where postage is paid by means of a postage paid impression which is pre-printed on the items to be posted) is used by government departments and statutory boards, private organisations and companies as an efficient means of distributing large quantities of homogeneous mail such as invoices and promotional mailings.

  We divide bulk mail into two categories — government and business mail, publications and direct mail.

  - *Government and Business Mail*

    - Government and business mail may include bills and invoices, statements of account and other similar bulk mail items which are deemed letters under Singapore postal regulations.

  - *Publications and Direct Mail*

    - Direct mail is a targeted form of direct marketing that involves the distribution within domestic borders of addressed advertising mail as part of a company's integrated communications strategy. Our direct mail service provides a range of data and document management products to allow businesses to reach specific target audiences. We work with our customers to manage the entire direct mailing process, from mailing list rental to personalisation, printing and enveloping and mail delivery. We have also assembled a suite of services combining our resources from all three of our operating divisions to help businesses in customer acquisition, mail-order sales and fulfilment, payment and collection.

    - We remain focused on developing and innovating digital offerings to help businesses seize growth opportunities of the digital economy. Our SmartPost offering is an integrated suite of solutions that has been developed to enhance service levels and customer satisfactions. The solutions amalgamate the use of customised mobile apps, near-field communication, radio frequency identification, imaging technology and electronic notification.

    - We have strengthened our suite of integrated direct mail solutions. DMrocket, our direct mail business has extended its interactive digital offerings to include Augmented Reality application, samplestore.com and Marketing Lab. Marketing Lab is an all-in-one portal that helps corporate customers run targeted campaigns to achieve their marketing objectives and return on their investment.

- *Other Mail Products and Services*

  Our Postal services division provides the following additional products and services as part of our domestic mail business — Registered Mail, Mail Redirection Service, Mail Retention Service, Corporate Mailroom Management, Post Office Box Rentals, A.M. Mail, Poly M mailers, SmartPac and SmartPacLite.

  As at 31 March 2017, we have 801 posting boxes and 57 post offices.

International Mail

Our Postal services division, through our international mail service, handles incoming international mail from, and outgoing international mail to, foreign postal administrations, and transhipment mail. Incoming international mail from foreign postal administrations is distributed on arrival in Singapore through our domestic mail operation.

We continue to work closely with our customers to increase their world-wide distribution from Singapore, and establish Singapore as an eCommerce distribution hub.

- *Transhipment*

  To develop into a transhipment hub in the region, we have set up the Centralised Gateway Operations at the SingPost Airmail Transit Centre 1 ("**ATC1**") to handle all mail, express mail and parcel transhipment items that transit via the Issuer. In 2011, we opened a second regional hub, the SingPost Airmail Transit Centre 2 ("**ATC2**"), in Changi Airfreight Centre to handle growing traffic volumes. In 2015, we collaborated with SATS Ltd. ("**SATS**") to integrate our airport consignment outbound operations at Changi Airport. On 1 January 2017, our airport postal consignment operations were integrated into SATS' eCommerce Airhub. The partnership enables single scanning and sorting, and removes the need to tow consignments between facilities. This has enhanced operational efficiency, including shorter cycle and connection times, and better productivity.

  Our ATCs reside within the Free Trade Zone of Singapore Changi Airport which is an ideal location for processing and handling transhipment items for delivery to overseas destinations. Items processed within our ATCs may be immediately placed onto scheduled flights for transit to the final destination.

  Together with other postal operators, we launched ePAC, a premium mail service for eCommerce merchants that offers full tracking for eCommerce packages bound for Australia, Canada, Germany, Israel, the Netherlands, and the United States, with other major trading destinations to come.

Digital Postal Mail

We are developing digital versions of the mail and post office to serve the evolving trusted communication needs of consumers, businesses and the government. We are extending the possibilities of mail with the SAM kiosks.

As at 31 March 2017, we have approximately 308 SAM kiosks in Singapore. These 24-hour automated "post offices" are operated using a touch-screen system that allows customers to purchase postage labels, make bill and other payments and remittances.

The upgrading of our post offices dovetails with the development of the digital post office, which comprises our new SAM kiosks, web portal and mobile app. This omni-channel platform will provide ubiquitous access to our services and those of our partners, enabling customers to perform transactions anytime and anywhere. Our Digital Postal Mail provides a secured and proven ecosystem that enhances business communications, workflows and transactions. Businesses can leverage digital technology that creates new possibilities, enhancing cost efficiencies while increasing productivity gains. We provide customers with the convenience of having all their digital postal mail in one secured mailbox, enhanced with features such as online bill payments, automated payment reminders, electronic signatures and more.

Businesses can leverage on the platform to send digital postal mail with custom branding envelopes, flyers, brochures and forms. The built-in backend digital advertisement engine enhances management of campaigns, displays banners across various touch points, and is able to drive advertisements for target audience.

Philately and Stamps

Our philately and stamps business produces definitive, commemorative and special stamps, stamp products and collectibles for stamp collectors, the gift market and tourists. We also produce stamps and stamp stationery for our Postal services division and undertake inventory and distribution of such products to post offices. We are the only provider of postage stamps and stamp stationery in Singapore. We sell our stamps and stamp products through our island-wide post office network, authorised vendors and our website.

Post Office Network Retail (Products and Services)

We offer customers a wide variety of products and services beyond the scope of traditional postal services, including agency and financial services through our post offices and other postal outlets. Most of our retail services are delivered through our extensive post office network. As at 31 March 2017, we operate a network of 57 post offices, 26 authorised postal agencies and over 308 stamp vendors. We review and upgrade our post office branches at regular intervals to ensure that they are in a state to provide increased convenience and accessibility for our customers. The new post offices have been upgraded with features that provide 24/7 access to key essential services such as parcel collection and bill payment.

We offer our customers with a wide selection of agency services, postal product sales, and remittance services.

- *Agency Services*

  Bill and Other Payment Services, Agency Services

  Many government departments and statutory boards, private organisations and companies utilise our post offices as payment points, where customers may make payments as well as conduct other transactions.

  For instance, customers can make payment for their utility bills, taxes, fines, government licence fees, and also contributions and donations. The Immigration and Checkpoints Authority of Singapore has also appointed us, through our post offices as alternate collection points for Singapore passports.

- *Postal Product Sales*

  We offer a wide range of goods complementary to postal services such as shipping supplies. We have tailored a suite of prepaid packaging products such as Smartpac envelopes and packaging boxes, and prepaid poly M plastic mailers, to facilitate eCommerce transactions between merchants and consumers so that they are as fuss-free as possible.

- *Remittance Services*

  We provide secure and fast global remittance service to over 200 countries through our franchise arrangement with Western Union. Our remittance services are separately licensed under the Money-Changing and Remittance Businesses Act, Chapter 187 of Singapore, and are regulated by the MAS.

Financial Services

We leverage on our omni-channel capabilities to enable customers to purchase AXA@POST general insurance products and services around the clock via our digital platforms. AXA@POST is a retail channel born from an exclusive postassurance partnership between AXA and ourselves. This collaboration allows us to offer AXA's suite of life and general insurance solutions at our post offices. Tapping on our extensive network, our customers will be able to purchase new insurance policies and service existing policies with greater ease and convenience at 36 selected post offices[1] across the island. Financial consultants from AXA are stationed at these selected post offices to assist customers with their insurance-related queries.

In 2012, we partnered with Standard Chartered Bank to launch the Standard Chartered SingPost Platinum Visa credit card. New features were added to this credit card in January 2015 to better serve the growing eCommerce needs of our customers.

Logistics

Our Logistics segment provides a diverse range of logistics solutions, comprising freight, warehousing, fulfilment, domestic and international distribution, and delivery services.

Our Logistics segment comprises the following businesses:

- *Warehousing, fulfilment and distribution, and last mile delivery*

- *Freight forwarding*

- *Self-storage solutions*

- *Other Logistics associates*

Warehousing, fulfilment and distribution, and last mile delivery

We offer our customers with a one-stop logistics service. With our e-fulfilment system, we are able to provide our eCommerce business customers online access to our warehousing and fulfilment services. Our warehousing services provide our eCommerce customers with a range of services such as storage and inventory management by allowing them to monitor their inventory through selective online reports of stock balance and stock movement. We also offer a "pick-and-pack" service as part of our warehousing and inventory management that includes product order consolidation and individual order packing and delivery. Customers can choose to use our fulfilment services such as item collection, packaging, payment collection, shipping and invoicing. Our goods collection and distribution service collects and distributes product deliveries on behalf of a customer from the warehouse to the customer's retail branches or between branches. Other service offerings include order processing, invoicing, returns processing and kitting of goods.

Our supply chain management solutions can be tailored to the industry-specific needs of our customers. We have developed customised, IT-supported supply chain management solutions for domestic and international companies in the beauty and fragrance, fast-moving consumer goods, fashion and consumer electronic industries.

Our eCommerce logistics capability has been strengthened with our Logistics Hub which was officially opened on 1 November 2016. The Logistics Hub has a total built-up area of 51,358 square metres, consolidating and integrating our warehousing and delivery capabilities. At the Logistics Hub, we provide customers with an integrated, end-to-end solution, from the front-end eCommerce platform to last mile delivery. This integration enables a faster turnaround time, as well as provides the capacity for larger volumes. Automation is a major feature of the Logistics Hub, increasing overall productivity and efficiency. The Logistics Hub processes deliveries within Singapore as well as items to be delivered to destinations worldwide. The scalability of the operations at the Logistics Hub means that it can be upgraded to meet future needs.

- *QSI*

  We offer logistics services in Singapore and the region via our subsidiary, QSI. QSI was our wholly owned subsidiary from May 2009 till October 2016. Following our joint venture with Alibaba, we have restructured the QSI group of companies under a holding company, SingPost Logistics Holdings Pte. Ltd. which indirectly holds a 66 per cent equity interest in QSI (the "**QSI Restructuring**"). See "Corporate Structure" for details of our directly owned subsidiaries.

[1] As at 30 June 2017

As at 31 March 2017, we have an established network of offices in 11 markets within the Asia Pacific region including Australia, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, Taiwan and Thailand.

- *SP Parcels*

  SP Parcels provides last mile services within Singapore and international deliveries from Singapore. Leveraging on our strengths in the domestic market, we strive to be the preferred eCommerce delivery provider for courier parcels in Singapore.

  Our customers can specify multiple collection addresses in their orders to merchants and suppliers and select from a range of the POPStation parcel lock network, Speedpost Islandwide or Speedpost Worldwide delivery options or to complete delivery.

  We also provide customers with an option for parcel posting through our online service, ezy2ship.

  o POPStations

  On 14 April 2013, SP Parcels launched an islandwide parcel locker service which enabled customers to collect their parcels at their convenience at five locations with 115 lockers at each location. Since then, the POPStation network has expanded to more than 153 locations[2] in Singapore, making it one of the world's densest networks of self-service lockers, with just two kilometres on average between locations. POPStation functionality has been extended beyond parcel collection. Customers can now return online purchases via the self-service lockers, make payments on collection via various options such as credit card, cash card and the Network for Electronic Transfers, more commonly known as NETS, and post parcels booked through our online service ezy2ship.com. The technology has been standardised and deployed in other countries to offer synergised last mile delivery solutions across the region.

  In FY16/17, we introduced another new service for our POPStations, namely, Singapore's first islandwide open parcel locker service – Rent-a-POP. This service provides a cost effective last mile delivery option with end-to-end tracking to retailers, marketplace sellers and consumers. It dovetails with the burgeoning sharing economy while optimising resources, as sellers and consumers may rent POPStation lockers to deliver their parcels conveniently, 24/7, by themselves.

  o *Speedpost*

  Our Speedpost service is a door-to-door express last mile delivery service for documents, parcels and freight for customers both within Singapore and throughout the world. Customers can track and trace their documents, parcels or freight online through our dedicated logistics website or service hotline.

  Speedpost provides the following two categories of services:

  - Speedpost Islandwide for door-to-door domestic express service in Singapore; and

  - Speedpost Worldwide, for international deliveries.

  o *Ezy2ship*

  Our customers can track their orders online at our ezy2ship booking portal. Customers are offered comprehensive search criteria including order number and date, recipient's name and phone number and delivery postal code. Customers have the option to integrate with our ezy2ship booking portal for real time shipment tracking status update. Alternatively, customers can also have order and delivery status updates automatically forwarded to them by electronic data interface up to six times a day.

[2] As at 30 June 2017

- *Couriers Please Holdings Pty Limited ("**Couriers Please**")*

  Couriers Please, one of Australia's leading metropolitan small parcel delivery businesses, with nationwide coverage across Australia was acquired by us in December 2014. Along with our existing warehousing assets, Couriers Please enables the Group to roll out end-to-end eCommerce logistics solutions in Australia including forwarding, warehousing and last mile delivery. Couriers Please continues to invest in providing Australian consumers with a compelling delivery experience. Its New Delivery Choices POPPoint Network ("**Delivery Choices**") consists of POPStation parcel lockers and POPShop retail outlets (in conjunction with our associated company, Hubbed Holdings Pty Ltd ("**Hubbed**") located in convenient locations. Delivery Choices was launched to provide recipients with on-demand delivery options via text messages or emails. These new services have enhanced Couriers Please's eCommerce ecosystem to provide customers with seamless access to their parcels.

  In FY2016/2017, Couriers Please moved into a new 11,500 square metre purpose-built facility in Brisbane to facilitate the growth in volumes. This new warehouse will play an important role in our foray into eCommerce logistics and is in line with our transformation initiatives.

Freight Forwarding

Our freight forwarding services are carried out through the Famous Group which we acquired in 2013. Famous has offices in nine countries[3] namely Australia, Japan, Malaysia, Netherlands, New Zealand, the People's Republic of China, Singapore, the United Kingdom, and the United States. We have also enhanced our freight services network in continental Europe with the acquisition of Rotterdam Harbour Holdings B.V., which offers consolidation services for shipments going through Europe's largest container port. Our subsidiaries in Rotterdam and Japan have grown to be leading consolidators in their respective countries. Our New Zealand subsidiary has also been gaining ground in outbound air freight, and its growth is well recognised in New Zealand's air freight market. We will continue to expand our global network and improve our services for our eCommerce activities globally.

In addition to our core cargo consolidation business, we have widened our service offerings to provide strong business-to-business and business-to-consumer services in collaboration with QSI. We have also launched several new services, including sea freight for vPost, to enhance our eCommerce logistics value chain.

Self-Storage Solutions

GSC was acquired in 2013 and has operations in Singapore, Hong Kong, and Malaysia. As at 30 June 2017, GSC has approximately 60,000 square metres of net lettable area across its Singapore, Hong Kong, and Malaysia facilities.

Our self-storage business offers a one-stop integrated suite of services catering to the storage needs of individuals and corporate clients. Besides offering safe, clean and accessible secure storage facilities, we also offer other services, such as (i) rental of large traditional warehouse/offices at selected facilities, (ii) rental of serviced offices at selected facilities, and (iii) sale of packing materials. Following our acquisition, GSC has expanded its operations and gone on to acquire other operators with facilities in Singapore and Hong Kong. In 2014, its facility in Malaysia commenced operations, offering cost-effective storage solutions and traditional warehouse/office spaces. In Singapore, GSC expanded its service offerings to a bulk package counter and POPStation in selected locations.

Other Logistics associates

We also have strategic investments in several logistics companies in the region. As at 30 June 2017, these include (i) 11.2 per cent equity interest in GD Express Carrier Bhd in Malaysia, a local courier delivery company in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad, (ii) 30.0 per cent equity interest in Indo Trans Logistics Corporation, a logistics company providing freight, warehousing and courier services based in Vietnam, (iii) 30.5 per cent equity interest held through QSI in Shenzhen 4PX Information Technology Co., Ltd., a cross border eCommerce logistics company based

[3] As at 30 June 2017

in the People's Republic of China, (iv) 30 per cent equity interest in Hubbed, an eCommerce service aggregator and Australia's only logistics provider exclusive to the news agency channel, (v) 33.0 per cent equity interest in Morning Express & Logistics Limited ("**Morning Express**"), and (vi) 50.0 per cent equity interest in E-Link Station Limited ("**E-Link**").

As at 30 June 2017, we have added 514 partners[4] to our network in Australia. We have integrated the capabilities of Hubbed and Couriers Please to offer customers in Australia with the flexibility of collecting online purchases, dropping off parcels, and buying delivery products at Hubbed newsagents in Australia.

The equity interest in Morning Express provides us with tangible eCommerce logistics and last mile delivery capabilities in Hong Kong, while E-Link augments our service offering in Hong Kong with a rapidly expanding network of self-collection parcel service points.

eCommerce

Our eCommerce strategy centres on a unique business model that provides customers with a flexible and cost effective solution to manage their entire outbound fulfilment ecosystem. Our turnkey end-to-end service offers customers "plug-and-play" options that keep total costs low, without sacrificing flexibility and speed to market. As at 30 June 2017, our eCommerce business has an established network of offices serving the Asia-Pacific region, the U.S., and Europe.

In order to expand our eCommerce capabilities, we have:

- utilised SingPost eCommerce Pte. Ltd. ("**SP eCommerce**") to tap Asia's growing eCommerce markets;
- acquired (i) TradeGlobal, and (ii) Jagged Peak in the U.S.; and
- leveraged on our eCommerce logistics network via internet portals.

SP eCommerce

SP eCommerce is a full service eCommerce enabler that provides global brands with end-to-end managed eCommerce solutions which includes eCommerce technology, warehousing, delivery, returns management, store operations, regional customer care, and performance marketing. SP eCommerce operates across Asia Pacific with a fully interconnected eCommerce infrastructure.

TradeGlobal and Jagged Peak

Our recent acquisitions of TradeGlobal and Jagged Peak have expanded our eCommerce logistics footprint in the U.S., enabling us to move towards building a global eCommerce logistics solutions provider network for our U.S. customers to have access to the People's Republic of China and the rest of the Asia Pacific and vice versa.

TradeGlobal is an end-to-end eCommerce provider, offering a full range of services, solutions and systems tailored to meet clients' specific needs. TradeGlobal partners with brands primarily in the fashion and retail markets, and provides website development, content management, photography and design, digital marketing, strategy and analytics – all supported by domestic and global fulfilment, logistics and customer care.

Jagged Peak specialises in high velocity consumer products and is a leading technology provider of omni-channel order management system that operates warehouse facilities across North America and Europe. It also provides cutting edge software, the EDGE platform, which has been recognised by Gartner and Forrester in 2016 as a powerful distributed order management platform that enables sharing inventory across multiple sales channels, making possible omni-channel retailing. At the backend, Jagged Peak's FlexNet® programme is being accelerated through partnerships with 3PL (third party logistics) providers and customer service providers in Europe and other regions. FlexNet® is an eCommerce fulfilment solution that leverages Jagged Peak's integrated technology, logistics infrastructure and 3PL

[4] 142 7-Eleven outlets and 372 news agencies.

(third party logistics) partner network to deliver a multi-point, optimised fulfilment solution. The FlexNet® network has been extended to Australia by partnering QSI, and offers worldwide distribution services to customers.

Internet portals – vPost

Riding on the growth of online shopping, vPost was launched in 2003 to allow customers to shop online seamlessly in Europe, Japan, the People's Republic of China, and the United States. vPost members can shop like a local on websites located in these countries and have their items shipped to a local vPost consolidation centre. Once the items arrive at the consolidation centre, the vPost member is notified by email for confirmation and payment. These purchases delivered to the member's desired Singapore address or any Popstation located around the island.

Over the years, vPost has expanded and worked with several other postal organisations like Australia Post, Kazakhstan Post, Malaysia Post, Maldives Post, New Zealand Post, Portugal Post, and Qatar Post to launch the same vPost service to their customers.

Property & Others

Our property operations provide support for our other businesses by providing facilities, such as post offices and delivery bases, and infrastructure services such as property management and maintenance.

As at 31 March 2017, we own properties totalling more than 2.76 million square feet of gross floor area consisting of retail, commercial and industrial spaces and have 74 properties in Singapore, of which 34 are owned or held on long-term leases and 40 are rented. These properties are used primarily for our own operational needs as delivery bases, post offices, transhipment hub, and for warehousing and fulfilment operations. Surplus space is rented out for use as offices, warehouses and for other industrial and commercial operations.

In October 2015, we commenced the redevelopment of Singapore Post Centre ("**SPC**"), our flagship building located at Paya Lebar in the eastern part of Singapore. The Temporary Occupation Permit for SPC was issued on 24 April 2017 and SPC was opened on 9 October 2017. The SPC houses the new General Post Office ("**GPO**"), and a five-level retail mall comprising four aboveground levels (including a cinema) and one basement level. The SPC has a net lettable area of 178,000 square feet as at 30 September 2017. The SPC will be Green Mark certified.

The new GPO combines counter service with innovations such as POPStations and SAM kiosks to allow postal and eCommerce logistics services outside office hours. The retail mall at SPC offers an omni-channel marketing platform for online and offline shopping.

In March 2017, we signed a Property Management Agreement with CapitaLand Mall Asia ("**CMA**"). Under the agreement, CMA assists us with the pre-opening of the retail mall, marketing and promotion, lease and facilities management. The appointment of CMA helps us optimise our returns from the retail mall while management's attention is focused on our core operations of postal services and eCommerce logistics.

Technology and Innovation

Technology underpins the speed of our business transformation and the innovation process. Significant investments have been made over the past five years in technology and innovation to improve operational efficiency, customer experience and create new business models. Technological innovation plays a major role in the implementation of business ideas. The enhanced SAM kiosks, digital makeover of the post office, end to end integration of the eCommerce logistics framework with the latest stack, mobility, API management solutions, utilisation of cloud infrastructure and analytics have paved the way for providing smart solutions to business problems.

In line with our belief that technology plays an important part to assist us in meeting the evolving needs of our customers, we review and replace our IT systems periodically to ensure that they are able to cope with the demands of our businesses. These changes have also resulted in lowering the costs of operations and enhanced the user experience for both internal and external customers. For instance, our mainframe systems which were previously used in the post office network have been replaced with a modern central transaction framework system based on the latest technology stack; our multiple track and trace system has been replaced with a unified track-and-trace system called "ezyTrak" which provides operations with greater flexibility and customers with greater transparency on the status of parcel delivery. Brand new Android-based mobile devices with easy-to-use applications have replaced old hand held devices both in the warehouses and at the front end. The digital makeover of our post offices is underway and will be completed by end March 2018, and the new SAM kiosks which are built on Apple's iOS technology will provide users with an intuitive user interface and an omni-channel experience.

We have enhanced cyber security measures to protect our assets and customer data. On 9 May 2013, the former Board Risk Committee and the former Technology Committee merged to form the Board Risk and Technology Committee to provide guidance on our technology expenditure, implementation details and risk mitigation.

In October 2015, we conducted a successful trial with the IMDA to use an Unmanned Aerial Vehicle i.e. drone for courier delivery and eCommerce delivery. This was the world's first successful secure, recipient-authenticated aerial drone delivery by a postal services provider. We are exploring drone technology to provide enhanced end-to-end solutions to facilitate urban logistics as well as tap on the eCommerce growth in Asia Pacific.

Intellectual Property

We rely on a combination of trademark, service mark and domain name registrations, copyright protection, patent protection and contractual restrictions to protect our technologies, brand names and logos, marketing designs and Internet domain names.

We are registered owners in Singapore of, among others, the trademarks "Singapore POST", "SingPost", "SP", "SAM", "Speedpost", "MyStamp" and "vPOST". We own, among others, the Internet domain names "singpost.com", "speedpost.com.sg" and "vpost.com. sg". We have been granted patents in amongst others, Singapore and Malaysia, for our POPStations.

Insurance

We have insurance policies to cover property damage, business interruption and general liabilities. We have also general insurance for workmen's compensation and motor vehicles (third party). We also maintain directors' and officers' liability (in their capacity as directors) insurance, commercial crime insurance, cyber liability insurance and professional indemnity insurance.

AWARDS, ACCOLADES AND ACHIEVEMENTS

As a responsible corporate citizen, we make every effort to align our business practices and activities to accepted global and national benchmarks, for the benefit of our various stakeholders.

We have been bestowed the following awards and accolades:

Corporate

- FinanceAsia 2017 Country Awards for Achievement; *Third in Singapore for Best Investor Relations;*
- *ASEAN Corporate Governance Awards 2015: ASEAN Top 50*;
- *ASEAN Corporate Governance Awards 2015: Outstanding Achievement Award (Publicly-Listed Company)*;
- *Runner-up award for the Most Transparent Company Award 2006, 2008-2011 in the Services/ Utilities/Agriculture category at the SIAS Investors' Choice Awards*;
- *Singapore Corporate Awards Bronze* for Investor Relations by The Business Times in 2008;
- *The Most Transparent Company Award* in the Services/Utilities/Agriculture category by the Securities Investors Association Singapore (SIAS) in 2007

Industry

- *World Post and Parcel Awards 2017; Retail Customer Access;*
- *World Mail Awards 2015: Retail Customer Access*;
- *Postal Technology International Awards 2015: Digital Innovation of the Year;*
- *EMS Cooperative Certification Gold Level Award 2015*;
- *EMS Customer Care Award (Medium Group) 2015*;
- *Supply Chain Asia Awards 2015: Last Mile Partner of the Year*,
- *World Mail Awards 2014: eCommerce*;
- *Postal Technology International Awards 2014: Service Provider of the Year*,
- *EMS Cooperative Certification Gold Level Award 2014*;
- *Singapore Quality Class 2014*;
- *Singapore Service Class Award 2014*;
- *World Mail Awards 2013: People Management*;
- *EMS Cooperative Certification Gold Level Award 2013*;
- *Postal Technology International Awards 2012: Service Provider of the Year 2012*;
- *EMS Cooperative Certification Silver Level Award 2012*;
- *EMS Cooperative Certification Gold Level Award 2010*;
- *Singapore Service Star* accolade in 2010 by the Singapore Tourism Board for quality service at our retail outlets;
- *EMS Customer Care Award (Medium Group Category) 2009*;
- *World Mail Awards 2007 (Quality category)* for long-time initiatives to significantly advance mail quality

Labour

- *TAFEP Exemplary Employer Awards 2014, special mention for Outstanding Workplace for Mature Employees*;
- *NTUC May Day Award 2013 (Plaque of Commendation)*;
- *NTUC May Day Model Partnership Award 2013 (Institutional Category)*;
- *WDA Service Excellence WSQ Recognition Award 2013*;
- *NTUC May Day CBF Model Partnership Award 2010 (Institutional Category)*; and
- *NTUC May Day CBF (Cheaper, better, faster) Model Partnership Award 2009 (Institutional Category)*

Corporate Social Responsibility

- *Patron of Heritage Award* (2006-2016);
- *Total Defence Awards 2009 (Meritorious Defence Partner Award)*;
- *ASEAN Energy Award 2008*;

Others

- *BizSafe Level 3 Certification 2013; and*
- *Superbrands 2013;*
- *Superbrands 2012*

GOVERNANCE

The Issuer's Board of Directors is collectively responsible for the long-term success of the Issuer. Pursuant to the terms of its Postal Licence, the appointment of the Chairman, Board of Directors and Chief Executive Officer is subject to the prior written approval of the IMDA. (See "Regulatory — Postal Services Licensing Framework — Basic Obligations of Public Postal Licensee".)

The following table sets forth information regarding the Directors.

Name	Position
Mr Simon Claude Israel	Chairman, Non-Executive, Non-Independent Director
Mr Paul William Coutts	Group Chief Executive Officer, Executive, Non-Independent Director
Mr Chen Jun	Non-Executive, Non-Independent Director
Mrs Fang Ai Lian	Non-Executive, Lead Independent Director
Ms Aliza Knox	Non-Executive, Independent Director
Ms Elizabeth Kong Sau Wai	Non-Executive, Independent Director
Mr Steven Robert Leonard	Non-Executive, Independent Director
Ms Lim Cheng Cheng	Non-Executive, Non-Independent Director
Mr Bob Tan Beng Hai	Non-Executive, Independent Director
Mr Zulkifli Bin Baharudin	Non-Executive, Independent Director

Information on the business and working experience of the Directors is set out below:

Mr Simon Claude Israel is the Chairman of Singapore Telecommunications Limited as well as a Director of Fonterra Co-operative Group Limited and Stewardship Asia Centre CLG Limited. He is also a member of the Governing Board of Lee Kuan Yew School of Public Policy and Westpac's Asia Advisory Board. Mr Israel is a former Chairman of Asia Pacific Breweries Limited and has previously served as a Director of CapitaLand Limited and Stewardship Asia Centre Pte Ltd.

Mr Israel was an Executive Director and President of Temasek Holdings (Private) Limited before retiring on 1 July 2011. Prior to that, he was Chairman, Asia Pacific of the Danone Group. Mr Israel also held various positions in Sara Lee Corporation before becoming President (Household & Personal Care), Asia Pacific.

Mr Israel was conferred Knight in the Legion of Honour by the French government in 2007 and awarded the Public Service Medal at the Singapore National Day Awards 2011.

Mr Israel holds a Diploma in Business Studies from The University of the South Pacific.

Mr Paul William Coutts was the Chief Executive Officer of Toll Global Forwarding, one of the five divisions in the Toll Group, from 2013 in a global role based in Singapore.

Mr Coutts has more than 20 years of experience in C-suite positions at major global logistics and postal companies.

Mr Coutts has attended several executive programmes at the Wharton School of the University of Pennsylvania, Stanford Graduate School of Business, and London Business School.

Mr Chen Jun is currently a vice president of Alibaba Group Holding Limited.

Mr Chen previously held directorship in Alibaba Health Information Technology Limited. Mr Chen has more than 18 years of experience in strategy management, strategic market development, and business and financial advisory services. He has been involved in the investments and acquisitions by Alibaba Group in many companies in different industries such as retail, logistics, travel, and software & solution. Prior to joining Alibaba Group, Mr Chen worked for SAP SE, a Fortune 500 high-tech software company.

Mr Chen holds a Bachelor degree in International Finance and Accounting from Shanghai University, and received an EMBA degree from INSEAD in France in 2005.

Mrs Fang Ai Lian is a director of Banyan Tree Holdings Limited, Jubilant Pharma Limited and Metro Holdings Limited and an advisor to Far East Organization Group. She is the Chairperson of the Board of Trustees of the Singapore Business Federation and MediShield Life Council. She is also a member of the Singapore University of Technology and Design's Board of Trustees and Tote Board.

Mrs Fang was a director of Singapore Telecommunications Limited till July 2015 and a director of Oversea-Chinese Banking Corporation Limited till April 2014. Mrs Fang also served as the Chairperson of Great Eastern Holdings Limited as well as Chairperson of its insurance subsidiaries until her retirement in April 2014. Prior to that, she was with Ernst & Young ("**E&Y**") for 37 years where she last held the position of Chairperson of E&Y Singapore from 2002 until her retirement in March 2008.

Mrs Fang is a qualified Chartered Accountant, and a Fellow of the Institute of Chartered Accountants in England and Wales, and the Institute of Certified Public Accountants in Singapore.

Ms Aliza Knox is currently the Head of Asia of Cloudflare, Inc and is a Non-Executive Director of Scentre Group.

In her previous role as Vice President, APAC for Twitter, Ms Knox led the sales teams and self-serve advertising business in APAC, launched and ran the Asia Headquarters and provided oversight for part of the LATAM operations. Prior to that, Ms Knox was the Managing Director, Online Sales Group of Google Asia Pacific and then its Managing Director, Commerce, where she was responsible for commerce and mobile wallet efforts across Asia Pacific. Prior to joining Google in 2007, Ms Knox was a Senior Vice President at Visa International overseeing its commercial solutions and global product platforms. Her previous roles include Senior Vice President at Charles Schwab & Company with responsibility for international wireless and global expansion, and Partner and Head of Financial Services at Boston Consulting Group in Sydney and Singapore.

Ms Knox previously held directorships at InvoCare Limited, and GfK SE, and served as an adviser to the Technology Subcommittee of the ANZ Bank Board.

Ms Knox holds a Bachelor of Arts (Applied Math and Economics, magna cum laude) from Brown University, USA and a Masters of Business Administration (Marketing, with honors) from New York University Graduate School of Administration, USA.

Ms Elizabeth Kong Sau Wai is a Counsel at the Singapore office of Clifford Chance.

Prior to joining Clifford Chance, she was a Director at Morgan Lewis Stamford LLC, where she managed a wide range of corporate matters that include mergers and acquisitions, equity fund raising, corporate finance, and securities regulation. Chambers Asia-Pacific, The Legal 500 Asia Pacific, Asialaw Leading Lawyers, Lawyer Monthly, and Acquisition International have noted and acknowledged Ms Kong's impressive record of corporate transactions and she was named in 2014 by both Prestige Singapore and the Singapore Business Review as one of the most influential lawyers aged 40 and under.

Ms Kong is a trustee on the board of Cambridge Assessment Singapore and a fellow of the Cambridge Commonwealth Trust. She was invited to be an honorary member of the Commercial Bar Association of London and also sat on the government-appointed working committee to review the future of legal services in Singapore. She writes regularly on corporate law issues for a number of legal journals.

Ms Kong holds a Double First in Law from Cambridge University.

Mr Steven Robert Leonard is a technology-industry leader with a wide range of experience and has played key roles in building several global technology companies in areas such as software, hardware and services. Although born in the United States, Mr Leonard has lived and worked outside the US for most of his life. Mr Leonard currently serves on the advisory boards of the National University of Singapore as well as the Nanyang Technological University. Mr Leonard also serves as an Independent Non-Executive Director of Asia Satellite Telecommunications Holdings Limited, a Hong Kong Stock Exchange-listed commercial operator of communication spacecraft.

Mr Leonard is the Founding Chief Executive Officer of SGInnovate – a private limited company wholly owned by the Singapore Government chartered to help start-ups and scale globally-relevant early-stage technology companies from Singapore.

Ms Lim Cheng Cheng is currently the Group Chief Financial Officer of Singapore Telecommunications Limited. She assumed this role on 10 April 2015 and is responsible for the Singapore Telecommunications Limited Group's finance-related functions including tax, treasury and investor relations. She has over 23 years of experience in finance and mergers and acquisitions. She joined Singapore Telecommunications Limited in 2012 as Vice President, Group Strategic Investment and was appointed Deputy Group Chief Financial Officer on 1 October 2014. Prior to that, she was Managing Director, Group Strategic Investments.

Before joining Singapore Telecommunications Limited, Ms Lim was Executive Vice President and Chief Financial Officer at SMRT Corporation Ltd. She also worked at Singapore Power for 10 years in various corporate planning, investments and finance roles, the last of which was Head and Vice President (Financial Planning and Analysis). She started her career with PricewaterhouseCoopers.

Ms Lim holds a Master of Business Administration from the University of Chicago Booth School of Business (formerly known as University of Chicago Graduate School of Business), and a Bachelor of Accountancy from Nanyang Technological University. She is a Chartered Accountant (Singapore) of the Institute of Singapore Chartered Accountants.

Mr Bob Tan Beng Hai is the Chairman of Ascott Residence Trust Management Limited, and a Director at Sembcorp Marine Ltd.

He is also the Chairman of Jurong Engineering Limited, Singapore LNG Corporation Pte Ltd, Singex Holdings Pte Ltd and the Institute of Technical Education. He is a board member of the Ong Teng Cheong Labour Leadership Institute, and the Inland Revenue Authority of Singapore. Mr Tan serves as a member of the NTUC Club Management Council and the Board of Governors of Singapore Manufacturing Federation.

His past directorships in listed companies and major appointments include CapitaLand Mall Asia Limited, Asia Pacific Breweries Limited, SMRT Corporation Ltd and SMRT Trains Ltd.

Mr Tan is a Fellow of the Institute of Chartered Accountants in England and Wales and the Singapore Institute of Directors.

Mr Zulkifli Bin Baharudin is currently the Executive Chairman of Indo Trans Logistics Corporation. He is an Independent Director of Ascott Residence Trust Management Limited, GDS Holdings Limited and Asian Plantations Limited. He is also a member of the Board of Trustees of the Singapore Management University.

Mr Zulkifli is Singapore's Non-Resident Ambassador to the Republic of Uzbekistan and the Republic of Kazakhstan. He also served as Nominated Member of Parliament from October 1997 to September 2001 and was awarded the Public Service Medal in 2005 and Public Service Star Medal in 2011.

Mr Zulkifli holds a Bachelor of Science degree in Estate Management from the National University of Singapore.

The following table sets forth information regarding the key executives.

Name	Position
Mr Paul William Coutts	Group Chief Executive Officer ("**Group CEO**")
Mr Lim Sing Hok Mervyn	Deputy Group Chief Executive Officer (Corporate Services) & Group Chief Financial Officer ("**Group CFO**")
Mr Woo Keng Leong	Chief Executive Officer, Postal Services

Mr Paul William Coutts joined the Issuer in June 2017. Prior to joining the Issuer, he was the Chief Executive Officer of Toll Global Forwarding, one of the five divisions in the Toll Group, from 2013 in a global role based in Singapore.

Mr Coutts has more than 20 years of experience in C-suite positions at major global logistics and postal companies.

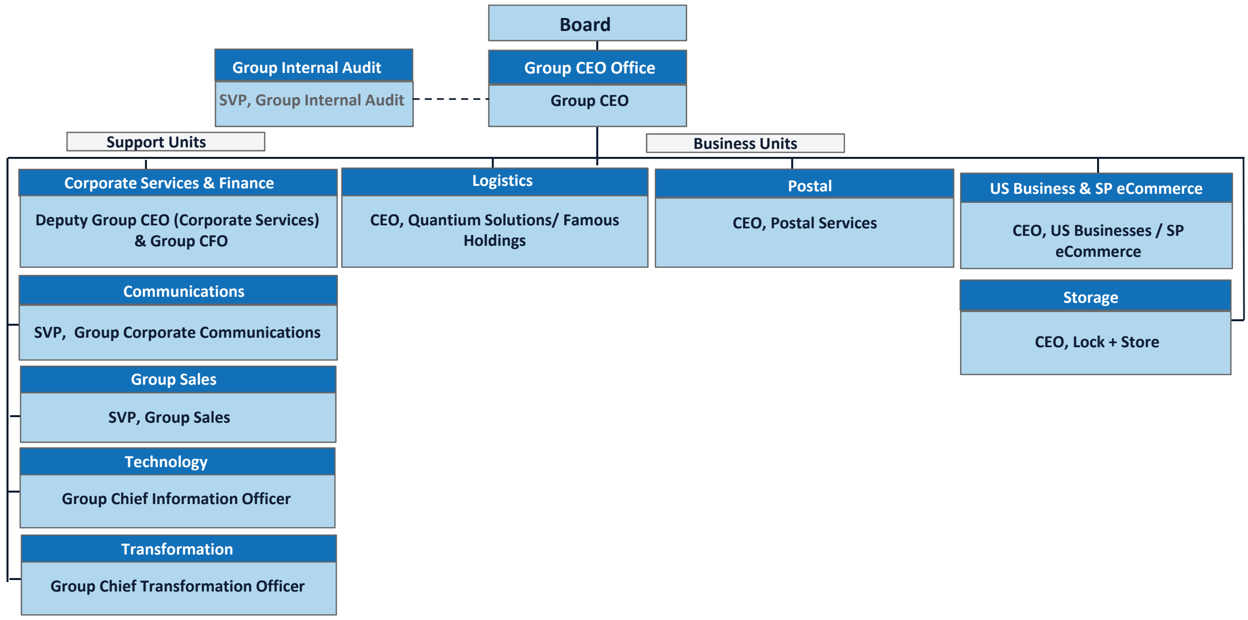
Mr Coutts has attended several executive programmes at the Wharton School of the University of Pennsylvania, Stanford Graduate School of Business, and London Business School.

Mr Lim Sing Hok Mervyn has more than 25 years of senior management experience in finance, general management and corporate secretarial practice that spans local and regional responsibilities as well as a wide range of industries, including retail, logistics, public transportation and mining. He was Chief Financial Officer, Chief Operating Officer and Company Secretary for listed companies such as TIBS Holdings (now part of SMRT Corporation), MPH Limited, Robinsons, FJ Benjamin and TT International Limited. He was a business advisor to small and medium-sized enterprises and a full time university lecturer in finance, investment and banking for three years before he returned to the commercial sector. He graduated from the National University of Singapore with a Bachelor of Accountancy degree and has a Master of Business Administration degree from the University of Brunel (UK).

Mr Woo Keng Leong joined the Issuer in 1980, when it was the Postal Services Department, on a posting as a Public Service Commission scholar. He has been responsible for transforming the Issuer's postal business into one of the most efficient and admired postal service providers in the world. Mr Woo is focused on the quality of our postal services, as well as the sustainability of the mail business, which is the backbone of eCommerce logistics services. He is also responsible for the Issuer's international postal relationships. Mr Woo sits on the boards of DataPost Pte Ltd, SingPost Distribution Pte Ltd, Singapore Post Enterprise Private Limited, SingPost Investments (Tampines) Pte Ltd, SingPost Investments (eCommerce Logistics) Pte Ltd, SingPost eCommerce Logistics Holdings Pte Ltd, GD Express Carrier Bhd, Famous Holdings Pte Ltd, Lock+Store (Ayer Rajah) Pte Ltd, Lock+Store (Chai Chee) Pte Ltd, Lock+Store (Tanjong Pagar) Pte Ltd, Lock and Store (Glenmarie) Sdn Bhd, L+S Self Storage Pte Ltd, SingPost Investment Pte Ltd, SingPost Centre (Retail) Pte Ltd and the Singapore Philatelic Museum. He is also a member of Singapore's Stamp Advisory Committee. Mr Woo obtained a Bachelor of Arts with Honours degree from Nanyang University in Singapore, and has completed an International Post Office Management course in the UK.

MANAGEMENT STRUCTURE

As at the Latest Practicable Date, the organisation structure and reporting lines of the Group CEO is illustrated below:



RISK MANAGEMENT AND INTERNAL CONTROLS

The Group aims to mitigate risk exposures through risk management strategies and internal controls. Risk management in the Group is a continuous, iterative and integrated process which has been incorporated into various planning, approval, execution, monitoring, review and reporting systems. The Group adopts a top-down as well as bottom-up approach on risk management to identify and manage the strategic, business, operational, financial, reporting, compliance and information technology (IT) risk exposures.

At least once a year, the Group undertakes a formal enterprise-wide review of the adequacy and effectiveness of its risk management and internal control systems, including financial, operational, compliance and IT controls. During this exercise, risk owners review and update the risks and controls for their respective areas. The result of this annual risk review is first presented to the Board Risk and Technology Committee as part of the process for identification and management of enterprise risks and thereafter to the Board.

Our key internal controls include:

- establishment of risk management systems and policies;
- establishment of policies and approval limits for key financial and operational matters, and the rules relating to the delegation of authorities;
- documentation of key processes and procedures;
- segregation of incompatible functions which give rise to a risk of errors or irregularities not being promptly detected;
- safeguarding of assets;
- maintenance of proper accounting records;
- ensuring compliance with appropriate legislation and regulations; and
- having qualified and experienced persons to take charge of important functions.

In addition, the Group Internal Audit performs detailed work to assist the Audit Committee in the evaluation of material internal controls of the Group. The external auditor, in the course of conducting their normal audit procedures on the statutory financial statements of the Group, also review the Group's material internal controls to the extent of their scope as laid out in their audit plan. If any material internal control weaknesses are noted by the auditor, these weaknesses and the auditor's recommendations are reported to the Audit Committee.

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

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables present selected consolidated income statements of our Group for the financial years ended 31 March 2015, 2016 and 2017 and for the six months ended 30 September 2016 and 2017, consolidated balance sheets as at 31 March 2015, 2016 and 2017 and 30 September 2016 and 2017 and the consolidated cash flow statements for the financial years ended 31 March 2015, 2016 and 2017 and for the six months ended 30 September 2016 and 2017. The selected consolidated financial information as at and for the financial years ended 31 March 2015, 2016 and 2017 should be read in conjunction with the audited consolidated financial statements of our Group and the related notes thereto which are included elsewhere in this Information Memorandum. Our Group's consolidated financial statements for each of the financial years ended 31 March 2015, 2016 and 2017 have been audited by our independent auditors, PricewaterhouseCoopers LLP, whose report for each of the financial years ended 31 March 2016 and 2017 is included herein. The unaudited consolidated financial statements have, in our opinion, been prepared on the same basis as the audited consolidated financial statements for the financial year ended 31 March 2017 and reflect all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of our Group's results of operations and financial position. Operating results for the six months ended 30 September 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 March 2018. The unaudited consolidated financial statements for the six months ended 30 September 2016 and 2017 have not been audited or reviewed by our independent auditors, PricewaterhouseCoopers LLP and Deloitte & Touche LLP respectively. Accordingly, there can be no assurance that, had an audit or review been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance upon them. The audited and unaudited consolidated financial statements of our Group have been prepared in accordance with Singapore Financial Reporting Standards.

Consolidated Balance Sheets

	The Group				
	Audited			Unaudited	
	As at 31 March 2015 S$'000	As at 31 March 2016 S$'000	As at 31 March 2017 S$'000	As at 30 September 2016 S$'000	As at 30 September 2017 S$'000
	(Restated)*	(Restated)*			
ASSETS					
Current assets					
Cash and cash equivalents	584,140	126,640	366,614	158,014	282,342
Financial assets	21,878	8,127	4,301	3,863	3,745
Trade and other receivables	164,054	210,177	199,007	182,173	227,886
Derivative financial instruments	–	846	16,079	588	25,546
Inventories	6,298	4,499	4,450	4,893	4,442
Other current assets	21,220	17,206	17,174	19,491	19,104
	797,590	367,495	607,625	369,022	563,065
Non-current assets					
Financial assets	12,718	38,083	36,010	38,087	35,977
Trade and other receivables	4,776	5,351	7,091	6,993	7,151
Investments in associated companies and joint ventures	105,106	146,401	117,783	148,802	119,543
Investment properties	638,818	745,844	970,392	787,593	998,876
Property, plant and equipment	329,984	517,376	565,583	559,798	553,353
Intangible assets	316,642	593,984	400,683	586,073	397,506
Deferred income tax assets	4,541	5,544	6,218	5,139	5,648
Other non-current assets	551	6,408	5,198	5,100	4,494
	1,413,136	2,058,991	2,108,958	2,137,585	2,122,548
Total assets	2,210,726	2,426,486	2,716,583	2,506,607	2,685,613

* Refer to Note 36 and Note 38 to the financial statements for the financial year ended 31 March 2016 and 31 March 2017 respectively for details on the restatement.

	The Group				
	Audited			Unaudited	
	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017	As at 30 September 2016	As at 30 September 2017
	S$'000	S$'000	S$'000	S$'000	S$'000
	(Restated)*	(Restated)*			
LIABILITIES					
Current liabilities					
Trade and other payables	352,068	385,679	395,084	375,554	432,224
Current income tax liabilities	35,318	35,918	34,774	36,125	37,291
Deferred income	6,961	7,268	7,413	7,248	7,325
Derivative financial instruments	3,718	801	1,055	473	–
Borrowings	16,947	71,090	148,786	188,711	77,857
	415,012	500,756	587,112	608,111	554,697
Non-current liabilities					
Trade and other payables	10,688	32,225	44,462	28,840	23,960
Borrowings	221,380	209,182	215,199	217,726	229,072
Deferred income	59,569	56,785	49,545	53,164	45,926
Deferred income tax liabilities	36,340	66,035	62,547	57,745	60,180
	327,977	364,227	371,753	357,475	359,138
Total liabilities	742,989	864,983	958,865	965,586	913,835
NET ASSETS	1,467,737	1,561,503	1,757,718	1,541,021	1,771,778
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	429,980	448,775	638,756	452,259	638,762
Treasury shares	(2,831)	(2,116)	(1,227)	(1,227)	(7,516)
Other reserves	7,448	7,258	71,787	8,181	69,513
Retained earnings	682,639	749,647	650,007	722,952	679,279
	1,117,236	1,203,564	1,359,323	1,182,165	1,380,038
Perpetual securities	346,826	346,826	346,826	346,785	346,785
	1,464,062	1,550,390	1,706,149	1,528,950	1,726,823
Non-controlling interests	3,675	11,113	51,569	12,071	44,955
Total equity	1,467,737	1,561,503	1,757,718	1,541,021	1,771,778

* Refer to Note 36 and Note 38 to the financial statements for the financial year ended 31 March 2016 and 31 March 2017 respectively for details on the restatement.

Consolidated Income Statements

	The Group				
	Audited			Unaudited	
	For the financial year ended 31 March 2015	For the financial year ended 31 March 2016	For the financial year ended 31 March 2017	For the six months ended 30 September 2016	For the six months ended 30 September 2017
	S$'000	S$'000	S$'000	S$'000	S$'000
		(Restated)*			
Revenue	919,582	1,151,542	1,348,502	655,105	708,809
Other income and gains (net)					
- Rental and property-related income	43,890	39,373	36,574	18,644	19,626
- Miscellaneous	6,593	11,992	9,777	4,215	6,437
Fair value gains on investment properties	5,163	–	–	–	–
Labour and related expenses	(263,138)	(300,444)	(345,099)	(172,632)	(179,814)
Volume-related expenses	(366,474)	(535,425)	(688,653)	(322,840)	(372,591)
Administrative and other expenses	(111,356)	(131,942)	(144,336)	(70,226)	(73,571)
Depreciation and amortisation	(34,545)	(31,886)	(51,018)	(22,131)	(29,757)
Selling expenses	(9,486)	(10,025)	(15,298)	(5,595)	(9,600)
Finance expenses	(4,370)	(10,365)	(5,674)	(1,949)	(6,727)
Total expenses	(789,369)	(1,020,087)	(1,250,078)	(595,373)	(672,060)
Exceptional items	–	95,342	(88,653)	4,462	4,917
Share of profit/(loss) of associated companies and joint ventures	6,660	9,066	(1,177)	912	2,118
Profit before income tax	192,519	287,228	54,945	87,965	69,847
Income tax expense	(32,963)	(34,189)	(25,233)	(18,509)	(16,838)
Total profit	159,556	253,039	29,712	69,456	53,009
Profit attributable to:					
Equity holders of the Company	157,611	248,910	33,403	67,295	59,443
Non-controlling interests	1,945	4,129	(3,691)	2,161	(6,434)
	159,556	253,039	29,712	69,456	53,009
Operating Profit	186,365	284,259	58,357	87,512	71,798
Underlying net profit	160,179	153,568	115,612	62,833	54,526
Earnings per share attributable to ordinary shareholders of the Company					
- Basic	6.85 cents	10.86 cents	0.85 cent	2.76 cents	2.29 cents
- Diluted	6.81 cents	10.83 cents	0.84 cent	2.76 cents	2.29 cents

* Refer to Note 40 to the financial statements for the financial year ended 31 March 17 for details on the reinstatement.

Consolidated Statements of Cash Flows

	The Group				
	Audited			Unaudited	
	For the financial year ended 31 March 2015	For the financial year ended 31 March 2016	For the financial year ended 31 March 2017	For the six months ended 30 September 2016	For the six months ended 30 September 2017
	S$'000	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities					
Total profit	159,556	253,039	29,712	69,456	53,009
Adjustments for:					
Income tax expense	32,963	34,189	25,233	18,509	16,838
Allowance for doubtful debts and bad debts (written back)/written off	–	–	–	(211)	5,781
Depreciation and amortisation - net	23,618	25,865	43,352	18,770	26,050
Fair value gain on investment properties	(5,163)	–	(108,744)	–	–
(Gain)/loss on disposal of investments, property, plant and equipment	(700)	(109,856)	(4,577)	(5,282)	15
Gain on derivative financial instruments	–	–	(16,011)	–	(7,405)
Share option expense	2,582	4,053	3,351	1,913	467
Interest expense	6,283	7,766	8,846	4,162	4,720
Interest income	(3,864)	(4,268)	(3,439)	(1,490)	(2,658)
Share of (profit)/loss of associated companies and joint ventures	(6,660)	(9,066)	1,177	(912)	(2,118)
Impairment/write-off of intangible assets, investments and property, plant and equipment	6,464	256	215,063	–	–
	55,523	(51,061)	164,251	35,459	41,690
Operating cash flow before working capital changes	215,079	201,978	193,963	104,915	94,699
Changes in working capital, net of effects from acquisition and disposal of subsidiaries					
- Inventories	(1,223)	332	49	(394)	8
- Trade and other receivables	1,333	(28,287)	(4,867)	21,130	(38,350)
- Trade and other payables	55,266	(12,008)	41,437	(9,332)	9,050
Cash generated from operations	270,455	162,015	230,582	116,319	65,407
Income tax paid	(35,453)	(30,582)	(30,516)	(16,434)	(14,902)
Net cash provided by operating activities	235,002	131,433	200,066	99,885	50,505
Cash flows from investing activities					
Acquisition of non-controlling interests	–	–	(2,375)	–	–
Acquisition of subsidiaries, net of cash acquired	(119,766)	(272,480)	–	–	–
Additions to property, plant and equipment, investment properties and intangible assets	(104,414)	(279,742)	(199,767)	(111,649)	(38,872)
Contingent consideration paid in relation to acquisition of subsidiaries	–	–	(528)	(528)	(3,730)
Disposal of subsidiaries, net of cash disposed of	–	50,962	(1,568)	(1,568)	–
Dividends received from associated companies	911	2,167	2,583	1,660	–
Investment in associated companies and joint ventures	(911)	(49,430)	(798)	–	–
Interest received	8,252	4,782	2,682	1,494	3,104
Loan to an associated company	(14,187)	(1,360)	(1,844)	(1,521)	–
Payment relating to purchase of assets	–	(250)	–	–	–
Proceeds from partial divestment of interest in a subsidiary	–	–	85,643	–	–

Consolidated Statements of Cash Flows (continued)

	The Group				
	Audited			Unaudited	
	For the financial year ended 31 March 2015	For the financial year ended 31 March 2016	For the financial year ended 31 March 2017	For the six months ended 30 September 2016	For the six months ended 30 September 2017
	S$'000	S$'000	S$'000	S$'000	S$'000
Cash flows from investing activities (continued)					
Proceeds from partial divestment of share in an associated company	–	78,910	–	–	–
Proceeds from disposal of property, plant and equipment	11,020	1,553	1,976	1,754	236
Proceeds from sale of financial assets	–	15,294	–	–	–
Proceeds from maturity of financial assets, held-to- maturity	6,000	19,250	6,250	4,250	–
Purchase of financial assets, held-to-maturity	(23,340)	(28,321)	–	–	–
Repayment of loans by associated companies	518	1,578	18,147	6,470	–
Net cash used in investing activities	(235,917)	(457,087)	(89,599)	(99,638)	(39,262)
Cash flows from financing activities					
Distribution paid to perpetual securities	(14,874)	(14,915)	(14,875)	(7,499)	(7,499)
Dividends paid to shareholders	(128,129)	(166,985)	(119,548)	(86,532)	(22,713)
Interest paid	(7,115)	(8,444)	(9,637)	(4,591)	(1,743)
Proceeds from issuance of ordinary shares	298,876	17,381	189,605	3,271	6
Proceeds from re-issuance of treasury shares	31,932	–	–	–	(7,229)
Proceeds from bank loans	4,290	296,029	537,060	301,517	232,000
Repayment of bank term loans	(4,355)	(254,912)	(453,098)	(175,039)	(288,337)
Net cash provided by/(used in) financing activities	180,625	(131,846)	129,507	31,127	(95,515)
Net increase/(decrease) in cash and cash equivalents	179,710	(457,500)	239,974	31,374	(84,272)
Cash and cash equivalents at beginning of financial year/period	404,430	584,140	126,640	126,640	366,614
Cash and cash equivalents at end of financial year/period	584,140	126,640	366,614	158,014	282,342

Half year ended 30 September 2017 compared to half year ended 30 September 2016

	Half Year ended 30 September		
	2017	2016	Change
Revenue	S$'000	S$'000	%
Postal	**298,174**	263,987	13.0%
Logistics	**332,177**	310,813	6.9%
eCommerce	**128,198**	129,258	(0.8%)
Inter-segment eliminations*	**(49,740)**	(48,953)	(1.6%)
Total	**708,809**	655,105	8.2%

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

Group revenue rose 8.2% for the half year ("H1") ended 30 September 2017, led by growth in the Postal and Logistics segments.

Postal revenue rose 13.0% in H1, as International mail revenue rose on the back of higher crossborder eCommerce deliveries, in particular with higher volumes from the Alibaba Group. This helped offset the decline in Domestic mail revenue, which reflects continued migration towards electronic statements and bills.

Logistics revenue increased 6.9% in H1. SP Parcels, Couriers Please and Famous Holdings all contributed to revenue growth, with higher last-mile eCommerce deliveries across Singapore and Australia, as well as higher freight forwarding volumes respectively.

These were partially offset by the revenue decline at Quantium Solutions due largely to competitive pressures at its Hong Kong operations, which negated the improved performance in Singapore from higher utilisation at the Regional eCommerce Logistics Hub.

eCommerce revenue declined marginally in H1. Revenue for TradeGlobal declined due to the loss of two large customers as previously disclosed. This was offset by revenue growth at Jagged Peak with higher volumes and addition of new customers.

Other Income

Rental and property-related income rose 5.3% in H1 with rental income recognition for some of the SingPost Center's retail tenants.

Miscellaneous other income rose to S$6.4 million in H1, compared to S$4.2 million last year, due largely to favourable trade related foreign exchange translation differences.

Total Expenses

Total expenses increased 12.9% in H1, largely due to the increase in volume-related expenses, as the Group seeks to grow volumes to benefit from economies of scale from operating leverage.

Volume-related expenses were up 15.4% in H1, reflecting the change in business mix as part of the Group's transformation, with higher International mail terminal dues as well as higher Logistics volume-related expenses.

Labour and related expenses rose with higher temporary and contract staff costs to support growth in the business, while Administrative and other expenses rose with higher professional fees and property-related expenses.

Selling expenses rose to S$9.6 million in H1, largely due to doubtful debt provision.

Depreciation and amortisation expenses were higher by 34.5% in H1, due largely to higher equipment depreciation costs at the Regional eCommerce Logistics Hub and higher amortisation of intangible assets for TradeGlobal due to shortening of amortisation period of customer relationships from 18 years to 7 years.

Finance expenses rose to S$6.7 million in H1 from S$1.9 million in the comparative period a year ago, mainly due to unfavourable non-trade related foreign translation differences.

OPERATING PROFIT	Half Year ended 30 September 2017 S$'000	2016 S$'000	Change %
Postal	**71,367**	75,380	(5.3%)
Logistics	**184**	12,206	(98.5%)
eCommerce	**(7,098)**	(10,279)	31.0%
Property & others #	**2,428**	5,743	(57.7%)
Operating Profit before exceptional items	**66,881**	83,050	(19.5%)
Exceptional items	**4,917**	4,462	10.2%
Operating Profit	**71,798**	87,512	(18.0%)

Others refer to the commercial property rental operations, unallocated corporate overhead items and one-off items.

For the half year, Postal operating profit declined 5.3%, reflecting the decline in contribution from the Domestic mail business.

The Logistics segment registered an operating profit of S$0.2 million in H1, compared to S$12.2 million last year. The lower operating profit was mainly due to doubtful debt provision for a key customer of Quantium Solutions Hong Kong, lower contribution from Quantium Solutions Hong Kong with intense pricing competition resulting in the loss of business. It also reflected costs from planned investments to build out our eCommerce logistics network, such as the Regional eCommerce Logistics Hub.

Operating losses from the eCommerce segment was S$7.1 million, due largely to operating losses at TradeGlobal.

Operating profit under "Property & others" declined to S$2.4 million in H1, from S$5.7 million in the comparative period a year ago, largely due to pre-opening expenses incurred for the SingPost Centre retail mall that was opened on 9 October 2017.

Exceptional items

The Group recorded exceptional items of S$4.9 million in H1 due to a fair value gain on warrants from an associated company, partially offset by professional fees. In the comparative period a year ago, exceptional items amounted to S$4.4 million due to a gain on dilution of interest in an associated company.

Excluding exceptional items, operating profit declined 19.5% to S$66.9 million.

Share of results of associated companies and joint ventures

Share of results of associated companies and joint ventures rose for the half year. This was driven by an improved performance at Indo Trans Logistics, our integrated logistics associate in Vietnam.

Net Profit and Underlying Net Profit

Net profit attributable to equity holders declined 11.7% and underlying net profit declined 13.2% largely due to lower operating profit in the Logistic segment.

Balance Sheet

The Group's total assets amounted to S$2.7 billion as at 30 September 2017, slightly lower than as at 31 March 2017, due largely to lower cash and cash equivalents used to pay down short-term borrowings, partially offset by higher trade and other receivables.

Total liabilities were S$913.8 million, compared to S$958.9 million as at 31 March 2017, due largely to lower borrowings.

Total borrowings decreased from S$364.0 million as at 31 March 2017 to S$306.9 million as at 30 September 2017. Interest coverage ratio[5] stands at 22.0 times compared to 13.3 times as at 31 March 2017.

As at 30 September 2017, the Group was in a net debt position[6] of S$24.6 million, compared to a net cash position of S$2.6 million as at 31 March 2017. While total borrowings were lower, cash and cash equivalents also declined due largely to negative movements in working capital from higher receivables.

Ordinary shareholders' equity was slightly higher at S$1.4 billion as at 30 September 2017, compared to 31 March 2017 due to retained profit for the period.

Cash Flow

Net cash inflow from operating activities in H1 amounted to S$50.5 million, compared to S$99.9 million last year. Operating cash inflow before working capital changes declined by S$10.2 million to S$94.7 million, while changes in working capital decreased S$40.7 million due to higher receivables resulting from a timing difference in receipts. This has since been reduced in October, post the close of the quarter.

Net cash outflow for investing activities in H1 was S$39.3 million, compared to S$99.6 million last year, as capital expenditure declined with the completion of the Regional eCommerce Logistics Hub. Capital expenditure in H1 was S$38.9 million, comprising largely the residual balance for SingPost Centre retail mall redevelopment, compared to S$111.6 million last year.

Net cash outflow from financing activities in H1 was S$95.5 million, compared to inflow of S$31.1 million last year, largely due to net repayment of short-term borrowings.

Financial year ended 31 March 2016 compared to financial year ended 31 March 2015

	Financial Year ended 31 March		
GROUP	**2016 S$'000**	**2015 S$'000**	**Change %**
	(Restated)	**(Restated)**	
Revenue	1,151,542	919,582	25.2
Operating profit	284,259	186,365	52.5
Share of profit of associated companies and joint ventures	9,066	6,660	36.1
Net profit	248,910	157,611	57.9
Exceptional items, net of tax (1)	(95,342)	2,568@	N.M.
Underlying net profit (2)	153,568	160,179	(4.1)
Basic earnings per share (S cents)	10.86	6.85	58.6
Underlying earnings per share (S cents)	7.13	7.69	(7.3)

Notes:

(1) Exceptional items comprised one-off items such as asset impairment, fair value changes on investment properties, gains or losses on sale of investments and property, plant and equipment, and merger and acquisitions-related professional fees.

(2) Underlying net profit is defined as net profit before exceptional items, net of tax.

N.M. Not meaningful

@ This is net of write-off of intangible asset.

The Group crossed the revenue milestone of S$1 billion for the full year ended 31 March 2016. Full year revenue of S$1.2 billion grew 25.2% while underlying net profit declined slightly by 4.1% to S$153.6 million, due mainly to the impact of loss of rental income from SPC mall redevelopment.

[5] EBITDA to interest expense
[6] Cash and cash equivalents less borrowings

REVENUE	Financial Year ended 31 March 2016 S$'000 (Restated)*	2015 S$'000 (Restated)*	Change %
Postal	536,236	541,047	(0.9)
Logistics	625,972	464,758	34.7
eCommerce	98,423	26,820	267.0
Inter-segment eliminations	(109,089)	(113,043)	(3.5)
	1,151,542	919,582	25.2

* From 1 April 2016, the Group has reclassified the reporting of certain business units into three business segments, namely Postal, Logistics and eCommerce. In line with the change in reporting structure, segment information for the financial years ended 31 March 2016 and 31 March 2015 has been reclassified to conform to the presentation for the financial year ended 31 March 2017.

Revenue grew 25.2% for the full year ended 31 March 2016, with continued growth in eCommerce related activities and the inclusion of new subsidiaries.

In the Postal segment, revenue declined marginally for full year, as a result of the deconsolidation of subsidiaries divested during the year. Excluding the impact of the divestments, Mail revenue would have grown 5.3% against last year, largely driven by higher International mail revenue as a result of increased cross-border eCommerce related deliveries.

For the full year, Logistics revenue rose 34.7% on the back of growing contributions from eCommerce logistics activities as well as the inclusion of new subsidiaries.

In eCommerce, revenue increase of 267.0% was attributable to growth in eCommerce activities as well as the consolidation of new US subsidiaries, TradeGlobal from 14 November 2015, and Jagged Peak from 8 March 2016.

Rental and property-related income decreased 10.3% from S$43.9 million to S$39.4 million. This was due to lower retail rental revenue following the commencement of the redevelopment of SPC retail mall, which is due for completion by mid-2017.

Total expenses increased in tandem with the inclusion of new subsidiaries and growth in business volumes.

Labour and related expenses were higher with annual salary increments and additional headcount from new subsidiaries and the Group's growth initiatives.

The increase in volume-related expenses was in line with higher international traffic volumes, increased business activities and inclusion of new subsidiaries.

Administrative and other expenses increased as a result of higher property-related expenses such as warehouse rental costs, and higher merger and acquisitions-related expenses.

Depreciation and amortisation expenses were lower due to a write-off of intangible asset last year.

Finance expenses increased S$6.0 million due to higher non-trade related foreign exchange translation differences and higher interest expense on higher average borrowings.

OPERATING PROFIT	Financial Year ended 31 March 2016 S$'000 (Restated)*	2015 S$'000 (Restated)*	Change %
Postal	157,324	156,924	0.3
Logistics	38,812	23,051	68.4
eCommerce	(7,300)	(3,189)	(128.9)
Others	81	14,294	@
Operating Profit before exceptional items	188,917	191,080	(1.1)
Exceptional items	95,342	(4,715)	N.M.
Operating Profit	284,259	186,365	52.5

N.M. Not meaningful

@ Denotes variance exceeding 300%

* From 1 April 2016, the Group has reclassified the reporting of certain business units into three business segments, namely Postal, Logistics and eCommerce. In line with the change in reporting structure, segment information for the financial years ended 31 March 2016 and 31 March 2015 has been reclassified to conform to the presentation for the financial year ended 31 March 2017.

For the full year, operating profit increased 52.5% due to one-off gains from the divestment of subsidiaries, associates and an available-for-sale investment. Excluding all one-off items, underlying operating profit marginally decrease 1.1% despite the loss of retail rental income.

Postal operating profit increased on the back of higher volumes from eCommerce-related deliveries, as well as continued focus on productivity and efficiency, particularly with investments in mail infrastructure.

In Logistics, operating profit increased strongly by 68.4% for the full year, with contributions from new subsidiaries and increased eCommerce logistics activities, as well as improved operating efficiency with integration of new subsidiaries into the Group's eCommerce logistics network.

eCommerce operating profit was impacted by investments in eCommerce capabilities in Asia Pacific and the US to accelerate customer acquisitions.

Others segment operating profit was mainly impacted by lower retail rental income as a result of the redevelopment of SPC retail mall.

Exceptional items

The Group recorded exceptional items of S$95.3 million, largely due to one-off gains from the disposal of subsidiaries, associates and available-for-sale investment.

Share of profit of associated companies and joint ventures improved against last year, mainly on higher contributions from Efficient E-Solutions and 4PX.

Net profit attributable to equity holders was up 57.9% for the full year, boosted by one-off divestment gains. Excluding one-off items, underlying net profit was lower by 4.1% from S$160.2 million to S$153.6 million due to the impact of loss of rental income arising from the SPC retail mall redevelopment and higher finance expenses.

CASH FLOW	Financial Year ended 31 March 2016 S$'000	 2015 S$'000	Change %
Net cash provided by operating activities	131,433	235,002	(44.1)
Net cash used in investing activities	(457,087)	(235,917)	93.8
Net cash (used in)/provided by financing activities	(131,846)	180,625	N.M.
Net (decrease)/increase in cash and cash equivalents	(457,500)	179,710	N.M.
Cash and cash equivalents at beginning of year	584,140	404,430	44.4
Cash and cash equivalents at end of year	126,640	584,140	(78.3)
Free cash flow	(148,309)	130,588	N.M.
Cash capital expenditure as a percentage of revenue	24.3%	11.4%	

N.M. Not meaningful

Operating activities

Net cash inflow from operating activities for the full year amounted to S$131.4 million. Working capital for the full year declined S$95.4 million against last year due mainly to higher receivables as a result of increased eCommerce-related volumes (S$29.7 million) and a one-off receipt of S$58.0 million relating to a postassurance collaboration last year.

Investing activities

Net cash outflow for investing activities was S$457.1 million, compared to S$235.9 million last year. Capital expenditure of S$279.7 million for the full year comprised expenditure for the construction of the eCommerce Logistics Hub, acquisition of Toh Guan building and redevelopment of SPC retail mall. In addition to capital expenditure, the Group also invested S$321.8 million to acquire new subsidiaries and associated companies. These were partly offset by receipts of S$145.2 million from the disposals of subsidiaries, associates and an available-for-sale investment.

Financing activities

Net cash outflow from financing activities was S$131.8 million, compared to net cash inflow of S$180.6 million last year, largely due to proceeds from its share issue to Alibaba Investment Limited received in the financial year ended 31 March 2015. During the financial year ended 31 March 2016, the Group mainly paid dividends of S$167.0 million and received net proceeds from bank loans of S$41.1 million.

Free cash flow

For the financial year ended 31 March 2016, the Group's free cash flow (operating cash flow less capital expenditure) was an outflow of S$148.3 million versus an inflow of S$130.6 million in the previous financial year, as a result of the Group's increased capital expenditure.

FINANCIAL REVIEW GROUP	Financial Year ended 31 March 2017 S$'000	 2016 S$'000 (Restated)*	Change %
Revenue	1,348,502	1,151,542	17.1
Operating profit	58,357	284,259	(79.5)
Share of (loss)/profit of associated companies and joint ventures	(1,177)	9,066	N.M.
Net profit	33,403	248,910	(86.6)
Exceptional items, net of tax (1)	82,209@	(95,342)	N.M.
Underlying net profit (2)	115,612	153,568	(24.7)
Basic earnings per share (S cents)	0.85	10.86	(92.2)
Underlying earnings per share (S cents)	5.28	7.13	(26.0)

* Refer to Note 40 to the financial statements for the financial year ended 31 March 2017 for details on the restatement.

@ This is net of a write-back of $6.4 million in relation to impairment of intangible assets of TradeGlobal.

Notes:

(1) Exceptional items comprised one-off items such as asset impairment, fair value changes on investment properties, gains or losses on sale of investments and property, plant and equipment, and merger and acquisitions-related professional fees.

(2) Underlying net profit is defined as net profit before exceptional items, net of tax.

N.M. Not meaningful

Group revenue grew 17.1% for the full year ended 31 March 2017, largely due to the inclusion of the US eCommerce subsidiaries.

	Financial Year ended 31 March		
REVENUE	**2017 S$'000**	**2016 S$'000**	**Change %**
		(Restated)*	
Postal	544,141	536,236	1.5
Logistics	636,801	625,972	1.7
eCommerce	267,082	98,423	171.4
Inter-segment eliminations	(99,522)	(109,089)	(8.8)
	1,348,502	1,151,542	17.1

* From 1 April 2016, the Group has reclassified the reporting of certain business units into three segments, namely Postal, Logistics and eCommerce. In line with the change in reporting structure, segment information for the financial years ended 31 March 2016 has been classified to conform to the presentation for the financial year ended 31 March 2017.

In the Postal segment, Domestic mail revenue continued to decline with more companies implementing e-statements. This was offset by growth in International mail revenue which was driven by higher crossborder eCommerce deliveries, especially with higher volumes from the Alibaba Group. Consequently, Postal revenue rose slightly for the full year.

The deepening collaboration with Alibaba has increased transhipment volumes in the Postal segment. SingPost is working towards developing its business with Alibaba on its commercial network within the Logistics segment.

Logistics revenue rose 1.7%, driven by higher contribution from CouriersPlease from increased eCommerce-related activities, offset by a decline in Quantium Solutions.

eCommerce revenue rose with the inclusion of US subsidiaries, TradeGlobal from 14 November 2015 and Jagged Peak from 8 March 2016.

Other Income

Rental and property-related income decreased 7.1%. This was due to lower retail rental revenue with the redevelopment of SPC retail mall.

Miscellaneous other income was a gain of S$9.8 million for the full year, compared to S$12.0 million last year. The differences were mainly attributed to trade-related translation differences.

Total Expenses

Total expenses increased by 22.5%, as a result of the inclusion of new subsidiaries. Labour and related expenses were higher mainly due to additional headcount from new subsidiaries.

The increase in volume-related expenses reflects the change in business mix as part of the Group's transformation, with higher International mail terminal dues as well as higher cost of sales and outsourced services related to TradeGlobal and Jagged Peak respectively.

Administrative and other expenses rose 9.4% from property-related expenses such as warehouse rental costs from new subsidiaries.

Depreciation and amortisation expenses were higher due largely to depreciation cost from the Regional eCommerce Logistics Hub, which attained TOP in April 2016.

Finance expenses declined S$4.7 million for the full year due to favourable non-trade related foreign translation differences.

	Financial Year ended 31 March		
OPERATING PROFIT	**2017 S$'000**	**2016 S$'000**	**Change %**
		(Restated)*	
Postal	150,707	157,324	(4.2)
Logistics	23,596	38,812	(39.2)
eCommerce	(33,790)	(7,300)	@
Property & Others	6,497	81	@
Operating Profit before exceptional items	147,010	188,917	(22.2)
Exceptional items	(88,653)	95,342	N.M.
Operating Profit	58,357	284,259	(79.5)

N.M. Not meaningful

@ Denotes variance exceeding 300%

* From 1 April 2016, the Group has reclassified the reporting of certain business units into three segments, namely Postal, Logistics and eCommerce. In line with the change in reporting structure, segment information for the financial years ended 31 March 2016 has been classified to conform to the presentation for the financial year ended 31 March 2017.

Operating profit declined for full year, mainly due to exceptional items.

Postal operating profit declined 4.2% for the full year, largely due to the decline in contribution from Domestic mail, and the shift in mix towards lower margin international transhipment mail.

In Logistics, operating profit decreased 39.2% for the full year. The decline reflects a combination of three factors: i) costs arising from planned investments to build out our eCommerce logistics network, such as depreciation and running expenses related to the new Regional eCommerce Logistics Hub, and network expansion at CouriersPlease; ii) intense pricing and competitive pressures in the eCommerce Logistics space; and iii) depressed freight rates and volumes in the freight forwarding industry.

Operating losses from eCommerce segment were S$33.8 million for the full year. While SP eCommerce and Jagged Peak performed well, TradeGlobal faced continuing challenges with the loss of key customers and recorded higher operating losses.

"Property & Others" includes the provision of commercial property rental and corporate costs of the Group not allocated to the reportable operating segments. For the full year, operating profit improvements under "Property & Others" were largely due to trade-related translation gains and lower corporate costs.

Exceptional items

Further to the announcement in the Q3 quarterly results of the risk of significant impairment, the management of SingPost has reviewed the carrying value of SingPost's investments and assets. The valuation process involved a review of the FY2016/17 performance and a detailed evaluation of the underlying assumptions of future business plans for each of the businesses.

Given the extent of the impairment to SingPost's investment in TradeGlobal, SingPost had also appointed FTI Consulting, an independent global business advisory firm, which verified that the impairment provision was properly calculated following an appropriate review process and that the assumptions adopted were reasonable.

The total impairment for FY2016/17 is S$208.6 million, comprising largely TradeGlobal (S$185.0 million), Postea (S$20.5 million) and Toh Guan building (S$9.3 million). This is net of a write-back of deferred tax liability of S$6.4 million in relation to the impairment of intangible asset of TradeGlobal. The impairment was partially offset by a fair value gain on investment properties of S$108.7 million largely for SPC.

Impairment of TradeGlobal

The principal issue is that TradeGlobal has significantly underperformed the business case which supported the investment. Instead of a projected profit of S$9.4 million for FY2016/17, TradeGlobal incurred a significant loss of S$25.8 million.

TradeGlobal has experienced both operational and structural challenges. Operational difficulties included a surge in labour costs during the recent peak season, delays in warehouse automation which impacted productivity as well as management changes.

Measures have been put in place to improve TradeGlobal's operating performance, particularly during the peak season.

Key structural challenges which will impact the business moving forward include:

- Disruption in the US fashion retail industry which is adversely affecting key customers;
- Loss of two large key customers which accounted for 30% to 40% of revenue; and
- Sustained cost pressures arising from labour shortage in the Cincinnati area.

A turnaround business plan is being executed by management. In the plan, TradeGlobal's prospects have been rebased given the structural changes.

Management will focus on extracting post-acquisition synergies from the network and capabilities of SingPost's eCommerce units. Under financial reporting standards, the value-in-use computation for purpose of impairment testing has not included these potential synergistic benefits.

eCommerce remains an important part of SingPost's strategy and provides us with the capability to offer end-to-end eCommerce Logistics solutions for customers.

Other impairment

The Group also recorded an impairment for Postea of S$20.5 million. The carrying value of the investment was no longer supported by the value-in-use as Postea's management had made material changes to its business projections.

Fair value gain/loss on investment properties, and property, plant & equipment

The Group recorded fair value gains on investment properties of S$108.7 million, mainly for SPC, where redevelopment of the retail section of the building is nearing completion.

The Group recorded an impairment charge of S$9.3 million on an industrial property at Toh Guan Road, reflecting the decline in current market valuation of the property against its carrying value.

Independent committee appointed

Following the announcement of the risk of significant impairment in the Q3 quarterly results, the Board formed an independent committee to conduct a thorough review of the circumstances surrounding SingPost's consideration and approval of the TradeGlobal acquisition. To assure stakeholders of the independence of the review, the committee comprises Ms Elizabeth Kong, Mrs Fang Ai Lian and Mr Bob Tan, independent directors all appointed to the Board after the acquisition of TradeGlobal.

The committee has engaged WongPartnership as legal counsel to assist and advise it on the review of the TradeGlobal acquisition. It has also engaged FTI Consulting to assess the adequacy of the financial and commercial due diligence performed in relation to the transaction.

The Board will update shareholders on the outcome of the review, and will seek legal advice on appropriate actions, if any, to be taken arising from the findings of the committee.

Other exceptional items

The Group recorded a gain on dilution of interest in 4PX of S$4.9 million and a fair value gain on warrants from GD Express of S$16.0 million.

Share of profit of associated companies and joint ventures

Share of profit of associated companies and joint ventures declined, largely due to share of losses from 4PX, which is incurring higher depreciation and other expenses as a result of business expansion.

Share of profits from GD Express declined due to a lower equity shareholding percentage following a partial divestment last year.

Net Profit and Underlying Net Profit

Net profit attributable to equity holders declined 86.6% to S$33.4 million for the full year as a result of exceptional items.

Excluding exceptional items, underlying net profit declined 24.7% from S$153.6 million to S$115.6 million for the full year. The decline were due to the impact of planned investments in building out our eCommerce Logistics platform such as the Regional eCommerce Logistics Hub, associates which are investing for growth, as well as higher losses in the US eCommerce business and a decline in Postal operating profit.

	Financial Year ended 31 March		
CASH FLOW	**2017 S$'000**	**2016 S$'000**	**Change %**
Net cash provided by operating activities	200,066	131,433	52.2
Net cash used in investing activities	(89,599)	(457,087)	80.4
Net cash provided by/(used in) financing activities	129,507	(131,846)	N.M.
Net increase/(decrease) in cash and cash equivalents	239,974	(457,500)	N.M.
Cash and cash equivalents at beginning of year	126,640	584,140	(78.3)
Cash and cash equivalents at end of year	366,614	126,640	189.5
Free cash flow	299	(148,309)	N.M.
Cash capital expenditure as a percentage of revenue	14.8%	24.3%	

N.M. Not meaningful

Operating activities

Net cash inflow from operating activities for the full year amounted to S$200.1 million, compared to S$131.4 million last year. Operating cash inflow before working capital changes was down S$8.0 million while working capital improved S$76.6 million due to lower receivables and higher trade and other payables largely for settlement of terminal dues.

Investing activities

Net cash outflow for investing activities was S$89.6 million, compared to S$457.1 million last year. Capital expenditure of S$199.8 million in the period comprised committed capital expenditures for the ongoing redevelopment of SPC retail mall and the construction of the Regional eCommerce Logistics Hub. This was partially offset by proceeds from the partial divestment of Quantium Solutions International.

Financing activities

Net cash inflow from financing activities was S$129.5 million, compared to net cash outflow of S$131.8 million last year, largely due to net proceeds from Alibaba Investment Limited for additional stake in SingPost and net proceeds from bank loans which have a positive carry.

Free cash flow

For the financial year ended 31 March 2017, the Group's free cash flow (operating cash flow less capital expenditure) was an inflow of S$299,000 versus an outflow of S$148.3 million in the previous financial year, as a result of lower capital expenditure in the financial year ended 31 March 2017.

REGULATORY

Unless otherwise defined in this Information Memorandum, all capitalised terms in this section shall have the meanings ascribed to them in the Postal Services Act and the Postal Competition Code.

The Issuer's provision of postal services in Singapore is regulated under the Postal Services Act, which is administered by the IMDA in respect of postal matters. Pursuant to the Postal Services Act, the IMDA has granted the Issuer a licence as a Public Postal Licensee.

The Issuer was granted a 25-year Postal Licence on 1 April 1992 by the then Info-communications Development Authority of Singapore, with a 15-year exclusive right to convey by post between places in Singapore, and between places in Singapore and places outside Singapore, whether by land, by sea or by air, all letters and postcards, and to perform all the incidental services of receiving, collecting, sending, dispatching and delivering of all letters and postcards i.e. basic mail services.

On 31 March 2007, the Issuer's monopoly in the basic mail services market came to an end with the Government's decision to liberalise the postal industry on 1 April 2007. Industry players interested in providing domestic and international basic mail services in Singapore are required to first obtain a licence from the then IDA.

With effect from 1 April 2017, the Issuer's Postal Licence was renewed for a 20-year period.

The Basic Letter Services cover the conveyance of letters weighing 500g and below. Letters as defined in the Postal Services Act excludes books, catalogues, newspapers, and periodicals. The conveyance of direct mail will also be exempted from licensing.

As a Public Postal Licensee, the Issuer will be required to perform a set of prescribed functions relating to the provision of postal services in Singapore determined by the IMDA, including:

- the provision of services for the conveyance and delivery of letters to any person in Singapore who requests for such services; and
- the provision and maintenance of posting boxes and post offices throughout Singapore.

To protect consumers' interests and to preserve mail integrity and security, the IMDA will continue to grant the Issuer the following:

- access to letterbox masterdoor keys;
- the right to issue national stamps;
- the right to maintain the national postal code system; and
- the designated organisation representing Singapore at international and regional postal meetings.

Duty as a Dominant Licensee

As the Issuer has enjoyed an exclusive right to provide basic mail services prior to 1 April 2007, the IMDA deemed that at this material point in time, the Issuer has significant market power in the Basic Letter Services markets and has classified the Issuer as dominant in these markets from the outset. Nonetheless, the IMDA has reiterated that the dominant classification is not permanent and would be removed if the IMDA determines that a postal licensee no longer possesses significant market power.

Having been deemed a Dominant Licensee by the IMDA, the Issuer is required to fulfil its obligations under the Postal Competition Code issued by the IMDA, namely:

- Duty to provide Basic Letter Services at just and reasonable prices, terms and conditions;
- Duty to provide Basic Letter Services on a non-discriminatory basis;

- Duty to provide Basic Letter Services on an unbundled basis;
- Duty to file tariffs;
- Duty to publish tariffs; and
- Duty to provide Basic Letter Services consistent with effective tariffs.

At the same time, a Dominant Licensee that has significant market power in any market, whether in Singapore or elsewhere, must not use its dominant position in that market in a manner that unreasonably restricts, or is likely to unreasonably restrict, competition in any Basic Letter Services market in Singapore. In addition, a Dominant Licensee must not engage in conduct that constitutes an unfair method of competition.

Duty as a Mandated Licensee

The IMDA has also designated the Issuer to be a Mandated Licensee at this material point in time, as the Issuer has been classified as a postal licensee who controls facilities that are required as an input for the provision of a Basic Letter Service and/or Direct Mail Service, and that replicating the facilities or obtaining the use of such facilities through other means, is infeasible or sufficiently costly or difficult that requiring other Licensees to do so would create a significant barrier to entry.

Other Licensees may obtain a Mandated Service from the Issuer to provide any Basic Letter Service and/or Direct Mail Service (of up to 500g) to recipients in Singapore. Therefore, having been designated a Mandated Licensee, the Issuer is required to provide Mandated Services to other Licensees, or to provide "downstream delivery service" to the Issuer's delivery network to facilitate access to Recipients at the following access points:

(a) at its central mail sorting centre; and

(b) premises at which its post office boxes or mail boxes are located.

The Issuer can provide the Mandated Services to the other Licensees through two types of Network Access Agreements: (i) a Reference Access Offer (a standard offer pre-approved by the IMDA), or (ii) an Individualised Access Agreement (a commercial agreement between parties). For any Network Access Agreement entered into by the Issuer, it is required to publish on its website a summary of the agreement or the entire Network Access Agreement.

In this regard, the IMDA has established a standard set of access prices, terms and conditions based on the following standards:

(i) for delivering homogeneous and/or pre-sorted domestic mail, the access prices for new entrants shall be no less favourable than the discounted charges given by the Issuer to its existing own bulk mailers;

(ii) for delivering other unsorted and heterogeneous domestic mail, the access prices will be determined using the standard of retail price for delivery of such mail minus avoidable costs, taking into account the extra handling costs for heterogeneous mail; and

(iii) for delivering incoming international mail to recipients in Singapore, the access prices will be determined using the UPU Terminal Dues system as reference points.

Although the Issuer is subject to regulation by the IMDA as a Public Postal Licensee, many of its business lines operate in a non-regulated market, including the express delivery market.

IMDA

The IMDA is a statutory board that was established under the Info- communications Media Development Authority of Singapore Act 2016, Act 22 of 2016 (the "**IMDA Act**"). The IMDA is the regulatory authority principally responsible for administering the Postal Services Act, with the power to grant, modify and suspend licences, and to give directions, issue codes of practice and standards of performance.

Postal Services Licensing Framework

Power to Grant Licence

The Postal Services Act confers on the IMDA, which has been appointed to be the Postal Authority, the exclusive privilege to convey from one place to another letters and to perform all incidental services of receiving, collecting, sorting, sending, dispatching and delivering letters as well as the right (subject to Ministerial consent or in accordance with the terms of a Ministerial general authority) to grant licences in respect of all such services. The IMDA may, subject to Ministerial approval, designate any postal licensee as a Public Postal Licensee to perform all or any of the functions relating to the provision of postal services within the exclusive privilege of the IMDA under the Postal Services Act.

Power to Establish Licence Conditions

A licence granted by the IMDA may be granted either to any person, class of persons or a particular person and may include conditions requiring the licensee:

(a) to enter into agreements or arrangements with any person, class of persons or another postal licensee for:

   (i) the interconnection of, and access to, postal systems;

   (ii) the sharing of installation or plant used for posts belonging to any postal licensee; and

   (iii) such other purpose as may be specified in the licence,

   on such terms and conditions as may be agreed to by the licensee and such other persons or licensees or, in default of agreement, as may be determined by the IMDA;

(b) to pay to the IMDA a licence fee(s);

(c) to comply with any direction given by the IMDA as to such matters as are specified in the licence;

(d) to comply with codes of practice and standards of performance that are applicable to the licensee; and

(e) to do or not to do such things as are specified in the licence or are of a description so specified.

Modification of Licence Conditions

The IMDA may modify the conditions of any licence to provide postal services which has been granted pursuant to the Postal Services Act. However, before making modifications to the conditions of a licence of a Public Postal Licensee, the IMDA must give notice to the licensee stating that it proposes to make the modifications in the manner as specified in the notice and the compensation payable for any damage caused thereby. The notice must also specify the time (not being less than 28 days from the date of service of notice on such licensee) within which written representations with respect to the proposed modifications may be made.

Upon receipt of any such written representation, the IMDA must consider such representation and may reject the representation or amend the proposed modifications or compensation payable in accordance with the representation, or otherwise. In either event, the IMDA will thereupon issue a direction in writing to such licensee requiring that effect be given to the proposed modifications specified in the notice or to such modifications as subsequently amended by the IMDA within a reasonable time.

If no written representation is received by the IMDA within the specified time or if any written representation is subsequently withdrawn, the IMDA may forthwith carry out the modifications as specified in its notice.

Suspension or Cancellation of Licence

If the IMDA is satisfied that a postal licensee is contravening, or has contravened, any of its licence conditions, any provision of any code of practice or standard of performance, or any direction of the IMDA, the IMDA may, by notice in writing, issue such written order to the person as it considers requisite for the purpose of securing compliance thereof and/or require the payment within a specified period of a financial penalty.

Where the IMDA is satisfied that (i) any such postal licensee is again likely to so contravene, (ii) any such postal licensee has gone into liquidation other than for the purpose of amalgamation or consolidation, (iii) any such postal licensee is no longer in a position to comply with the provisions of the Postal Services Act or (iv) the public interest so requires, the IMDA may (in lieu of an order or financial penalty, or both), by notice in writing and without any compensation, do all or any of the following:

(a) cancel the licence or part thereof;

(b) suspend the licence or part thereof for such period as it thinks fit; and

(c) reduce the period for which the licence is to be in force.

Basic Obligations of Public Postal Licensee

As a Public Postal Licensee, the Issuer is required to convey, receive, collect, sort, send, dispatch and deliver letters within, from and to Singapore on the request of any person in Singapore. In addition, the Issuer is required by its Postal Licence to take all reasonable steps to provide any person in Singapore with international postal services in association with other postal administrations worldwide, unless the IMDA is satisfied that it would be unreasonable for it to do so. Under its Postal Licence, the Issuer is required to seek the prior written approval of the IMDA before making any changes to its licensable postal service.

As a Public Postal Licensee, the Issuer must also, subject to such directions as the IMDA may from time to time give, provide and maintain posting boxes and post offices throughout Singapore. The directions that are currently applicable to the Issuer include provisions relating to:

(a) the distance between two posting boxes; and

(b) the number and locations of post offices.

The terms of the Postal Licence of the Issuer include the following:

- the Issuer shall seek the IMDA's approval for any joint venture, association, contract or arrangement with a third party into which it intends to enter, the effect or purported effect of which would be to permit a person not originally a party to the licence to share in any benefit of, or otherwise gain any rights or privileges under, the licence, or which would otherwise result in a breach or circumvention of its Non-Transferability Obligation (as defined below);

- the Issuer shall seek the IMDA's prior written approval for the appointment of its Chairman, Board of Directors and Chief Executive Officer and provide the IMDA with details of its shareholding and management arrangements;

- the Issuer shall seek the IMDA's approval for any change (above 12%) in its ownership, shareholding or management arrangements which must be submitted to the IMDA for approval before such change is intended to be implemented;

- the Issuer shall not enter into agreement or arrangement which shall in any way unreasonably prevent or restrict competition in relation to the provision of any other postal services licensed or authorised by the IMDA;

- the Issuer shall not show undue preference towards, or exercise undue discrimination against, any person or class of persons in, amongst others, the price and performance characteristics of the postal services provided or the terms and conditions under which the postal services are provided, including giving undue preference to, or receiving unfair advantage from, a business carried on by the Issuer or its associated or affiliated company, service or person;

- the Issuer shall, where required by the IMDA, participate in any emergency activity in collaboration with other relevant agencies, organisations and Singapore Government ministries and departments, in accordance with the written law in Singapore; and

- the Issuer shall not assign, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges under the licence except with the prior approval of the IMDA (the "**Non-Transferability Obligation**").

The approval of the IMDA is required for any change (above 12%) in the ownership or shareholding of the Issuer and consequently it has the power to restrict the transfer of shares of the Issuer.

Tariff Regulation

The IMDA's price control regulatory framework requires the Issuer to seek the IMDA's approval for any proposed change to the tariffs relating to certain postal services. Such proposed changes must be filed with the IMDA prior to the proposed implementation date and cannot be implemented without the written approval of the IMDA.

Dispute Resolution

In the event that the Issuer (as the Public Postal Licensee) fails to reach an agreement with other persons licensed by the IMDA on matters relating to the requirements of its Postal Licence or the Postal Services Act, the matter will be determined by the IMDA whose decision shall be binding on all parties concerned.

Postal Services Act

The Postal Services Act gives the IMDA the power to issue or approve and, from time to time, review codes of practice and standards of performance in connection with the operation of postal systems, the provision of postal services and the conduct of postal licensees in the provision of postal services.

Quality of Service Standards

The IMDA regulates the Issuer's performance by setting quality of service standards.

The Issuer must submit quarterly reports regarding its service quality to the IMDA. In this regard, monthly letter tests and audits are conducted by appointed independent assessors to measure these service standards and the results are submitted by the Issuer to the IMDA as required on a quarterly basis.

Pursuant to its powers under the Postal Services Act and the conditions of the Postal Licence granted to the Issuer, the IMDA has issued the following quality of service standards to be achieved by the Issuer with effect from 1 July 2012:

Delivery of local ordinary mail posted before 7.00 p.m. within the CBD and 5.00 p.m. outside CBD:

	Per cent.
Percentage of mail delivered outside CBD areas by next working day	98
Percentage of mail delivered within CBD areas by next working day	99
Percentage of mail delivered within/outside CBD areas by second working day	100
Percentage of registered mail delivered by second working day	100
Percentage of outgoing mail processed and connected to departing flights by next working day (subject to availability of flights)	100

Percentage of incoming mail received before 3.00 pm at Singapore Post Centre delivered by next working day:

	Per cent.
Mail delivered to areas outside CBD	98
Mail delivered to areas within CBD	99

In July 2012, IMDA revised the penalty framework for non-compliance with quality of service standards (QoS) to "up to S$50,000 per month per indicator".

International Settlement Rates

Singapore is a member of the UPU. The UPU is a specialised agency within the United Nations framework. It is responsible for the regulation of cross-border postal services and 192 countries are members of the UPU. The most important international provisions for cross-border postal services are established by the Universal Postal Convention, the agreement that regulates postal services among UPU members. The Universal Postal Convention is supplemented by the Postal Payment Services Regulations and Final Protocol, the Letter Post Regulations and Final Protocol and the Parcel Post Regulations and Final Protocol as well as various UPU Congress decisions and recommendations.

The UPU has established an international system for payments for international mail, known as the terminal dues settlement system. Terminal dues are the amount a postal administration charges foreign postal administrations for access to its delivery network. Prior to 2001, terminal dues were generally uniform flat rates unless countries opted to pay each other negotiated rates for bilateral mail flows. Rates were based on worldwide average cost and a worldwide average number of items per kilogram.

At its 2008 Congress, the UPU adopted changes to the terminal dues settlement system, which became effective on 1 January 2010.

These changes introduced a new country classification system (dependent on Gross National Income and Postal Factors) that will determine the level of remuneration between countries. There are current five country classification levels.

As Singapore is a member of the UPU, the Issuer is required to adhere to the various settlement rates prescribed in the Universal Postal Convention of the UPU. For international mail, the terminal dues settlement rates are reviewed and determined by all members of the UPU. With effect from 1 January 2018, there will be a new terminal dues system. Under this new system, there will be a separate rate for packages. The new rates are generally higher than letter-mail rates as it reflects the higher costs of processing and delivery. For express delivery (Speedpost), the settlement rates between two countries are mutually agreed and changes to the rates are made as and when necessary. Tariff settlements are made quarterly or annually.

The Issuer has also entered into bilateral agreements with other postal administrations. These commercial agreements provide alternative settlement rates to the UPU terminal dues settlement system.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds arising from the issue of Securities under the Programme (after deducting issue expenses) will be used for general corporate purposes of the Group, including financing potential acquisitions, strategic expansions, refinancing of borrowings, financing investments, general working capital and capital expenditure requirements of the Group or such other purposes as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

Clearing and Settlement under the Depository System

In respect of Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Securities that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Securities which are accepted for clearance by CDP, the entire issue of the Securities is to be held by CDP in the form of a Global Security or a Global Certificate for persons holding the Securities in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Securities through the Depository System may only be effected through certain corporate depositors ("**Depository Agents**") approved by CDP under the SFA to maintain securities sub-accounts and to hold the Securities in such securities sub-accounts for themselves and their clients. Accordingly, Securities for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Securities in direct securities accounts with CDP, and who wish to trade Securities through the Depository System, must transfer the Securities to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the relevant Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

TAXATION

A. SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the IRAS and MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Securities are advised to consult their own tax advisers as to the Singapore or other tax consequences of the purchase, ownership or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arrangers, the Dealers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

In addition, the disclosure under "Taxation – A. Singapore Taxation" below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as "debt securities" for the purposes of the ITA and that distribution payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA or that distribution payments made under each tranche of the Perpetual Securities are not regarded as interest payable on indebtedness and holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Prospective holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. The applicable rate for non-resident individuals is currently 22.0 per cent.

However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole is arranged by Credit Suisse (Singapore) Limited and DBS Bank Ltd., each of which is a Financial Sector Incentive (Standard Tier) or Financial Sector Incentive (Capital Market) Company (as defined in the ITA) at such time, any tranche of the Securities ("**Relevant Securities**") issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2018 would be qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Securities derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require), Qualifying Income from the Relevant Securities derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and

(ab) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require,

payments of Qualifying Income derived from the Relevant Securities are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities of such tranche are issued to fewer than four persons and 50.0 per cent. or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Securities would not qualify as QDS; and

(B) even though a particular tranche of Relevant Securities are QDS, if, at any time during the tenure of such tranche of Relevant Securities, 50.0 per cent. or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Securities held by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "prepayment fee", "redemption premium" and "break cost" are defined in the ITA as follows:

"**prepayment fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;

"**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

"**break cost**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme ("**QDS Plus Scheme**"), subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the QDS in the prescribed format within such period as MAS may specify and such other particulars in connection with the QDS as MAS may require), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:

(a) are issued during the period from 16 February 2008 to 31 December 2018;

(b) have an original maturity of not less than 10 years;

(c) cannot have their tenure shortened to less than 10 years from the date of their issue, except where –

  (i) the shortening of the tenure is a result of any early termination pursuant to certain specified early termination clauses which the issuer included in any offering document for such QDS; and

  (ii) the QDS do not contain any call, put, conversion, exchange or similar option that can be triggered at specified dates or at specified prices which have been priced into the value of the QDS at the time of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Securities are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Securities, 50.0 per cent. or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income from such Relevant Securities derived by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or who are required to apply the Financial Reporting Standard ("**FRS**") 39 or FRS 109, may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39 or FRS 109. Please see the section below on "Adoption of FRS 39 and FRS 109 Treatment for Singapore Income Tax Purposes".

3. Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39".

FRS 109 is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109, subject to certain exceptions.

Holders of the Securities who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

B. FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (the "**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions, including Singapore, have entered into, or have agreed in substance to, IGAs, which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs as to instruments such as Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Securities, such withholding would not apply prior to 1 January 2019 and Securities issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Securities that are not distinguishable from previously issued Securities are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Securities, including the Securities offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Securities to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The Issuer may also from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third party commissions (including, without limitation, rebates to private bank investors in the Securities). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Securities from the Issuer pursuant to the Programme Agreement.

United States

The Securities have not been and will not be registered under the Securities Act, and the Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act ("**Regulation S**").

Bearer Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Securities, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable Tranche of which such Securities are a part, as determined and certified to the relevant Paying Agent by such Dealer (or, in the case of an identifiable Tranche of Securities sold to or through more than one Dealer, by each of such Dealers with respect to Securities of an identifiable Tranche purchased by or through it, in which case the relevant Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Securities, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering of such Securities) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration requirements under the Securities Act.

United Kingdom

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(i) in relation to any Securities which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

European Economic Area: Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

(i) if the Pricing Supplement in relation to the Securities specifies that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such offering circular has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the relevant Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (ii) to (iv) above shall require the relevant Issuer or any Dealer to publish an offering circular pursuant to Article 3 of the Prospectus Directive or supplement an offering circular pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "**an offer of Securities to the public**" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged that this Information Memorandum has not been and will not registered as a prospectus with MAS. Accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the "**Financial Instruments and Exchange Act**"). Accordingly, each of the Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Australia

Each Dealer represents and agrees and each further Dealer appointed under the Programme will be required to represent and agree that no prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "**Corporations Act**")) in relation to the Programme or any Securities has been or will be lodged with the Australian Securities and Investments Commission ("**ASIC**") or the Australian stock exchange operated by ASX Limited (ABN 98 008 624 691) ("**ASX Limited**"). Each Dealer represents and agrees that it:

(i) has not offered, and will not offer for issue or sale and has not invited, and will not invite applications, for issue, or offers to purchase, the Securities in Australia (including an offer or invitation which is received by a person in Australia); and

(ii) has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive offering circular, advertisement or other offering material relating to the Securities in Australia,

unless:

(a) the aggregate consideration payable by each offeree or invitee is at least A$500,000 (or its equivalent in other currencies, but disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to the investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act;

(b) the offer or invitation does not constitute an offer or invitation to a “retail client” for the purposes of section 761G of the Corporations Act;

(c) such action complies with all applicable laws, regulations and directives; and

(d) does not require any document to be lodged with ASIC or ASX Limited.

General

No action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Information Memorandum or any other document or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Securities or any interest therein or rights in respect thereof or has in its possession or distributes this Information Memorandum, any Pricing Supplement and any other document in connection with the offer or sale, or invitation for subscription or purchase, of the Securities. Other persons into whose hands this Information Memorandum or any Pricing Supplement comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Securities or possess, distribute or publish this Information Memorandum or any Pricing Supplement or any related offering material, in all cases at their own expense.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Securities or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL AND OTHER INFORMATION

INFORMATION ON SHAREHOLDING AND SHARE CAPITAL

1. As at the Latest Practicable Date, the share capital of the Issuer comprises ordinary shares. The rights and privileges attached to the Shares are stated in the Constitution of the Issuer. The voting rights of the shareholders of the Issuer are set out in the Constitution of the Issuer.

2. As at the Latest Practicable Date, the issued share capital of the Issuer is as follows:

Share Designation	**Issued and Paid-Up Share Capital**	
	(no.)	**(S$)**
Ordinary shares*	2,275,089,525	628,393,841.32

*including 10,281,605 treasury shares valued at S$13,135,441.27

3. The substantial shareholders of the Issuer in the Shares as at the Latest Practicable Date are as follows:

	Direct Interest		**Deemed Interest**	
Substantial Shareholders	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**
Temasek Holdings (Private) Limited	–	–	498,780,522(2)	22.02
Singapore Telecommunications Limited	494,000,000	21.81	–	–
Alibaba Investment Limited	327,649,907	14.47	–	–
Alibaba Group Holding Limited	–	–	327,649,907(3)	14.47
SoftBank Group Corp.	–	–	327,649,907(4)	14.47

Notes

(1) Total number of Shares issued (excluding treasury shares) as at the Latest Practicable Date is 2,264,807,920.

(2) Deemed through its subsidiaries, Singapore Telecommunications Limited, ST Asset Management Ltd, and its associated company, DBS Group Holdings Ltd.

(3) Deemed through its subsidiary, Alibaba Investment Limited.

(4) Deemed through Alibaba Group Holding Limited which is the holding company of Alibaba Investment Limited.

4. Other than Shares issued pursuant to the exercise by employees of share options granted under the Singapore Post Share Option Scheme and the Shares issued to Alibaba, no shares in, or debentures of, the Issuer have been issued or are proposed to be issued, as fully or partly paid up, for cash or for a consideration other than cash, within the two years preceding the date of this Information Memorandum.

5. Save for the options and share awards which may be granted under the Singapore Post Share Option Scheme and the Restricted Share Plan respectively, as at the date of this Information Memorandum, no shares in, or debentures of, the Issuer are under option or agreed conditionally or unconditionally to be put under option and no person has been, or is entitled to be, given an option to subscribe for any shares in, or debentures of, the Issuer.

BORROWINGS

6. Save as disclosed in Appendix III to this Information Memorandum, the Group had, as at 31 March 2017, no other material borrowings or material indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

7. After taking into account the banking facilities and debt financing presently available to the Group and cash flows from the Group's operations and the net proceeds of the issue of the Securities, the Group will have adequate working capital for its present requirements.

LITIGATION

8. To the best of the knowledge of the Issuer, having made all reasonable enquiries, there are no legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the last 12 months prior to the date of this Information Memorandum, a material adverse effect on the financial position or business of the Issuer and/or its subsidiaries taken as a whole.

MATERIAL ADVERSE CHANGE

9. There has been no material adverse change in the financial condition or business of the Issuer or the Group since 31 March 2017.

AUDITOR'S CONSENT

10. PricewaterhouseCoopers LLP and Deloitte & Touche LLP have each given and have not withdrawn their respective written consents to the issue of this Information Memorandum with the references herein to their respective names and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

11. Copies of the following documents may be inspected at the registered office of the Issuer at 10 Eunos Road 8, Singapore Post Centre, Singapore 408600 during normal business hours for a period of six months from the date of this Information Memorandum:

    (a) the Constitution of the Issuer;

    (b) the Trust Deed;

    (c) the letters of consent referred to in paragraph 10 above; and

    (d) the audited financial statements of the Issuer and its subsidiaries for the financial years ended 31 March 2016 and 31 March 2017 respectively.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

12. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

AUDITED FINANCIAL STATEMENTS OF SINGAPORE POST LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

The information in this Appendix II has been extracted and reproduced from the audited financial statements of Singapore Post Limited and its subsidiaries for the financial year ended 31 March 2016 and has not been specifically prepared for inclusion in this Information Memorandum and references to the page numbers herein are to those as reproduced from the annual report for the financial year ended 31 March 2016.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SINGAPORE POST LIMITED

We have audited the accompanying financial statements of Singapore Post Limited (the "Company") and its subsidiaries (the "Group") set out on pages 90 to 214, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 March 2016, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

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 subsidiaries incorporated in Singapore, of which we are the auditor, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 11 May 2016

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	Group 2016 S$'000	Group 2015 S$'000
Revenue	4	**1,151,542**	919,582
Other income and gains (net)			
– Rental and property-related income	4	**39,373**	43,890
– Miscellaneous	4	**121,193**	6,593
Fair value gains on investment properties	20	**–**	5,163
Labour and related expenses	5	**(300,444)**	(263,138)
Volume-related expenses	6	**(535,425)**	(366,474)
Administrative and other expenses	7	**(145,801)**	(111,356)
Depreciation and amortisation		**(31,886)**	(34,545)
Selling expenses		**(10,025)**	(9,486)
Finance expenses	8	**(10,365)**	(4,370)
Total expenses		**(1,033,946)**	(789,369)
Share of profit of associated companies and joint ventures		**9,066**	6,660
Profit before income tax		**287,228**	192,519
Income tax expense	9	**(34,189)**	(32,963)
Total profit		**253,039**	159,556
Profit attributable to:			
Equity holders of the Company		**248,910**	157,611
Non-controlling interests		**4,129**	1,945
		253,039	159,556
Earnings per share attributable to ordinary shareholders of the Company	10		
– Basic		**10.86 cents**	6.85 cents
– Diluted		**10.83 cents**	6.81 cents

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Group	
	2016	2015
	S$'000	S$'000
Total profit	**253,039**	159,556
Other comprehensive (loss)/gain (net of tax):		
Items that may be reclassified subsequently to profit or loss:		
Available for sale financial assets:		
– Fair value losses	**(637)**	(419)
Currency translation differences:		
– Losses	**(18,913)**	(1,387)
– Transfers to profit or loss arising from consolidation	**(2,026)**	–
Revaluation gain on property, plant and equipment upon transfer to investment properties	**20,029**	5,145
Other comprehensive (loss) / income for the year (net of tax)	**(1,547)**	3,339
Total comprehensive income for the year	**251,492**	162,895
Total comprehensive income attributable to:		
Equity holders of the Company	**246,794**	161,388
Non-controlling interests	**4,698**	1,507
	251,492	162,895

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

BALANCE SHEETS

AS AT 31 MARCH 2016

	Note	Group		Company	
		2016	2015	**2016**	2015
		S$'000	S$'000	**S$'000**	S$'000
			(Restated)		
ASSETS					
Current assets					
Cash and cash equivalents	11	**126,640**	584,140	**49,626**	477,045
Financial assets	12	**8,127**	21,878	**7,780**	21,531
Trade and other receivables	13	**210,287**	164,054	**194,719**	178,644
Derivative financial instruments	14	**846**	–	**846**	–
Inventories		**4,499**	6,298	**367**	484
Other current assets	15	**17,206**	21,220	**4,915**	5,573
		367,605	797,590	**258,253**	683,277
Non-current assets					
Financial assets	12	**38,083**	12,718	**37,832**	12,651
Trade and other receivables	16	**5,351**	4,776	**563,193**	152,016
Investments in associated companies and joint ventures	18	**146,401**	105,106	**14,348**	26,080
Investments in subsidiaries	19	**–**	–	**356,229**	292,890
Investment properties	20	**745,844**	638,818	**760,842**	633,826
Property, plant and equipment	21	**517,376**	329,984	**241,943**	250,286
Intangible assets	22	**583,193**	316,642	**227**	263
Deferred income tax assets	26	**5,544**	4,541	**–**	–
Other non-current assets	15	**6,408**	551	**–**	–
		2,048,200	1,413,136	**1,974,614**	1,368,012
Total assets		**2,415,805**	2,210,726	**2,232,867**	2,051,289

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

BALANCE SHEETS

AS AT 31 MARCH 2016

	Note	Group		Company	
		2016	2015	**2016**	2015
		S$'000	S$'000	**S$'000**	S$'000
			(Restated)		
LIABILITIES					
Current liabilities					
Trade and other payables	23	**385,712**	352,068	**274,432**	261,936
Current income tax liabilities	9	**35,918**	35,318	**29,950**	29,704
Deferred income	25	**7,268**	6,961	**7,268**	6,961
Derivative financial instruments	14	**801**	3,718	**759**	3,718
Borrowings	24	**71,090**	16,947	**33,000**	–
		500,789	415,012	**345,409**	302,319
Non-current liabilities					
Trade and other payables	23	**30,190**	10,688	**–**	–
Borrowings	24	**209,182**	221,380	**203,044**	203,749
Deferred income	25	**56,785**	59,569	**56,785**	59,569
Deferred income tax liabilities	26	**57,356**	36,340	**19,199**	17,278
		353,513	327,977	**279,028**	280,596
Total liabilities		**854,302**	742,989	**624,437**	582,915
NET ASSETS		**1,561,503**	1,467,737	**1,608,430**	1,468,374
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	27	**448,775**	429,980	**448,775**	429,980
Treasury shares	27	**(2,116)**	(2,831)	**(2,116)**	(2,831)
Other reserves	29	**7,258**	7,448	**34,713**	5,802
Retained earnings	30	**749,647**	682,639	**780,232**	688,597
		1,203,564	1,117,236	**1,261,604**	1,121,548
Perpetual securities	28	**346,826**	346,826	**346,826**	346,826
		1,550,390	1,464,062	**1,608,430**	1,468,374
Non-controlling interests		**11,113**	3,675	**–**	–
Total equity		**1,561,503**	1,467,737	**1,608,430**	1,468,374

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	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
2016										
Balance at 1 April 2015		**429,980**	**(2,831)**	**682,639**	**7,448**	**1,117,236**	**346,826**	**1,464,062**	**3,675**	**1,467,737**
Transfer to statutory reserves		**–**	**–**	**(2)**	**2**	**–**	**–**	**–**	**–**	**–**
Acquisition of subsidiaries	36	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,740**	**2,740**
Distribution paid on perpetual securities	28	**–**	**–**	**–**	**–**	**–**	**(14,915)**	**(14,915)**	**–**	**(14,915)**
Dividends	31	**–**	**–**	**(166,985)**	**–**	**(166,985)**	**–**	**(166,985)**	**–**	**(166,985)**
Total comprehensive income for the year		**–**	**–**	**233,995**	**(2,116)**	**231,879**	**14,915**	**246,794**	**4,698**	**251,492**
		429,980	**(2,831)**	**749,647**	**5,334**	**1,182,130**	**346,826**	**1,528,956**	**11,113**	**1,540,069**
Employee share option scheme:										
– Value of employee services	29(b)(i)	**–**	**–**	**–**	**4,053**	**4,053**	**–**	**4,053**	**–**	**4,053**
– New shares issued	27	**18,795**	**–**	**–**	**(1,414)**	**17,381**	**–**	**17,381**	**–**	**17,381**
– Treasury shares re-issued	27	**–**	**715**	**–**	**(715)**	**–**	**–**	**–**	**–**	**–**
Balance at 31 March 2016		**448,775**	**(2,116)**	**749,647**	**7,258**	**1,203,564**	**346,826**	**1,550,390**	**11,113**	**1,561,503**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	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
2015										
Balance at 1 April 2014 as previously reported		129,082	(35,346)	250,700	2,402	346,838	346,826	693,664	2,168	695,832
Effect of the change in accounting for investment properties		–	–	417,331	1,290	418,621	–	418,621	–	418,621
As restated		129,082	(35,346)	668,031	3,692	765,459	346,826	1,112,285	2,168	1,114,453
Distribution paid on perpetual securities	28	–	–	–	–	–	(14,874)	(14,874)	–	(14,874)
Dividends	31	–	–	(128,129)	–	(128,129)	–	(128,129)	–	(128,129)
Total comprehensive income for the year		–	–	142,737	3,777	146,514	14,874	161,388	1,507	162,895
		129,082	(35,346)	682,639	7,469	783,844	346,826	1,130,670	3,675	1,134,345
New shares issued	27	280,621	–	–	–	280,621	–	280,621	–	280,621
Treasury shares re-issued	27	–	31,915	–	–	31,915	–	31,915	–	31,915
Employee share option scheme:										
– Value of employee services	29(b)(i)	–	–	–	2,582	2,582	–	2,582	–	2,582
– New shares issued	27	20,277	–	–	(2,022)	18,255	–	18,255	–	18,255
– Treasury shares re-issued	27	–	600	–	(581)	19	–	19	–	19
Balance at 31 March 2015		429,980	(2,831)	682,639	7,448	1,117,236	346,826	1,464,062	3,675	1,467,737

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	Group 2016 S$'000	Group 2015 S$'000 (Restated)
Cash flows from operating activities			
Total profit		**253,039**	159,556
Adjustments for:			
– Income tax expense		**34,189**	32,963
– Depreciation and amortisation – net		**25,865**	23,618
– Fair value gain on investment properties		**–**	(5,163)
– Net gain on disposals of investments, property, plant and equipment		**(109,856)**	(700)
– Share option expense		**4,053**	2,582
– Interest expense		**7,766**	6,283
– Interest income		**(4,268)**	(3,864)
– Share of profit of associated companies and joint ventures		**(9,066)**	(6,660)
– Write-off of intangible assets		**256**	6,464
		(51,061)	55,523
Operating cash flow before working capital changes		**201,978**	215,079
Changes in working capital, net of effects from acquisition and disposal of subsidiaries			
– Inventories		**332**	(1,223)
– Trade and other receivables		**(28,397)**	1,333
– Trade and other payables		**(11,975)**	55,266
Cash generated from operations		**161,938**	270,455
Income tax paid		**(30,582)**	(35,453)
Net cash provided by operating activities		**131,356**	235,002

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	Group	
		2016	2015
		S$'000	S$'000
			(Restated)
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	36	**(272,403)**	(119,766)
Additions to property, plant and equipment and investment properties		**(279,742)**	(104,414)
Disposal of subsidiaries, net of cash disposed of	11	**50,962**	–
Investment in associated companies and joint ventures		**(49,430)**	(911)
Dividend received from associated companies		**2,167**	911
Interest received		**4,782**	8,252
Loan to an associated company		**(1,360)**	(14,187)
Payment relating to purchase of assets		**(250)**	–
Proceeds from partial divestment of an associated company		**78,910**	–
Proceeds from disposal of property, plant and equipment		**1,553**	11,020
Proceeds from sale of financial assets		**15,294**	–
Proceeds from maturity of financial assets, held-to-maturity		**19,250**	6,000
Purchase of financial assets, held-to-maturity		**(28,321)**	(23,340)
Repayment of loans by associated companies		**1,578**	518
Net cash used in investing activities		**(457,010)**	(235,917)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**17,381**	298,876
Proceeds from re-issuance of treasury shares		**–**	31,932
Proceeds from bank loans		**296,029**	4,290
Repayment of bank loans		**(254,912)**	(4,355)
Interest paid		**(8,444)**	(7,115)
Dividends paid to shareholders		**(166,985)**	(128,129)
Distribution paid to perpetual securities		**(14,915)**	(14,874)
Net cash (used in)/provided by financing activities		**(131,846)**	180,625
Net (decrease)/increase in cash and cash equivalents		**(457,500)**	179,710
Cash and cash equivalents at beginning of financial year	11	**584,140**	404,430
Cash and cash equivalents at end of financial year	11	**126,640**	584,140

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

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

The Group acquired control of the following companies during the financial year (Note 36):

- Rotterdam Harbour Holding B.V. – The principal activities are general freight forwarder.
- Store Friendly Self Storage Group Pte Ltd – The principal activities are providing personal and business storage facilities services in Singapore.
- TG Acquisition Corporation and its subsidiaries ("TG Group") – The principal activities are a provider of integrated eCommerce enablement solutions, including fulfillment, customer care, logistics, web development, software and marketing services for the fashion retail industry.
- Jagged Peak, Inc. – The principal activities are eCommerce logistics enabler for high-velocity consumer products.

As at 31 March 2016, the Group and Company's current liabilities exceeded their current assets by $133,184,000 and $87,156,000 respectively. This was largely due to the deployment of cash under current assets into investments and property, plant and equipment under non-current assets. The financial statements have been prepared on a going concern basis as the net current liability position is expected to improve from plans to divest non-core assets and refinancing short term borrowings into long term borrowings.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

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

Interpretations and amendments to published standards effective in 2016

On 1 April 2015, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Revenue for the Group represents the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's business. Revenue is presented net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. It takes into account the gross income received and receivable from revenue sharing arrangements entered into with overseas postal administrations in respect of mail traffic exchanged.

The Group assesses its role as an agent or principal for each transaction and in an agency arrangement, the amounts collected on behalf of the principal are excluded from revenue. The Group recognises revenue when the amount of revenue and related costs can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Sales of goods and services – Mail and Logistics related

Revenue from sale of goods is recognised when there is transfer of risks and rewards of ownership to the customer, which generally coincides with their delivery and acceptance.

Revenue from the rendering of services is recognised when the services are rendered. Where services are provided over the period, revenue is recognised using the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Revenue recognition (continued)

(a) Sales of goods and services – Mail and Logistics related (continued)

Accrual for unearned revenue is made for stamps which have been sold, but for which services have not been rendered as at the balance sheet date. This accrual is classified as advanced billings under trade and other payables.

Deferred income relates to amounts received with respect to postassurance collaboration from AXA Life Insurance Singapore Private Limited ("AXA"). Deferred income is recognised in profit or loss on a straight-line basis over the period of 10 years till 19 January 2025.

(b) Sale of goods and services – eCommerce-related activities

Revenue from eCommerce-related activities comprises the fair value of the consideration received or receivable for the goods and services rendered, net of goods and services tax.

Sales are recognised when the Company has delivered the products to the customers, the customers have accepted the products and the collectability of the related receivables is reasonably assured. Sales are presented, net of goods and service tax, rebates and discounts.

(c) Rendering of service – freight forwarding

Revenue from the provision of freight forwarding services is recognised upon services being rendered.

Brokerage income, being net of costs of premium against premium income is recognised at the effective date of the related insurance policies. Brokerage on premium adjustments, including policy cancellations are recognised as they occur.

Interest income is recognised using the effective interest method.

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

Dividend income is recognised when the right to receive payment is established.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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. They are deconsolidated from the date on that control ceases.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions

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

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

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

Acquisition-related costs are expensed as incurred.

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

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill on acquisitions" for the subsequent accounting policy on goodwill.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(iii) Disposals of subsidiaries or businesses

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

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

Please refer to Note 2.7 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with the non-controlling equity owners of that subsidiary. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. The Group's joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

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

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 are included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associated companies' and joint ventures' post-acquisition profits or losses are 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 company or joint venture equals or exceeds its interest in the associated company or joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the associated company or joint venture.

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

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

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

Please refer to Note 2.7 for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Property, plant and equipment

(a) Measurement

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

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

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

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

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

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Property, plant and equipment (continued)

(d) *Disposal*

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

(e) *Transfer*

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

Please refer to Note 2.6 for the accounting policy on the transfer from investment properties to property, plant and equipment.

2.5 Intangible assets

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents 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, net of the fair values of the liabilities and any contingent liabilities assumed.

Goodwill on acquisition of subsidiaries and businesses prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

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

Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Intangible assets (continued)

(a) Goodwill on acquisitions (continued)

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

(b) Customer relationships

Customer relationships acquired in business combination are recognised at fair value at the acquisition date. The customer relationships have finite useful lives and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method over 7-18 years, which is the expected life of the customer relationships.

(c) Acquired licence

Licence fee represents a lump-sum fee paid to the Infocomm Development Authority of Singapore upon the granting of the postal licence. It is initially recognised at cost and is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the licence over the licence period of 25 years starting from year 1992.

(d) Acquired software licence

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

(e) Preferential rents

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Intangible assets (continued)

(f) Trademarked brands

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

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

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

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

2.6 Investment property

Investment properties include those portions of commercial buildings that are held for long term rental yields and / or for capital appreciation. Investment properties include properties that are being constructed or developed for future use as investment properties. Where there is a change in intention to hold existing investment properties for sale without development, such investment properties will continue to be classified as investment properties but within current assets, until they are derecognised.

Investment properties are initially recognised at cost and subsequently carried at fair value, representing open market values determined on an annual basis by directors based on independent professional valuations. Changes in fair values are recognised in the income statement. In determining the fair values, the valuers have used valuation techniques including the direct comparison method, capitalisation approach and / or discounted cash flows in arriving at the open market values.

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.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in the income statement. The cost of maintenance, repairs and minor improvement is recognised in the income statement when incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment property (continued)

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

2.7 Investments in subsidiaries, associated companies and joint ventures

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

2.8 Impairment of non-financial assets

(a) Goodwill

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

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

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of non-financial assets (continued)

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

Other intangible assets, property, plant and equipment, investment property 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 and loss.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Loans and receivables

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

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

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

2.10 Financial assets

(a) Classification

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets (continued)

(b) *Recognition and derecognition*

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

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

(c) *Initial measurement*

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

(d) *Subsequent measurement*

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

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

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

(e) *Impairment*

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets (continued)

(e) Impairment (continued)

(i) Loans and receivables / Held-to-maturity financial assets

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

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

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

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.10(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost, except for the borrowings that are designated in 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 balance sheet date are included in current borrowings in the balance sheet. Other borrowings with an unconditional right to defer settlement for at least twelve months after the balance sheet date are included in non–current borrowings in the balance sheet.

2.12 Trade and other payables

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

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

2.13 Derivative financial instruments and hedging activities

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Derivative financial instruments and hedging activities (continued)

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

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

Fair value hedge

The Group has entered into interest rate swaps that are fair value hedges for the fixed rate note and bonds. The fair value changes on the hedged item resulting from interest rate risk are recognised in profit or loss. The fair value changes on the effective portion of interest rate swaps designated as fair value hedges are recognised in profit or loss within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of interest rate swaps are recognised separately in profit or loss.

Net investment hedge

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Operating leases

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

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

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

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

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

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

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

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

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

2.15 Inventories

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Income taxes

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 by the balance sheet date.

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 measured:

(i) 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 balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

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 directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.17 Provisions

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Employee compensation

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

(a) Defined contribution plans

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

(b) Defined benefit plans

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

The liability recognised in the balance sheet 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 cost are amortised on a straight-line basis over the vesting period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Employee compensation (continued)

(c) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense in profit or loss with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, 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 share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

2.19 Currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Currency translation (continued)

(c) *Translation of Group entities' financial statements*

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

(i) Assets and liabilities are translated at the closing exchange rates at the date of the balance sheet;

(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 from January 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the date of the balance sheet.

2.20 Segment reporting

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

2.21 Cash and cash equivalents

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Share capital and treasury shares

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

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

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

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

2.23 Perpetual securities

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

2.24 Dividends to Company's shareholders

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

2.25 Government grants

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

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

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) Estimated impairment of non-financial assets

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

Other intangible assets, property, plant and equipment, investment property 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.

The recoverable amounts of these non-financial assets and where applicable, the cash-generating units to which they belong, have been determined based on higher of its value-in-use calculations or fair value less cost to sell. Value-in-use calculations require the use of estimates [Note 22(a)].

(b) Estimated residual values and useful lives of property, plant and equipment

The Group reviews the residual values and useful lives of property, plant and equipment at each balance sheet date based on factors such as business plans and strategies, expected level of usage and future technological developments. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the carrying value of property, plant and equipment. The net book value of property, plant and equipment at 31 March 2016 was S$517.4 million (2015: S$330.0 million). There were no significant revision to the estimated residual values and useful lives as at 31 March 2016 (2015: S$5.1 million).

(c) Use of indefinite useful assumption for trademarked brands

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

In connection with the annual impairment assessment of the indefinite useful life of the trademarked brand, the critical accounting judgement in respect of the indefinite useful life will also be reviewed.

4. REVENUE, OTHER INCOME AND OTHER GAINS (NET)

	Group	
	2016	2015
	S$'000	S$'000
Revenue from services rendered	**1,130,414**	904,805
Sale of products	**21,128**	14,777
Revenue	**1,151,542**	919,582
Other income and gains (net):		
– Rental and property-related income	**39,373**	43,890
Miscellaneous:		
– Interest income		
– Bank deposits	**3,051**	3,134
– Financial assets, held-to-maturity	**1,138**	599
– Others	**79**	131
	4,268	3,864
– Currency exchange gains/(losses) (net)	**4,493**	(718)
– Net (loss)/gain on disposal of property, plant and equipment	**(2,242)**	819
– Net gain on disposal of investments		
– Subsidiaries (Note 11)	**33,344**	–
– Associated company	**64,749**	–
– Financial assets	**14,005**	–
– Others	**2,576**	2,628
	116,925	2,729
Other income and other gains (net)	**160,566**	50,483
	1,312,108	970,065

5. LABOUR AND RELATED EXPENSES

	Group	
	2016	2015
	S$'000	S$'000
Wages and salaries	**206,385**	175,792
Employer's contribution to defined contribution plans including Central Provident Fund	**29,044**	23,771
Share options expense (Note 29(b)(i))	**4,053**	2,582
Other benefits	**9,897**	8,917
Temporary and contract staff cost	**58,961**	59,508
Government grant	**(7,896)**	(7,432)
	300,444	263,138

6. VOLUME-RELATED EXPENSES

	Group	
	2016	2015
	S$'000	S$'000
Traffic expenses	**340,360**	255,151
Outsourcing services and delivery expenses	**195,065**	111,323
	535,425	366,474

7. ADMINISTRATIVE AND OTHER EXPENSES

	Group	
	2016	2015
	S$'000	S$'000
Included in administrative and other expenses are the following:		
Professional services	**30,663**	17,842
Repair and maintenance expenses	**18,466**	15,269
Rental on operating leases	**34,605**	24,937

8. FINANCE EXPENSES

	Group	
	2016	2015
	S$'000	S$'000
Interest expense:		
– Fixed rate notes	**6,314**	6,729
– Bank borrowings	**1,452**	565
Effect of hedging using interest rate swaps	**–**	(1,011)
	7,766	6,283
Currency exchange losses/(gains) – net	**2,599**	(1,913)
	10,365	4,370

9. INCOME TAXES

(a) Income tax expense

	Group	
	2016	2015
	S$'000	S$'000
Tax expense attributable to profit is made up of:		
– Current income tax	**33,244**	32,858
– Deferred income tax (Note 26)	**1,900**	550
	35,144	33,408
Under/(over) provision in preceding financial years:		
– Current income tax	**(1,151)**	(716)
– Deferred income tax (Note 26)	**196**	271
	34,189	32,963

9. INCOME TAXES (continued)

(a) Income tax expense (continued)

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	
	2016	2015
	S$'000	S$'000
Profit before tax	**287,228**	192,519
Less: Share of profit of associated companies and joint ventures	**(9,066)**	(6,660)
Profit before tax and share of profit of associated companies and joint ventures	**278,162**	185,859
Tax calculated at a tax rate of 17% (2015: 17%)	**47,288**	31,596
Effects of:		
– Different tax rates in other countries	**1,069**	825
– Withholding tax deducted at source	**16**	59
– Singapore statutory stepped income exemption	**(222)**	(233)
– Tax incentive	**(1,016)**	(878)
– Income not subject to tax	**(20,696)**	(4,297)
– Expenses not deductible for tax purposes	**7,305**	5,571
– Utilisation of tax losses and capital allowances	**–**	(203)
– Deferred income tax assets not recognised	**1,400**	968
– Over provision in preceding financial years	**(955)**	(445)
Tax charge	**34,189**	32,963

9. INCOME TAXES (continued)

(b) Movement in current income tax liabilities

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**35,318**	37,372	**29,704**	32,162
Acquisition of subsidiaries (Note 36)	**(235)**	271	**–**	–
Disposal of subsidiaries	**(491)**	–	**–**	–
Currency translation difference	**(185)**	986	**–**	–
Income tax paid	**(30,582)**	(35,453)	**(24,417)**	(30,086)
Tax expense	**33,244**	32,858	**24,663**	27,628
Over provision in preceding financial Years	**(1,151)**	(716)	**–**	–
End of financial year	**35,918**	35,318	**29,950**	29,704

10. 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	
	2016	2015
Net profit attributable to equity holders of the Company (S$'000)	**248,910**	157,611
Less: Net profit attributable to perpetual securities holders of the Company (S$'000)	**(14,915)**	(14,874)
Net profit attributable to ordinary shareholders of the Company	**233,995**	142,737
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,154,955**	2,083,954
Basic earnings per share (cents per share)	**10.86**	6.85

(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.

10. EARNINGS PER SHARE (continued)

(b) Diluted earnings per share (continued)

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

Diluted earnings per share is calculated as follows:

	Group	
	2016	2015
Net profit attributable to equity holders of the Company (S$'000)	**248,910**	157,611
Less: Net profit attributable to perpetual securities holders of the Company (S$'000)	**(14,915)**	(14,874)
Net profit attributable to ordinary shareholders of the Company	**233,995**	142,737
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,154,955**	2,083,954
Adjustment for share options ('000)	**6,241**	11,424
Weighted average number of ordinary shares for diluted earnings per share ('000)	**2,161,196**	2,095,378
Diluted earnings per share (cents per share)	**10.83**	6.81

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Cash at bank and on hand	**123,184**	227,986	**46,717**	139,803
Deposits with financial institutions	**3,456**	356,154	**2,909**	337,242
	126,640	584,140	**49,626**	477,045

Acquisition and disposal of subsidiaries

Please refer to Note 36 for the effects of acquisitions of subsidiaries on the cash flows of the Group.

11. CASH AND CASH EQUIVALENTS (continued)

Acquisition and disposal of subsidiaries (continued)

On 20 May 2015, the Group disposed of its entire interest in Novation Solutions Limited for a cash consideration of S$25,459,000. The effects of the disposal on the cash flows of the Group were:

	Group 2016 $'000
Carrying amounts of assets and liabilities disposed of	
Cash and cash equivalents	9,953
Trade and other receivables	7,920
Property, plant and equipment	2,250
Investment in associated companies	6
Deferred tax assets	188
Inventory	1,862
Total assets	**22,179**
Trade and other payables	(1,927)
Current income liabilities	(20)
Deferred income tax liabilities	(69)
Total liabilities	**(2,016)**
Net assets derecognised	20,163
Less: Non-controlling interest	(736)
Net assets disposed of	**19,427**

The aggregate cash inflows arising from the disposal of Novation Solutions Limited were:

	Group 2016 $'000
Net assets disposed of (as above)	19,427
– Reclassification of currency translation reserve	(1,961)
	17,466
Gain on disposal	7,993
Cash proceeds from disposal	25,459
Less: Cash and cash equivalents in subsidiaries disposed of	(9,953)
Net cash inflow on disposal	**15,506**

11. CASH AND CASH EQUIVALENTS (continued)

Acquisition and disposal of subsidiaries (continued)

On 20 May 2015, the Group disposed of its entire interest in DataPost (HK) Pte Limited for a cash consideration of S$977,000. The effects of the disposal on the cash flows of the Group were:

	Group 2016 $'000
Carrying amounts of assets and liabilities disposed of	
Cash and cash equivalents	**388**
Trade and other receivables	**335**
Property, plant and equipment	**6**
Total assets	**729**
Trade and other payables	**(253)**
Total liabilities	**(253)**
Net assets derecognised	**476**
Net assets disposed of	**476**

The aggregate cash inflows arising from the disposal of DataPost (HK) Pte Limited were:

	Group 2016 $'000
Net assets disposed of (as above)	**476**
– Reclassification of currency translation reserve	**66**
	542
Gain on disposal	**435**
Cash proceeds from disposal	**977**
Less: Cash and cash equivalents in subsidiaries disposed of	**(388)**
Net cash inflow on disposal	**589**

11. **CASH AND CASH EQUIVALENTS** (continued)

Acquisition and disposal of subsidiaries (continued)

On 1 September 2015, the Group partially disposed 90% of its interest in its wholly-owned subsidiary, DataPost Pte Ltd for a cash consideration of S$44,516,000. The effects of the disposal on the cash flows of the Group were:

	Group
	2016
	$'000
Carrying amounts of assets and liabilities disposed of	
Cash and cash equivalents	**9,649**
Trade and other receivables	**20,800**
Property, plant and equipment	**4,012**
Investment in associated companies and joint venture	**2,975**
Total assets	**37,436**
Trade and other payables	**(12,458)**
Current income liabilities	**(471)**
Deferred income tax liabilities	**(462)**
Total liabilities	**(13,391)**
Net assets derecognised	**24,045**
Net assets disposed of	**24,045**

The aggregate cash inflows arising from the disposal of DataPost Pte Ltd were:

	Group
	2016
	$'000
Net assets disposed of (as above)	**24,045**
– Reclassification of currency translation reserve	**(83)**
– Professional fees incurred for sale	**199**
	24,161
Gain on disposal	**24,916**
	49,077
Less: Fair value of retained interest	**(4,561)**
Cash proceeds from disposal	**44,516**
Less: Cash and cash equivalents in subsidiaries disposed of	**(9,649)**
Net cash inflow on disposal	**34,867**

11. CASH AND CASH EQUIVALENTS (continued)

Acquisition and disposal of subsidiaries (continued)

The Group recognised a gain of S$2,511,000 as a result of measuring at fair value its equity interest of 10% in DataPost Pte Ltd retained after the disposal. The gain is included within "Other income and gains (net)" in the Group's consolidated income statement for the financial year ended 31 March 2016. Gains on disposal of DataPost Pte Ltd, Novation Solutions Limited and DataPost (HK) Pte Limited are allocated under the mail segment.

12. FINANCIAL ASSETS

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Current				
Financial assets, held-to-maturity				
– Bonds – quoted in Singapore	**4,272**	17,386	**4,272**	17,386
Financial assets, available- for-sale				
– Equity securities – quoted	**3,508**	4,145	**3,508**	4,145
– Equity instrument – unquoted	**347**	347	**–**	–
	8,127	21,878	**7,780**	21,531
Non-current				
Financial assets, held-to-maturity				
– Bonds – quoted in Singapore	**33,271**	11,362	**33,271**	11,362
– Equity instrument – unquoted	**–**	1,289	**–**	1,289
Financial assets, available-for-sale				
– Equity instrument – unquoted	**4,812**	67	**4,561**	–
	38,083	12,718	**37,832**	12,651

The bonds are corporate bonds at fixed rates between 2.7% to 4.8% per annum and due between 29 June 2016 and 29 August 2022.

12. FINANCIAL ASSETS (continued)

The fair values of the financial assets at the balance sheet date are as follows:

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Current				
Financial assets, held-to-maturity				
– Bonds – quoted in Singapore	**4,258**	17,353	**4,258**	17,353
Financial assets, available-for-sale				
– Equity security – quoted	**3,508**	4,145	**3,508**	4,145
– Equity instrument – unquoted	**347**	347	**–**	–
	8,113	21,845	**7,766**	21,498
Non-current				
Financial assets, held- to-maturity				
– Bonds – quoted in Singapore	**32,925**	11,398	**32,925**	11,398
– Equity instrument – unquoted	**–**	1,289	**–**	1,289
Financial assets, available-for-sale				
– Equity instrument – unquoted	**4,812**	67	**4,561**	–
	37,737	12,754	**37,486**	12,687

The fair values of quoted securities are based on published price quotations at the balance sheet date.

13. TRADE AND OTHER RECEIVABLES – CURRENT

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Trade receivables				
– Subsidiaries	**–**	–	**85,595**	88,128
– Joint ventures	**–**	208	**–**	–
– Associated company	**31,397**	9,398	**31,397**	9,398
– Companies related by a substantial shareholder	**3,248**	5,041	**3,248**	4,990
– Non-related parties	**148,784**	130,753	**55,907**	51,190
	183,429	145,400	**176,147**	153,706
Less: Allowance for impairment of receivables – non-related parties	**(5,390)**	(5,270)	**(1,741)**	(1,566)
Trade receivables – net	**178,039**	140,130	**174,406**	152,140
Loan to subsidiaries	**–**	–	**–**	23,377
Loan to associated companies	**19,509**	19,717	**17,600**	–
Less: Non-current portion (Note 16)	**(743)**	(543)	**–**	–
	18,766	19,174	**17,600**	23,377
Staff loans (Note 17)	**38**	39	**38**	39
Interest receivable	**276**	808	**272**	791
Other receivables	**13,168**	3,903	**2,403**	2,297
	210,287	164,054	**194,719**	178,644

The loan of S$1,275,000 (2015: S$2,117,000) to an associated company is unsecured and repayable in full by 30 November 2016. Interest is fixed at 1.5% (2015: 1.5%) per annum for the first three years and at 8.5% (2015: 8.5%) per annum thereafter.

The loan of S$634,000 (2015: NIL) to an associated company is unsecured and repayable on demand. Interest is fixed at 2.15% per annum.

Remaining loan of S$17,600,000 (2015: S$17,600,000) to an associated company is unsecured and is payable in full on demand. Interest is fixed at 1.5% (2015: 1.5%) per annum.

14. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract Notional amount 2016 S$'000	Fair value Assets/ (liabilities) 2016 S$'000	Contract Notional Amount 2015 S$'000	Fair value Assets/ (liabilities) 2015 S$'000
Group				
Net investment hedges				
Currency forwards	**30,303**	**784**	–	–
Other non-hedging derivatives				
Currency forwards	**81,767**	**(739)**	35,206	(3,718)
Total derivative financial instruments	**112,070**	**45**	35,206	(3,718)

	Contract Notional Amount 2016 S$'000	Fair value Assets/ (liabilities) 2016 S$'000	Contract Notional Amount 2015 S$'000	Fair value Assets/ (liabilities) 2015 S$'000
Company				
Net investment hedges				
Currency forwards	**30,303**	**826**	–	–
Other non-hedging derivatives				
Currency forwards	**76,908**	**(739)**	35,206	(3,718)
Total derivative financial instruments	**107,211**	**87**	35,206	(3,718)

14. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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 balance sheet date. The currency forwards have maturity dates that coincide within the expected occurrence of these transactions. Changes in fair value of the currency forwards not designated as hedging are recognised in profit or loss.

Currency forwards designated for hedging as net investment hedges are accounted for in accordance with Note 2.13.

The fair value of derivative financial instruments are shown on the balance sheet as follows:

	Group		Company	
	2016 S$'000	2015 S$'000	**2016 S$'000**	2015 S$'000
Assets:				
– Current	**846**	–	846	–
Liabilities				
– Current	**(801)**	(3,718)	(759)	(3,718)

15. OTHER CURRENT ASSETS

	Group		Company	
	2016 S$'000	2015 S$'000	**2016 S$'000**	2015 S$'000
Current				
Deposits	**6,531**	12,123	**2,362**	2,988
Prepayments	**10,675**	9,097	**2,553**	2,585
	17,206	21,220	**4,915**	5,573
Non-current				
Deposits	**6,408**	551	**–**	–

Included within non-current deposits is an escrow deposit of S$5,519,000 (2015: Nil) for the acquisition of a subsidiary.

16. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2016 S$'000	2015 S$'000	**2016 S$'000**	2015 S$'000
Loans to subsidiaries	**–**	–	**562,956**	151,772
Loan to an indirect associated company (Note 13)	**743**	543	**–**	–
Loan to a shareholder of a subsidiary	**4,371**	3,989	**–**	–
Staff loans (Note 17)	**237**	244	**237**	244
	5,351	4,776	**563,193**	152,016

Loan to a subsidiary of S$260,080,000 (2015: Nil) is non-trade related, unsecured and interest-free. Although there are no fixed terms of repayment, the loans are not expected to be repayable within the next twelve months. The loan is considered part of the Company's net investment in subsidiaries.

Loans to subsidiaries of S$48,229,000 (2015: S$17,372,000) are non-trade related, unsecured, interest bearing at SIBOR plus 1.2% per annum and will be repaid in full on 7 July 2017. The carrying amount of these loans approximate their fair value.

Loans to subsidiaries of S$254,647,000 (2015: S$134,400,000) are non-trade related, unsecured, interest bearing at 1.9% to 4.1% per annum and repayable in full on 14 July 2020. The fair value of the loans is S$248,494,000 (2015: S$134,400,000).

The loan to a shareholder of a subsidiary is unsecured, interest bearing at 1.3% to 1.7% per annum and repayable in full by 19 May 2019. The carrying amount of the loans approximate its fair value.

17. STAFF LOANS

	Group and Company	
	2016 S$'000	2015 S$'000
Not later than one year (Note 13)	**38**	39
Later than one year (Note 16)	**237**	244
– Between one and five years	**37**	93
– Later than five years	**200**	151
	275	283

As at balance sheet date, no loan was made to the key management personnel of the Group.

18. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

	Group		Company	
	2016 S$'000	2015 S$'000	**2016 S$'000**	2015 S$'000
Investments in associated companies (Note (a))	**146,401**	104,413	**14,348**	26,080
Investments in joint ventures (Note (b))	**–**	693	**–**	–
	146,401	105,106	**14,348**	26,080

(a) Associated companies

	Group		Company	
	2016 S$'000	2015 S$'000	**2016 S$'000**	2015 S$'000
Equity investment at cost			**14,348**	26,080
Beginning of financial year	**104,413**	97,168		
Acquisition of an associated company	**20,222**	–		
Additional investment in an associated company	**36,181**	911		
Partial disposal of an associated company	**(12,262)**	–		
Disposal of an associated company	**(2,142)**	–		
Share of profit	**9,031**	6,651		
Dividends received	**(2,167)**	(911)		
Currency translation differences	**(6,875)**	594		
End of financial year	**146,401**	104,413		

The Group's investments in associated companies include investments in listed associated companies with a carrying value of S$30,500,000 (2015: S$40,067,000), for which the published price quotations are S$100,683,000 (2015: S$194,615,000) at the balance sheet date, and classified within Level 1 of the fair value hierarchy.

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

Details of associated companies are disclosed in Note 39. In the opinion of the directors, these associated companies listed are individually immaterial to the Group.

18. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

(b) Joint ventures

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Equity investments at cost			**–**	–
Beginning of financial year	**693**	739		
Disposal of joint venture	**(839)**	–		
Incorporation of joint venture	**255**	–		
Share of profit	**35**	9		
Write-off	**(255)**	(111)		
Currency translation difference	**111**	56		
End of financial year	**–**	693		

Details of the joint ventures are included in Note 39.

19. INVESTMENTS IN SUBSIDIARIES

	Company	
	2016	2015
	S$'000	S$'000
Equity investments at cost		
Beginning of financial year	**299,315**	190,932
Additional capital injection to an existing subsidiary	**71,439**	108,883
Disposal of subsidiaries	**(8,100)**	–
Merger of a subsidiary (Note 22(a))	**–**	(500)
	362,654	299,315
Less: Allowance for impairment	**(6,425)**	(6,425)
	356,229	292,890

Details of the subsidiaries are included in Note 39. The proportion of ownership interest held by the Group does not differ from the proportion of voting rights held by the Group. As at 31 March 2016 and 2015, there are no subsidiaries with material non-controlling interests.

20. INVESTMENT PROPERTIES

	Group		Company	
	2016 **S$'000**	2015 S$'000	**2016** **S$'000**	2015 S$'000
Beginning of financial year	**638,818**	629,086	**633,826**	628,896
Additions	**88,983**	85	**88,980**	–
Reclassification from/(to) property plant and equipment (Note 21)	**18,952**	5,060	**34,934**	(1,017)
Fair value gain recognised in income statement	**–**	5,163	**3,102**	5,947
Currency translation differences	**(909)**	(576)	**–**	–
End of financial year	**745,844**	638,818	**760,842**	633,826

Certain investment properties of the Group with carrying amounts of S$51.0 million (2015: S$56.1 million) are mortgaged to secure bank borrowings (Note 24).

The following amounts are recognised in profit or loss:

	Group		Company	
	2016 **S$'000**	2015 S$'000	**2016** **S$'000**	2015 S$'000
Rental and property-related income (Note 4)	**39,373**	43,890	**41,723**	39,424
Direct operating expenses arising from:				
– Investment property that generated income	**(11,799)**	(10,683)	**(9,801)**	(11,324)

Investment properties are leased to non-related parties under operating leases (Note 32(c)).

20. INVESTMENT PROPERTIES (continued)

At the balance sheet date, the details of the Group's investment properties are as follows:

Location	Description/existing use	Tenure
10 Eunos Road 8, Singapore Post Centre	Building for commercial and retail	Leasehold of 99 years expiring on 30 August 2081
502 Chai Chee Lane	Building for warehousing and self-storage	Leasehold of 30 years expiring on 30 April 2031
No. 5, Jalan Penyair U1/44, Off Jalan Glenmarie, Temasya Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia	Warehousing	Freehold
110 Alexandra Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
10 Choa Chu Kang Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
373 Tanjong Katong Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
1 Killiney Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
396 Pasir Panjang Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
10 Palm Avenue	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
350 Bedok Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
56 Tanglin Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091

20. INVESTMENT PROPERTIES (continued)

Location	Description/existing use	Tenure
6 Ayer Rajah Crescent	Building for warehousing and self-storage	Leasehold of 30 years expiring on 1 February 2026
755 Upper Serangoon Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
5 Mandai Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
21 Ghim Moh Road	Building for commercial and retail	Leasehold of 82 years expiring on 01 April 2076

	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1) S$'000	**Significant other observable inputs (Level 2) S$'000**	**Significant unobservable inputs (Level 3) S$'000**
31 March 2016			
– Commercial and retail – Singapore	–	2,863	731,312
– Commercial and retail – Malaysia	–	–	11,669
31 March 2015			
– Commercial and retail – Singapore	–	–	624,755
– Commercial and retail – Malaysia	–	–	14,063

<u>Valuation techniques used to derive Level 2 fair values</u>

Level 2 fair values of the Group 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.

20. INVESTMENT PROPERTIES (continued)

Valuation techniques used to derive Level 3 fair values

Level 3 fair values have been generally derived using capitalisation / income approach and discounted cash flow approach. In the capitalisation / income approach, the net income of the property is capitalised for the balance term of the lease tenure at a yield rate which is appropriate for the type of use tenure and reflective of the quality of the investment. The revenue is adjusted for outgoings such as property tax and also vacancies to arrive at net income. The discounted cash flow approach involved the estimation and projection of the net rent over a period and discounting the future income stream to arrive at a present value. Net rent is the balance sum after deducting property tax, cost of repairs and maintenance and a reasonable percentage for vacancy from the gross rent. The residual land approach involves deducting current estimated construction costs and other relevant costs from the estimated gross development value of the proposed development assuming satisfactory completion. The gross development value is arrived at by the income or capitalisation method. The comparable sales method is used as reference.

There were no changes in valuation techniques during the year and no transfers into or out of fair value hierarchy levels for the financial years ended 31 March 2016 and 2015.

Valuation techniques and inputs used in Level 3 fair value measurements

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

Description	Fair value (S$'000)	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
	2016				
Group					
Building for commercial and retail (Singapore Post Centre)	**588,964** (2015: 490,892)	Discounted cash flow approach	Discount rate	7.5% (2015: 7.5-8%)	The higher the discount rate, the lower the valuation
		Capitalisation/ income approach	Capitalisation rate	5-6.75% (2015: Nil)	The higher the capitalisation rate, the lower the valuation
		Residual land approach	Cost of construction	$415/psf (2015: Nil)	The higher the cost, the lower the valuation
Building for commercial and retail (10 SLA Properties)	**98,642** (2015: 85,786)	Capitalisation/ income approach	Capitalisation rate	4.75-5% (2015: 4.75%-5%)	The higher the capitalisation rate, the lower the valuation

20. INVESTMENT PROPERTIES (continued)

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

Description	Fair value (S$'000) 2016	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Group					
Building for warehousing and self-storage – Singapore	**43,706** (2015: 48,077)	Capitalisation/ income approach	Capitalisation rate	7-7.5% (2015: 7%-7.25%)	The higher the capitalisation rate, the lower the valuation
Warehousing – Malaysia	**11,669** (2015: 14,063)	Capitalisation/ income approach	Capitalisation rate	7.5-9% (2015: 8%)	The higher the capitalisation rate, the lower the valuation
Company					
Building for commercial and retail (Singapore Post Centre)	**659,337** (2015: 548,040)	Discounted cash flow approach	Discount rate	7.5% (2015: 7.5-8%)	The higher the discount rate, the lower the valuation
		Capitalisation/ income approach	Capitalisation rate	5-6.75% (2015: Nil)	The higher the capitalisation rate, the lower the valuation
		Residual land approach	Cost of construction	$415/psf (2015: Nil)	The higher the cost, the lower the valuation
Building for commercial and retail (10 SLA Properties)	**98,642** (2015: 85,786)	Capitalisation/ income approach	Capitalisation rate	4.75-5% (2015: 4.75%-5%)	The higher the capitalisation rate, the lower the valuation

Valuation processes used by the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use. As at 31 March 2016 and 2015, the fair values of the Group's investment properties have been determined by Knight Frank Pte Ltd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

21. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Group						
2016						
Cost						
Beginning of financial year	60,038	217,749	133,231	198,666	55,415	665,099
Acquisition of subsidiaries (Note 36(i)(c), (ii)(c), (iii)(c), (iv)(c))	–	4,478	–	33,112	–	37,590
Additions	–	66,708	–	13,656	109,767	190,131
Reclassifications from/(to) investment properties						
– At fair value (Note 20)	(10,048)	(8,904)	–	–	–	(18,952)
– Transfer to assets valuation (Note 29(b)(v))	7,726	12,303	–	–	–	20,029
	(2,322)	3,399	–	–	–	1,077
Disposals	–	(3,505)	(88,103)	(23,196)	–	(114,804)
Transfers	–	17,920	184	15,395	(33,499)	–
Currency translation differences	–	(191)	–	(1,801)	–	(1,992)
Disposal of subsidiaries (Note 11)	(63)	–	–	(20,475)	(257)	(20,795)
End of financial year	**57,653**	**306,558**	**45,312**	**215,357**	**131,426**	**756,306**
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	17,187	86,574	89,602	141,752	–	335,115
Depreciation charge	873	5,766	3,032	20,211	–	29,882
Disposals	–	(867)	(88,014)	(22,128)	–	(111,009)
Disposal of subsidiaries (Note 11)	(51)	–	–	(14,476)	–	(14,527)
Currency translation differences	–	(3)	–	(528)	–	(531)
End of financial year	**18,009**	**91,470**	**4,620**	**124,831**	**–**	**238,930**
Net book value						
End of financial year	**39,644**	**215,088**	**40,692**	**90,526**	**131,426**	**517,376**

21. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Group						
2015						
Cost						
Beginning of financial year	65,332	227,091	94,468	186,454	13,030	586,375
Acquisition of subsidiaries (Note 36)	–	–	–	2,485	–	2,485
Additions	–	–	35,693	24,829	46,955	107,477
Reclassification to investment properties						
– At fair value (Note 20)	1,017	(2,156)	–	–	–	(1,139)
– Transfer to asset valuation reserve (Notes 26,29)	–	6,199	–	–	–	6,199
	1,017	4,043	–	–	–	5,060
Disposals	(6,311)	(13,385)	–	(16,369)	–	(36,065)
Transfers	–	–	3,070	1,500	(4,570)	–
Currency translation differences	–	–	–	(233)	–	(233)
End of financial year	60,038	217,749	133,231	198,666	55,415	665,099
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	17,622	90,181	87,096	136,550	–	331,449
Depreciation charge	931	4,440	2,506	18,069	–	25,946
Disposals	(1,366)	(8,047)	–	(12,347)	–	(21,760)
Currency translation differences	–	–	–	(520)	–	(520)
End of financial year	17,187	86,574	89,602	141,752	–	335,115
Net book value						
End of financial year	42,851	131,175	43,629	56,914	55,415	329,984

21. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Company						
2016						
Cost						
Beginning of financial year	61,675	187,958	133,231	154,604	15,026	552,494
Additions	–	–	–	3,368	28,048	31,416
Reclassifications	–	–	–	–	–	–
– At fair value (Note 20)	(13,034)	(21,900)	–	–	–	(34,934)
– Transfer to asset valuation reserve (Note 29(b)(v))	9,362	18,262	–	–	–	27,624
	(3,672)	(3,638)	–	–	–	(7,310)
Disposals	–	(3,506)	(88,103)	(32,526)	–	(124,135)
Transfers	–	–	184	12,892	(13,076)	–
End of financial year	58,003	180,814	45,312	138,338	29,998	452,465
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	15,997	76,923	89,602	119,686	–	302,208
Depreciation charge	853	3,942	3,032	9,770	–	17,597
Disposals	–	(867)	(88,014)	(20,402)	–	(109,283)
End of financial year	16,850	79,998	4,620	109,054	–	210,522
Net book value						
End of financial year	41,153	100,816	40,692	29,284	29,998	241,943

21. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
2015						
Cost						
Beginning of financial year	66,969	202,323	94,468	148,734	12,691	525,185
Additions	–	–	35,693	15,929	6,788	58,410
Reclassifications (Note 20)	1,017	–	–	–	–	1,017
Disposals	(6,311)	(14,365)	–	(11,442)	–	(32,118)
Transfers	–	–	3,070	1,383	(4,453)	–
End of financial year	61,675	187,958	133,231	154,604	15,026	552,494
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	16,486	80,832	87,096	116,586	–	301,000
Depreciation charge	877	4,138	2,506	11,057	–	18,578
Disposals	(1,366)	(8,047)	–	(7,957)	–	(17,370)
End of financial year	15,997	76,923	89,602	119,686	–	302,208
Net book value						
End of financial year	**45,678**	**111,035**	**43,629**	**34,918**	**15,026**	**250,286**

22. INTANGIBLE ASSETS

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
		(Restated)		
Composition:				
Goodwill on acquisitions (Note (a))	**493,504**	267,278	**227**	227
Customer relationships (Note (b))	**40,520**	964	**–**	–
Preferential rent (Note (c))	**5,393**	6,508	**–**	–
Acquired licence (Note (d))	**–**	36	**–**	36
Acquired software licence (Note (e))	**1,892**	–	**–**	–
Trademarked brands (Note (f))	**41,884**	41,856	**–**	–
	583,193	316,642	**227**	263

(a) Goodwill on acquisitions

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
		(Restated)		
Cost				
Beginning of financial year	**267,278**	167,202	**227**	–
Acquisition of subsidiaries (Note 36)	**235,998**	103,278	**–**	–
Merger of a subsidiary	**–**	–	**–**	227
Currency translation differences	**(9,772)**	(3,202)	**–**	–
End of financial year	**493,504**	267,278	**227**	227
Net book value	**493,504**	267,278	**227**	227

The business of EK Media, acquired in the financial year ended 31 March 2014 has been merged with the operations of the Company. Accordingly, the goodwill on the acquisition of EK Media is reflected directly in the balance sheet of the Company.

Impairment test for goodwill

Goodwill arising from acquisition of subsidiaries is allocated to the Group's cash-generating units or groups of cash-generating units as follows:

22. INTANGIBLE ASSETS (continued)

(a) Goodwill on acquisitions (continued)

	Group 2016 S$'000	Group 2015 S$'000 (Restated)
Quantium Solutions International Pte. Ltd.	**77,858**	77,858
General Storage Company Pte. Ltd.	**6,857**	6,857
Famous Holdings Pte. Ltd.	**80,508**	80,508
Couriers Please Holdings Pty Limited	**76,066**	76,962
Tras – Inter Co. Ltd	**2,272**	2,132
F.S. Mackenzie Limited	**5,520**	5,760
Famous Pacific Shipping (NZ) Limited	**5,271**	5,827
The Store House Limited	**10,875**	11,147
EK Media	**227**	227
Rotterdam Harbour Holding B.V.	**16,280**	–
Store Friendly Self Storage Group Private Limited	**10,679**	–
Jagged Peak, Inc	**31,969**	–
TG Acquisition Corporation	**169,122**	–
	493,504	267,278

The recoverable amount of Quantium Solutions International Pte Ltd ("QSI") CGU was determined based on fair value less costs to sell. The fair value of QSI CGU was derived using implied valuation based on the price offered by a potential investor under a conditional joint venture agreement entered into by the Group on 8 July 2015, and classified within Level 3 of the fair value measurement hierarchy.

The recoverable amounts of the other CGUs were determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets covering a minimally three-year period.

22. INTANGIBLE ASSETS (continued)

(a) Goodwill on acquisitions (continued)

Key assumptions used for value-in-use calculations for Goodwill are as follows:

	Quantium Solutions International Pte. Ltd.	General Storage Company Limited	Famous Holdings Pte Ltd	Couriers Please Pty Limited	F.S Mackenzie Limited	Famous Pacific Shipping (NZ) Limited	The Store House Limited	Rotterdam Harbour Holding B.V.	Store Friendly Self Storage Group Private Limited	TG Acquisition Corporation	Jagged Peak, Inc
2016											
Average cash flow growth rate	-	3.0%	1.9%	8.6%	2.2%	2.1%	1.0%	1.7%	8.6%	23.0%	18.0%
Terminal growth rate	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	0.0%
Discount rate	-	5.7%	10.0%	8.7%	10.0%	9.7%	5.7%	11.4%	5.7%	10.5%	10.5%
2015											
Average cash flow growth rate	9.0%	13.0%	6.6%	10.0%	8.5%	11.0%	10.0%	-	-	-	-
Terminal growth rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-
Discount rate	10.0%	6.2%	10.0%	8.7%	10.0%	10.0%	6.2%	-	-	-	-

The above assumptions were used for the analysis of each material CGU. Management determined cash flow growth based on past performance and its expectations of the market development.

There are no CGUs where a reasonably possible change in a key assumption on which management has based its determination of the CGUs recoverable amounts would cause the CGUs' carrying amount to exceed their recoverable amounts.

(b) Customer relationships

	Group	
	2016	2015
	S$'000	S$'000
Cost		
Beginning of financial year	**6,360**	6,360
Acquisition of subsidiary (Note 36 (iii)(c))	**42,992**	–
Additions	**250**	–
Currency translation differences	**(1,631)**	–
End of financial year	**47,971**	6,360
Accumulated amortisation		
Beginning of financial year	**(5,396)**	(4,484)
Amortisation charge	**(1,799)**	(912)
Write-off	**(256)**	–
End of financial year	**(7,451)**	(5,396)
Net book value	**40,520**	964

22. INTANGIBLE ASSETS (continued)

(c) Preferential rent

	Group	
	2016	2015
	S$'000	S$'000
		(Restated)
Cost		
Beginning of financial year	**7,497**	6,390
Acquisition of subsidiary	**–**	1,030
Currency translation differences	**(23)**	77
End of financial year	**7,474**	7,497
Accumulated amortisation		
Beginning of financial year	**(989)**	(533)
Amortisation charge	**(1,092)**	(456)
End of financial year	**(2,081)**	(989)
Net book value	**5,393**	6,508

(d) Acquired licence

	Group and Company	
	2016	2015
	S$'000	S$'000
Cost		
Beginning and end of financial year	**900**	900
Accumulated amortisation		
Beginning of financial year	**(864)**	(828)
Amortisation charge	**(36)**	(36)
End of financial year	**(900)**	(864)
Net book value	**–**	36

22. INTANGIBLE ASSETS (continued)

(e) Acquired software licence

	Group		Company	
	2016 S$'000	2015 S$'000	**2016 S$'000**	2015 S$'000
Cost				
Beginning of financial year	**11,752**	11,752	**11,752**	11,752
Acquisition of subsidiary (Note 36 (iii)(c))	**1,876**	–	**–**	–
Additions	**342**	–	**–**	–
Currency translation differences	**(64)**	–	**–**	–
End of financial year	**13,906**	11,752	**11,752**	11,752
Accumulated amortisation				
Beginning of financial year	**(11,752)**	(3,134)	**(11,752)**	(3,134)
Amortisation charge	**(262)**	(8,618)	**–**	(8,618)
End of financial year	**(12,014)**	(11,752)	**(11,752)**	(11,752)
Net book value	**1,892**	–	**–**	–

(f) Trademarked Brands

	Group	
	2016 S$'000	2015 S$'000 (Restated)
Cost		
Beginning of financial year	**41,856**	–
Acquisition of subsidiary (Note 36 (iii)(c))	**560**	43,680
Currency translation differences	**(509)**	(1,824)
End of financial year	**41,907**	41,856
Accumulated amortisation		
Amortisation charge	**(23)**	–
End of financial year	**(23)**	–
Net book value	**41,884**	41,856

Included in the carrying amount is a trademarked brand with indefinite useful life of S$41,368,000 (2015: S$41,856,000).

22. INTANGIBLE ASSETS (continued)

(f) Trademarked Brands (continued)

Key assumptions used for value-in-use calculations for the trademarked brand with indefinite useful life:

	Group 2016	Group 2015
Royalty rate	1.8%	1.8%
Terminal growth rate	0.0%	0.0%
Discount rate	8.7%	8.7%

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2016 S$'000	2015 S$'000 (Restated)	**2016 S$'000**	2015 S$'000
Current				
Trade payables				
– Subsidiaries	**–**	–	**21,102**	9,847
– Companies related by a substantial shareholder	**315**	450	**315**	450
– Non-related parties	**166,247**	153,067	**125,541**	119,429
	166,562	153,517	**146,958**	129,726
Advance billings	**29,892**	28,723	**16,785**	16,555
Accrual for other operating expenses	**95,962**	76,483	**64,445**	59,681
Interest payable	**65**	38	**65**	38
Customers' deposits	**4,723**	4,702	**4,723**	4,702
Collections on behalf of third parties	**22,071**	28,205	**22,071**	28,205
Contingent consideration payable	**27,815**	20,600	**–**	–
Tender deposits	**18,699**	11,702	**11,204**	11,678
Other creditors	**19,923**	28,098	**8,181**	11,351
	385,712	352,068	**274,432**	261,936
Non-current				
Contingent consideration payable	**23,366**	6,172	**–**	–
Deferred lease	**2,318**	1,979	**–**	–
Accrual for other operating expenses	**4,506**	2,537	**–**	–
	30,190	10,688	**–**	–
Total trade and other payables	**415,902**	362,756	**274,432**	261,936

24. BORROWINGS

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Other borrowings	**280,272**	238,327	**236,044**	203,749

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

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Current				
– Borrowings (secured)	**11,667**	2,647	**–**	–
– Borrowings (unsecured)	**59,423**	14,300	**33,000**	–
	71,090	16,947	**33,000**	–
Non-current				
– Borrowings (secured)	**6,138**	17,631	**–**	–
– Borrowings (unsecured)	**203,044**	203,749	**203,044**	203,749
	209,182	221,380	**203,044**	203,749
	280,272	238,327	**236,044**	203,749

Secured borrowings comprise external bank loans and are secured over investment properties with carrying amount of S$51.0 million (2015: S$56.1 million) (Note 20) at the balance sheet date, or guaranteed by a director of a subsidiary with non-controlling interests.

The Group's unsecured borrowings mainly comprised S$200 million 10-year Fixed Rate Notes (the "Notes") issued in March 2010. The Notes are listed on the SGX-ST and carry a fixed interest rate of 3.5% (2015: 3.5%) per annum respectively.

24. BORROWINGS (continued)

Fair value of non-current borrowings

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Non-current				
– Borrowings (secured)	**6,138**	17,631	**–**	–
– Borrowings (unsecured)	**208,946**	209,168	**208,946**	209,168
	215,084	226,799	**208,946**	209,168

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 within Level 2 of the fair value hierarchy.

The exposure of non-current borrowings to interest rate risks is disclosed in Note 33(a)(ii).

25. DEFERRED INCOME

Deferred income relates to:

(a) Definitive agreements with respect to the postassurance collaboration with AXA Life Insurance Singapore Private Limited ("AXA") commenced on 19 January 2016. Deferred income received from AXA is recognised in profit or loss over the period of 10 years till 19 January 2025; and

(b) Capital grants received from the Universal Postal Union and National Trade Union Congress. Deferred capital grants are recognised in profit or loss over the periods necessary to match the depreciation of the assets purchased.

The current and non-current portion of the deferred income for the Group and the Company at the balance sheet date are S$7,268,000 (2015: S$6,961,000) and S$56,785,000 (2015: S$59,569,000).

26. 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 fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
		(Restated)		
Deferred income tax assets				
– To be recovered within one year	**1,351**	1,621	**–**	–
– To be recovered after one year	**4,193**	2,920	**–**	–
	5,544	4,541	**–**	–
Deferred income tax liabilities				
– To be settled within one year	**5,199**	3,347	**1,473**	2,172
– To be settled after one year	**52,157**	32,993	**17,726**	15,106
	57,356	36,340	**19,199**	17,278

Group

Movement in the deferred income tax account is as follows:

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
		(Restated)		
Beginning of financial year	**31,799**	20,212	**17,278**	16,374
Acquisition of subsidiaries (Note 36)	**18,354**	9,843	**–**	–
Disposal of subsidiaries	**(320)**	–	**–**	–
Currency translation differences	**(117)**	(131)	**–**	–
Tax charged to profit or loss (Note 9(a))	**2,096**	821	**1,921**	904
Revaluation of properties, plant and equipment transferred to investment properties	**–**	1,054	**–**	–
End of financial year	**51,812**	31,799	**19,199**	17,278

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 of S$56,468,000 (2015: S$53,313,000) and capital allowances of NIL (2015: S$493,000) at the balance sheet date 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.

26. DEFERRED INCOME TAXES (continued)

Group (continued)

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

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Others S$'000	Total S$'000
2016			
Beginning of financial year	**20,343**	**16,109**	**36,452**
Currency translation differences	**(524)**	**19**	**(505)**
Acquisition of subsidiaries	**4,510**	**15,446**	**19,956**
Disposal of subsidiaries	**(533)**	**(1)**	**(534)**
Charged to profit or loss	**3,332**	**(1,161)**	**2,171**
End of financial year	**27,128**	**30,412**	**57,540**
2015			
Beginning of financial year	18,790	2,101	20,891
Currency translation differences	(556)	–	(556)
Acquisition of subsidiaries	116	12,739	12,855
Charged to profit or loss	1,993	215	2,208
Revaluation of property, plant and equipment transferred to investment properties	–	1,054	1,054
End of financial year	20,343	16,109	36,452

26. DEFERRED INCOME TAXES (continued)

Group (continued)

Deferred income tax assets

	Provisions S$'000	Tax losses S$'000	Total S$'000
2016			
Beginning of financial year	**(1,806)**	**(2,847)**	**(4,653)**
Currency translation difference	**53**	**335**	**388**
Acquisition of subsidiaries	**(1,602)**	**–**	**(1,602)**
Disposal of subsidiaries	**214**	**–**	**214**
Credited to profit or loss	**(75)**	**–**	**(75)**
End of financial year	**(3,216)**	**(2,512)**	**(5,728)**
2015			
Beginning of financial year	(679)	–	(679)
Currency translation difference	260	165	425
Acquisition of subsidiaries	–	(3,012)	(3,012)
Credited to profit or loss	(1,387)	–	(1,387)
End of financial year	(1,806)	(2,847)	(4,653)

Company

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Others S$'000	Total S$'000
2016			
Beginning of financial year	**17,144**	**243**	**17,387**
Charged to profit or loss	**1,587**	**389**	**1,976**
End of financial year	**18,731**	**632**	**19,363**
2015			
Beginning of financial year	16,107	366	16,473
Charged/(credited) to profit or loss	1,037	(123)	914
End of financial year	17,144	243	17,387

26. DEFERRED INCOME TAXES (continued)

Company (continued)

Deferred income tax assets

	Provisions S$'000
2016	
Beginning of financial year	**(109)**
Credited to profit or loss	**(55)**
End of financial year	**(164)**
2015	
Beginning of financial year	(99)
Credited to profit or loss	(10)
End of financial year	(109)

27. 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				
2016				
Beginning of financial year	**2,149,518**	**(2,744)**	**429,980**	**(2,831)**
Employee share option scheme				
– New shares issued	**13,483**	**–**	**18,795**	**–**
– Treasury shares re-issued	**–**	**698**	**–**	**715**
End of financial year	**2,163,001**	**(2,046)**	**448,775**	**(2,116)**
2015				
Beginning of financial year	1,938,730	(33,327)	129,082	(35,346)
New shares issued	190,096	–	280,621	–
Treasury shares re-issued	–	30,000	–	31,915
Employee share option scheme				
– New shares issued	20,692	–	20,277	–
– Treasury shares re-issued	–	583	–	600
End of financial year	2,149,518	(2,744)	429,980	(2,831)

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

27. SHARE CAPITAL AND TREASURY SHARES (continued)

(a) Treasury shares

The Company re-issued 698,000 (2015: 30,583,000) treasury shares during the financial year pursuant to the Singapore Post Share Option Scheme at exercise prices at S$1.03 (2015: S$1.03 to S$1.07) each. The cost of the treasury shares re-issued amounted to S$715,000 (2015: S$32,515,000).

(b) Share options

The Singapore Post Share Option Scheme was adopted on 21 March 2003, and a new scheme, known as Singapore Post Share Option Scheme 2012 was adopted on 29 June 2012; collectively known as "The Scheme". The Scheme is administered by the Compensation Committee comprising Mr Tan Yam Pin (Chairman[1]), Mr Zulkifli Bin Baharudin, Mr Goh Yeow Tin[2] and Mr Bill Chang York Chye during the financial year ended 31 March 2016.

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

1 Mr Tan Yam Pin was appointed as the chairman of the Compensation Committee on 1 January 2016 in place of Mr Goh Yeow Tin who stepped down as chairman and member of the Compensation Committee on 1 January 2016.
2 Mr Goh Yeow Tin stepped down as chairman and member of the Compensation Committee on 1 January 2016.

27. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

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

- The vesting schedule for the share options granted to eligible employees (including executive directors) on 1 July 2005 and effective from 20 May 2014 are as follow:

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

27. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

- Other than the share options granted on 17 March 2015, share options granted to eligible employees (including executive directors) effective 26 June 2006 to 24 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

- 100% of the share options granted on 17 March 2015 will vest after one year from the date of grant and are exercisable for a period of ten years.

- 100% of the share options granted to non-executive directors vest after one year from the date of grant and are exercisable for a period of five years.

- On 11 May 2012, 17 January 2014, 7 March 2014, 24 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 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.

27. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Since the adoption of the Scheme to 31 March 2015, a total of 147,875,936 share options were granted. Particulars of the options were set out in the Directors' Report for the respective financial years.

During the financial year ended 31 March 2016, 23,751,000 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[1]**	**Balance At 1.4.15 ('000)**	**Granted during financial year ('000)**	**Options exercised ('000)**	**Options forfeited ('000)**	**Balance At 31.3.16 ('000)**
Options Granted Under Singapore Post Share Options Scheme For employees (including executive directors)							
01.07.05[1]	02.07.06 to 01.07.15	S$0.923	77	–	50	27	–
26.06.06	27.06.07 to 26.06.16	S$1.048	114	–	60	27	27
26.06.07	27.06.08 to 26.06.17	S$1.278	251	–	15	40	196
30.06.08	01.07.09 to 30.06.18	S$1.100	380	–	60	40	280
29.06.09	30.06.10 to 29.06.19	S$0.890	208	–	198	–	10
29.06.10	30.06.11 to 29.06.20	S$1.140	785	–	252	–	533
01.04.11[2]	02.04.12 to 01.04.21	S$1.160	25	–	25	–	–
11.04.11[2]	12.04.12 to 11.04.21	S$1.160	38	–	38	–	–
26.07.11	27.07.12 to 26.07.21	S$1.100	1,905	–	997	53	855
03.01.12	04.01.13 to 03.01.22	S$0.940	113	–	100	13	–
19.03.12	20.03.13 to 19.03.22	S$0.980	200	–	–	–	200
10.05.12	11.05.13 to 10.05.22	S$1.030	200	–	–	–	200
11.05.12	19.05.14 to 11.05.22	S$1.030	3,595	–	1,925	620	1,050
10.08.12	11.08.13 to 10.08.22	S$1.070	4,996	–	2,143	263	2,590
03.09.12	04.09.13 to 03.09.22	S$1.080	100	–	50	–	50
07.05.13	08.05.13 to 07.05.23	S$1.290	150	–	75	–	75
17.01.14	18.01.17 to 17.01.24	S$1.350	14,700	–	1,609	1,775	11,316
07.03.14	08.03.17 to 07.03.24	S$1.330	500	–	–	–	500
10.03.14	11.03.15 to 10.03.24	S$1.330	100	–	20	–	80
24.03.14[2]	25.03.15 to 24.03.24	S$1.320	1,000	–	1,000	–	–
24.03.14	25.03.17 to 24.03.24	S$1.320	1,500	–	900	600	–
01.04.14	02.04.17 to 01.04.24	S$1.360	200	–	–	–	200
20.05.14	21.05.15 to 20.05.24	S$1.450	13,408	–	2,107	3,612	7,689

27. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Date of grant	Exercise Period	Exercise Price(1)	Balance At 1.4.15 ('000)	Granted during financial year ('000)	Options exercised ('000)	Options forfeited ('000)	Balance At 31.3.16 ('000)
			Number of ordinary shares under options outstanding				
Options Granted Under Singapore Post Share Options Scheme							
For employees (including executive directors)							
07.08.14	08.08.15 to 07.08.24	S$1.760	768	–	60	–	708
28.11.14	29.11.15 to 28.11.24	S$1.920	200	–	–	–	200
18.12.14	19.12.15 to 18.12.24	S$1.900	300	–	–	300	–
17.03.15	18.03.16 to 17.03.25	S$1.980	3,500	–	–	3,500	–
07.04.15	08.04.16 to 07.04.25	S$1.960	–	1,588	–	–	1,588
13.05.15	14.05.16 to 13.05.25	S$1.910	–	1,150	–	200	950
19.05.15	20.05.16 to 19.05.25	S$1.890	–	20,973	–	5,040	15,933
12.06.15	13.06.16 to 12.06.25	S$1.880	–	40	–	–	40
			49,313	23,751	11,684	16,110	45,270
For non-executive directors							
07.08.14(2)	08.08.15 to 07.08.19	S$1.760	1,799	–	1,799	–	–
			1,799	–	1,799	–	–
Total Share Options			**51,112**	**23,751**	**13,483**	**16,110**	**45,270**

(1) Exercise prices of all outstanding share options granted before 29 December 2005 have been reduced in view of the Special Dividend payment during the financial year ended 31 March 2006. Exercise prices disclosed are the revised exercise prices.

(2) All outstanding share options granted on 1 April 2011, 11 April 2011, 24 March 2014 and 7 August 2014 had been exercised before the expiry date.

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.

27. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Restricted Share Plan

The Singapore Post Restricted Share Plan 2013 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.

The Plan is a share incentive scheme. It is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to key employees and directors of the Group and Associated Companies who contribute to the growth of the Group. The Plan will enable grants of fully paid Shares to be made to non-executive directors of the Group and Associated Companies.

The release schedule for the shares granted to eligible employees (excluding non-executive directors) 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 2015, a total of 2,562,584 restricted shares were granted.

27. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

During the financial year ended 31 March 2016, 839,895 restricted shares were granted. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year are as follows:

Date of grant	Balance As At 1.4.15 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.16 ('000)
05.08.13	985	–	478	106	401
20.05.14	701	–	221	37	443
19.05.15	–	728	–	66	662
03.08.15	–	112	–	–	112
Total Shares	**1,686**	**840**	**699**	**209**	**1,618**

Of the outstanding options (including Performance Share Option Plan but excluding Restricted Share Plan) for 45,270,000 (2015: 51,112,000) shares, 10,407,000 (2015: 4,193,000) options are exercisable as at 31 March 2016. Options exercised in the financial year ended 31 March 2016 resulted in 13,483,000 (2015: 20,707,000) new ordinary shares being issued for options with average exercise price of S$1.289 (2015: S$1.090), rounded to 3 decimal places. Options were exercised throughout the year. The weighted average share price during the financial year was S$1.76 (2015: S$1.79).

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

Type of Share Options	Singapore Post Share Option Scheme 2012	Performance Share Option Plan	Restricted Share Plan
2016			
Total fair value of options granted during financial year	**S$3,373,539**	**–**	**S$1,361,024**
Valuation Model	**Trinomial option Pricing model**	**–**	**Adjusted Share Price model**
Weighted average share price at the grant dates	**S$1.871**	**–**	**S$1.872**
Weighted average exercise price	**S$1.896**	**–**	**S$1.882**
Expected volatility	**16%**	**–**	**–**
Expected option life	**5 years**	**–**	**10 years**
Annual risk-free interest rate (per annum)	**1.7%**	**–**	**0.9%**
Expected dividend yield	**3.4%**	**–**	**3.5%**

27. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Type of Share Options	Singapore Post Share Option Scheme 2012	Performance Share Option Plan	Restricted Share Plan
2015			
Total fair value of options granted during financial year	S$2,873,339	S$15,360	S$1,017,348
Valuation Model	Trinomial option Pricing model	Monte Carlo simulation	Adjusted Share Price model
Weighted average share price at the grant dates	S$1.623	S$1.36	S$1.50
Weighted average exercise price	S$1.594	S$1.36	S$1.45
Expected volatility	14%	17%	–
Expected option life	5 years	10 years	10 years
Annual risk-free interest rate (per annum)	1.5%	2.5%	3.6%
Expected dividend yield	3.6%	4.6%	4.2%

The volatility measured was based on the historical volatility of the rate of returns of the Company's shares since listing date 13 May 2003.

The fair value is within Level 3 of the fair value hierarchy.

28. PERPETUAL SECURITIES

On 2 March 2012, the Company issued senior perpetual cumulative securities (the "perpetual securities") with an aggregate principal amount of S$350,000,000. Incremental cost incurred amounting to S$4,397,000 incurred were recognised in equity as a deduction from proceeds.

Such perpetual securities bear distributions at a rate of 4.25% per annum, payable semi-annually. Subject to the relevant terms and conditions in the offering memorandum, the Company may elect to defer making distributions on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred.

As a result, the Company is considered to have no contractual obligations to repay its principal or to pay any distributions and the perpetual securities do not meet the definition for classification as a financial liability under FRS 32 Financial Instruments: Disclosure and Presentation. The whole instrument is presented within equity, and distributions are treated as dividends.

During the financial year, distributions amounting to S$14,915,000 (2015: S$14,874,000) were made to perpetual securities holders.

29. OTHER RESERVES

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
(a) Composition:				
Share option reserve	**6,904**	4,980	**6,904**	4,980
Fair value reserve	**(1,105)**	(468)	**(1,105)**	(468)
Currency translation reserve	**(25,042)**	(3,534)	**–**	–
Other capital reserve	**37**	35	**–**	–
Asset valuation reserve	**26,464**	6,435	**28,914**	1,290
	7,258	7,448	**34,713**	5,802
(b) Movements:				
(i) Share option reserve				
Beginning of financial year	**4,980**	5,001	**4,980**	5,001
Employee share option scheme:				
Value of employee services (Note 5)	**4,053**	2,582	**4,053**	2,582
Issue of shares	**(1,414)**	(2,022)	**(1,414)**	(2,022)
Re-issuance of treasury shares	**(715)**	(581)	**(715)**	(581)
End of financial year	**6,904**	4,980	**6,904**	4,980
(ii) Fair value reserve				
Beginning of financial year	**(468)**	(49)	**(468)**	(49)
Fair value loss	**(637)**	(419)	**(637)**	(419)
End of financial year	**(1,105)**	(468)	**(1,105)**	(468)
(iii) Currency translation reserve				
Beginning of financial year	**(3,534)**	(2,585)	**–**	–
Reclassification on disposal of subsidiaries & associated companies and joint ventures	**(2,026)**	–	**–**	–
Net currency translation differences of financial statements of foreign subsidiaries, associated companies and joint ventures	**(20,051)**	(511)	**–**	–
Less: Non-controlling interests	**569**	(438)	**–**	–
End of financial year	**(25,042)**	(3,534)	**–**	–

29. OTHER RESERVES (continued)

	Group 2016 S$'000	Group 2015 S$'000	Company 2016 S$'000	Company 2015 S$'000
(b) Movements: (continued)				
(iv) Other capital reserve				
Beginning of financial year	**35**	35	**–**	–
Transfer from retained earnings of subsidiaries to statutory reserves	**2**	–	**–**	–
End of financial year	**37**	35	**–**	–
(v) Asset valuation reserve				
Beginning of financial year	**6,435**	1,290	**1,290**	1,290
Revaluation gain on property, plant and equipment upon transfer to investment Property (Note 21)	**20,029**	5,145	**27,624**	–
End of financial year	**26,464**	6,435	**28,914**	1,290

Other reserves are non-distributable.

30. RETAINED EARNINGS

(a) Retained profits of the Group are distributable except for accumulated retained profits of associated companies and joint ventures amounting to S$18,871,000 (2015: S$13,210,000) and the amount of S$2,116,000 (2015: S$2,831,000) utilised to purchase treasury shares. Retained profits of the Company are distributable except for the amount of S$2,116,000 (2015: S$2,831,000) utilised to purchase treasury shares.

(b) Movement in retained earnings for the Company is as follows:

	Company 2016 S$'000	Company 2015 S$'000
Beginning of financial year	**688,597**	678,422
Net profit	**273,535**	153,121
Merger of a subsidiary	**–**	57
Dividends paid (Note 31)	**(166,985)**	(128,129)
Reserved distribution to perpetual securities (Note 28)	**(14,915)**	(14,874)
End of financial year	**780,232**	688,597

31. DIVIDENDS

	Group and Company	
	2016	2015
	S$'000	S$'000
Ordinary dividends paid		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 2.5 cents (2015: 2.5 cents) per share	**53,777**	47,793
Special exempt (one-tier) dividend paid in respect of the previous financial year of 0.75 cents (2015: NIL) per share	**16,133**	–
Interim exempt (one-tier) dividend paid in respect of the first quarter of current financial year of 1.50 cents (2015: 1.25 cents) per share	**32,291**	26,691
Interim exempt (one-tier) dividend paid in respect of the second quarter of current financial year of 1.50 cents (2015: 1.25 cents) per share	**32,375**	26,818
Interim exempt (one-tier) dividend paid in respect of the third quarter of current financial year of 1.50 cents (2015: 1.25 cents) per share	**32,409**	26,827
	166,985	128,129

At the Annual General Meeting on 14 July 2016, a final exempt (one-tier) dividend of 2.5 cents per share amounting to S$54.0 million will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2017.

32. COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Property, plant and equipment	**246,774**	137,439	**215,974**	15,919

32. COMMITMENTS (continued)

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

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

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Not later than one year	**35,454**	28,758	**12,597**	9,244
Between one and five years	**60,750**	45,245	**16,586**	9,597
Later than five years	**53,112**	37,797	**3,456**	1,457
	149,316	111,800	**32,639**	20,298

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

The Group and Company leases out various retail and office space under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Not later than one year	**34,059**	33,092	**33,760**	34,201
Between one and five years	**54,117**	23,276	**53,723**	26,502
Later than five years	**4,686**	75	**4,686**	75
	92,862	56,443	**92,169**	60,778

33. 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 interest rate swaps and currency forwards to hedge certain financial risk exposures.

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

(a) Market risk

(i) Currency risk

The currency transaction risk of the Group arises mainly from the international mail business, which generates inpayments and outpayments denominated in foreign currencies. The currency exposure is primarily in Special Drawing Rights ("SDR"), Euro ("EUR") and United States Dollar ("USD"). SDR is an International Monetary Fund unit of account used for valuing international transactions, which is defined in terms of a basket of currencies. The actual settlement is usually in US dollars. 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, associated companies and joint ventures 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 currency exposure based on the information provided to key management is as follows:

33. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk (continued)*

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	HKD S$'000	AUD S$'000	Others S$'000	Total S$'000
Group								
As at 31 March 2016								
Financial assets								
Cash and cash equivalents	50,926	–	14,258	11,241	10,452	10,779	28,984	126,640
Trade and other receivables	119,562	6,263	6,450	33,973	8,256	19,830	21,304	215,638
Other financial assets	4,190	–	–	321	1,136	45	839	6,531
Financial assets	46,210	–	–	–	–	–	–	46,210
Derivative financial instruments	846	–	–	–	–	–	–	846
	221,734	6,263	20,708	45,535	19,844	30,654	51,127	395,865
Financial liabilities								
Derivative financial instruments	–	–	(207)	(465)	–	–	(129)	(801)
Borrowings	(263,531)	–	–	(9,423)	–	–	(7,318)	(280,272)
Trade and other payables	(202,942)	(104,233)	(4,896)	(41,933)	(3,140)	(22,341)	(36,417)	(415,902)
	(466,473)	(104,233)	(5,103)	(51,821)	(3,140)	(22,341)	(43,864)	(696,975)
Net financial assets/ (liabilities)	(244,739)	(97,970)	15,605	(6,286)	16,704	8,313	7,263	
Less: Net financial assets denominated in the respective entities' functional currencies	(244,739)	–	4,702	(12,378)	10,464	7,992	11,422	
Add: Currency forwards	–	64,115	10,522	6,731	–	569	–	
Currency exposure	–	(33,855)	21,425	12,823	6,240	890	(4,159)	

33. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	HKD S$'000	AUD S$'000	Others S$'000	Total S$'000
As at 31 March 2015 (Restated)								
Financial assets								
Cash and cash equivalents	506,800	–	1,239	23,663	12,462	11,180	28,796	584,140
Trade and other receivables	106,588	6,932	–	218	12,612	15,384	27,096	168,830
Other financial assets	10,287	–	–	–	1,232	25	579	12,123
Financial assets	34,596	–	–	–	–	–	–	34,596
	658,271	6,932	1,239	23,881	26,306	26,589	56,471	799,689
Financial liabilities								
Derivative financial instruments	–	–	(3,685)	–	–	–	(33)	(3,718)
Borrowings	(229,944)	–	–	–	–	–	(8,383)	(238,327)
Trade and other payables	(210,780)	(96,855)	–	(283)	(4,605)	(23,739)	(26,494)	(362,756)
	(440,724)	(96,855)	(3,685)	(283)	(4,605)	(23,739)	(34,910)	(604,801)
Net financial assets/ (liabilities)	217,547	(89,923)	(2,446)	23,598	21,701	2,850	21,561	
Less: Net financial assets denominated in the respective entities' functional currencies	217,547	–	–	42	21,946	61	17,545	
Add: Currency forwards	–	22,466	11,809	–	–	–	931	
Currency exposure	–	(67,457)	9,363	23,556	(245)	2,789	4,947	

33. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	AUD S$'000	Others S$'000	Total S$'000
Company							
As at 31 March 2016							
Financial assets							
Cash and cash equivalents	28,292	–	10,005	3,510	21	7,798	49,626
Trade and other receivables	751,649	6,263	–	–	–	–	757,912
Other financial assets	2,362	–	–	–	–	–	2,362
Financial assets	45,612	–	–	–	–	–	45,612
Derivative financial instruments	846	–	–	–	–	–	846
	828,761	6,263	10,005	3,510	21	7,798	856,358
Financial liabilities							
Derivative financial instruments	–	–	(129)	(493)	–	(137)	(759)
Borrowings	(236,044)	–	–	–	–	–	(236,044)
Trade and other payables	(170,199)	(104,233)	–	–	–	–	(274,432)
	(406,243)	(104,233)	(129)	(493)	–	(137)	(511,235)
Net financial assets/(liabilities)	422,518	(97,970)	9,876	3,017	21	7,661	
Less: Net financial assets denominated in the respective entities' functional currencies	422,518	–	–	–	–	–	
Add: Currency forwards	–	64,115	5,651	6,731	569	–	
Currency exposure	–	(33,855)	15,527	9,748	590	7,661	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

33. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk (continued)*

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	AUD S$'000	Others S$'000	Total S$'000
As at 31 March 2015							
Financial assets							
Cash and cash equivalents	444,985	–	1,239	22,348	1,105	7,368	477,045
Trade and other receivables	323,728	6,932	–	–	–	–	330,660
Other financial assets	2,988	–	–	–	–	–	2,988
Financial assets	34,182	–	–	–	–	–	34,182
	805,883	6,932	1,239	22,348	1,105	7,368	844,875
Financial liabilities							
Derivative financial instruments	–	–	(3,685)	–	–	(33)	(3,718)
Borrowings	(203,749)	–	–	–	–	–	(203,749)
Trade and other payables	(165,081)	(96,855)	–	–	–	–	(261,936)
	(368,830)	(96,855)	(3,685)	–	–	(33)	(469,403)
Net financial assets/(liabilities)	437,053	(89,923)	(2,446)	22,348	1,105	7,335	
Less: Net financial assets denominated in the respective entities' functional currencies	437,053	–	–	–	–	–	
Add: Currency forwards	–	22,466	11,809	–	–	931	
Currency exposure	–	(67,457)	9,363	22,348	1,105	8,266	

33. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the SDR changes against the SGD by 2% (2015: 2%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	Increase/(decrease) Profit after tax	
	2016	2015
	S$'000	S$'000
Group		
SDR against SGD		
– strengthened	**(562)**	(1,120)
– weakened	**562**	1,120
Company		
SDR against SGD		
– strengthened	**(562)**	(1,120)
– weakened	**562**	1,120

If the EUR changes against the SGD by 5% (2015: 5%) with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease) Profit after tax	
	2016	2015
	S$'000	S$'000
Group		
EUR against SGD		
– strengthened	**889**	389
– weakened	**(889)**	(389)
Company		
EUR against SGD		
– strengthened	**644**	389
– weakened	**(644)**	(389)

33. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD changes against the SGD by 4% (2015: 3%) with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease) Profit after tax	
	2016	2015
	S$'000	S$'000
Group		
USD against SGD		
– strengthened	**426**	587
– weakened	**(426)**	(587)
Company		
USD against SGD		
– strengthened	**324**	556
– weakened	**(324)**	(556)

If the AUD changes against the SGD by 6% (2015: 7%) with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease) Profit after tax	
	2016	2015
	S$'000	S$'000
Group		
AUD against SGD		
– strengthened	**44**	162
– weakened	**(44)**	(162)
Company		
AUD against SGD		
– strengthened	**29**	64
– weakened	**(29)**	(64)

33. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Fair value interest rate risks

Fair value 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 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 fair value interest rate risk from its bonds and fixed rate notes.

During the financial year ended 31 March 2015, the Group terminated the interest rate swaps that were fair value hedges for the fixed rate notes. The gain arising from the termination have been recognised in other borrowings, to be amortised to income over the remaining term of the fixed rate notes due 30 March 2020.

At 31 March 2016, if the interest rates had increased / decreased by 1% with all other variables, including tax rate being held constant, it would have insignificant impact on the profit after tax for the year.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits, trade receivables, investments in financial assets and financial instruments used in hedging activities. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level. The Group and the Company have no significant concentrations of credit risk.

Bank deposits are placed in banks which are regulated. The Group limits its credit risk exposure in respect of investments in financial assets and derivative financial instruments by dealing with counterparties with high credit quality.

33. **FINANCIAL RISK MANAGEMENT** (continued)

(b) Credit risk (continued)

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

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

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
By geographical areas				
Singapore	**75,105**	66,133	**133,685**	132,073
Other countries	**102,934**	73,997	**40,721**	20,067
	178,039	140,130	**174,406**	152,140
By types of customers				
Related parties	**34,644**	39,284	**120,240**	125,894
Non-related parties:				
– Government bodies	**6,936**	6,295	**6,885**	4,838
– Banks	**8,704**	23,739	**8,448**	8,049
– Overseas postal administrations	**6,167**	6,847	**6,167**	6,847
– Other companies	**121,588**	63,965	**32,666**	6,512
	178,039	140,130	**174,406**	152,140

(i) *Financial assets that are neither past due nor impaired*

Bank deposits, investments in financial assets and financial instruments used in hedging activities that are neither past due nor impaired are mainly deposited and transacted with high credit-ratings counterparties. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) *Financial assets that are past due and/or impaired*

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

33. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired (continued)

The age analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Past due up to 3 months	**64,668**	49,494	**38,658**	24,077
Past due over 3 months	**8,872**	8,758	**2,302**	3,495
	73,540	58,252	**40,960**	27,572

The carrying amount of trade receivables individually and collectively determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Gross amount	**5,390**	5,270	**1,741**	1,566
Less: Allowance for impairment	**(5,390)**	(5,270)	**(1,741)**	(1,566)
	–	–	**–**	–
Beginning of financial year	**5,273**	5,533	**1,566**	1,237
Allowance made	**472**	178	**351**	331
Allowance utilised	**(355)**	(441)	**(176)**	(2)
End of financial year	**5,390**	5,270	**1,741**	1,566

(c) Liquidity risk

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

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

33. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000
Group				
At 31 March 2016				
Trade and other payables	**(385,712)**	**(26,119)**	**–**	**–**
Borrowings	**(78,090)**	**(7,000)**	**(220,138)**	**–**
Gross settled currency forwards	**(801)**	**–**	**–**	**–**
	(464,603)	**(33,119)**	**(220,138)**	**–**
At 31 March 2015 (Restated)				
Trade and other payables	(352,068)	(8,709)	–	–
Borrowings	(23,947)	(7,000)	(221,000)	–
Net settled currency forwards	(3,718)	–	–	–
	(379,733)	(15,709)	(221,000)	–
Company				
At 31 March 2016				
Trade and other payables	**(274,432)**	**–**	**–**	**–**
Borrowings	**(7,000)**	**(7,000)**	**(214,000)**	**–**
Gross settled currency forwards	**(801)**	**–**	**–**	**–**
	(282,233)	**(7,000)**	**(214,000)**	**–**
At 31 March 2015				
Trade and other payables	(261,936)	–	–	–
Borrowings	(7,000)	(7,000)	(221,000)	–
Net settled currency forwards	(3,718)	–	–	–
	(272,654)	(7,000)	(221,000)	–

(d) Capital risk

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

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

33. FINANCIAL RISK MANAGEMENT (continued)

(d) Capital risk (continued)

The gearing ratio is calculated as net debt divided by total equity. Net debt/ (cash) is calculated as borrowings less cash and cash equivalents.

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Net debt/(cash)	**153,632**	(345,813)	**186,418**	(273,296)
Total equity	**1,561,503**	1,467,737	**1,608,430**	1,468,374
Gearing ratio	**10%**	(24%)	**12%**	(19%)

The Group and Company have no externally imposed capital requirements for the financial years ended 31 March 2016 and 2015.

(e) 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 balance sheet date. The quoted market prices used for financial assets are the current bid price; the appropriate quoted market prices used for financial liabilities are the current asking prices. The instruments are presented within Level 1 of the fair value hierarchy.

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

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

The fair value of contingent consideration payable is estimated by using a valuation technique that is not based on observable market data and is accordingly classified as a Level 3 fair value measurement. Refer to Note 36 for details.

The fair values of current and non-current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

33. FINANCIAL RISK MANAGEMENT (continued)

(e) 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 following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
2016				
Assets				
Available-for-sale financial assets	**3,508**	**–**	**5,159**	**8,667**
Held-to-maturity financial assets	**37,543**	**–**	**–**	**37,543**
Derivatives financial instruments	**–**	**846**	**–**	**846**
Liabilities				
Derivative financial instruments	**–**	**801**	**–**	**801**
Contingent consideration payable	**–**	**–**	**51,181**	**51,181**
2015				
Assets				
Available-for-sale financial assets	4,145	–	414	4,559
Held-to-maturity financial assets	28,748	–	1,289	30,037
Liabilities				
Derivative financial instruments	–	3,718	–	3,718
Contingent consideration payable	–	–	26,772	26,772

33. FINANCIAL RISK MANAGEMENT (continued)

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

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Company				
2016				
Assets				
Available-for-sale financial assets	**3,508**	**–**	**4,561**	**8,069**
Held-to-maturity financial assets	**37,543**	**–**	**–**	**37,543**
Derivative financial instruments	**–**	**846**	**–**	**846**
Liabilities				
Derivative financial instruments	**–**	**801**	**–**	**801**
2015				
Available-for-sale financial assets	4,145	–	–	4,145
Held-to-maturity financial assets	28,748	–	1,289	30,037
Liabilities				
Derivative financial instruments	–	3,718	–	3,718

The following table presents the changes in Level 3 instruments:

	Group and Company		Group	
	Held-to-maturity financial assets $'000	Available-for-sale financial assets $'000	Contingent Consideration $'000	Total $'000
2016				
Beginning of financial year	**1,289**	**414**	**26,772**	**28,475**
Transfers	**–**	**–**	**–**	**–**
Purchases	**–**	**4,745**	**–**	**4,745**
Disposal	**(1,289)**	**–**	**(1,301)**	**(2,590)**
Acquisition of subsidiaries and associates	**–**	**–**	**26,289**	**26,289**
Fair value gains/(losses) recognised in				
– Profit or loss	**–**	**–**	**201**	**201**
Currency translation differences	**–**	**–**	**(780)**	**(780)**
End of financial year	**–**	**5,159**	**51,181**	**56,340**
Total gains for the year included in the profit or loss for assets and liabilities held at the end of the financial year	**–**	**–**	**201**	**201**

33. FINANCIAL RISK MANAGEMENT (continued)

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

	Group and Company		Group	
	Held-to-maturity financial assets $'000	**Available-for-sale financial assets $'000**	**Contingent consideration $'000**	**Total $'000**
2015 (restated)				
Beginning of financial year	–	420	20,600	21,020
Transfers	–	–	–	–
Purchases	1,289	–	–	1,289
Acquisition of a subsidiary	–	–	6,172	6,172
Currency translation differences	–	(6)	–	(6)
End of financial year	1,289	414	26,772	28,475
Total gains or (losses) for the period included in the profit or loss for assets and liabilities held at the end of the financial year	–	–	–	–

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

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheets and in Notes 12,14 and 24 to the financial statements, except for the following:

	Group		Company	
	2016 S$'000	2015 S$'000 (Restated)	**2016 S$'000**	2015 S$'000
Loans and receivables	**355,217**	765,644	**809,900**	810,693
Financial liabilities at amortised cost	**415,902**	362,756	**274,432**	261,936

33. FINANCIAL RISK MANAGEMENT (continued)

(g) Offsetting financial assets and financial liabilities

The Group has the following financial instruments subject to enforceable master netting arrangements or similar agreement as follows:

	(a)	(b)	(c)=(a)–(b)	(d)		(e)=(c)+(d)
	Related amounts set off in the balance sheet			Related amounts not set off in the balance sheet		
	Gross amounts of recognised financial assets S$'000	Gross amounts of recognised financial liabilities S$'000	Net amounts of financial assets/ (liabilities) presented in the balance sheet S$'000	(d)(i), (d)(ii) Financial instruments S$'000	(d)(ii) Cash collateral pledged S$'000	Net amount S$'000
At 31 March 2015						
Currency forwards	3	3,721	(3,718)	–	–	(3,718)

There were no financial instruments subject to enforceable master netting arrangement for the year ended 31 March 2016.

34. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2016 S$'000	2015 S$'000
Services rendered to an associated company	**71,227**	67,009
Services received from an associated company	**64**	–
Services rendered to related companies of a substantial shareholder	**14,747**	15,564
Services received from related companies of a substantial shareholder	**910**	430

During the financial year ended 31 March 2016, the Company made payments on behalf of subsidiaries totalling S$46.2 million (2015: S$17.9 million) which were subsequently reimbursed.

34. RELATED PARTY TRANSACTIONS (continued)

(b) Key management personnel compensation is as follows:

	Group	
	2016	2015
	S$'000	S$'000
Salaries and other short-term employee benefits	**7,185**	5,711
Post-employment benefits – contribution to CPF	**47**	37
Share-based staff costs	**721**	1,628
	7,953	7,376

Included in the above is total compensation to directors of the Company amounting to S$1,690,160 (2015: S$1,491,270).

35. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Executive Director and Group Chief Financial Officer ("Chief Operating Decision Maker" or "CODM") that are used to make strategic decisions.

The CODM considers the business from a business segment perspective. Management manages and monitors the business in the three primary business areas: Mail, Logistics and Retail & eCommerce:

- **Mail** – Mail segment provides comprehensive services for collecting, sorting, transporting and distributing domestic and international mail as well as sale of philatelic products. International mail service covers the handling of incoming international mail and outgoing international mail. Mail division also offers ePost hybrid mail service which integrates electronic data communication with traditional mail.

- **Logistics** – Logistics segment provides a diverse range of logistics solutions, comprising freight, warehousing, domestic and international distribution, and delivery services. The services include ecommerce logistics, warehousing, fulfilment and distribution, and other value-added services (Quantium Solutions), parcel delivery (Singapore Parcel), freight forwarding (Famous Holdings) and self-storage solutions (General Storage).

- **Retail & eCommerce** – Retail & eCommerce segment provides a wide variety of products and services beyond the scope of traditional postal services, including agency services, financial services and front-end eCommerce solutions.

35. **SEGMENT INFORMATION** (continued)

Other operations include the provision of commercial property rental and investment holding; but these are not included within the reportable operating segments, as they are not included in the reports provided to the CODM. The results of these operations are included in the "all other segments" column.

The segment information provided to the CODM for the reportable segments for the years ended 31 March 2016 and 31 March 2015 are as follows:

	Mail S$'000	Logistics S$'000	Retail & eCommerce S$'000	All other segments S$'000	Eliminations S$'000	Total S$'000
2016						
Revenue:						
– External	466,597	552,173	132,772	–	–	1,151,542
– Inter-segment	33,205	73,799	27,888	–	(134,892)	–
	499,802	625,972	160,660	–	(134,892)	1,151,542
Other income and gains (net)						
– Rental, property-related and miscellaneous income						
– External	461	2,912	(56)	152,982	(1)	156,298
– Inter-segment	–	583	–	33,394	(33,977)	–
	461	3,495	(56)	186,376	(33,978)	156,298
Operating profit	147,775	37,696	2,249	96,539	–	284,259
Depreciation and amortisation	7,562	10,775	5,342	8,207	–	31,886
Segment assets	104,445	659,949	366,620	1,196,731	–	2,327,745
Segment assets includes:						
Investment in associated companies	–	70,238	–	76,163	–	146,401
Intangible assets	227	338,999	243,967	–	–	583,193
Additions to:						
– Property, plant and equipment	5,270	160,809	7,365	16,687	–	190,131
– Investment properties	–	3	–	88,980	–	88,983

35. SEGMENT INFORMATION (continued)

	Mail S$'000	Logistics S$'000	Retail & eCommerce S$'000	All other segments S$'000	Eliminations S$'000	Total S$'000
2015 (Restated)						
Revenue:						
– External	467,567	387,758	64,257	–	–	919,582
– Inter-segment	32,685	77,000	27,745	–	(137,430)	–
	500,252	464,758	92,002	–	(137,430)	919,582
Other income and gains (net)						
– Rental, property-related and miscellaneous income						
– External	945	1,675	910	48,252	–	51,782
– Inter-segment	–	–	–	35,684	(35,684)	–
	945	1,675	910	83,936	(35,684)	51,782
Operating profit	143,989	21,542	9,746	11,088	–	186,365
Depreciation and amortisation	7,626	7,230	1,537	18,152	–	34,545
Segment assets	153,296	550,080	24,484	977,466	–	1,705,326
Segment assets includes:						
Investment in associated companies	1,776	16,278	–	86,359	–	104,413
Intangible assets	323	316,319	–	–	–	316,642
Additions to:						
– Property, plant and equipment	42,715	13,936	4,035	51,814	–	112,500
– Investment property	–	6,141	–	21	–	6,162

35. SEGMENT INFORMATION (continued)

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

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 profit of associated companies and joint ventures. Interest income and finance expenses are not allocated to segments.

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

	2016 S$'000	2015 S$'000
Operating profit for reportable segments	**187,720**	175,277
Other segments operating profit	**96,539**	11,088
Finance expense	**(10,365)**	(4,370)
Interest income	**4,268**	3,864
Share of profit of associated companies and joint ventures	**9,066**	6,660
Profit before tax	**287,228**	192,519

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 balance sheet 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, held-to-maturity. Cash and cash equivalents are allocated to reportable segments where applicable.

	2016 S$'000	2015 S$'000 (Restated)
Segment assets for reportable segments	**1,131,014**	727,860
Other segments assets	**1,196,731**	977,466
Unallocated:		
Cash and cash equivalents	**41,602**	471,218
Financial assets, held-to-maturity	**45,612**	34,182
Derivative financial instruments	**846**	–
Total assets	**2,415,805**	2,210,726

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35. SEGMENT INFORMATION (continued)

Revenue from major products and services

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

	2016 S$'000	2015 S$'000
Domestic and International Mail services	**466,597**	467,567
Domestic and International distribution and delivery services	**552,173**	387,758
Retail & eCommerce sale of products and services	**132,772**	64,257
Revenue	**1,151,542**	919,582

Geographical information

The Group's three business segments operate principally in Singapore, where over 56% (2015: 65%) of its revenues are generated. The remaining revenues are generated mainly from Australia, Japan, Europe and USA.

The Group does not rely on any major customers.

36. BUSINESS COMBINATIONS

(i) On 15 July 2015, the Group acquired 80% equity interest of Rotterdam Harbour Holding B.V. ("FPS Rotterdam") through its subsidiary. The principal activity of FPS Rotterdam is that of freight forwarding service.

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

	Group S$'000
(a) Purchase consideration	
Cash paid	12,663
Contingent consideration (Note (e) below)	5,222
Total purchase consideration	**17,885**

36. BUSINESS COMBINATIONS (continued)

(i) (continued)

	Group S$'000
(b) Effect on cash flows of the Group	
Cash paid (as above)	12,663
Less: Cash and cash equivalents in FPS Rotterdam acquired	(1,369)
Cash outflow on acquisition	**11,294**

	At fair value (Provisional) S$'000
(c) *Identifiable assets acquired and liabilities assumed, at provisional fair value*	
Cash and cash equivalents	1,369
Property, plant and equipment	1,850
Current income tax recoverable	235
Trade and other receivables	5,515
Total assets	8,969
Trade and other payables	6,597
Deferred tax liabilities	17
Total liabilities	6,614
Total identifiable net assets	2,355
Less: Non-controlling interest at proportionate share	(493)
Add: Goodwill on acquisition	16,023
Total purchase consideration for the business	**17,885**

(d) Acquisition-related cost

Acquisition-related costs of S$238,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

36. BUSINESS COMBINATIONS (continued)

(i) (continued)

(e) Contingent consideration

The consideration for the remaining 20% interest is dependent on the revenue achieved for the financial years 31 March 2016 and 31 March 2017, and the cumulative net profit after tax of FPS Rotterdam for the five financial years prior to 14 July 2020. The fair value of the consideration at acquisition date, discounted at 2.18% per annum, is at its maximum of S$5,222,000 based on the criteria above.

The fair value was derived using the income approach and is classified as a Level 3 fair value under the fair value hierarchy.

(f) Acquired receivables

The fair value of trade and other receivables is S$5,515,000 and includes trade receivables with a fair value of S$5,400,000. The gross contractual amount for trade receivables due is S$6,000,000, of which S$600,000 is expected to be uncollectible.

(g) Goodwill

The goodwill of S$16,023,000 arising from the acquisition is attributable to the synergies expected to arise from economies of scale in combining the operations of the Group to strengthen the Group's capability to provide customers with an integrated eCommerce logistics solution and to complement the Group's existing postal and parcel networks.

(h) Revenue and profit contribution

The acquired business contributed S$35,971,000 of revenue and S$2,171,000 of net profit to the Group for the period 15 July 2015 to 31 March 2016.

Had FPS Rotterdam been consolidated from 1 April 2015, consolidated revenue and consolidated net profit for the year ended 31 March 2016 would have been increased by S$21,587,000 and S$674,000 respectively.

36. BUSINESS COMBINATIONS (continued)

(ii) On 1 September 2015, the Group acquired 100% equity interest of Store Friendly Self Storage Group ("SFG") through its subsidiary. The principal activity of SFG is that of providing personal and business storage facilities services in Singapore.

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

		Group S$'000
(a)	*Purchase consideration*	
	Cash paid	11,805
	Total purchase consideration	**11,805**
(b)	*Effect on cash flows of the Group*	
	Cash paid (as above)	11,805
	Less: Cash and cash equivalents in SFG acquired	(724)
	Cash outflow on acquisition	**11,081**

		At fair value (Provisional) S$'000
(c)	*Identifiable assets acquired and liabilities assumed, at provisional fair value*	
	Cash and cash equivalents	724
	Property, plant and equipment	1,709
	Trade and other receivables	783
	Total assets	3,216
	Trade and other payables	828
	Advance billing	1,262
	Total liabilities	2,090
	Total identifiable net assets	1,126
	Add: Goodwill on acquisition	10,679
	Total purchase consideration for the business	**11,805**

36. BUSINESS COMBINATIONS (continued)

(ii) *(continued)*

(d) *Acquisition-related cost*

Acquisition-related costs of S$891,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(e) *Acquired receivables*

The fair value of trade and other receivables is S$783,000 and includes trade receivables with a fair value of S$196,000. The gross contractual amount for trade receivables due is S$235,000, of which S$39,000 is expected to be uncollectible.

(f) *Goodwill*

The goodwill of S$10,679,000 arising from the acquisition is attributable to the synergies expected to arise from economies of scale in business processes and marketing with those of Lock + Store.

(g) *Revenue and profit contribution*

The acquired business contributed S$2,362,000 of revenue and S$114,000 of net profit to the Group for the period 1 September 2015 to 31 March 2016.

Had SFG been consolidated from 1 April 2015, consolidated revenue and consolidated net profit for the year ended 31 March 2016 would have been increased by S$699,000 and decreased by S$371,000.

36. BUSINESS COMBINATIONS (continued)

(iii) On 13 November 2015, the Group acquired 96.4% equity interest of TG Group. The principal activity of TG Group is that of provision of integrated eCommerce enablement solutions, including fulfilment, customer care, logistics, web development, software and marketing services for the fashion retail industry.

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

		Group S$'000
(a)	*Purchase consideration*	
	Cash paid	236,101
	Total purchase consideration	**236,101**
(b)	*Effect on cash flows of the Group*	
	Cash paid (as above)	236,101
	Less: Cash and cash equivalents in TG Group acquired	(5,415)
	Cash outflow on acquisition	**230,686**

36. BUSINESS COMBINATIONS (continued)

(iii) (continued)

	At fair value (Provisional) S$'000
(c) Identifiable assets acquired and liabilities assumed, at provisional fair value	
Cash and cash equivalents	5,415
Inventories	395
Customer relationships (included in intangibles) (Note 22(b))	42,992
Acquired software licence (included in intangibles) (Note 22(e))	1,876
Trademarked brand (included in intangibles) (Note 22(f))	560
Property, plant and equipment	27,789
Deferred tax income assets	560
Trade and other receivables	18,504
Total assets	98,091
Trade and other payables	10,952
Borrowings	5,601
Deferred income tax liabilities	19,117
Total liabilities	35,670
Total identifiable net assets	62,421
Less: Non-controlling interest at proportionate share	(2,247)
Add: Goodwill on acquisition	175,927
Total purchase consideration for the business	**236,101**

(d) Acquisition-related cost

Acquisition-related costs of S$7,017,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(e) Acquired receivables

The fair value of trade and other receivables is S$18,504,000 and includes trade receivables with a fair value of S$17,107,000. The gross contractual amount for trade receivables due is S$18,755,000, of which S$1,648,000 is expected to be uncollectible.

36. Business combinations (continued)

(iii) (continued)

(f) Goodwill

The goodwill of S$175,927,000 arising from the acquisition is attributable to the synergies from increased eCommerce services of web design, content management, marketing and analytics, fulfilment and logistics and the increased geographical access to customers.

(g) Revenue and profit contribution

The acquired business contributed S$56,325,000 of revenue, S$3,345,000 of EBITDA and S$77,000 of net loss to the Group for the period 14 November 2015 to 31 March 2016.

Had TG Group been consolidated from 1 April 2015, consolidated revenue, consolidated EBITDA and consolidated net loss for the year ended 31 March 2016 would have increased by S$74,112,000, S$5,268,000 and S$1,483,000 respectively.

(iv) On 7 March 2016, the Group acquired 71.1% equity interest of Jagged Peak, Inc. ("JP") through its subsidiary. The principal activity of JP is that of provision of eCommerce logistics enabler for high-velocity consumer products based in the United States of America.

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

	Group S$'000
(a) Purchase consideration	
Cash paid to vendor	18,858
Cash consideration in escrow	1,405
Contingent consideration (Note (e) below)	13,809
Total purchase consideration	**34,072**
(b) Effect on cash flows of the Group	
Cash paid (as above)	18,858
Add: Bank overdraft in JP acquired	484
Cash outflow on acquisition	**19,342**

36. BUSINESS COMBINATIONS (continued)

(iv) (continued)

	At fair value (Provisional) S$'000
(c) Identifiable assets acquired and liabilities assumed, at provisional fair value	
Property, plant and equipment	6,242
Trade and other receivables	14,724
Deferred income tax assets	1,042
Total assets	22,008
Trade and other payables	17,886
Borrowings	1,816
Deferred income tax liabilities	822
Advance billings	297
Bank overdraft	484
Total liabilities	21,305
Total identifiable net assets	703
Add: Goodwill	33,369
Total purchase consideration for the business	**34,072**

(d) Acquisition-related cost

Acquisition-related costs of S$2,544,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(e) Contingent consideration

In accordance with the key Stockholder Agreement between the Group and the key stockholder, a call option was granted to the Group to purchase the remaining 28.9% interest in JP and a put option was granted to the key stockholder to sell the remaining 28.9% interest in JP to the Group.

The consideration for the 28.9% under option is dependent on the audited average earnings before interest, tax, depreciation and amortisation ("EBITDA") of JP for the 3 consecutive financial years ending 31 December 2015 to 31 December 2017. The fair value of the consideration at the acquisition date was estimated at S$13,809,000 based on a multiple of forecasted average EBITDA for the relevant financial years and estimated net debt of S$6,731,000, discounted at 2.9% per annum. The fair value is classified within Level 3 of the fair value hierarchy.

36. BUSINESS COMBINATIONS (continued)

(iv) (continued)

(e) Contingent consideration (continued)

The maximum amount that the Group is expected to pay to the key stockholders of Jagged Peak will be S$33,163,000 if the above mentioned criteria are met.

(f) Acquired receivables

The fair value of trade and other receivables is S$14,725,000 and includes trade receivables with a fair value of S$13,691,000. The gross contractual amount for trade receivables due is S$14,465,000, of which S$774,000 is expected to be uncollectible.

(g) Goodwill

The goodwill of S$33,369,000 arising from the acquisition is attributable to the synergies expected to arise from enabling end-to-end fulfilment of eCommerce orders across the United States of America.

(h) Revenue and profit contribution

The acquired business contributed S$8,715,000 of revenue, S$480,000 of EBITDA and S$363,000 of net profit to the Group for the period 8 March 2016 to 31 March 2016.

Had JP been consolidated from 1 April 2015, consolidated revenue, consolidated EBITDA and consolidated net profit for the year ended 31 March 2016 would have increased by S$92,278,000, S$5,043,000 and S$1,109,000 respectively.

(v) During the financial year ended 31 March 2015, the Group acquired F.S. Mackenzie Limited ("FSML"), Famous Pacific Shipping (NZ) Limited ("FPSNZ"), The Store House Limited ("TSH"), and Couriers Please Holdings Pty Limited and its subsidiaries ("CP Holdings group"). The fair values of assets and liabilities of FSML, FPSNZ, TSH and CP Holdings group from the acquisition had initially been determined in the Financial Statements of the Group for the financial year ended 31 March 2015 based on provisional fair values. The Group completed the Purchase Price Allocation ("PPA") exercise in the financial year ended 31 March 2016 for FSML, FPSNZ, TSH and CP Holdings group and the effects of the PPA exercise, together with the revision to contingent consideration payable, is summarised below. These adjustments are accounted for as if they had been recognised on acquisition date and adjusted in the comparative financial statements as prior year adjustments. The effects to the 31 March 2015 Group balance sheet are as follows:

36. BUSINESS COMBINATIONS (continued)

(v) (continued)

	As previously reported S$'000	After adjustment S$'000	Increase/ (Decrease) S$'000
As at 31 March 2015			
Assets			
Goodwill	296,492	267,278	(29,214)
Intangible assets, excluding goodwill	6,401	49,364	42,963
Deferred income tax assets	5,371	4,541	(830)
Net increase			**12,919**
Liabilities			
Trade and other payables	10,508	10,688	180
Deferred income tax liabilities	23,601	36,340	12,739
Net increase			**12,919**

There is no material effect to the 31 March 2015 Group financial results.

37. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2016 and which the Group has not early adopted:

- FRS 16 *Property plant and equipment* and FRS 38 *Intangible assets* (effective for annual periods beginning on or after 1 January 2016)

  This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. This has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The presumption may only be rebutted in certain limited circumstances. These are where the intangible asset is expressed as a measure of revenue; or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

  Management is in the midst of assessing whether there is any significant impact on the financial statements of the Group.

37. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (continued)

- FRS 111 *Joint Arrangements* (effective for annual periods beginning on or after 1 January 2016)

  This amendment provides new guidance on how to account for the acquisition of an interest in a joint venture operation that constitutes a business. The amendments require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'business'. The amendments are applicable to both the acquisition of the initial interest in a joint operation and the acquisition of additional interest in the same joint operation. However, a previously held interest is not re-measured when the acquisition of an additional interest in the same joint operation results in retaining joint control.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

- FRS 110 *Consolidated financial statements* and FRS 28 *Investments in associates and joint ventures* (effective date to be determined by the ASC)

  These amendments address an inconsistency between FRS 110 and FRS 28 in the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

- FRS 1 *Presentation of financial statements* (effective for annual periods beginning on or after 1 January 2016)

  The amendment clarifies guidance in FRS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

  Management is in the midst of assessing whether there is any significant impact on the financial statements of the Group.

37. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (continued)

- FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 January 2018)

  This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

  – Step 1: Identify the contract(s) with a customer
  – Step 2: Identify the performance obligations in the contract
  – Step 3: Determine the transaction price
  – Step 4: Allocate the transaction price to the performance obligations in the contract
  – Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

  Management is in the midst of assessing whether there is any significant impact on the financial statements of the Group.

- FRS 109 *Financial instruments* (effective for annual periods beginning on or after 1 January 2018)

  The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39.

  For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under FRS 39.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

38. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 11 May 2016 in accordance with a resolution of the Board of Directors of Singapore Post Limited.

39. LISTING OF COMPANIES IN THE GROUP

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2016 %	2015 %	**2016** %	2015 %
SUBSIDIARIES						
Held by the Company						
SingPost eCommerce II Pte Ltd.	Online sale of luxury products	Singapore	**100**	100	**–**	–
DataPost Pte. Ltd.	Electronic printing and despatching services	Singapore	**–**	100	**–**	–
SingPost eCommerce Pte. Ltd.	eCommerce specialising in the provision of online sale of products	Singapore	**100**	100	**–**	–
SingPost Logistics Holding Pte Ltd[1]	Investment holding, provision of management and consultancy services to related entities	Singapore	**100**	100	**–**	–
Singapore Post Enterprise Private Limited	Investment holding	Singapore	**100**	100	**–**	–
SingPost Investments Pte Ltd	Investment holding	Singapore	**100**	100	**–**	–
SingPost Logistics Investments Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
Held by the subsidiaries						
DataPost (HK) Pte Limited[4]	Electronic printing and enveloping services	Hong Kong	**–**	100	**–**	–
eP2M Services Sdn. Bhd.	Electronic printing and despatching services	Malaysia	**–**	100	**–**	–
SP Jagged Peak LLC[5]	Investment holding	United States	**100**	–	**–**	–

39. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2016 %	2015 %	**2016** %	2015 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Jagged Peak, Inc[5]	eCommerce logistics enabler for high-velocity consumer products	United States	**71.1**	–	**28.9**	–
SingPost Distribution Pte. Ltd.[2]	Provision of business mail solutions and distribution of mail	Singapore	**100**	100	**–**	–
SP Commerce Holdings, Inc[5]	Investment holding	United States	**100**	–	**–**	–
SP Commerce, Inc[5]	Provison of global sale & marketing services	United States	**100**	–	**–**	–
TG Acquisition Corporation[5]	Investment holding	United States	**96.4**	–	**3.6**	–
TradeGlobal Holdings, Inc[5]	eCommerce enablement provider	United States	**96.4**	–	**3.6**	–
TradeGlobal North America Holding, Inc[5]	eCommerce enablement provider	United States	**96.4**	–	**3.6**	–
TradeGlobal North America LLC[5]	eCommerce enablement provider	United States	**96.4**	–	**3.6**	–
TradeGlobal Asia Holdings Limited[5]	eCommerce enablement provider	Hong Kong	**96.4**	–	**3.6**	–
Trade Global Europe TGE GmbH	eCommerce enablement provider	Germany	**96.4**	–	**3.6**	–
Netrada Trade and Consulting (Shanghai) Co Ltd	eCommerce enablement provider	China	**96.4**	–	**3.6**	–
SingPost Logistics Enterprise Pte Ltd	Investment holding, provision of management and consultancy services to related entities	Singapore	**100**	–	**–**	–
SingPost Logistics Australia Holdings Pty Ltd	Investment holding, provision of management and consultancy services to related entities	Australia	**100**	–	**–**	–

39. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2016 %	by the Group 2015 %	by the NCI 2016 %	by the NCI 2015 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Quantium Solutions International Pte. Ltd.	Investment holding, provision of management and consultancy services to related entities	Singapore	**100**	100	**–**	–
Quantium Solutions (Singapore) Pte. Ltd.	Provision of delivery services and e-commerce logistics solutions	Singapore	**100**	100	**–**	–
Quantium Mail Logistics Solutions (India) Private Limited	Provision of delivery services and e-commerce logistics solutions	India	**100**	100	**–**	–
Quantium Express Solutions (India) Private Limited	Provision of delivery services and e-commerce logistics solutions	India	**100**	–	**–**	–
Quantium Solutions (Australia) Pty Limited	Provision of delivery services and e-commerce logistics solutions	Australia	**100**	100	**–**	–
Quantium Solutions (Hong Kong) Limited	Provision of delivery services and e-commerce logistics solutions	Hong Kong	**100**	100	**–**	–
Quantium Solutions (Japan) Inc.	Provision of delivery services and e-commerce logistics solutions	Japan	**100**	100	**–**	–
Quantium Solutions International (Malaysia) Sdn Bhd	Provision of delivery services and e-commerce logistics solutions	Malaysia	**100**	100	**–**	–
Quantium Solutions (New Zealand) Pty Limited	Provision of delivery services and e-commerce logistics solutions	New Zealand	**100**	100	**–**	–
Quantium Solutions (Philippines) Inc+	Provision of delivery services and e-commerce logistics solutions	Philippines	**40**	40	**60**	60
Quantium Solutions (Taiwan) Co., Ltd	Provision of delivery services and e-commerce logistics solutions	Taiwan	**100**	100	**–**	–

39. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2016 %	2015 %	**2016** %	2015 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Quantium Solutions (Thailand) Co., Ltd.	Provision of delivery services and e-commerce logistics solutions	Thailand	**100**	100	**–**	–
PT Quantium Solutions Logistics Indonesia[+]	Provision of delivery services and e-commerce logistics solutions	Indonesia	**49**	49	**51**	51
Couriers Please Holdings Pty Limited	Provision of delivery services and e-commerce logistics solutions	Australia	**100**	100	**–**	–
Couriers Please Australia Pty Limited	Provision of delivery services and e-commerce logistics solutions	Australia	**100**	100	**–**	–
Couriers Please Pty Limited	Provision of delivery services and e-commerce logistics solutions	Australia	**100**	100	**–**	–
Novation Solutions Limited	Security printing and transaction mail Provider	Hong Kong	**–**	100	**–**	–
Novation Printing (Shenzhen) Limited[(6)]	Security printing and transaction mail provider	China	**–**	100	**–**	–
SingPost Storage Company Ltd	Investment holding	Mauritius	**100**	100	**–**	–
SingPost Investments (Tampines) Pte Ltd	Investment holding	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	**–**	–

39. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2016 %	by the Group 2015 %	by the NCI 2016 %	by the NCI 2015 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
General Storage Company	Investment holding company	Singapore	**100**	100	**–**	–
Lock + Store (Chai Chee) Pte Ltd	Provision of warehousing, storage & logistics services	Singapore	**100**	100	**–**	–
Lock + Store (Tanjong Pagar) Pte Ltd	Provision of warehousing, storage & logistics services	Singapore	**100**	100	**–**	–
Lock + Store (Ayer Rajah) Pte Ltd	Provision of warehousing, storage & logistics services	Singapore	**100**	100	**–**	–
The Store House Limited(7)	Provision of personal & business storage facilities	Hong Kong	**100**	100	**–**	–
The Store House Operating Company Limited(7)	Provision of administrative & management services	Hong Kong	**75**	75	**25**	25
Lock and Store (Glenmarie) Sdn. Bhd.	Provision of warehousing, storage & rental services	Malaysia	**100**	100	**–**	–
Store Friendly Self Storage Group Pte Ltd	Provision of general warehousing, self-storage and value added logistics services	Singapore	**100**	–	**–**	–
Japan Self Storage Company Ltd(5)	Provision of self-storage services	Japan	**60**	–	**40**	–
SingPost eCommerce Logistics Holdings Pte Ltd	Investment holding	Singapore	**100**	–	**–**	–
SP Parcels Pte Ltd(1)	Courier activities other than national post activities	Singapore	**100**	–	**–**	–

39. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2016 %	2015 %	**2016** %	2015 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Famous Holdings Pte Ltd	Investment holding and provision of management services	Singapore	**62.5**	62.5	**37.5**	37.5
Famous Air & Sea Services Pte Ltd	Freight forwarding	Singapore	**62.5**	62.5	**37.5**	37.5
FPS Global Logistics Pte Ltd	Freight forwarding	Singapore	**62.5**	62.5	**37.5**	37.5
Famous Pacific Shipping (S) Pte Ltd[3]	Freight forwarding	Singapore	**–**	62.5	**–**	37.5
FPS Famous Pacific Shipping Sdn Bhd[8]	Freight forwarding	Malaysia	**62.5**	62.5	**37.5**	37.5
Famous Pacific Shipping (WA) Pty Ltd	Freight collections transhipments	Australia	**62.5**	62.5	**37.5**	37.5
F.S. Mackenzie Limited[9]	Freight forwarding	United Kingdom	**62.5**	62.5	**37.5**	37.5
Famous Pacific Shipping (NZ) Limited[10]	Freight forwarding	New Zealand	**56.25**	56.25	**43.75**	43.75
Mercury Worldwide (NZ) Limited[10]	Freight forwarding	New Zealand	**56.25**	56.25	**43.75**	43.75
FPS Logistics (USA) Inc.[11]	Logistics management and services	USA	**62.5**	62.5	**37.5**	37.5
Sino Famous Intertrans Co Ltd[12]	Freight forwarding	China	**62.5**	62.5	**37.5**	37.5
Famous Container Lines Co Ltd[12]	Freight forwarding	China	**62.5**	62.5	**37.5**	37.5

39. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2016 %	2015 %	**2016** %	2015 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Shinyei Shipping Co Ltd	Freight forwarding	Japan	**55.6**	55.6	**44.4**	44.4
Tras – Inter Co. Ltd(13)	Customs brokerage and freight forwarding	Japan	**55.6**	55.6	**44.4**	44.4
Rotterdam Harbour Holding B.V.(14)+	Management, asset, accounting and custom services	Netherlands	**50**	–	**50**	–
FPS Famous Pacific Shipping B.V.(14)+	Logistics services	Netherlands	**50**	–	**50**	–
Trans Ocean Pacific Forwarding B.V.(14)+	Logistics services	Netherlands	**50**	–	**50**	–
EWC East Way Commodities B.V.(14)+	Trading company and purchase organisation for oceanfreight services	Netherlands	**50**	–	**50**	–
FPS Famous Pacific Shipping Germany GmbH(15)+	Sales company for logistics services of parent in Rotterdam	Germany	**50**	–	**50**	–
FPS Famous Pacific Shipping s.r.o.(16)+	Logistics services	Netherlands	**25.5**	–	**74.5**	–
SP eCommerce (Thailand) Co Ltd(17)	eCommerce specialising in the provision of online shopping platforms and services	Thailand	**100**	100	**–**	–
SP eCommerce (Korea) Co Ltd(17)	eCommerce specialising in the provision of online shopping platforms and services	Korea	**100**	100	**–**	–
SP eCommerce (Malaysia) Sdn. Bhd(17)	eCommerce specialising in the provision of online shopping platforms and services	Malaysia	**100**	–	**–**	–

39. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2016 %	2015 %
ASSOCIATED COMPANIES				
Held by the Company				
GD Express Carrier Berhad[18]	Provision of express delivery and customised logistics services	Malaysia	**11.23**	24.2
Held by subsidiaries				
Postea, Inc.[5]	Provision of technology and support in postal, courier and other distribution markets	USA	**27**	27
Indo Trans Logistics Corporation[19]	Provision of integrated logistics, freight and transport management and aviation services	Vietnam	**30**	30
Dash Logistics Company Ltd[17]	Provision of integrated logistics, freight and transport management and aviation services	Vietnam	**51**	51
Shenzhen 4PX Information and Technology Co Ltd.[20]	Provision of international express delivery services, international freight forwarding, import and export of goods and technology	China	**35.91**	18
Efficient E-Solutions Berhad[21]	Provision of data print, record management, data and document processing	Malaysia	**20.81**	20.81
Hubbed Holdings Pty Ltd[22]	Ecommerce and logistics retail network	Australia	**30**	–
Morning Express & Logistics Holding Ltd[23]	Provision of courier services and provision of management services to its related company	Hong Kong	**33**	–
E Link Station Ltd[23]	Provision of redemption services	Hong Kong	**50**	–
ePDS, Inc.[24]	Provision of electronic printing	Philippines	**–**	33
Shanghai Yihui Printing[17]	General printing	China	**–**	30
Novation Efficient Logistics Limited[17]	Provision of logistics services	Hong Kong	**–**	40

39. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2016 %	2015 %
JOINT VENTURES				
Held by subsidiaries				
Thai British Dpost Company Limited(25)	Provision of laser printing and enveloping services and despatching services	Thailand	**–**	49
PT Trio Specommerce Indonesia	e-commerce specialising in the provision of online sale of products	Indonesia	**33**	–

Notes

(1) Formerly known as Quantium Solutions Holding Pte Ltd
(2) Formerly known as Quantium Solutions Distribution Pte Ltd
(3) The company has been legally merged into FPS Global Logistics Pte Ltd

All companies as at 31 March 2016 are audited by member firms of PricewaterhouseCoopers International Limited, except for the following:

(4) Audited by Dominic K.F. Chan & Co. but work was performed by PricewaterhouseCoopers LLP, Singapore
(5) Not required to be audited for the financial year ended 31 March 2016
(6) Audited by Shenzhen Tian British Institute of Certified Public Accountants
(7) Audited by Cheng & Cheng Limited, Hong Kong
(8) Audited by Thiang & Co, Malaysia
(9) Audited by Blick Rothenberg LLP, United Kingdom
(10) Audited by KPMG LLP, New Zealand
(11) Audited by DNW & Associates Inc. United States of America
(12) Audited by Tianjin Guangxin Certified Public Accountants Co., Ltd, China
(13) Audited by HLB Meisei LLC, Japan
(14) Audited by Crowe Horwath Peak Audit & assurance, Netherlands
(15) Audited by Crowe Horwath Trinavis Audit & assurance, Germany
(16) Audited by Ucetnictvi on-line, s.r.o., Czech Republic
(17) Audited by local statutory auditors in the countries of incorporation
(18) Audited by Deloitte KassimChan, Malaysia
(19) Audited by KPMG Limited, Vietnam
(20) Audited by Deloitte Touche Tohmatsu, Certified Public Accountants LLP, Shenzhen Branch, China
(21) Audited by PKF International, Malaysia
(22) Audited by Assura Group
(23) Audited by Esmond W.T. Leung & Co
(24) Audited by SyCip Gorres Velayo & Co, Philippines
(25) Audited by KPMG Phoomchai Audit Ltd, Thailand
\+ 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.

AUDITED FINANCIAL STATEMENTS OF SINGAPORE POST LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

The information in this Appendix III has been extracted and reproduced from the audited financial statements of Singapore Post Limited and its subsidiaries for the financial year ended 31 March 2017 and has not been specifically prepared for inclusion in this Information Memorandum and references to the page numbers herein are to those as reproduced from the annual report for the financial year ended 31 March 2017.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying consolidated financial statements of Singapore Post Limited (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and of the financial position of the Company as at 31 March 2017, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated income statement of the Group for the year ended 31 March 2017;
- the consolidated statement of comprehensive income of the Group for the year then ended;
- the consolidated balance sheet of the Group as at 31 March 2017;
- the balance sheet of the Company as at 31 March 2017;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended, and
- the notes to the financial statements, including a summary of significant accounting policies.

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

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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 2017. 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	How our audit addressed the Key Audit Matter
Assessment of impairment of goodwill and other intangible assets *Refer to Notes 3(a) and 23 to the financial statements.* We focused on this area due to the magnitude of the goodwill balance (S$305.1 million as at 31 March 2017) across the Group and the other intangible assets (S$95.6 million as at 31 March 2017), principally customer relationships and trademarked brands with indefinite useful lives.	We agreed management's future cash flow projections to internal forecasts and strategic plans, and tested them against external data as well as historic trend analyses, expectations of the future development of the business, and market and publicly available industry and economic data. We compared the current year actual results with the prior year forecast to consider whether the assumptions made in the prior year, with hindsight, had been reasonable. We involved our valuation specialists in evaluating management's assumptions applied to future cash flow projections as follows: • terminal growth rates, by comparing them against economic and industry forecasts.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of impairment of goodwill and other intangible assets (continued) In addition, management's assessment of the recoverable amounts of the cash-generating units ("CGUs") involves significant judgement about the future cash flow projections of the business and the appropriate terminal growth rates, discount rates and royalty rates applied to the future cash flow projections. For the financial year ended 31 March 2017, a total impairment charge of S$205.7 million was recognised on certain of the Group's goodwill on acquisitions and customer relationships. Included therein was S$166.1 million for the goodwill on acquisition and S$19 million for the customer relationships in respect of TG Acquisition Corporation, the immediate holding Company of TradeGlobal. The Group appointed an independent external consulting firm to perform a review and report on the reasonableness of the valuation methodology and the key assumptions applied for the assessment of impairment of TG Acquisition Corporation.	• discount rates, by assessing the weighted average cost of capital ("WACC") used against comparable organisations, as well as considering territory specific factors. • royalty rates, by assessing them against rates charged by comparable organisations. We performed sensitivity calculations over the recoverable amounts of the Group's CGUs, based on reasonably possible changes in the key assumptions as set out above. We read and considered the report obtained by the Group from the independent external consulting firm in respect of their review of the methodology and assumptions applied by management in the assessment of impairment of TG Acquisition Corporation. We considered the adequacy of the Group's disclosures (in Notes 3(a) and 23) made in relation to goodwill and other intangible assets. We found the estimates and assumptions used in the impairment assessment of goodwill and other intangible assets to be reasonable. We also found the disclosures in the financial statements in respect of goodwill and other intangible assets, and impairment thereof, to be adequate.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of impairment of property, plant and equipment and investments in associated companies *Refer to Notes 3(b), 19 and 22 to the financial statements.* The Group operates various businesses globally, which utilise property, plant and equipment with a total carrying value of S$565.6 million as at 31 March 2017. The Group also has investments in associated companies with a total carrying value of S$117.8 million as at 31 March 2017. We focused on these areas due to the size of the asset carrying values as well as the significant judgment involved in management's assessment of the recoverability of the invested amounts. Such judgment relates to the determination of the recoverable amounts of the property, plant and equipment and investments in associated companies. Recoverable amounts are determined based on the higher of fair values based on valuations performed by an independent and qualified valuer, and value-in use calculations which involve management's assessment of the future cash flow projections of the business, and the appropriate terminal growth rates and discount rates applied to the future cash flow projections.	Our audit procedures included procedures to identify triggering events for potential impairment. *Assessment of fair values* We assessed the appropriateness of the fair values used in management's assessment of impairment. The audit procedures were performed in conjunction with the procedures performed to address the key audit matter, "Valuation of investment properties" as set out below. *Assessment of value-in-use calculations* • We agreed management's future cash flow projections to internal forecasts and strategic plans, and tested them against historic trend analyses, and expectations of the future development of the business, and market and publicly available industry and economic data. • We compared the current year actual results with the prior year forecast to consider whether the assumptions made in the prior year, with hindsight, had been reasonable. • We evaluated management's assumptions applied to future cash flow projections as follows: o terminal growth rates, by comparing them against economic and industry forecasts o discount rates, by assessing the WACC used against comparable organisations, as well as considering territory specific factors.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of impairment of property, plant and equipment and investments in associated companies (continued) For the financial year ended 31 March 2017, the Group recognised impairment charges of S$20.5 million for one of the Group's investments in associated companies, and S$9.3 million for one of the Group's properties.	• We performed sensitivity calculations over the value-in-use of the Group's property, plant and equipment and investments in associated companies, based on reasonably possible changes in the key assumptions as set out above. We considered the adequacy of the Group's disclosures (in Notes 3(b), 19 and 22) made in relation to property, plant and equipment, and investments in associated companies. We found the estimates and assumptions used in the impairment assessment of property, plant and equipment and investments in associated companies to be reasonable. We also found the disclosures in the financial statements to be adequate.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties *Refer to Notes 3(c) and 21 to the financial statements.* The carrying value of the Group's investment properties of S$970.4 million accounted for 35% of the Group's total assets as at 31 March 2017. The net fair value gains on investment properties recognised in the financial year then ended amounted to S$108.7 million. The valuation of these investment properties (primarily Singapore Post Centre, and the Group's warehousing and self-storage facilities) is inherently subjective, due principally to the unique nature of each property (including its location) which heavily influences the future rental it is expected to generate. The assumptions on which the property values are based are influenced by tenure and tenancy details for each property, prevailing market yields and comparable market transactions. The significance of the value of these investment properties and the inherent judgment involved in the valuation of these properties made this a key audit matter.	The valuations were carried out by a third party valuer (the "Valuer") engaged by the Group. Our audit procedures included the assessment of the following: *Experience of the Valuer and relevance of their work* We read the Valuer's reports. We confirmed that the valuation approaches used were consistent with the requirements of FRSs. We assessed the Valuer's competence and capabilities and read their terms of engagement with the Group, determining that there were no matters that affected their independence and objectivity or imposed scope limitations upon their work. *Data provided to the Valuer* We tested the data provided to the Valuer by management on a sample basis by agreeing to appropriate supporting documentation. This data included tenancy schedules, capital expenditure details, acquisition cost schedules and square footage details. *Assumptions and estimates used by the Valuer* We met with the Valuer and evaluated the valuation methods and assumptions used. The nature of assumptions used varied across the portfolio depending on the nature of each property and they included, estimated capital values, investment yields, construction costs and developers' margins. In each of these areas, on a sample basis, we compared the estimates and assumptions used by the Valuer against our own expectations developed based on the location of each property, comparable market transactions and publicly available industry and economic data. We found the valuation methodologies used to be in line with generally accepted market practices and the estimates and assumptions used to be justified in the context of the Group's property portfolio. We also found the disclosures in the financial statements to be adequate.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited (continued)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of indefinite useful life assumption for trademarked brand *Refer to Notes 3(d) and 23(e) to the financial statements* The Group has a trademarked brand arising from the acquisition of a subsidiary, which amounted to S$42.7 million as at 31 March 2017. The assessment of the indefinite useful life assumption is an area of focus because it involves significant management judgement about the factors which could limit the useful life of the related trademarked brand, such as the typical product life cycle for the brand and useful lives of similar brands adopted by companies within the same industry and the stability of the industry in which the brand operates and changes in market demand for the services from or related to the brand.	We evaluated management's assessment of the relevant factors, including stability of the industry that the subsidiary operates and the useful lives of similar brands adopted by companies within the same industry, by reviewing comparable market transactions and publicly available industry and economic data. We considered management's assessment of whether there could be any material legal, regulatory, contractual, technological or other factors which could limit the useful life of the trademarked brand. We considered the adequacy of the Group's disclosures (in Notes 3(d) and 23(e)) made in relation to trademarked brands with indefinite useful lives. We found management's assessment of the factors which could limit the useful life of the related trademarked brands to be reasonable. We also found the disclosures in the financial statements to be adequate.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of contingent consideration for business acquisitions *Refer to Notes 3(e) and 24 to the financial statements* In prior financial years, the Group had recognised contingent consideration in respect of the acquisitions of certain businesses. The carrying value of contingent consideration payable as at 31 March 2017 amounted to S$23.4 million. For the financial year ended 31 March 2017, the Group recognised a net write-back of the fair value of contingent consideration payable of S$25.9 million. The assessment of contingent consideration in respect of business acquisitions require significant management judgment in determining the future results of the acquired businesses which has a direct impact on the need for, and magnitude of, contingent consideration at year-end.	We agreed the expected future results of the acquired companies, used in the calculation of the contingent consideration, to internal forecasts and strategic plans. We compared the current year actual results with the prior year forecasts included in the calculations of contingent consideration to consider whether the forecasts made in the prior year, with hindsight, had been reasonable. We considered management's determination of the fair value adjustments to contingent considerations payable and tested the accuracy and appropriateness of the adjustments. We considered the adequacy of the Group's disclosures (in Notes 3(e) and 24) made in relation to contingent considerations payable. We found the results of management's determination of the fair value adjustments to contingent consideration to be reasonable. We also found the disclosures in the financial statements to be adequate.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Other Information

Management is responsible for the other information. The other information comprises all the sections of 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 and will 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 FRSs, 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

- 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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

- 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 period 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. Daniel Khoo.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 15 May 2017

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2017

	Note	Group 2017 S$'000	Group 2016 S$'000
Revenue	4	**1,348,502**	1,151,542
Other income and gains (net)			
– Rental and property-related income	4	**36,574**	39,373
– Miscellaneous	4	**9,777**	11,992
Labour and related expenses	5	**(345,099)**	(300,444)
Volume-related expenses	6	**(688,653)**	(535,425)
Administrative and other expenses	7	**(144,336)**	(131,942)
Depreciation and amortisation		**(51,018)**	(31,886)
Selling expenses		**(15,298)**	(10,025)
Finance expenses	8	**(5,674)**	(10,365)
Total expenses		**(1,250,078)**	(1,020,087)
Exceptional items	9	**(88,653)**	95,342
Share of (loss)/profit of associated companies and joint ventures	19	**(1,177)**	9,066
Profit before income tax		**54,945**	287,228
Income tax expense	10	**(25,233)**	(34,189)
Total profit		**29,712**	253,039
Profit attributable to:			
Equity holders of the Company		**33,403**	248,910
Non-controlling interests		**(3,691)**	4,129
		29,712	253,039
Earnings per share attributable to ordinary shareholders of the Company	11		
– Basic		**0.85 cent**	10.86 cents
– Diluted		**0.84 cent**	10.83 cents

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2017

	Group	
	2017	2016
	S$'000	S$'000
Total profit	**29,712**	253,039
Other comprehensive gain/(loss) (net of tax):		
Items that may be reclassified subsequently to profit or loss:		
Available for sale financial assets:		
– Fair value gain/(loss)	**446**	(637)
Currency translation differences:		
– Gains/(losses)	**6,797**	(18,913)
– Transfers to profit or loss arising from disposals of subsidiaries, associated companies and joint venture	**73**	(2,026)
Revaluation gain on property, plant and equipment upon transfer to investment properties	**17,386**	20,029
Other comprehensive income/(loss) for the year (net of tax)	**24,702**	(1,547)
Total comprehensive income for the year	**54,414**	251,492
Total comprehensive income attributable to:		
Equity holders of the Company	**58,008**	246,794
Non-controlling interests	**(3,594)**	4,698
	54,414	251,492

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

BALANCE SHEETS

As at 31 March 2017

	Note	Group 2017 S$'000	Group 2016 S$'000	Company 2017 S$'000	Company 2016 S$'000
ASSETS					
Current assets					
Cash and cash equivalents	12	**366,614**	126,640	**303,179**	49,626
Financial assets	13	**4,301**	8,127	**3,954**	7,780
Trade and other receivables	14	**199,007**	210,177	**173,304**	194,719
Derivative financial instruments	15	**16,079**	846	**16,142**	846
Inventories		**4,450**	4,499	**107**	367
Other current assets	16	**17,174**	17,206	**5,180**	4,915
		607,625	367,495	**501,866**	258,253
Non-current assets					
Financial assets	13	**36,010**	38,083	**35,748**	37,832
Trade and other receivables	17	**7,091**	5,351	**405,122**	563,193
Investments in associated companies and joint ventures	19	**117,783**	146,401	**14,849**	14,348
Investments in subsidiaries	20	**–**	–	**340,533**	356,229
Investment properties	21	**970,392**	745,844	**927,538**	760,842
Property, plant and equipment	22	**565,583**	517,376	**240,371**	241,943
Intangible assets	23	**400,683**	593,984	**–**	227
Deferred income tax assets	27	**6,218**	5,544	**–**	–
Other non-current assets	16	**5,198**	6,408	**–**	–
		2,108,958	2,058,991	**1,964,161**	1,974,614
Total assets		**2,716,583**	2,426,486	**2,466,027**	2,232,867

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

BALANCE SHEETS

As at 31 March 2017

	Note	Group 2017 S$'000	Group 2016 S$'000	Company 2017 S$'000	Company 2016 S$'000
LIABILITIES					
Current liabilities					
Trade and other payables	24	**395,084**	385,679	**353,681**	274,432
Current income tax liabilities	10	**34,774**	35,918	**30,367**	29,950
Deferred income	26	**7,413**	7,268	**7,413**	7,268
Derivative financial instruments	15	**1,055**	801	**1,055**	759
Borrowings	25	**148,786**	71,090	**117,743**	33,000
		587,112	500,756	**510,259**	345,409
Non-current liabilities					
Trade and other payables	24	**44,462**	32,225	**2,070**	–
Borrowings	25	**215,199**	209,182	**202,318**	203,044
Deferred income	26	**49,545**	56,785	**49,545**	56,785
Deferred income tax liabilities	27	**62,547**	66,035	**22,603**	19,199
		371,753	364,227	**276,536**	279,028
Total liabilities		**958,865**	864,983	**786,795**	624,437
NET ASSETS		**1,757,718**	1,561,503	**1,679,232**	1,608,430
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	28	**638,756**	448,775	**638,756**	448,775
Treasury shares	28	**(1,227)**	(2,116)	**(1,227)**	(2,116)
Other reserves	30	**71,787**	7,258	**37,249**	34,713
Retained earnings	31	**650,007**	749,647	**657,628**	780,232
		1,359,323	1,203,564	**1,332,406**	1,261,604
Perpetual securities	29	**346,826**	346,826	**346,826**	346,826
		1,706,149	1,550,390	**1,679,232**	1,608,430
Non-controlling interests		**51,569**	11,113	**–**	–
Total equity		**1,757,718**	1,561,503	**1,679,232**	1,608,430

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2017

	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
2017										
Balance at 1 April 2016		**448,775**	**(2,116)**	**749,647**	**7,258**	**1,203,564**	**346,826**	**1,550,390**	**11,113**	**1,561,503**
Reclassification	20	**–**	**–**	**6,571**	**–**	**6,571**	**–**	**6,571**	**(6,571)**	**–**
Acquisition of non-controlling interest in a subsidiary	20	**–**	**–**	**–**	**(1,599)**	**(1,599)**	**–**	**(1,599)**	**(776)**	**(2,375)**
Partial divestment of a subsidiary	20	**–**	**–**	**(5,191)**	**39,437**	**34,246**	**–**	**34,246**	**51,397**	**85,643**
Distribution paid on perpetual securities	29	**–**	**–**	**–**	**–**	**–**	**(14,875)**	**(14,875)**	**–**	**(14,875)**
Dividends	32	**–**	**–**	**(119,548)**	**–**	**(119,548)**	**–**	**(119,548)**	**–**	**(119,548)**
Total comprehensive income for the period		**–**	**–**	**18,528**	**24,605**	**43,133**	**14,875**	**58,008**	**(3,594)**	**54,414**
		448,775	**(2,116)**	**650,007**	**69,701**	**1,166,367**	**346,826**	**1,513,193**	**51,569**	**1,564,762**
New shares issued	28	**183,960**	**–**	**–**	**–**	**183,960**	**–**	**183,960**	**–**	**183,960**
Employee share option scheme:										
– Value of employee services	30(b)(i)	**–**	**–**	**–**	**3,351**	**3,351**	**–**	**3,351**	**–**	**3,351**
– New shares issued	28	**6,021**	**–**	**–**	**(376)**	**5,645**	**–**	**5,645**	**–**	**5,645**
– Treasury shares re-issued	28	**–**	**889**	**–**	**(889)**	**–**	**–**	**–**	**–**	**–**
Balance at 31 March 2017		**638,756**	**(1,227)**	**650,007**	**71,787**	**1,359,323**	**346,826**	**1,706,149**	**51,569**	**1,757,718**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2017

	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
2016										
Balance at 1 April 2015		429,980	(2,831)	682,639	7,448	1,117,236	346,826	1,464,062	3,675	1,467,737
Transfer to statutory reserves		–	–	(2)	2	–	–	–	–	–
Acquisition of subsidiaries		–	–	–	–	–	–	–	2,740	2,740
Distribution paid on perpetual securities	29	–	–	–	–	–	(14,915)	(14,915)	–	(14,915)
Dividends	32	–	–	(166,985)	–	(166,985)	–	(166,985)	–	(166,985)
Total comprehensive income for the year		–	–	233,995	(2,116)	231,879	14,915	246,794	4,698	251,492
		429,980	(2,831)	749,647	5,334	1,182,130	346,826	1,528,956	11,113	1,540,069
Employee share option scheme:										
– Value of employee services	30(b)(i)	–	–	–	4,053	4,053	–	4,053	–	4,053
– New shares issued	28	18,795	–	–	(1,414)	17,381	–	17,381	–	17,381
– Treasury shares re-issued	28	–	715	–	(715)	–	–	–	–	–
Balance at 31 March 2016		448,775	(2,116)	749,647	7,258	1,203,564	346,826	1,550,390	11,113	1,561,503

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2017

	Note	Group 2017 S$'000	Group 2016 S$'000
Cash flows from operating activities			
Total profit		**29,712**	253,039
Adjustments for:			
– Income tax expense		**25,233**	34,189
– Depreciation and amortisation – net		**43,352**	25,865
– Fair value gain on investment properties		**(108,744)**	–
– Gains on disposals of investments, property, plant and equipment		**(4,577)**	(109,856)
– Gain on derivative financial instruments		**(16,011)**	–
– Share option expense		**3,351**	4,053
– Interest expense		**8,846**	7,766
– Interest income		**(3,439)**	(4,268)
– Impairment/write-off of intangible assets, investments and property, plant and equipment		**215,063**	256
– Share of losses/(profits) of associated companies and joint ventures		**1,177**	(9,066)
		164,251	(51,061)
Operating cash flow before working capital changes		**193,963**	201,978
Changes in working capital, net of effects from acquisition and disposal of subsidiaries			
– Inventories		**49**	332
– Trade and other receivables		**(4,867)**	(28,287)
– Trade and other payables		**41,437**	(12,008)
Cash generated from operations		**230,582**	162,015
Income tax paid		**(30,516)**	(30,582)
Net cash provided by operating activities		**200,066**	131,433

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2017

	Note	Group 2017 S$'000	2016 S$'000
Cash flows from investing activities			
Acquisition of non-controlling interests	20(a)	**(2,375)**	–
Acquisition of subsidiaries, net of cash acquired		**–**	(272,480)
Additions to property, plant and equipment, investment properties and intangible assets		**(199,767)**	(279,742)
Contingent consideration paid in relation to acquisition of a subsidiary		**(528)**	–
Disposal of subsidiaries, net of cash disposed of	12	**(1,568)**	50,962
Dividend received from associated companies		**2,583**	2,167
Interest received		**2,682**	4,782
Investment in an associated companies and joint ventures		**(798)**	(49,430)
Loan to an associated company		**(1,844)**	(1,360)
Proceeds from partial divestment of interest in a subsidiary	20(b)	**85,643**	–
Payment relating to purchase of assets		**–**	(250)
Proceeds from partial divestment of shares in an associated company		**–**	78,910
Proceeds from disposal of property, plant and equipment		**1,976**	1,553
Proceeds from sale of financial assets		**–**	15,294
Proceeds from maturity of financial assets, held–to–maturity		**6,250**	19,250
Purchase of financial assets, held–to–maturity		**–**	(28,321)
Repayment of loans by associated companies		**18,147**	1,578
Net cash used in investing activities		**(89,599)**	(457,087)
Cash flows from financing activities			
Distribution paid to perpetual securities		**(14,875)**	(14,915)
Dividends paid to shareholders		**(119,548)**	(166,985)
Interest paid		**(9,637)**	(8,444)
Proceeds from issuance of ordinary shares		**189,605**	17,381
Proceeds from bank loans		**537,060**	296,029
Repayment of bank loans		**(453,098)**	(254,912)
Net cash provided by/(used in) financing activities		**129,507**	(131,846)
Net increase/(decrease) in cash and cash equivalents		**239,974**	(457,500)
Cash and cash equivalents at beginning of financial year	12	**126,640**	584,140
Cash and cash equivalents at end of financial year	12	**366,614**	126,640

Non-cash transactions

In the current financial year, contingent consideration amounting to S$2,060,000 (2016: Nil) in relation to the acquisition of subsidiaries in prior financial years was settled by way of offset against escrow deposits for the acquisition of those subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

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

As at 31 March 2017, the Company's current liabilities exceeded their current assets by S$8,393,000 (2016: S$87,156,000). The Company and the Group have the intent and ability to take actions necessary to continue as going concerns.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2017

On 1 April 2016, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Revenue for the Group represents the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's business. Revenue is presented net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. It takes into account the gross income received and receivable from revenue sharing arrangements entered into with overseas postal administrations in respect of mail traffic exchanged.

The Group assesses its role as an agent or principal for each transaction and in an agency arrangement, the amounts collected on behalf of the principal are excluded from revenue. The Group recognises revenue when the amount of revenue and related costs can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Sales of goods and services – Postal and Logistics-related activities

Revenue from sale of goods is recognised when there is transfer of risks and rewards of ownership to the customer, which generally coincides with their delivery and acceptance.

Revenue from the rendering of services is recognised when the services are rendered. Where services are provided over the period, revenue is recognised using the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Revenue recognition (continued)

(a) *Sales of goods and services – Postal and Logistics-related activities (continued)*

Accrual for unearned revenue is made for stamps which have been sold, but for which services have not been rendered as at the balance sheet date. This accrual is classified as advanced billings under trade and other payables.

Deferred income relates to amounts received with respect to postassurance collaboration from AXA Life Insurance Singapore Private Limited ("AXA"). Deferred income is recognised in profit or loss on a straight-line basis over the period of 10 years till 19 January 2025.

(b) *Sale of goods and services – eCommerce-related activities*

Revenue from eCommerce-related activities comprises the fair value of the consideration received or receivable for the goods and services rendered, net of goods and services tax.

Sales are recognised when the Company has delivered the products to the customers, the customers have accepted the products and the collectability of the related receivables is reasonably assured. Sales are presented, net of goods and service tax, rebates and discounts.

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

(c) *Rendering of services – freight forwarding*

Revenue from the provision of freight forwarding services is recognised upon services being rendered.

Brokerage income, being net of costs of premium against premium income is recognised at the effective date of the related insurance policies. Brokerage on premium adjustments, including policy cancellations are recognised as they occur.

Interest income is recognised using the effective interest method.

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

Dividend income is recognised when the right to receive payment is established.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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. They are deconsolidated from the date on that control ceases.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions

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

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

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

Acquisition-related costs are expensed as incurred.

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

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill on acquisitions" for the subsequent accounting policy on goodwill.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(iii) Disposals of subsidiaries or businesses

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

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

Please refer to Note 2.7 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with the non-controlling equity owners of that subsidiary. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(c) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. The Group's joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties.

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

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 are included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associated companies' and joint ventures' post-acquisition profits or losses are 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 company or joint venture equals or exceeds its interest in the associated company or joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the associated company or joint venture.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(c) Associated companies and joint ventures (continued)

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

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

Please refer to Note 2.7 for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) Measurement

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Property, plant and equipment (continued)

(b) Depreciation

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

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

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

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Property, plant and equipment (continued)

(e) *Transfer*

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

Please refer to Note 2.6 for the accounting policy on the transfer from investment properties to property, plant and equipment.

2.5 Intangible assets

(a) *Goodwill on acquisitions*

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Intangible assets (continued)

(b) Customer relationships

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

(c) Acquired licence

Licence fee represents a lump-sum fee paid to the Info-communications Media Development Authority upon the granting of the postal licence. It is initially recognised at cost and is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the licence over the licence period of 20 years starting from 1 April 2017.

(d) Acquired software licence

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

(e) Preferential rents

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Intangible assets (continued)

(f) Trademarked brands

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

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

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

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

2.6 Investment property

Investment properties include those portions of commercial buildings that are held for long term rental yields and/or for capital appreciation. Investment properties include properties that are being constructed or developed for future use as investment properties. Where there is a change in intention to hold existing investment properties for sale without development, such investment properties will continue to be classified as investment properties but within current assets, until they are derecognised.

Investment properties are initially recognised at cost and subsequently carried at fair value, representing open market values determined on an annual basis by directors based on independent professional valuations. Changes in fair values are recognised in the income statement. In determining the fair values, the valuers have used valuation techniques including the direct comparison method, capitalisation approach and/or discounted cash flows in arriving at the open market values.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment property (continued)

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in the income statement. The cost of maintenance, repairs and minor improvement is recognised in the income statement when incurred.

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

2.7 Investments in subsidiaries, associated companies and joint ventures

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

2.8 Impairment of non-financial assets

(a) Goodwill

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

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

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of non-financial assets (continued)

(a) *Goodwill (continued)*

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
Investment property
Investments in subsidiaries, associated companies and joint ventures

Other intangible assets, property, plant and equipment, investment property 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of non-financial assets (continued)

(c) *Other intangible assets (excluding goodwill and trademarked brand with indefinite useful life)*
Property, plant and equipment
Investment property
Investments in subsidiaries, associated companies and joint ventures (continued)

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

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

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

2.9 Loans and receivables

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets

(a) *Classification*

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

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

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

(b) *Recognition and derecognition*

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

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

(c) *Initial measurement*

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets (continued)

(d) Subsequent measurement

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

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

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

(e) Impairment

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

(i) Loans and receivables/Held-to-maturity financial assets

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets (continued)

(e) Impairment (continued)

(i) Loans and receivables/Held-to-maturity financial assets (continued)

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

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.10(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost, except for the borrowings that are designated in 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 balance sheet date are included in current borrowings in the balance sheet. Other borrowings with an unconditional right to defer settlement for at least twelve months after the balance sheet date are included in non–current borrowings in the balance sheet.

2.12 Trade and other payables

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Derivative financial instruments and hedging activities

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

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

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

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

Fair value hedge

The Group has entered into interest rate swaps that are fair value hedges for the fixed rate note and bonds. The fair value changes on the hedged item resulting from interest rate risk are recognised in profit or loss. The fair value changes on the effective portion of interest rate swaps designated as fair value hedges are recognised in profit or loss within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of interest rate swaps are recognised separately in profit or loss.

Net investment hedge

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Operating leases

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

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

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

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

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

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

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

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

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

2.15 Inventories

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Income taxes

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 by the balance sheet date.

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 measured:

(i) 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 balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

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 directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.17 Provisions

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Employee compensation

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

(a) Defined contribution plans

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

(b) Defined benefit plans

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

The liability recognised in the balance sheet 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 cost are amortised on a straight-line basis over the vesting period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Employee compensation (continued)

(c) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense in profit or loss with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, 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 share capital account, when new ordinary shares are issued, or to the “treasury shares” account, when treasury shares are re-issued to the employees.

2.19 Currency translation

(a) Functional and presentation currency

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Currency translation (continued)

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from net investment in foreign operations are recognised in other comprehensive income and accumulated in the currency translation reserve.

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

(c) Translation of Group entities' financial statements

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

(i) Assets and liabilities are translated at the closing exchange rates at the date of the balance sheet;

(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 from January 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the date of the balance sheet.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Segment reporting

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

2.21 Cash and cash equivalents

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

2.22 Share capital and treasury shares

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Perpetual securities

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

2.24 Dividends to Company's shareholders

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

2.25 Government grants

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

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

2.26 Exceptional items

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

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) Estimated impairment of goodwill and other intangible assets

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

When value-in-use calculations are undertaken, the Group uses discounted cash flow projections based on financial budgets approved by the Board of Directors covering, minimally, a three-year period. Significant judgements are used to estimate the terminal growth rates, discount rates and royalty rates applied in computing the recoverable amounts of the different CGUs. In making these estimates, management has relied on past performance, its expectations of the future developments of the various businesses, and market and publicly available industry and economic data. Details of these key assumptions applied in the impairment assessment of goodwill and trademarked brand are provided in Notes 23(a) and 23(e).

The Group has recognised an impairment charge on its goodwill and customer relationships of S$186.7 million (2016: Nil) and S$19.0 million (2016: Nil) respectively during the financial year, which resulted in the carrying amount of goodwill and customer relationships as at 31 March 2017 being reduced to S$305.1 million (2016: S$482.3 million) and S$36.7 million (2016: S$57.9 million) respectively.

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.

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

(b) Estimated impairment of other non-financial assets

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

The Group has recognised impairment charges on property, plant and equipment and investments in associated companies of S$9.3 million and S$20.5 million respectively during the financial year. Details are provided in Note 22 and Note 19 respectively.

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.

(c) Valuation of investment properties

As at 31 March 2017, the Group's investment properties of S$970.4 million (Note 21) are stated at their estimated fair values determined by independent professional valuers. These estimated fair values may differ significantly from the prices at which these properties can be sold due to the actual negotiations between willing buyers and sellers as well as changes in assumptions and conditions arising from unforeseen events. Consequently, the actual results and the realisation of these properties could differ significantly from the estimates disclosed in these financial statements.

(d) Use of indefinite useful life assumption for trademarked brands

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

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

(d) Use of indefinite useful life assumption for trademarked brands (continued)

In connection with the annual impairment assessment of the indefinite useful life of the trademarked brand, the critical accounting judgement in respect of the indefinite useful life will also be reviewed.

(e) Estimated fair values of contingent consideration for business acquisitions

The initial accounting on the acquisition of subsidiaries, associates and joint ventures involves identifying and determining the fair values of contingent considerations payable in respect of these acquisitions. The fair values of these contingent considerations are determined based on management's estimates of future results of the acquired companies. Any changes in the assumptions used and estimates made in determining the fair values will impact the carrying amounts of the contingent considerations.

(f) Estimated residual values and useful lives of property, plant and equipment

The Group reviews the residual values and useful lives of property, plant and equipment at each balance sheet date based on factors such as business plans and strategies, expected level of usage and future technological developments. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the carrying value of property, plant and equipment. The net book value of property, plant and equipment at 31 March 2017 was S$565.6 million (2016: S$517.4 million). There were no significant revisions to the estimated residual values and useful lives as at 31 March 2017.

4. REVENUE, OTHER INCOME AND OTHER GAINS (NET)

	Group	
	2017	2016
	S$'000	S$'000
		(Restated)
Revenue from services rendered	**1,328,442**	1,130,414
Sale of products	**20,060**	21,128
Revenue	**1,348,502**	1,151,542
Other income and gains (net):		
– Rental and property-related income	**36,574**	39,373
Miscellaneous:		
– Interest income		
– Bank deposits	**1,533**	3,051
– Financial assets, held–to–maturity	**1,012**	1,138
– Others	**894**	79
	3,439	4,268
– Currency exchange gains (net)	**1,379**	4,493
– Net loss on disposal of property, plant and equipment	**(659)**	(2,242)
– Others	**5,618**	5,473
	6,338	7,724
Miscellaneous	**9,777**	11,992
Other income and other gains (net)	**46,351**	51,365
	1,394,853	1,202,907

5. LABOUR AND RELATED EXPENSES

	Group 2017 S$'000	Group 2016 S$'000
Wages and salaries	**224,090**	206,385
Employer's contribution to defined contribution plans including Central Provident Fund	**28,153**	29,044
Share options expense (Note 30(b)(i))	**3,351**	4,053
Other benefits	**10,875**	9,897
Temporary and contract staff cost	**84,301**	58,961
Government grant	**(5,671)**	(7,896)
	345,099	300,444

6. VOLUME-RELATED EXPENSES

	Group 2017 S$'000	Group 2016 S$'000
Traffic expenses	**374,111**	340,360
Outsourcing services and delivery expenses	**314,542**	195,065
	688,653	535,425

7. ADMINISTRATIVE AND OTHER EXPENSES

	Group	
	2017	2016
	S$'000	S$'000
Included in administrative and other expenses are the following:		
Professional services	**16,895**	30,663
Repair and maintenance expenses	**22,511**	18,466
Rental on operating leases	**41,615**	34,605
Supplies and services	**23,864**	19,418

8. FINANCE EXPENSES

	Group	
	2017	2016
	S$'000	S$'000
Interest expense:		
– Fixed rate notes	**6,274**	6,314
– Bank borrowings	**2,572**	1,452
	8,846	7,766
Currency exchange (gains)/losses – net	**(3,172)**	2,599
	5,674	10,365

9. EXCEPTIONAL ITEMS

	Group 2017 S$'000	Group 2016 S$'000
Fair value gains:		
– Investment properties (Note 21)	**108,744**	–
– Warrants from an associated company	**16,011**	–
Impairment losses:		
– Property, plant and equipment (Note 22)	**(9,349)**	–
– Goodwill (Note 23(a))*	**(166,063)**	–
– Customer relationships (Note 23(b))	**(18,953)**	–
– Associated company (Note 19(a))	**(20,471)**	–
Write-off of goodwill	**(227)**	–
Loss on disposal of property, plant and equipment	**(659)**	(2,242)
Net gains on disposal of investments:		
– Subsidiary	**–**	33,344
– Associated company	**–**	64,749
– Financial assets	**–**	14,005
Gain on dilution of interest in associated company (Note 19(a))	**4,892**	–
M & A related professional fees	**(1,620)**	(13,859)
Provision for the restructuring of overseas operation	**(958)**	–
Severance cost in relation to disposal of a subsidiary	**–**	(655)
	(88,653)	95,342

Details of reclassification of prior year comparatives are provided in Note 40.

* Included in exceptional items is a S$20.6 million gain arising from the full write-back of contingent consideration for a subsidiary assessed to be no longer payable. This write-back was offset by a purchase price adjustment that reduced the carrying value of goodwill on acquisition of this subsidiary by the same amount of the write-back.

10. INCOME TAXES

(a) Income tax expense

	Group 2017 S$'000	Group 2016 S$'000
Tax expense attributable to profit is made up of:		
– Current income tax	**31,027**	33,244
– Deferred income tax (Note 27)	**(3,492)**	1,900
	27,535	35,144
Under/(over) provision in preceding financial years:		
– Current income tax	**(1,624)**	(1,151)
– Deferred income tax (Note 27)	**(678)**	196
	25,233	34,189

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 2017 S$'000	Group 2016 S$'000
Profit before tax	**54,945**	287,228
Less: Share of loss/(profit) of associated companies and joint ventures	**1,177**	(9,066)
Profit before tax and share of results of associated companies and joint ventures	**56,122**	278,162
Tax calculated at a tax rate of 17% (2016: 17%)	**9,541**	47,288
Effects of:		
– Different tax rates in other countries	**(2,776)**	1,069
– Withholding tax deducted at source	**–**	16
– Singapore statutory stepped income exemption	**(126)**	(222)
– Tax incentive	**(973)**	(1,016)
– Income not subject to tax	**(26,476)**	(20,696)
– Expenses not deductible for tax purposes	**36,335**	7,305
– Utilisation of tax losses and capital allowances	**(336)**	–
– Deferred income tax assets not recognised	**12,346**	1,400
– Over provision in preceding financial years	**(2,302)**	(955)
Tax charge	**25,233**	34,189

10. INCOME TAXES (continued)

(b) Movement in current income tax liabilities

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**35,918**	35,318	**29,950**	29,704
Acquisition of subsidiaries	**–**	(235)	**–**	–
Disposal of subsidiaries	**–**	(491)	**–**	–
Currency translation difference	**(31)**	(185)	**–**	–
Income tax paid	**(30,516)**	(30,582)	**(22,756)**	(24,417)
Tax expense	**31,027**	33,244	**24,206**	24,663
Over provision in preceding financial years	**(1,624)**	(1,151)	**(1,033)**	–
End of financial year	**34,774**	35,918	**30,367**	29,950

11. 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	
	2017	2016
Net profit attributable to equity holders of the Company (S$'000)	**33,403**	248,910
Less: Net profit attributable to perpetual securities holders of the Company (S$'000)	**(14,875)**	(14,915)
Net profit attributable to ordinary shareholders of the Company (S$'000)	**18,528**	233,995
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,191,060**	2,154,955
Basic earnings per share (cents per share)	**0.85**	10.86

11. EARNINGS PER SHARE (continued)

(b) Diluted earnings per share

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

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

Diluted earnings per share is calculated as follows:

	Group	
	2017	2016
Net profit attributable to equity holders of the Company (S$'000)	**33,403**	248,910
Less: Net profit attributable to perpetual securities holders of the Company (S$'000)	**(14,875)**	(14,915)
Net profit attributable to ordinary shareholders of the Company (S$'000)	**18,528**	233,995
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,191,060**	2,154,955
Adjustment for share options ('000)	**2,031**	6,241
Weighted average number of ordinary shares for diluted earnings per share ('000)	**2,193,091**	2,161,196
Diluted earnings per share (cents per share)	**0.84**	10.83

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Cash at bank and on hand	**106,352**	123,184	**47,004**	46,717
Deposits with financial institutions	**260,262**	3,456	**256,175**	2,909
	366,614	126,640	**303,179**	49,626

Acquisition and disposal of subsidiaries

Please refer to Note 38 for the effects of acquisitions of subsidiaries on the cash flows of the Group.

On 7 September 2016, the Group disposed of its entire interest in Japan Self Storage Company Limited for a cash consideration of S$2,372,000. The effects of the disposal on the cash flows of the Group were:

	Group
	2017
	$'000
Carrying amounts of assets and liabilities disposed of	
Cash and cash equivalents	**3,940**
Total assets	**3,940**
Trade and other payables	**7**
Total liabilities	**7**
Net assets derecognised	**3,933**
Less: Non-controlling interest	**(1,573)**
Net assets disposed of	**2,360**

12. CASH AND CASH EQUIVALENTS (continued)

Acquisition and disposal of subsidiaries (continued)

The aggregate cash inflows arising from the disposal of in Japan Self Storage Company Limited were:

	Group 2017 $'000
Net assets disposed of (as above)	**2,360**
– Reclassification of currency translation reserve	**(332)**
	2,028
Gain on disposal	**344**
Cash proceeds from disposal	**2,372**
Less: Cash and cash equivalents in subsidiaries disposed of	**(3,940)**
Net cash outflow on disposal	**(1,568)**

On 20 May 2015, the Group disposed of its entire interest in Novation Solutions Limited for a cash consideration of S$25,459,000. The effects of the disposal on the cash flows of the Group were:

	Group 2016 $'000
Carrying amounts of assets and liabilities disposed of	
Cash and cash equivalents	9,953
Trade and other receivables	7,920
Property, plant and equipment	2,250
Investment in associated companies	6
Deferred tax assets	188
Inventory	1,862
Total assets	**22,179**
Trade and other payables	(1,927)
Current income liabilities	(20)
Deferred income tax liabilities	(69)
Total liabilities	**(2,016)**
Net assets derecognised	20,163
Less: Non-controlling interest	(736)
Net assets disposed of	**19,427**

12. CASH AND CASH EQUIVALENTS (continued)

Acquisition and disposal of subsidiaries (continued)

The aggregate cash inflows arising from the disposal of Novation Solutions Limited were:

	Group 2016 $'000
Net assets disposed of (as above)	19,427
– Reclassification of currency translation reserve	(1,961)
	17,466
Gain on disposal	7,993
Cash proceeds from disposal	25,459
Less: Cash and cash equivalents in subsidiaries disposed of	(9,953)
Net cash inflow on disposal	**15,506**

On 20 May 2015, the Group disposed of its entire interest in DataPost (HK) Pte Limited for a cash consideration of S$977,000. The effects of the disposal on the cash flows of the Group were:

	Group 2016 $'000
Carrying amounts of assets and liabilities disposed of	
Cash and cash equivalents	388
Trade and other receivables	335
Property, plant and equipment	6
Total assets	**729**
Trade and other payables	(253)
Total liabilities	**(253)**
Net assets derecognised	476
Net assets disposed of	**476**

12. CASH AND CASH EQUIVALENTS (continued)

Acquisition and disposal of subsidiaries (continued)

The aggregate cash inflows arising from the disposal of DataPost (HK) Pte Limited were:

	Group 2016 $'000
Net assets disposed of (as above)	476
– Reclassification of currency translation reserve	66
	542
Gain on disposal	435
Cash proceeds from disposal	977
Less: Cash and cash equivalents in subsidiaries disposed of	(388)
Net cash inflow on disposal	**589**

On 1 September 2015, the Group partially disposed 90% of its interest in its wholly-owned subsidiary, DataPost Pte Ltd for a cash consideration of S$44,516,000. The effects of the disposal on the cash flows of the Group were:

	Group 2016 $'000
Carrying amounts of assets and liabilities disposed of	
Cash and cash equivalents	9,649
Trade and other receivables	20,800
Property, plant and equipment	4,012
Investment in associated companies and joint venture	2,975
Total assets	**37,436**
Trade and other payables	(12,458)
Current income liabilities	(471)
Deferred income tax liabilities	(462)
Total liabilities	**(13,391)**
Net assets derecognised	24,045
Net assets disposed of	**24,045**

12. CASH AND CASH EQUIVALENTS (continued)

Acquisition and disposal of subsidiaries (continued)

The aggregate cash inflows arising from the disposal of DataPost Pte Ltd were:

	Group 2016 $'000
Net assets disposed of (as above)	24,045
– Reclassification of currency translation reserve	(83)
– Professional fees incurred for sale	199
	24,161
Gain on disposal	24,916
	49,077
Less: Fair value of retained interest	(4,561)
Cash proceeds from disposal	44,516
Less: Cash and cash equivalents in subsidiaries disposed of	(9,649)
Net cash inflow on disposal	**34,867**

The Group recognised a gain of S$2,511,000 as a result of measuring at fair value its equity interest of 10% in DataPost Pte Ltd retained after the disposal. The gain is included within "Other income and gains (net)" in the Group's consolidated income statement for the financial year ended 31 March 2016. Gains on disposal of DataPost Pte Ltd, Novation Solutions Limited and DataPost (HK) Pte Limited are allocated under the "Others" segment.

13. FINANCIAL ASSETS

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
<u>Current</u>				
Financial assets, held-to-maturity				
– Bonds – quoted in Singapore	**–**	4,272	**–**	4,272
Financial assets, available-for-sale				
– Equity securities – quoted	**3,954**	3,508	**3,954**	3,508
– Equity instrument – unquoted	**347**	347	**–**	–
	4,301	8,127	**3,954**	7,780
<u>Non-current</u>				
Financial assets, held-to-maturity				
– Bonds – quoted in Singapore	**31,187**	33,271	**31,187**	33,271
Financial assets, available-for-sale				
– Equity instrument – unquoted	**4,823**	4,812	**4,561**	4,561
	36,010	38,083	**35,748**	37,832

The bonds are corporate bonds at fixed rates between 2.7% to 3.8% per annum and due between 10 April 2019 and 29 August 2022.

13. FINANCIAL ASSETS (continued)

The fair values of the financial assets at the balance sheet date are as follows:

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Current				
Financial assets, held-to-maturity				
– Bonds – quoted in Singapore	**–**	4,258	**–**	4,258
Financial assets, available-for-sale				
– Equity security – quoted	**3,954**	3,508	**3,954**	3,508
– Equity instrument – unquoted	**347**	347	**–**	–
	4,301	8,113	**3,954**	7,766
Non-current				
Financial assets, held-to-maturity				
– Bonds – quoted in Singapore	**31,371**	32,925	**31,371**	32,925
Financial assets, available-for-sale				
– Equity instrument – unquoted	**4,823**	4,812	**4,561**	4,561
	36,194	37,737	**35,932**	37,486

The fair values of quoted securities are based on published price quotations at the balance sheet date.

14. TRADE AND OTHER RECEIVABLES – CURRENT

	Group 2017 S$'000	Group 2016 S$'000	Company 2017 S$'000	Company 2016 S$'000
Trade receivables				
– Subsidiaries	**–**	–	**75,842**	85,595
– Associated company	**46,115**	31,397	**46,115**	31,397
– Companies related by a substantial shareholder	**1,776**	3,248	**1,776**	3,248
– Non-related parties	**148,904**	148,784	**46,972**	55,907
	196,795	183,429	**170,705**	176,147
Less: Allowance for impairment of receivables – non-related parties	**(5,665)**	(5,390)	**(951)**	(1,741)
Trade receivables – net	**191,130**	178,039	**169,754**	174,406
Loan to associated companies	**3,394**	19,509	**–**	17,600
Less: Non-current portion (Note 17)	**(2,423)**	(743)	**–**	–
	971	18,766	**–**	17,600
Staff loans (Note 18)	**51**	38	**51**	38
Interest receivable	**1,033**	276	**1,029**	272
Other receivables	**5,822**	13,058	**2,470**	2,403
	199,007	210,177	**173,304**	194,719

(a) The loan of S$789,000 (2016: Nil) to an associated company is unsecured, repayable in full on 15 June 2020 and bears interest at 1.14% above the 1 month bank bill swap rate per annum.

(b) The loan of S$1,634,000 (2016: Nil) to an associated company is unsecured, repayable in full on 29 June 2020 and bears interest at 1.14% above the 1 month bank bill swap rate per annum.

(c) The loan of S$647,000 (2016: S$634,000) to an associated company is unsecured and repayable on demand. Interest is fixed at 2.15% per annum.

(d) Remaining loan of S$324,000 (2016: Nil) to an associated company is unsecured and repayable on demand. Interest is fixed at 2.95% per annum.

14. TRADE AND OTHER RECEIVABLES – CURRENT (continued)

(e) As at 31 March 2016, there were loans of S$18,875,000 to an associated company, of which:

– S$1,275,000 was unsecured, bore interest at 1.5% per annum for the first three years and at 8.5% per annum thereafter and payable in full by 30 November 2016; and

– S$17,600,000 was unsecured, bore interest at 1.5% per annum and payable in full on demand.

These loans were fully repaid in the current financial year.

15. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract Notional amount 2017 S$'000	**Fair value Assets/ (liabilities) 2017 S$'000**	Contract Notional Amount 2016 S$'000	Fair value Assets/ (liabilities) 2016 S$'000
Group				
Net investment hedges				
Currency forwards	**10,210**	**20**	30,303	784
Other non-hedging derivatives				
Currency forwards	**164,905**	**(1,007)**	81,767	(739)
Warrants	**–**	**16,011**	–	–
Total derivative financial instruments	**175,115**	**15,024**	112,070	45
Company				
Net investment hedges				
Currency forwards	**10,210**	**83**	30,303	826
Other non-hedging derivatives				
Currency forwards	**164,905**	**(1,007)**	76,908	(739)
Warrants	**–**	**16,011**	–	–
Total derivative financial instruments	**175,115**	**15,087**	107,211	87

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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 balance sheet date. The currency forwards have maturity dates that coincide within the expected occurrence of these transactions. Changes in fair value of the currency forwards not designated as hedging are recognised in profit or loss.

Currency forwards designated for hedging as net investment hedges are accounted for in accordance with Note 2.13.

The fair value of derivative financial instruments are shown on the balance sheet as follows:

	Group		**Company**	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Assets:				
– Current	**16,079**	846	**16,142**	846
Liabilities				
– Current	**(1,055)**	(801)	**(1,055)**	(759)

16. OTHER ASSETS

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Current				
Deposits	**6,354**	6,531	**2,359**	2,362
Prepayments	**10,820**	10,675	**2,821**	2,553
	17,174	17,206	**5,180**	4,915
Non-current				
Deposits	**5,198**	6,408	**–**	–

Included within non-current deposits is an escrow deposit of S$5,134,000 (2016: S$5,519,000) for the acquisition of a subsidiary.

17. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Loans to subsidiaries	**–**	–	**599,242**	562,956
Less: Allowance for impairment	**–**	–	**(194,365)**	–
	–	–	**404,877**	562,956
Loan to an indirect associated company (Note 14)	**2,423**	743	**–**	–
Loan to a shareholder of a subsidiary	**4,423**	4,371	**–**	–
Staff loans (Note 18)	**245**	237	**245**	237
	7,091	5,351	**405,122**	563,193

17. TRADE AND OTHER RECEIVABLES – NON-CURRENT (continued)

Loan to a subsidiary of S$75,065,000 (2016: S$260,080,000) is non-trade related, unsecured and interest-free. Although there are no fixed terms of repayment, the loan is not expected to be repayable within the next twelve months. The loan is considered part of the Company's net investment in subsidiaries.

Loans to subsidiaries of S$33,963,000 (2016: S$43,613,000) are non-trade related, unsecured, interest bearing at SIBOR plus 1.2% per annum and will be repaid in full on 7 July 2019. The carrying amount of these loans approximate their fair value.

Loan to a subsidiary of S$5,817,000 (2016: Nil) is non-trade related, unsecured, interest bearing at KLIBOR plus 1.2% per annum and is repayable in full on demand. Settlement of the loan is not foreseeable within the next 12 months. The carrying amount of the loan approximates its fair value.

Loan to a subsidiary of S$2,272,000 (2016: S$4,616,000) is non-trade related, unsecured, interest bearing at ABS SIBOR plus 1.2% per annum and is payable in full on demand. Settlement of the loan is not foreseeable within the next 12 months. The carrying amount of these loans approximates their fair value.

Loans to subsidiaries of S$287,760,000 (2016: S$254,647,000) are non-trade related, unsecured, interest bearing at 2.2% to 4.1% per annum and repayable in full on various dates up to 31 October 2019. The fair value of the loans is S$283,171,000 (2016: S$248,494,000). The fair value of the loans is computed based on cash flows discounted at market borrowing rates of 1.264% to 1.755% (2016: 1.798% to 2.146%). The fair value is within Level 2 of the fair value hierarchy.

The loan to a shareholder of a subsidiary is unsecured, interest bearing at 1.6% to 2.1% per annum (2016: 1.3% to 1.7% per annum) and repayable in full by 19 May 2019. The carrying amount of the loan approximates its fair value.

18. STAFF LOANS

	Group and Company	
	2017	2016
	S$'000	S$'000
Not later than one year (Note 14)	**51**	38
Later than one year (Note 17)	**245**	237
– Between one and five years	**113**	37
– Later than five years	**132**	200
	296	275

As at balance sheet date, no loan was made to the key management personnel of the Group.

19. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Investments in associated companies (Note (a))	**117,783**	146,401	**14,849**	14,348
Investments in joint ventures (Note (b))	**–**	–	**–**	–
	117,783	146,401	**14,849**	14,348

19. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

(a) Associated companies

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Equity investment at cost			**14,849**	14,348
Beginning of financial year	**146,401**	104,413		
Acquisition of an associated company	**–**	20,222		
Additional investment in an associated company	**798**	36,181		
Gain on dilution of interest in an associated company (Note (i), 9)	**4,892**	–		
Partial disposal of an associated company	**–**	(12,262)		
Disposal of an associated company	**–**	(2,142)		
Impairment of an associated company (Note (ii), 9)	**(20,471)**	–		
Reversal of contingent consideration of an associated company (Note (iii))	**(7,215)**	–		
Share of (loss)/profit	**(1,177)**	9,031		
Dividends received	**(2,583)**	(2,167)		
Currency translation differences	**(2,862)**	(6,875)		
End of financial year	**117,783**	146,401		

(i) During the current financial year, the Group has recognised a gain on dilution of interest in an associated company amounting to S$4,892,000 (2016: Nil) arising from an additional capital injection by an external party into the associated company.

(ii) During the current financial year, the Group has recognised an impairment loss of S$20,471,000 (2016: Nil) against the carrying amount of its investment in an associated company, being the difference between the carrying amount of the Group's investment and its recoverable amount. The recoverable amount represents the Group's share in the net assets of the associated company. The impairment charge arose from cumulative losses incurred by the associated company.

19. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

(a) Associated companies (continued)

(iii) During the current financial year, the Group has derecognised contingent consideration payable for an acquisition of an associated company amounting to S$7,215,000 (2016: Nil) upon reassessment of the earn-out conditions.

The Group's investments in associated companies include investments in listed associated companies with a carrying value of S$27,655,000 (2016: S$30,500,000), for which the published price quotations are S$119,376,044 (2016: S$100,683,000) at the balance sheet date, and classified within Level 1 of the fair value hierarchy.

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

Details of associated companies are disclosed in Note 42. In the opinion of the directors, these associated companies listed are individually immaterial to the Group.

(b) Joint ventures

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Equity investments at cost			**–**	–
Beginning of financial year	**–**	693		
Disposal of joint venture	**–**	(839)		
Incorporation of joint venture	**–**	255		
Share of profit	**–**	35		
Write-off	**–**	(255)		
Currency translation difference	**–**	111		
End of financial year	**–**	–		

Details of the joint ventures are included in Note 42.

20. INVESTMENTS IN SUBSIDIARIES

	Company	
	2017	2016
	S$'000	S$'000
Equity investments at cost		
Beginning of financial year	**362,654**	299,315
Additional capital injection to an existing subsidiary	**4,775**	71,439
Disposal of subsidiaries	**–**	(8,100)
	367,429	362,654
Less: Allowance for impairment	**(26,896)**	(6,425)
End of financial year	**340,533**	356,229

In the current financial year, an impairment loss of S$20,471,000 (2016: Nil) was recognised for a certain subsidiary of the Company as a result of its recoverable amount being estimated to be less than its carrying amount, which mainly arose from cumulative losses incurred by the subsidiary.

Details of the subsidiaries are included in Note 42. The proportion of ownership interest held by the Group does not differ from the proportion of voting rights held by the Group.

Carrying value of non-controlling interests

	2017	2016
	S$'000	S$'000
Quantium Solutions International Pte Ltd ("QSI")	**47,768**	–
Other subsidiaries with immaterial non-controlling interests	**3,801**	11,113
Total	**51,569**	11,113

Transactions with non-controlling interests for the financial year ended 31 March 2017 are set out below. There were no such transactions for the financial year ended 31 March 2016.

20. INVESTMENTS IN SUBSIDIARIES (continued)

(a) Acquisition of additional interest in a subsidiary

On 16 March 2017, the Group acquired an additional 0.9% interest in TG Acquisition Corporation and its subsidiaries ("TG Group") for a purchase consideration of S$2,375,000. The Group now holds 97.3% of the equity share capital of TG Group. The carrying amount of the non-controlling interests in TG Group on the date of acquisition was S$1,334,000. The Group derecognised non-controlling interests of S$776,000 and recorded a decrease in equity attributable to owners of the parent of S$1,599,000. The effect of changes in the ownership interest of TG Group during the year is summarised as follows:

	2017 S$'000
Carrying amount of non-controlling interests acquired	**776**
Consideration paid to non-controlling interests	**(2,375)**
Excess of consideration paid recognised in parent's equity	**(1,599)**

(b) Disposal of interest in a subsidiary without loss of control

On 27 October 2016, the Group disposed of a 34% interest out of the 100% interest held in Quantium Solutions International Pte. Ltd. ("QSI") at a net consideration of S$85,643,000. This resulted in an increase in non-controlling interests of S$51,397,000 and an increase in equity attributable to owners of the parent of S$34,246,000. The effect of changes in the ownership interest of QSI during the year is summarised as follows:

	2017 S$'000
Carrying amount of non-controlling interests acquired	**51,397**
Consideration received from non-controlling interests	**(85,643)**
Excess of consideration received recognised in parent's equity	**(34,246)**

20. INVESTMENTS IN SUBSIDIARIES (continued)

(c) Arising from the full write-back of the contingent consideration in relation to the acquisition of a subsidiary assessed to be no longer payable (Note 9), this subsidiary is now deemed to be a wholly-owned subsidiary of the Group. Accordingly, the non-controlling interest of S$6.6 million was reclassified to retained earnings in the current financial year.

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 balance sheet

	QSI As at 31 March 17 S$'000
Current	
Assets	99,276
Liabilities	(23,432)
Total current net assets	**75,844**
Non-current	
Assets	64,823
Liabilities	(171)
Total non-current net assets	**64,652**
Net assets	**140,496**

20. INVESTMENTS IN SUBSIDIARIES (continued)

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

Summarised income statement

	QSI For the year ended 31 March 2017 S$'000
Revenue	115,843
Loss before income tax	**(16,570)**
Income tax credit	328
Post-tax loss from continuing operations	**(16,242)**
Other comprehensive income	1,045
Total comprehensive loss	**(15,197)**
Total comprehensive loss allocated to non-controlling interests	**(3,629)**

Summarised cash flows

	QSI 31 March 2017 $'000
Cash flows from operating activities	
Cash used in operations	(22,838)
Income tax paid	(152)
Net cash used in operating activities	**(22,990)**
Net cash used in investing activities	**(10,299)**
Net cash provided by financing activities	**25,589**
Net decrease in cash and cash equivalents	**(7,700)**
Cash and cash equivalents at beginning of year	22,317
Cash and cash equivalents at end of year	**14,617**

21. INVESTMENT PROPERTIES

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**745,844**	638,818	**760,842**	633,826
Additions	**97,818**	88,983	**97,818**	88,980
Reclassification from/(to) property plant and equipment (Note 22)	**19,200**	18,952	**(3,244)**	34,934
Fair value gain recognised in profit or loss (Note 9)	**108,744**	–	**72,122**	3,102
Currency translation differences	**(1,214)**	(909)	**–**	–
End of financial year	**970,392**	745,844	**927,538**	760,842

Certain investment properties of the Group with carrying amounts of S$49.3 million (2016: S$51.0 million) are mortgaged to secure bank borrowings (Note 25).

The following amounts are recognised in profit or loss:

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Rental and property-related income (Note 4)	**36,574**	39,373	**39,235**	41,723
Direct operating expenses arising from:				
– Investment property that generated income	**(9,949)**	(11,799)	**(8,579)**	(9,801)

Investment properties are leased to non-related parties under operating leases (Note 34(c)).

21. INVESTMENT PROPERTIES (continued)

At the balance sheet date, the details of the Group's investment properties are as follows:

Location	Description/existing use	Tenure
10 Eunos Road 8, Singapore Post Centre	Building for commercial and retail	Leasehold of 99 years expiring on 30 August 2081
502 Chai Chee Lane	Building for warehousing and self-storage	Leasehold of 30 years expiring on 30 April 2031
No. 5, Jalan Penyair U1/44, Off Jalan Glenmarie, Temasya Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia	Warehousing	Freehold
110 Alexandra Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
10 Choa Chu Kang Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
373 Tanjong Katong Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
1 Killiney Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
396 Pasir Panjang Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
10 Palm Avenue	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091

21. INVESTMENT PROPERTIES (continued)

Location	Description/existing use	Tenure
350 Bedok Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
56 Tanglin Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
6 Ayer Rajah Crescent	Building for warehousing and self-storage	Leasehold of 30 years expiring on 1 February 2026
755 Upper Serangoon Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
5 Mandai Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
21 Ghim Moh Road	Building for commercial and retail	Leasehold of 82 years expiring on 01 April 2076

	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1) S$'000	Significant other observable inputs (Level 2) S$'000	Significant unobservable inputs (Level 3) S$'000
31 March 2017			
– Commercial and retail – Singapore	–	2,812	956,215
– Commercial and retail – Malaysia	–	–	11,365
31 March 2016			
– Commercial and retail – Singapore	–	2,863	731,312
– Commercial and retail – Malaysia	–	–	11,669

21. INVESTMENT PROPERTIES (continued)

Valuation techniques used to derive Level 2 fair values

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

Valuation techniques used to derive Level 3 fair values

Level 3 fair values have been generally derived using capitalisation/income approach and discounted cash flow approach. In the capitalisation/income approach, the net income of the property is capitalised for the balance term of the lease tenure at a yield rate which is appropriate for the type of use tenure and reflective of the quality of the investment. The revenue is adjusted for outgoings such as property tax and also vacancies to arrive at net income. The discounted cash flow approach involved the estimation and projection of the net rent over a period and discounting the future income stream to arrive at a present value. Net rent is the balance sum after deducting property tax, cost of repairs and maintenance and a reasonable percentage for vacancy from the gross rent. The residual land approach involves deducting current estimated construction costs and other relevant costs from the estimated gross development value of the proposed development assuming satisfactory completion. The comparable sales method is used as reference.

No transfers into or out of fair value hierarchy levels for the financial years ended 31 March 2017 and 2016.

21. 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) 2017	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2017	Relationship of unobservable inputs to fair value
Group					
Building for commercial and retail * (Singapore Post Centre)	**814,132** (2016: 588,964)	Discounted cash flow approach	Discount rate	7.25-7.75% (2016: 7.5%)	The higher the discount rate, the lower the valuation
		Capitalisation/ income approach	Capitalisation rate	4.5-6.25% (2016: 5-6.75%)	The higher the capitalisation rate, the lower the valuation
Building for commercial and retail (10 SLA Properties)	**100,386** (2016: 98,642)	Capitalisation/ income approach	Capitalisation rate	4.25-5% (2016: 4.75-5%)	The higher the capitalisation rate, the lower the valuation
Building for warehousing and self-storage – Singapore	**41,697** (2016: 43,706)	Capitalisation/ income approach	Capitalisation rate	7-7.5% (2016: 7-7.5%)	The higher the capitalisation rate, the lower the valuation
Warehousing – Malaysia	**11,365** (2016: 11,669)	Capitalisation/ income approach	Capitalisation rate	7-7.5% (2016: 7.5-9%)	The higher the capitalisation rate, the lower the valuation

* There was a change in valuation technique arising from a change in circumstances. The above approaches are used instead of the residual land approach as rental income will be derived from tenants upon attaining temporary occupation permit status on 20 April 2017.

21. INVESTMENT PROPERTIES (continued)

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

Description	Fair value (S$'000) 2017	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2017	Relationship of unobservable inputs to fair value
Company					
Building for commercial and retail (Singapore Post Centre)	**824,339** (2016: 659,337)	Discounted cash flow approach	Discount rate	7.25-7.75% (2016: 7.5%)	The higher the discount rate, the lower the valuation
		Capitalisation/ income approach	Capitalisation rate	4.5-6.25% (2016: 5-6.75%)	The higher the capitalisation rate, the lower the valuation
Building for commercial and retail (10 SLA Properties)	**100,386** (2016: 98,642)	Capitalisation/ income approach	Capitalisation rate	4.25-5% (2016: 4.75-5%)	The higher the capitalisation rate, the lower the valuation

Valuation processes used by the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use. As at 31 March 2017 and 2016, the fair values of the Group's investment properties have been determined by Knight Frank Pte Ltd.

22. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Group						
2017						
Cost						
Beginning of financial year	57,653	306,558	45,312	215,357	131,426	756,306
Additions	–	8,478	–	67,583	29,564	105,625
Reclassifications to investment properties						
– At fair value (Note 21)	(4,924)	(14,276)	–	–	–	(19,200)
– Transfer to assets valuation reserve (Note 30(b)(v))	3,673	12,659	–	–	–	16,332
	(1,251)	(1,617)	–	–	–	(2,868)
Disposals	–	(2,127)	(113)	(41,568)	–	(43,808)
Transfers	23,477	96,680	536	24,168	(144,861)	–
Currency translation differences	80	84	–	1,819	–	1,983
End of financial year	79,959	408,056	45,735	267,359	16,129	817,238
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	18,009	91,470	4,620	124,831	–	238,930
Depreciation charge	1,671	10,399	3,022	28,742	–	43,834
Impairment charge (Note (a), 9)	–	9,349	–	–	–	9,349
Disposals	–	(1,899)	(93)	(39,181)	–	(41,173)
Currency translation differences	–	3	–	712	–	715
End of financial year	19,680	109,322	7,549	115,104	–	251,655
Net book value						
End of financial year	**60,279**	**298,734**	**38,186**	**152,255**	**16,129**	**565,583**

(a) During the current financial year, the Group recognised an impairment loss amounting to S$9,349,000 (2016: Nil) on its building at 3B Toh Guan Road East arising from a decline in the market value of the building.

The building was valued by an independent professional valuer based on its highest and best use using the discounted cash flow approach at the balance sheet date. The fair value is within Level 3 of the fair value hierarchy. A description of the valuation technique and the valuation processes of the Group are provided in Note 21.

22. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Group						
2016						
Cost						
Beginning of financial year	60,038	217,749	133,231	198,666	55,415	665,099
Acquisition of subsidiaries	–	4,478	–	33,112	–	37,590
Additions	–	66,708	–	13,656	109,767	190,131
Reclassifications to investment properties						
– At fair value (Note 21)	(10,048)	(8,904)	–	–	–	(18,952)
– Transfer to assets valuation reserve (Note 30(b)(v))	7,726	12,303	–	–	–	20,029
	(2,322)	3,399	–	–	–	1,077
Disposals	–	(3,505)	(88,103)	(23,196)	–	(114,804)
Transfers	–	17,920	184	15,395	(33,499)	–
Currency translation differences	–	(191)	–	(1,801)	–	(1,992)
Disposal of subsidiaries (Note 12)	(63)	–	–	(20,475)	(257)	(20,795)
End of financial year	57,653	306,558	45,312	215,357	131,426	756,306
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	17,187	86,574	89,602	141,752	–	335,115
Depreciation charge	873	5,766	3,032	20,211	–	29,882
Disposals	–	(867)	(88,014)	(22,128)	–	(111,009)
Disposal of subsidiaries (Note 12)	(51)	–	–	(14,476)	–	(14,527)
Currency translation differences	–	(3)	–	(528)	–	(531)
End of financial year	18,009	91,470	4,620	124,831	–	238,930
Net book value						
End of financial year	**39,644**	**215,088**	**40,692**	**90,526**	**131,426**	**517,376**

22. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Company						
2017						
Cost						
Beginning of financial year	58,003	180,814	45,312	138,338	29,998	452,465
Additions	–	2,070	–	4,612	8,039	14,721
Reclassifications from investment properties						
– At fair value (Note 21)	124	3,124	–	–	–	3,248
	124	3,124	–	–	–	3,248
Disposals	–	(2,127)	(113)	(35,922)	–	(38,162)
Transfers	–	354	536	21,592	(22,482)	–
End of financial year	58,127	184,235	45,735	128,620	15,555	432,272
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	16,850	79,998	4,620	109,054	–	210,522
Depreciation charge	838	4,017	3,022	10,712	–	18,589
Disposals	–	(1,899)	(93)	(35,218)	–	(37,210)
End of financial year	17,688	82,116	7,549	84,548	–	191,901
Net book value						
End of financial year	**40,439**	**102,119**	**38,186**	**44,072**	**15,555**	**240,371**

22. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Company						
2016						
Cost						
Beginning of financial year	61,675	187,958	133,231	154,604	15,026	552,494
Additions	–	–	–	3,368	28,048	31,416
Reclassifications to investment properties						
– At fair value (Note 21)	(13,034)	(21,900)	–	–	–	(34,934)
– Transfer to asset valuation reserve (Note 30(b)(v))	9,362	18,262	–	–	–	27,624
	(3,672)	(3,638)	–	–	–	(7,310)
Disposals	–	(3,506)	(88,103)	(32,526)	–	(124,135)
Transfers	–	–	184	12,892	(13,076)	–
End of financial year	58,003	180,814	45,312	138,338	29,998	452,465
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	15,997	76,923	89,602	119,686	–	302,208
Depreciation charge	853	3,942	3,032	9,770	–	17,597
Disposals	–	(867)	(88,014)	(20,402)	–	(109,283)
End of financial year	16,850	79,998	4,620	109,054	–	210,522
Net book value						
End of financial year	**41,153**	**100,816**	**40,692**	**29,284**	**29,998**	**241,943**

23. INTANGIBLE ASSETS

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
		(Restated)		
Composition:				
Goodwill on acquisitions (Note (a))	**305,118**	482,322	**–**	227
Customer relationships (Note (b))	**36,683**	57,944	**–**	–
Preferential rent (Note (c))	**4,667**	5,393	**–**	–
Acquired software licence (Note (d))	**11,040**	6,441	**–**	–
Trademarked brands (Note (e))	**43,175**	41,884	**–**	–
	400,683	593,984	**–**	227

Details of restatement of prior year comparatives are provided in Note 38.

(a) Goodwill on acquisitions

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
		(Restated)		
Cost				
Beginning of financial year	**482,322**	267,278	**227**	227
Acquisition of subsidiaries	**–**	224,274	**–**	–
Write-off	**(227)**	–	**(227)**	–
Currency translation differences	**9,686**	(9,230)	**–**	–
End of financial year	**491,781**	482,322	**–**	227
Accumulated impairment				
Beginning of financial year	**–**	–	**–**	–
Impairment charge (Note 9)	**(186,663)**	–	**–**	–
End of financial year	**(186,663)**	–	**–**	–
Net book value	**305,118**	482,322	**–**	227

23. INTANGIBLE ASSETS (continued)

(a) Goodwill on acquisitions (continued)

Impairment tests for goodwill

Goodwill arising from acquisition of subsidiaries is allocated to the Group's cash-generating units or groups of cash-generating units as follows:

	Group	
	2017	2016
	S$'000	S$'000
		(Restated)
Quantium Solutions International Pte. Ltd.	**77,858**	77,858
General Storage Company Pte. Ltd.	**6,857**	6,857
Famous Holdings Pte. Ltd.	**59,908**	80,508
CouriersPlease Holdings Pty Limited	**78,521**	76,066
Tras – Inter Co. Ltd	**2,369**	2,272
F.S. Mackenzie Limited	**4,952**	5,520
Famous Pacific Shipping (NZ) Limited	**5,515**	5,271
The Store House Limited	**11,264**	10,875
EK Media	**–**	227
Rotterdam Harbour Holding B.V.	**15,812**	16,280
L+S Self Storage Pte Ltd (formerly known as Store Friendly Self Storage Group Pte Ltd)	**10,646**	10,646
Jagged Peak, Inc	**21,860**	20,710
TG Acquisition Corporation	**9,556**	169,232
	305,118	482,322

* TG Acquisition Corporation is the immediate holding company of TradeGlobal.

The recoverable amount of each CGU was determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets covering, minimally, a three-year period. Cash flows beyond the periods covered by the financial budgets were extrapolated using the estimated growth rates stated below. The growth rate did not exceed the long-term average growth rate for the country in which the CGU operates.

23. INTANGIBLE ASSETS (continued)

(a) Goodwill on acquisitions (continued)

Key assumptions used for value-in-use calculations for goodwill are as follows:

	Quantium Solutions International Pte. Ltd.	General Storage Company Limited	Famous Holdings Pte Ltd	Couriers-Please Pty Limited	F.S Mackenzie Limited	Famous Pacific Shipping (NZ) Limited	The Store House Limited	Rotterdam Harbour Holding B.V.	L+S Self Storage Pte Ltd	TG Acquisition Corporation	Jagged Peak, Inc
2017											
Terminal growth rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Discount rate	9.0%	7.0%	10.0%	8.7%	10.0%	10.0%	7.0%	10.0%	7.0%	10.5%	10.0%
2016											
Terminal growth rate	–	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	0.0%
Discount rate	–	5.7%	10.0%	8.7%	10.0%	9.7%	5.7%	11.4%	5.7%	10.5%	10.5%

The above assumptions were used for the analysis of each material CGU.

A total impairment charge of $186.7 million (2016: Nil) is included within "Exceptional items" in the consolidated statement of comprehensive income. The total impairment charge consists of :

- S$166.1 million for the TG Acquisition Corporation CGU which arose as a result of the CGU not achieving the underlying profit assumptions of the business plan which supported the investment; and

- S$20.6 million for the Famous Holding Pte. Ltd CGU which arose as a result of the acquisition of Famous Holdings Pte. Ltd purchase price adjustment that reduced the carrying value of goodwill on acquisition.

The impairment test carried out as at 31 March 2017 for the Quantium Solutions International Pte. Ltd. CGU, which comprises 26% of the goodwill recognised on the balance sheet, has revealed that the recoverable amount of the CGU is S$3,707,000 or 4% higher than its carrying amount. A further decrease in the terminal growth rate by 0.4% or an increase in the discount rate by 0.3% would result in the recoverable amount of the Quantium Solutions International Pte. Ltd. CGU being equal to its carrying amount.

23. **INTANGIBLE ASSETS** (continued)

(a) Goodwill on acquisitions (continued)

The impairment test carried out as at 31 March 2017 for the General Storage Company Group ("GSC Group") CGU (consisting of General Storage Company Pte. Ltd., the Store House Limited and L+S Self Storage Pte. Ltd.), which comprises 3% of the goodwill recognised on the balance sheet, has revealed that the recoverable amount of the CGU is S$5,213,000 or 7% higher than its carrying amount. A further decrease in the terminal growth rate by 0.3% or an increase in the discount rate by 0.3% would result in the recoverable amount of the GSC Group CGU being equal to its carrying amount.

(b) Customer relationships

	Group	
	2017	2016
	S$'000	S$'000
		(Restated)
Cost		
Beginning of financial year	**65,395**	6,360
Acquisition of subsidiaries	**–**	61,180
Additions	**–**	250
Currency translation differences	**2,129**	(2,395)
End of financial year	**67,524**	65,395
Accumulated amortisation and impairment		
Beginning of financial year	**(7,451)**	(5,396)
Amortisation charge	**(4,437)**	(1,799)
Impairment charge (Note 9)	**(18,953)**	–
Write-off	**–**	(256)
End of financial year	**(30,841)**	(7,451)
Net book value	**36,683**	57,944

In the current financial year, the Group recognised an impairment charge of $19.0 million (2016: Nil) on its customer relationships in relation to the acquisition of TG Acquisition Corporation. The impairment charge arose as a result of the loss of two major customers of TradeGlobal, and was included within "Exceptional items" in the consolidated statement of comprehensive income (Note 9).

23. INTANGIBLE ASSETS (continued)

(c) Preferential rent

	Group 2017 S$'000	Group 2016 S$'000
Cost		
Beginning of financial year	**7,474**	7,497
Currency translation differences	**33**	(23)
End of financial year	**7,507**	7,474
Accumulated amortisation		
Beginning of financial year	**(2,081)**	(989)
Amortisation charge	**(759)**	(1,092)
End of financial year	**(2,840)**	(2,081)
Net book value	**4,667**	5,393

(d) Acquired software licence

	Group 2017 S$'000	Group 2016 S$'000 (Restated)
Cost		
Beginning of financial year	**6,703**	–
Acquisition of subsidiaries	**–**	6,425
Additions	**6,891**	342
Currency translation differences	**139**	(64)
End of financial year	**13,733**	6,703
Accumulated amortisation		
Beginning of financial year	**(262)**	–
Amortisation charge	**(2,431)**	(262)
End of financial year	**(2,693)**	(262)
Net book value	**11,040**	6,441

23. INTANGIBLE ASSETS (continued)

(e) Trademarked brands

	Group	
	2017	2016
	S$'000	S$'000
Cost		
Beginning of financial year	**41,907**	41,856
Acquisition of subsidiary	**–**	560
Currency translation differences	**1,355**	(509)
End of financial year	**43,262**	41,907
Accumulated amortisation		
Beginning of financial year	**(23)**	–
Amortisation charge	**(64)**	(23)
End of financial year	**(87)**	(23)
Net book value	**43,175**	41,884

Included in the carrying amount is a trademarked brand with indefinite useful life of S$42,704,000 (2016: S$41,368,000).

Key assumptions used for value-in-use calculations for the trademarked brand with indefinite useful life:

	Group	
	2017	2016
Royalty rate	**1.8%**	1.8%
Terminal growth rate	**2.5%**	0.0%
Discount rate	**8.7%**	8.7%

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
		(Restated)		
Current				
Trade payables				
– Subsidiaries	**–**	–	**79,343**	21,102
– Companies related by a substantial shareholder	**346**	315	**346**	315
– Non-related parties	**200,982**	166,214	**163,779**	125,541
	201,328	166,529	**243,468**	146,958
Advance billings	**31,712**	29,892	**18,525**	16,785
Accrual for other operating expenses	**105,681**	95,962	**48,754**	64,445
Interest payable	**631**	65	**631**	65
Customers' deposits	**4,630**	4,723	**4,630**	4,723
Collections on behalf of third parties	**18,540**	22,071	**18,540**	22,071
Contingent consideration payable (Note (a))	**–**	27,815	**–**	–
Tender deposits	**19,758**	18,699	**12,473**	11,204
Other creditors	**12,804**	19,923	**6,660**	8,181
	395,084	385,679	**353,681**	274,432
Non-current				
Contingent consideration payable (Note (a))	**23,363**	25,401	**–**	–
Deferred lease	**2,574**	2,318	**–**	–
Accrual for other operating expenses	**1,805**	4,506	**–**	–
Provision for reinstatement costs (Note (b))	**16,720**	–	**2,070**	–
	44,462	32,225	**2,070**	–
Total trade and other payables	**439,546**	417,904	**355,751**	274,432

Details of restatement of prior year comparatives are provided in Note 38.

24. TRADE AND OTHER PAYABLES (continued)

(a) Contingent consideration payable

(i) *F.S. Mackenzie Limited ("FSML")*

The balance of the consideration is dependent on the adjusted average net profit after tax of FSML for 3 consecutive financial years ending 31 March 2015 to 31 March 2017. The fair value of the consideration at the acquisition date was estimated at S$3,083,000 based on estimated adjusted average net profit after tax of S$1,436,000 for the relevant financial years and discounted at 2% per annum.

As at 31 March 2017, the fair value of contingent consideration amounted to S$1,540,000 (2016: S$2,216,000).

(ii) *Famous Pacific Shipping (NZ) Limited ("FPSNZ")*

The balance of the consideration is dependent on the adjusted average net profit after tax of FPSNZ for financial year ending 31 March 2016 and 31 March 2017. The fair value of the consideration at the acquisition date was estimated at S$894,000 based on estimated adjusted average net profit after tax of S$797,000 for the relevant financial years and discounted at 2% per annum.

As at 31 March 2017, the fair value of contingent consideration amounted to S$2,240,000 (2016: S$2,578,000).

(iii) *Rotterdam Harbour Holding B.V. ("FPS Rotterdam")*

The consideration for the remaining 20% interest is dependent on the revenue achieved for the financial years 31 March 2016 and 31 March 2017, and the cumulative net profit after tax of FPS Rotterdam for the five financial years prior to 14 July 2020. The fair value of the consideration at acquisition date, discounted at 2.18% per annum, is at its maximum of S$5,222,000 based on the criteria above.

As at 31 March 2017, the fair value of contingent consideration amounted to S$3,797,000 (2016: S$5,394,000).

24. TRADE AND OTHER PAYABLES (continued)

(a) Contingent consideration payable (continued)

(iv) Jagged Peak, Inc. ("JP")

In accordance with the key Stockholder Agreement between the Group and the key stockholder, a call option was granted to the Group to purchase the remaining 28.9% interest in JP and a put option was granted to the key stockholder to sell the remaining 28.9% interest in JP to the Group.

The consideration for the 28.9% under option is dependent on the audited average earnings before interest, tax, depreciation and amortisation ("EBITDA") of JP for the 3 consecutive financial years ending 31 December 2015 to 31 December 2017. The fair value of the consideration at the acquisition date was estimated at S$13,809,000 based on a multiple of forecasted average EBITDA for the relevant financial years and estimated net debt of S$6,731,000, discounted at 2.9% per annum.

The maximum amount that the Group is expected to pay to the key stockholders of Jagged Peak will be S$33,163,000 if the above mentioned criteria are met.

As at 31 March 2017, the fair value of contingent consideration amounted to S$15,786,000 (2016: S$15,213,000).

The fair value of contingent consideration payable was derived using the income approach and is classified as a Level 3 fair value under the fair value hierarchy.

(b) Provision for reinstatement costs

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

Movement in this provision is as follows:

	Group		**Company**	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**–**	–	**–**	–
Provision made	**16,720**	–	**2,070**	–
End of financial year	**16,720**	–	**2,070**	–

25. BORROWINGS

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Other borrowings	**363,985**	280,272	**320,061**	236,044

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

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Current				
– Borrowings (secured)	**14,043**	11,667	**–**	–
– Borrowings (unsecured)	**134,743**	59,423	**117,743**	33,000
	148,786	71,090	**117,743**	33,000
Non-current				
– Borrowings (secured)	**12,881**	6,138	**–**	–
– Borrowings (unsecured)	**202,318**	203,044	**202,318**	203,044
	215,199	209,182	**202,318**	203,044
	363,985	280,272	**320,061**	236,044

Secured borrowings comprise external bank loans and are secured over investment properties with carrying amount of S$49.3 million (2016: S$51.0 million) (Note 21) at the balance sheet date, or guaranteed by a director of a subsidiary with non-controlling interests.

The Group's unsecured borrowings mainly comprised S$200 million 10-year Fixed Rate Notes (the "Notes") issued in March 2010. The Notes are listed on the SGX-ST and carry a fixed interest rate of 3.5% (2016: 3.5%) per annum respectively.

25. BORROWINGS (continued)

Fair value of non-current borrowings

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Non-current				
– Borrowings (secured)	**12,881**	6,138	**–**	–
– Borrowings (unsecured)	**207,896**	208,946	**207,896**	208,946
	220,777	215,084	**207,896**	208,946

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 35(a)(ii).

26. DEFERRED INCOME

Deferred income relates to:

(a) Definitive agreements with respect to the postassurance collaboration with AXA Life Insurance Singapore Private Limited ("AXA") commenced on 19 January 2017. Deferred income received from AXA is recognised in profit or loss over the period of 10 years till 19 January 2025; and

(b) Capital grants received from the Universal Postal Union, National Trade Union Congress and Economic Development Board. Deferred capital grants are recognised in profit or loss over the periods necessary to match the depreciation of the assets purchased.

The current and non-current portion of the deferred income for the Group and the Company at the balance sheet date are S$7,413,000 (2016: S$7,268,000) and S$49,545,000 (2016: S$56,785,000).

27. 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 fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
		(Restated)		
Deferred income tax assets				
– To be recovered within one year	**1,024**	1,351	**–**	–
– To be recovered after one year	**5,194**	4,193	**–**	–
	6,218	5,544	**–**	–
Deferred income tax liabilities				
– To be settled within one year	**4,079**	5,199	**1,353**	1,473
– To be settled after one year	**58,468**	60,836	**21,250**	17,726
	62,547	66,035	**22,603**	19,199

Details of restatement of prior year comparatives are provided in Note 38.

27. DEFERRED INCOME TAXES (continued)

Movement in the deferred income tax account is as follows:

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
		(Restated)		
Beginning of financial year	**60,491**	31,799	**19,199**	17,278
Acquisition of subsidiaries	**–**	27,033	**–**	–
Disposal of subsidiaries (Note 12)	**–**	(320)	**–**	–
Currency translation differences	**1,062**	(117)	**–**	–
Tax (credited)/charged to profit or loss (Note 10(a))	**(4,170)**	2,096	**3,404**	1,921
Revaluation of properties, plant and equipment transferred to investment properties	**(1,054)**	–	**–**	–
End of financial year	**56,329**	60,491	**22,603**	19,199

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 of S$155,354,000 (2016: S$91,975,000) at the balance sheet date 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.

27. DEFERRED INCOME TAXES (continued)

Deferred income tax liabilities

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

Group

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Others S$'000	Total S$'000
2017			
Beginning of financial year	**27,128**	**39,091**	**66,219**
Currency translation differences	**201**	**528**	**729**
Charged/(credited) to profit or loss	**12,650**	**(7,759)**	**4,891**
Revaluation of property, plant and equipment transferred to investment properties (Note 30(b)(v))	**–**	**(1,054)**	**(1,054)**
End of financial year	**39,979**	**30,806**	**70,785**
2016 (Restated)			
Beginning of financial year	20,343	16,109	36,452
Currency translation differences	(524)	19	(505)
Acquisition of subsidiaries	4,510	24,125	28,635
Disposal of subsidiaries	(533)	(1)	(534)
Charged to profit or loss	3,332	(1,161)	2,171
End of financial year	27,128	39,091	66,219

27. DEFERRED INCOME TAXES (continued)

Group (continued)

Deferred income tax assets

	Provisions S$'000	Tax losses S$'000	Total S$'000
2017			
Beginning of financial year	**(3,216)**	**(2,512)**	**(5,728)**
Currency translation difference	**24**	**309**	**333**
(Credited)/charged to profit or loss	**(9,637)**	**576**	**(9,061)**
End of financial year	**(12,829)**	**(1,627)**	**(14,456)**
2016			
Beginning of financial year	(1,806)	(2,847)	(4,653)
Currency translation difference	53	335	388
Acquisition of subsidiaries	(1,602)	–	(1,602)
Disposal of subsidiaries	214	–	214
Credited to profit or loss	(75)	–	(75)
End of financial year	(3,216)	(2,512)	(5,728)

27. DEFERRED INCOME TAXES (continued)

Company

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Others S$'000	Total S$'000
2017			
Beginning of financial year	**18,731**	**632**	**19,363**
Charged/(credited) to profit or loss	**3,606**	**(180)**	**3,426**
End of financial year	**22,337**	**452**	**22,789**
2016			
Beginning of financial year	17,144	243	17,387
Charged to profit or loss	1,587	389	1,976
End of financial year	18,731	632	19,363

Company

Deferred income tax assets

	Provisions S$'000
2017	
Beginning of financial year	**(164)**
Credited to profit or loss	**(22)**
End of financial year	**(186)**
2016	
Beginning of financial year	(109)
Credited to profit or loss	(55)
End of financial year	(164)

28. 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				
2017				
Beginning of financial year	**2,163,001**	**(2,046)**	**448,775**	**(2,116)**
– New shares issued	**107,554**	**–**	**183,960**	**–**
Employee share option scheme				
– New shares issued	**4,529**	**–**	**6,021**	**–**
– Treasury shares re-issued	**–**	**865**	**–**	**889**
End of financial year	**2,275,084**	**(1,181)**	**638,756**	**(1,227)**
2016				
Beginning of financial year	2,149,518	(2,744)	429,980	(2,831)
Employee share option scheme				
– New shares issued	13,483	–	18,795	–
– Treasury shares re-issued	–	698	–	715
End of financial year	2,163,001	(2,046)	448,775	(2,116)

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

On 10 January 2017, the Company issued 107,553,907 ordinary shares for a total consideration of S$183,960,000 (net of transaction costs of S$3,184,000) for cash to provide funds for the expansion of the Group's operations. The newly issued shares rank pari passu in all respects with the previously issued shares.

(a) Treasury shares

The Company re-issued 865,000 (2016: 698,000) treasury shares during the financial year pursuant to the Singapore Post Share Option Scheme at exercise prices at S$1.03 (2016: S$1.03) each. The cost of the treasury shares re-issued amounted to S$889,000 (2016: S$715,000).

28. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options

The Singapore Post Share Option Scheme was adopted on 21 March 2003, and a new scheme, known as Singapore Post Share Option Scheme 2012 was adopted on 29 June 2012; collectively known as "The Scheme". The Scheme is administered by the Compensation Committee comprising Mrs Fang Ai Lian (Chairman[1]), Mr Simon Claude Israel and Mr Zulkifli Bin Baharudin during the financial year ended 31 March 2017.

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

The principal terms of the Scheme are as follows:

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

[1] Mrs Fang Ai Lian was appointed as the chairperson of the Compensation Committee on 10 October 2016 in place of Mr Tan Yam Pin who stepped down as chairman and member of the Compensation Committee on 14 July 2016.

28. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

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

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

28. 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 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.

28. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Since the adoption of the Scheme to 31 March 2016, a total of 171,626,936 share options were granted. Particulars of the options were set out in the Directors' Report for the respective financial years.

During the financial year ended 31 March 2017, 7,061,000 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 1.4.16 ('000)**	**Granted during financial year ('000)**	**Options exercised ('000)**	**Options forfeited ('000)**	**Balance At 31.3.17 ('000)**
Options Granted Under Singapore Post Share Options Scheme For employees (including executive directors)							
26.06.06 [1]	27.06.07 to 26.06.16	S$1.048	27	–	27	–	–
26.06.07	27.06.08 to 26.06.17	S$1.278	196	–	–	–	196
30.06.08	01.07.09 to 30.06.18	S$1.100	280	–	90	–	190
29.06.09 [1]	30.06.10 to 29.06.19	S$0.890	10	–	10	–	–
29.06.10	30.06.11 to 29.06.20	S$1.140	533	–	20	–	513
26.07.11	27.07.12 to 26.07.21	S$1.100	855	–	189	–	666
19.03.12 [1]	20.03.13 to 19.03.22	S$0.980	200	–	200	–	–
10.05.12 [1]	11.05.13 to 10.05.22	S$1.030	200	–	200	–	–
11.05.12	19.05.14 to 11.05.22	S$1.030	1,050	–	–	–	1,050
10.08.12	11.08.13 to 10.08.22	S$1.070	2,590	–	1,066	–	1,524
03.09.12 [1]	04.09.13 to 03.09.22	S$1.080	50	–	50	–	–
07.05.13	08.05.13 to 07.05.23	S$1.290	75	–	–	–	75
17.01.14	18.01.17 to 17.01.24	S$1.350	11,316	–	1,991	1,723	7,602
07.03.14	08.03.17 to 07.03.24	S$1.330	500	–	–	–	500
10.03.14	11.03.15 to 10.03.24	S$1.330	80	–	–	–	80
01.04.14	02.04.17 to 01.04.24	S$1.360	200	–	–	–	200

28. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

			Number of ordinary shares under options outstanding				
Date of grant	**Exercise Period**	**Exercise Price**	**Balance At 1.4.16 ('000)**	**Granted during financial year ('000)**	**Options exercised ('000)**	**Options forfeited ('000)**	**Balance At 31.3.17 ('000)**
Options Granted Under Singapore Post Share Options Scheme For employees (including executive directors)							
20.05.14	21.05.15 to 20.05.24	S$1.450	7,689	–	686	1,370	5,633
07.08.14	08.08.15 to 07.08.24	S$1.760	708	–	–	140	568
28.11.14	29.11.15 to 28.11.24	S$1.920	200	–	–	200	–
07.04.15	08.04.16 to 07.04.25	S$1.960	1,588	–	–	1,588	–
13.05.15	14.05.16 to 13.05.25	S$1.910	950	–	–	–	950
19.05.15	20.05.16 to 19.05.25	S$1.890	15,933	–	–	2,976	12,957
12.06.15	13.06.16 to 12.06.25	S$1.880	40	–	–	–	40
20.05.16	21.05.17 to 20.05.27	S$1.570	–	7,061	–	374	6,687
Total Share Options			45,270	7,061	4,529	8,371	39,431

(1) All outstanding share options granted on 26 June 2006, 29 June 2009, 19 March 2012, 10 May 2012 and 3 September 2012 had been exercised before the expiry date.

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.

28. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Restricted Share Plan

The Singapore Post Restricted Share Plan 2013 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.

The Plan is a share incentive scheme. It is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to key employees and directors of the Group and Associated Companies who contribute to the growth of the Group. The Plan will enable grants of fully paid Shares to be made to non-executive directors of the Group and Associated Companies.

The release schedule for the shares granted to eligible employees (excluding non-executive directors) 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 2016, a total of 3,402,479 restricted shares were granted.

28. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

During the financial year ended 31 March 2017, 2,436,639 restricted shares were granted. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year are as follows:

Date of Grant	Balance As At 1.4.16 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.17 ('000)
05.08.13	401	–	365	28	8
20.05.14	443	–	189	21	233
19.05.15	662	–	198	68	396
03.08.15	112	–	112	–	–
20.05.16	–	2,437	–	419	2,018
Total Shares	**1,618**	**2,437**	**864**	**536**	**2,655**

Of the outstanding options (including Performance Share Option Plan but excluding Restricted Share Plan) for 39,431,000 (2016: 45,270,000) shares, 17,219,000 (2016: 10,407,000) options are exercisable as at 31 March 2017. Options exercised in the financial year ended 31 March 2017 resulted in 4,529,000 (2016: 13,483,000) new ordinary shares being issued for options with average exercise price of S$1.247 (2016: S$1.289), rounded to 3 decimal places. Options were exercised throughout the year. The weighted average share price during the financial year was S$1.49 (2016: S$1.76).

28. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share Options (continued)

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

Type of Share Options	Singapore Post Share Option Scheme 2012	Restricted Share Plan
2017		
Total fair value of options granted during financial year	**S$989,225**	**S$2,840,681**
Valuation Model	**Trinomial option Pricing model**	**Adjusted Share Price model**
Weighted average share price at the grant dates	**S$1.58**	**S$1.58**
Weighted average exercise price	**S$1.57**	**S$1.55**
Expected volatility	**14%**	**–**
Expected option life	**10 years**	**3 years**
Annual risk-free interest rate (per annum)	**1.6%**	**0.9%**
Expected dividend yield	**4.5%**	**4.5%**
2016		
Total fair value of options granted during financial year	S$3,373,539	S$1,361,024
Valuation Model	Trinomial option Pricing model	Adjusted Share Price model
Weighted average share price at the grant dates	S$1.871	S$1.872
Weighted average exercise price	S$1.896	S$1.882
Expected volatility	16%	–
Expected option life	5 years	10 years
Annual risk-free interest rate (per annum)	1.7%	0.9%
Expected dividend yield	3.4%	3.5%

The volatility measured was based on the historical volatility of the rate of returns of the Company's shares since listing date of 13 May 2003.

The fair value is within Level 3 of the fair value hierarchy.

29. PERPETUAL SECURITIES

On 2 March 2012, the Company issued senior perpetual cumulative securities (the “perpetual securities”) with an aggregate principal amount of S$350,000,000. Incremental cost incurred amounting to S$4,397,000 incurred were recognised in equity as a deduction from proceeds.

Such perpetual securities bear distributions at a rate of 4.25% per annum, payable semi-annually. Subject to the relevant terms and conditions in the offering memorandum, the Company may elect to defer making distributions on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred.

As a result, the Company is considered to have no contractual obligations to repay its principal or to pay any distributions and the perpetual securities do not meet the definition for classification as a financial liability under FRS 32 Financial Instruments: Disclosure and Presentation. The whole instrument is presented within equity, and distributions are treated as dividends.

During the financial year, distributions amounting to S$14,875,000 (2016: S$14,915,000) were made to perpetual securities holders.

30. OTHER RESERVES

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
(a) Composition:				
Share option reserve	**8,990**	6,904	**8,990**	6,904
Fair value reserve	**(659)**	(1,105)	**(659)**	(1,105)
Currency translation reserve	**(17,841)**	(25,042)	**–**	–
Other capital reserve	**37,447**	37	**–**	–
Asset valuation reserve	**43,850**	26,464	**28,918**	28,914
	71,787	7,258	**37,249**	34,713
(b) Movements:				
(i) ***Share option reserve***				
Beginning of financial year	**6,904**	4,980	**6,904**	4,980
Employee share option scheme:				
– Value of employee services (Note 5)	**3,351**	4,053	**3,351**	4,053
– Issue of shares	**(376)**	(1,414)	**(376)**	(1,414)
– Re-issuance of treasury shares	**(889)**	(715)	**(889)**	(715)
End of financial year	**8,990**	6,904	**8,990**	6,904
(ii) ***Fair value reserve***				
Beginning of financial year	**(1,105)**	(468)	**(1,105)**	(468)
Fair value gain/(loss)	**446**	(637)	**446**	(637)
End of financial year	**(659)**	(1,105)	**(659)**	(1,105)
(iii) ***Currency translation reserve***				
Beginning of financial year	**(25,042)**	(3,534)	**–**	–
Acquisition of non-controlling Interests (Note 20)	**23**	–	**–**	–
Partial divestment of a subsidiary	**405**	–	**–**	–
Reclassification on disposal of subsidiaries, associated companies and joint venture	**73**	(2,026)	**–**	–
Net currency translation differences of financial statements of foreign subsidiaries, associated companies and joint ventures	**6,797**	(18,913)	**–**	–
Less: Non-controlling interests	**(97)**	(569)	**–**	–
End of financial year	**(17,841)**	(25,042)	**–**	–

30. OTHER RESERVES (continued)

	Group 2017 S$'000	Group 2016 S$'000	Company 2017 S$'000	Company 2016 S$'000
(b) Movements: (continued)				
(iv) Other capital reserve				
Beginning of financial year	**37**	35	**–**	–
Acquisition of non-controlling interests (Note 20)	**(1,622)**	–	**–**	–
Partial divestment of a subsidiary (Note 12)	**39,032**	–	**–**	–
Transfer from retained earnings of subsidiaries to statutory reserves	**–**	2	**–**	–
End of financial year	**37,447**	37	**–**	–
(v) Asset valuation reserve				
Beginning of financial year	**26,464**	6,435	**28,914**	1,290
Revaluation gain on property, plant and equipment upon transfer to investment property (Note 22, Note 27)	**17,386**	20,029	**4**	27,624
End of financial year	**43,850**	26,464	**28,918**	28,914

Other reserves are non-distributable.

31. RETAINED EARNINGS

(a) Retained profits of the Group are distributable except for accumulated retained profits of associated companies and joint ventures amounting to S$9,295,000 (2016: S$18,871,000) and the amount of S$1,227,000 (2016: S$2,116,000) utilised to purchase treasury shares. Retained profits of the Company are distributable except for the amount of S$1,227,000 (2016: S$2,116,000) utilised to purchase treasury shares.

(b) Movement in retained earnings for the Company is as follows:

	Company	
	2017	2016
	S$'000	S$'000
Beginning of financial year	**780,232**	688,597
Net profit	**11,819**	273,535
Dividends paid (Note 32)	**(119,548)**	(166,985)
Reserved distribution to perpetual securities (Note 29)	**(14,875)**	(14,915)
End of financial year	**657,628**	780,232

32. DIVIDENDS

	Group and Company	
	2017	2016
	S$'000	S$'000
Ordinary dividends paid		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 2.50 cents (2016: 2.50 cents) per share	**54,075**	53,777
Special exempt (one-tier) dividend paid in respect of the previous financial year of Nil (2016: 0.75 cent) per share	**–**	16,133
Interim exempt (one-tier) dividend paid in respect of the first quarter of current financial year of 1.50 cents (2016: 1.50 cents) per share	**32,457**	32,291
Interim exempt (one-tier) dividend paid in respect of the second quarter of current financial year of 1.00 cent (2016: 1.50 cents) per share	**21,648**	32,375
Interim exempt (one-tier) dividend paid in respect of the third quarter of current financial year of 0.50 cent (2016: 1.50 cents) per share	**11,368**	32,409
	119,548	166,985

At the Annual General Meeting on 20 July 2017, a final exempt (one-tier) dividend of 0.50 cent per share amounting to S$11.4 million will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2018.

33. CONTINGENT LIABILITIES

A foreign subsidiary has tax-related contingent liabilities arising from certain tax compliance issues which, due to inherent uncertainties, is not possible to make an accurate quantification of such liability at this juncture. The Company had notified the relevant regulatory authorities regarding these tax compliance issues. These tax-related contingent liabilities are subject to an indemnity claim by the Group against the vendor under the sale and purchase agreement entered into between the Company and the vendor for which the acquisition of the foreign subsidiary was made.

34. COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Property, plant and equipment	**111,762**	246,774	**103,286**	215,974

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

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

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Not later than one year	**38,776**	35,454	**9,413**	12,597
Between one and five years	**65,278**	60,750	**11,307**	16,586
Later than five years	**43,513**	53,112	**2,209**	3,456
	147,567	149,316	**22,929**	32,639

34. COMMITMENTS (continued)

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

The Group and Company leases out various retail and office space under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group		**Company**	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Not later than one year	**44,214**	34,059	**39,575**	33,760
Between one and five years	**58,558**	54,117	**55,143**	53,723
Later than five years	**3,750**	4,686	**3,750**	4,686
	106,522	92,862	**98,468**	92,169

35. 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 interest rate swaps and currency forwards to hedge certain financial risk exposures.

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

(a) Market risk

(i) Currency risk

The currency transaction risk of the Group arises mainly from the international mail business, which generates inpayments and outpayments denominated in foreign currencies. The currency exposure is primarily in Special Drawing Rights ("SDR"), Euro ("EUR") and United States Dollar ("USD"). SDR is an International Monetary Fund unit of account used for valuing international transactions, which is defined in terms of a basket of currencies. The actual settlement is usually in US Dollars. 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, associated companies and joint ventures 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.

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	HKD S$'000	AUD S$'000	MYR S$'000	Others S$'000	Total S$'000
Group									
As at 31 March 2017									
Financial assets									
Cash and cash equivalents	259,026	–	4,926	59,105	8,834	12,319	2,144	20,260	366,614
Trade and other receivables	102,197	5,710	5,009	37,129	8,936	21,859	1,436	23,822	206,098
Other financial assets	3,639	–	–	266	1,251	183	137	878	6,354
Financial asset	40,049	–	–	–	–	–	–	262	40,311
Derivative financial instruments	–	–	–	–	–	–	16,079	–	16,079
	404,911	5,710	9,935	96,500	19,021	34,361	19,796	45,222	635,456
Financial liabilities									
Derivative financial instruments	–	–	(357)	(597)	–	–	–	(101)	(1,055)
Borrowings	(346,805)	–	–	(11,497)	–	–	(4,809)	(874)	(363,985)
Trade and other payables	(195,099)	(145,249)	(3,412)	(46,194)	(2,709)	(22,482)	(1,376)	(23,025)	(439,546)
	(541,904)	(145,249)	(3,769)	(58,288)	(2,709)	(22,482)	(6,185)	(24,000)	(804,586)
Net financial assets/ (liabilities)	(136,993)	(139,539)	6,166	38,212	16,312	11,879	13,611	21,222	
Less: Net financial assets/ (liabilities) denominated in the respective entities' functional currencies	(136,993)	–	5,284	(18,027)	12,768	10,363	(2,468)	15,896	
Add/(Less): Currency forwards	–	79,565	–	(85,340)	–	–	–	–	
Currency exposure	–	(59,974)	882	(29,101)	3,544	1,516	16,079	5,326	

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	HKD S$'000	AUD S$'000	MYR S$'000	Others S$'000	Total S$'000
Group (continued)									
As at 31 March 2016 (Restated)									
Financial assets									
Cash and cash equivalents	50,926	–	14,258	11,241	10,452	10,779	3,219	25,765	126,640
Trade and other receivables	119,562	6,263	6,450	33,863	8,256	19,830	1,441	19,863	215,528
Other financial assets	4,190	–	–	321	1,136	45	40	799	6,531
Financial asset	46,210	–	–	–	–	–	–	–	46,210
Derivative financial instruments	846	–	–	–	–	–	–	–	846
	221,734	6,263	20,708	45,425	19,844	30,654	4,700	46,427	395,755
Financial liabilities									
Derivative financial instruments	–	–	(207)	(465)	–	–	–	(129)	(801)
Borrowings	(263,531)	–	–	(9,423)	–	–	(5,887)	(1,431)	(280,272)
Trade and other payables	(202,909)	(104,233)	(4,896)	(43,968)	(3,140)	(22,341)	(2,256)	(34,161)	(417,904)
	(466,440)	(104,233)	(5,103)	(53,856)	(3,140)	(22,341)	(8,143)	(35,721)	(698,977)
Net financial assets/ (liabilities)	**(244,706)**	**(97,970)**	**15,605**	**(8,431)**	**16,704**	**8,313**	**(3,443)**	**10,706**	
Less: Net financial assets/ (liabilities) denominated in the respective entities' functional currencies	(244,706)	–	4,702	(14,523)	10,464	7,992	(3,373)	14,795	
Add: Currency forwards	–	64,115	10,498	6,731	–	423	–	–	
Currency exposure	**–**	**(33,855)**	**21,401**	**12,823**	**6,240**	**744**	**(70)**	**(4,089)**	

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	AUD S$'000	MYR S$'000	Others S$'000	Total S$'000
Company								
As at 31 March 2017								
Financial assets								
Cash and cash equivalents	245,017	–	972	54,510	25	–	2,655	303,179
Trade and other receivables	534,448	5,710	–	32,437	–	–	5,831	578,426
Other financial assets	2,359	–	–	–	–	–	–	2,359
Financial asset	39,702	–	–	–	–	–	–	39,702
Derivative financial instruments	–	–	–	–	–	16,142	–	16,142
	821,526	5,710	972	86,947	25	16,142	8,486	939,808
Financial liabilities								
Derivative financial instruments	–	–	(357)	(597)	–	–	(101)	(1,055)
Borrowings	(320,061)	–	–	–	–	–	–	(320,061)
Trade and other payables	(210,502)	(145,249)	–	–	–	–	–	(355,751)
	(530,563)	(145,249)	(357)	(597)	–	–	(101)	(676,867)
Net financial assets/(liabilities)	290,963	(139,539)	615	86,350	25	16,142	8,385	
Less: Net financial assets/ (liabilities) denominated in the respective entities' functional currencies	290,963	–	–	–	–	–	–	
Add/(Less): Currency forwards	–	79,565	–	(85,340)	–	–	–	
Currency exposure	–	(59,974)	615	1,010	25	16,142	8,385	

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk (continued)*

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	AUD S$'000	MYR S$'000	Others S$'000	Total S$'000
Company (continued)								
As at 31 March 2016 (Restated)								
Financial assets								
Cash and cash equivalents	28,292	–	10,005	3,510	21	–	7,798	49,626
Trade and other receivables	751,649	6,263	–	–	–	–	–	757,912
Other financial assets	2,362	–	–	–	–	–	–	2,362
Financial asset	45,612	–	–	–	–	–	–	45,612
Derivative financial instruments	846	–	–	–	–	–	–	846
	828,761	6,263	10,005	3,510	21	–	7,798	856,358
Financial liabilities								
Derivative financial instruments	–	–	(129)	(493)	–	–	(137)	(759)
Borrowings	(236,044)	–	–	–	–	–	–	(236,044)
Trade and other payables	(170,199)	(104,233)	–	–	–	–	–	(274,432)
	(406,243)	(104,233)	(129)	(493)	–	–	(137)	(511,235)
Net financial assets/(liabilities)	**422,518**	**(97,970)**	**9,876**	**3,017**	**21**	**–**	**7,661**	
Less: Net financial assets/ (liabilities) denominated in the respective entities' functional currencies	422,518	–	–	–	–	–	–	
Add: Currency forwards	–	64,115	5,639	6,731	423	–	–	
Currency exposure	**–**	**(33,855)**	**15,515**	**9,748**	**444**	**–**	**7,661**	

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the SDR changes against the SGD by 3% (2016: 2%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	Increase/(decrease) Profit after tax	
	2017	2016
	S$'000	S$'000
Group		
SDR against SGD		
– strengthened	**(1,515)**	(562)
– weakened	**1,515**	562
Company		
SDR against SGD		
– strengthened	**(1,515)**	(562)
– weakened	**1,515**	562

If the EUR changes against the SGD by 4% (2016: 5%) with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease) Profit after tax	
	2017	2016
	S$'000	S$'000
Group		
EUR against SGD		
– strengthened	**29**	889
– weakened	**(29)**	(889)
Company		
EUR against SGD		
– strengthened	**20**	644
– weakened	**(20)**	(644)

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD changes against the SGD by 4% (2016: 4%) with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease) Profit after tax	
	2017	2016
	S$'000	S$'000
Group		
USD against SGD		
– strengthened	**(936)**	426
– weakened	**936**	(426)
Company		
USD against SGD		
– strengthened	**64**	324
– weakened	**(64)**	(324)

(ii) Fair value interest rate risks

Fair value 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 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 fair value interest rate risk from its bonds and fixed rate notes.

As at 31 March 2017 and 2016, if the interest rate had increased/decreased by 1% with all other variables, including tax rate being held constant, it would have insignificant impact on the profit after tax for the year.

35. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits, trade receivables, investments in financial assets and financial instruments used in hedging activities. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level. The trade receivables of the Group and the Company comprise 1 debtor (2016: 1 debtor) that individually represented 18% to 27% of trade receivables. Revenues of S$161,198,000 (2016: S$71,227,000) are derived from an associated company. These revenues are attributable to the Logistics segment.

Bank deposits are placed in banks which are regulated. The Group limits its credit risk exposure in respect of investments in financial assets and derivative financial instruments by dealing with counterparties with high credit quality.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

35. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

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

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
By geographical areas				
Singapore	**56,373**	75,105	**115,720**	133,685
Other countries	**134,757**	102,934	**54,034**	40,721
	191,130	178,039	**169,754**	174,406
By types of customers				
Related parties	**47,891**	34,645	**123,733**	120,240
Non-related parties:				
– Government bodies	**6,321**	6,936	**6,321**	6,885
– Banks	**6,360**	8,704	**6,109**	8,448
– Overseas postal administrations	**5,615**	6,167	**5,615**	6,167
– Other companies	**124,943**	121,587	**27,976**	32,666
	191,130	178,039	**169,754**	174,406

(i) *Financial assets that are neither past due nor impaired*

Bank deposits, investments in financial assets and financial instruments used in hedging activities that are neither past due nor impaired are mainly deposited and transacted with high credit-ratings counterparties. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

35. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Past due up to 3 months	**69,076**	64,668	**42,459**	38,658
Past due over 3 months	**5,143**	8,872	**1,058**	2,302
	74,219	73,540	**43,517**	40,960

The carrying amount of trade receivables individually and collectively determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Gross amount	**5,665**	5,390	**951**	1,741
Less: Allowance for impairment	**(5,665)**	(5,390)	**(951)**	(1,741)
	–	–	**–**	–
Beginning of financial year	**5,390**	5,273	**1,741**	1,566
Allowance made	**1,356**	472	**–**	351
Allowance utilised	**(1,081)**	(355)	**(790)**	(176)
End of financial year	**5,665**	5,390	**951**	1,741

The impaired trade receivables arise mainly from sales to certain customers that are in significant financial difficulty.

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

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

The table below analyses the maturity profile of the Group's and Company's financial liabilities (including 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				
At 31 March 2017				
Trade and other payables	**(395,084)**	**(41,888)**	**–**	**–**
Borrowings	**(155,786)**	**(7,000)**	**(219,881)**	**–**
Gross settled currency forwards	**(1,055)**	**–**	**–**	**–**
	(551,925)	**(48,888)**	**(219,881)**	**–**
At 31 March 2016 (Restated)				
Trade and other payables	(385,679)	(29,907)	–	–
Borrowings	(78,090)	(7,000)	(220,138)	–
Gross settled currency forwards	(801)	–	–	–
	(464,570)	(36,907)	(220,138)	–
Company				
At 31 March 2017				
Trade and other payables	**(353,681)**	**(2,070)**	**–**	**–**
Borrowings	**(124,743)**	**(7,000)**	**(207,000)**	**–**
Gross settled currency forwards	**(1,055)**	**–**	**–**	**–**
	(479,479)	**(9,070)**	**(207,000)**	**–**
At 31 March 2016 (Restated)				
Trade and other payables	(274,432)	–	–	–
Borrowings	(40,000)	(7,000)	(214,000)	–
Gross settled currency forwards	(759)	–	–	–
	(315,191)	(7,000)	(214,000)	–

35. FINANCIAL RISK MANAGEMENT (continued)

(d) Capital risk

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

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

The gearing ratio is calculated as net debt divided by total equity. Net debt/(cash) is calculated as borrowings less cash and cash equivalents.

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Net (cash)/debt	**(2,629)**	153,632	**16,882**	186,418
Total equity	**1,757,718**	1,561,503	**1,679,232**	1,608,430
Gearing ratio	**(0.1%)**	10%	**1%**	12%

The Group and Company have no externally imposed capital requirements for the financial years ended 31 March 2017 and 2016.

(e) 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 balance sheet date. The quoted market prices used for financial assets are the current bid price; the appropriate quoted market prices used for financial liabilities are the current asking prices. The instruments are presented within Level 1 of the fair value hierarchy.

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

35. FINANCIAL RISK MANAGEMENT (continued)

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

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

These investments are classified as Level 2 and comprise derivative financial instruments.

The fair value of contingent consideration payable is estimated by using a valuation technique that is not based on observable market data and is accordingly classified as a Level 3 fair value measurement. Refer to Note 24 for details.

The fair values of current and non-current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

35. FINANCIAL RISK MANAGEMENT (continued)

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

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
2017				
Assets				
Available-for-sale financial assets	**3,954**	**–**	**5,170**	**9,124**
Held-to-maturity financial assets	**31,187**	**–**	**–**	**31,187**
Derivative financial instruments	**16,011**	**68**	**–**	**16,079**
Liabilities				
Derivative financial instruments	**–**	**1,055**	**–**	**1,055**
Contingent consideration payable	**–**	**–**	**23,363**	**23,363**
2016 (Restated)				
Assets				
Available-for-sale financial assets	3,508	–	5,159	8,667
Held-to-maturity financial assets	37,543	–	–	37,543
Derivative financial instruments	–	846	–	846
Liabilities				
Derivative financial instruments	–	801	–	801
Contingent consideration payable	–	–	53,216	53,216

35. FINANCIAL RISK MANAGEMENT (continued)

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

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Company				
2017				
Assets				
Available-for-sale financial assets	**3,954**	**–**	**4,561**	**8,515**
Held-to-maturity financial assets	**31,187**	**–**	**–**	**31,187**
Derivative financial instruments	**16,011**	**131**	**–**	**16,142**
Liabilities				
Derivative financial instruments	**–**	**1,055**	**–**	**1,055**
2016				
Available-for-sale financial assets	3,508	–	4,561	8,069
Held-to-maturity financial assets	37,543	–	–	37,543
Derivative financial instruments	–	846	–	846
Liabilities				
Derivative financial instruments	–	801	–	801

35. FINANCIAL RISK MANAGEMENT (continued)

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

The following table presents the changes in Level 3 instruments:

	Group and Company		Group	
	Held-to-maturity financial assets $'000	Available-for-sale financial assets $'000	Contingent consideration $'000	Total $'000
2017				
Beginning of financial year (Restated)	–	5,159	53,216	58,375
Fair value losses recognised in				
– Profit or loss	–	–	(196)	(196)
Partial settlement of contingent consideration	–	–	(2,588)	(2,588)
Write-down of contingent consideration (Note 24)	–	–	(27,816)	(27,816)
Currency translation differences	–	11	747	758
End of financial year	–	5,170	23,363	28,533
Total losses for the year included in the profit or loss for assets and liabilities held at the end of the financial year	–	–	(196)	(196)

35. FINANCIAL RISK MANAGEMENT (continued)

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

	Group and Company		Group	
	Held-to-maturity financial assets $'000	**Available-for-sale financial assets $'000**	**Contingent consideration $'000**	**Total $'000**
2016 (Restated)				
Beginning of financial year	1,289	414	26,772	28,475
Purchases	–	4,745	–	4,745
Disposal	(1,289)	–	(1,301)	(2,590)
Acquisition of subsidiaries and associates	–	–	28,359	28,359
Fair value gains recognised in				
– Profit or loss	–	–	201	201
Currency translation differences	–	–	(815)	(815)
End of financial year	–	5,159	53,216	58,375
Total gains for the year included in the profit or loss for assets and liabilities held at the end of the financial year	–	–	201	201

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

35. FINANCIAL RISK MANAGEMENT (continued)

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheets and in Notes 13, 15 and 25 to the financial statements, except for the following:

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
		(Restated)		(Restated)
Loans and receivables	**584,264**	355,107	**883,964**	809,900
Financial liabilities at amortised cost	**803,531**	698,176	**675,812**	510,476

(g) Offsetting financial assets and financial liabilities

The Group has the following financial instruments subject to enforceable master netting arrangements or similar agreement as follows:

	(a)	**(b)**	**(c)=(a)–(b)**	**(d)**		**(e)=(c)+(d)**
	Related amounts set off in the balance sheet			**Related amounts not set off in the balance sheet**		
	Gross amounts of recognised financial assets S$'000	**Gross amounts of recognised financial liabilities S$'000**	**Net amounts of financial assets/ (liabilities) presented in the balance sheet S$'000**	**(d)(i), (d)(ii) Financial instruments S$'000**	**(d)(ii) Cash collateral pledged S$'000**	**Net amount S$'000**
At 31 March 2017						
Currency forwards	**724**	**(1,779)**	**(1,055)**	**–**	**–**	**(1,055)**

There were no financial instruments subject to enforceable master netting arrangement for the year ended 31 March 2016.

36. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2017	2016
	S$'000	S$'000
Services rendered to an associated company	**161,198**	71,227
Services received from an associated company	**76**	64
Services rendered to related companies of a substantial shareholder	**14,629**	14,747
Services received from related companies of a substantial shareholder	**1,080**	910
Interest received from loans to associated companies	**812**	26

During the financial year ended 31 March 2017, the Company made payments on behalf of subsidiaries totalling S$47.5 million (2016: S$46.2 million) which were subsequently reimbursed.

Outstanding balances at 31 March 2017, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from balance sheet date and are disclosed in Notes 14 and 24 respectively.

(b) Key management personnel compensation is as follows:

	Group	
	2017	2016
	S$'000	S$'000
Salaries and other short-term employee benefits	**6,534**	7,198
Post-employment benefits – contribution to CPF	**68**	47
Share-based staff costs	**540**	721
	7,142	7,966

Included in the above is total compensation to directors of the Company amounting to S$1,525,000 (2016: S$1,690,000).

37. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the covering Group Chief Executive Officer/Group Chief Financial Officer ("Chief Operating Decision Maker" or "CODM") that are used to make strategic decisions.

The CODM considers the business from a business segment perspective. From 1 April 2016, the Group has reclassified the reporting of certain business units into three business segments, namely Postal, Logistics and eCommerce. Management manages and monitors the business in these primary business areas:

Postal – Postal segment provides comprehensive services for collecting, sorting, transporting and distributing domestic and international mail as well as sale of philatelic products, agency services and financial services. International mail service covers the handling of incoming international mail and outgoing international mail. Mail division also offers ePost hybrid mail service which integrates electronic data communication with traditional mail.

Logistics – Logistics segment provides a diverse range of logistics solutions, comprising freight, warehousing, domestic and international distribution, and delivery services. The services include eCommerce logistics, warehousing, fulfilment and distribution, and other value-added services (Quantium Solutions), parcel delivery (SP Parcels), freight forwarding (Famous Holdings) and self-storage solutions (General Storage).

eCommerce – eCommerce segment provides front-end eCommerce solutions.

Other operations include the provision of commercial property rental and investment holding; but these are not included within the reportable operating segments, as they are not included in the reports provided to the CODM. The results of these operations are included in the "all other segments" column.

In line with the change in reporting structure of the Group as set out above, segment information for the financial year ended 31 March 2016 has been reclassified to conform to current year's presentation.

37. SEGMENT INFORMATION (continued)

The segment information provided to the CODM for the reportable segments for the years ended 31 March 2017 and 31 March 2016 are as follows:

	Postal S$'000	Logistics S$'000	eCommerce S$'000	All other segments S$'000	Eliminations S$'000	Total S$'000
2017						
Revenue:						
– External	518,637	562,785	267,080	–	–	1,348,502
– Inter-segment	25,504	74,016	2	–	(99,522)	–
	544,141	636,801	267,082	–	(99,522)	1,348,502
Other income and gains (net)						
Rental, property-related and miscellaneous income						
– External	1,105	2,900	317	42,029	–	46,351
– Inter-segment	–	–	–	30,326	(30,326)	–
	1,105	2,900	317	72,355	(30,326)	46,351
Operating profit/(loss)	150,707	23,596	(33,790)	(82,156)	–	58,357
Depreciation and amortisation	9,249	9,419	15,857	16,493	–	51,018
Segment assets	103,117	667,184	183,816	1,408,877	–	2,362,994
Segment assets includes:						
Investment in associated companies	–	62,367	–	55,416	–	117,783
Intangible assets	–	136,058	264,625	–	–	400,683
Additions to:						
– Property, plant and equipment	6,693	13,595	21,171	64,166	–	105,625
– Investment properties	–	–	–	97,818	–	97,818

37. SEGMENT INFORMATION (continued)

	Postal S$'000	Logistics S$'000	eCommerce S$'000	All other segments S$'000	Eliminations S$'000	Total S$'000
2016 (Restated)						
Revenue:						
– External	500,956	552,173	98,413	–	–	1,151,542
– Inter-segment	35,280	73,799	10	–	(109,089)	–
	536,236	625,972	98,423	–	(109,089)	1,151,542
Other income and gains/(losses) (net)						
Rental, property-related and miscellaneous income/(losses)						
– External	1,063	2,910	(658)	48,050	–	51,365
– Inter-segment	–	–	–	33,977	(33,977)	–
	1,063	2,910	(658)	82,027	(33,977)	51,365
Operating profit	157,324	38,812	(7,300)	95,423	–	284,259
Depreciation and amortisation	8,758	9,092	4,146	9,890	–	31,886
Segment assets	118,542	670,626	334,931	1,214,327	–	2,338,426
Segment assets includes:						
Investment in associated companies	–	70,238	–	76,163	–	146,401
Intangible assets	227	338,999	254,758	–	–	593,984
Additions to:						
– Property, plant and equipment	5,270	14,381	7,365	163,115	–	190,131
– Investment property	–	3	–	88,980	–	88,983

37. SEGMENT INFORMATION (continued)

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

(a) 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 before tax is provided as follows:

	2017 **S$'000**	2016 S$'000
Operating profit for reportable segments	**140,513**	188,836
Other segments operating profit	**(82,156)**	95,423
Finance expense	**(5,674)**	(10,365)
Interest income	**3,439**	4,268
Share of (loss)/profit of associated companies and joint ventures	**(1,177)**	9,066
Profit before tax	**54,945**	287,228

37. SEGMENT INFORMATION (continued)

(b) 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 balance sheet 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, held-to-maturity. Cash and cash equivalents are allocated to reportable segments where applicable.

	2017 **S$'000**	2016 S$'000
Segment assets for reportable segments	**954,117**	1,124,099
Other segments assets	**1,408,877**	1,214,327
Unallocated:		
Cash and cash equivalents	**297,808**	41,602
Financial assets, held-to-maturity	**39,702**	45,612
Derivative financial instruments	**16,079**	846
Total assets	**2,716,583**	2,426,486

37. SEGMENT INFORMATION (continued)

(c) Revenue from major products and services

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

	2017 S$'000	2016 S$'000
Domestic and International Mail services	**518,637**	500,956
Domestic and International distribution and delivery services	**562,785**	552,173
Retail and eCommerce sale of products and services	**267,080**	98,413
Revenue	**1,348,502**	1,151,542

(d) Geographical information

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

- Singapore – the Company is headquartered and has operations in Singapore where 50% (2016: 56%) of its revenues are generated. The operations in this area comprise principally of the core postal business, post office products and services, courier activities and investment holding.
- The United States – the operations in this area are principally front-end related e-commerce businesses.
- Australia – The operations in this area are principally delivery services and e-commerce logistics solutions.
- Other countries – the operations include warehousing and logistics delivery in Japan and Hong Kong, and freight forwarding businesses in Europe and New Zealand.

	Revenue	
	2017 S$'000	2016 S$'000
Singapore	**667,474**	646,063
The United States	**236,337**	66,639
Australia	**188,087**	173,724
Other countries	**256,604**	265,116
	1,348,502	1,151,542

38. BUSINESS COMBINATIONS

During the financial year ended 31 March 2016, the Group acquired L+S Self Storage Pte Ltd ("LSSS") (formerly known as Store Friendly Self Storage Group Pte Ltd) and Jagged Peak, Inc. ("JP"). The fair values of assets and liabilities of LSSS and JP from the acquisitions had initially been determined in the financial statements of the Group for the financial year ended 31 March 2016 based on provisional fair values. The Group completed the Purchase Price Allocation ("PPA") exercise in the financial year ended 31 March 2017 for LSSS and JP and the effects of the PPA exercise, together with the revision to contingent consideration payable, is summarised below. These adjustments are accounted for as if they had been recognised on acquisition date and adjusted in the comparative financial statements as prior year adjustments. The effects to the 31 March 2016 Group balance sheet are as follows:

	As previously reported S$'000	After adjustment S$'000	Increase/ (Decrease) S$'000
As at 31 March 2016			
Assets			
Goodwill	493,504	482,322	(11,182)
Intangible assets, excluding goodwill	89,689	111,662	21,973
Trade and other receivables	210,287	210,177	(110)
Net increase			**10,681**
Liabilities			
Trade and other payables – current	385,712	385,679	(33)
Trade and other payables – non current	30,190	32,225	2,035
Deferred income tax liabilities	57,356	66,035	8,679
Net increase			**10,681**

There is no material effect to the 31 March 2016 Group financial results.

For the acquisition of Rotterdam Harbour Holding B.V. and TG Acquisition Corporation completed in the financial year ended 31 March 2016, there were no material revisions to the provisional fair values arising from the completion of the PPA exercise in the current financial year.

39. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2017 and which the Group has not early adopted:

- FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 April 2018)

  This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

39. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (continued)

- FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 April 2018) (continued)

  Management is currently assessing the effects of applying the new standard on the Group's financial statements and has identified the following areas that are likely to be affected:

  (i) Variable consideration – FRS 115 requires an estimate of variable consideration to be included in the transaction price at the inception of the transaction, but only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved; and

  (ii) Accounting for certain costs incurred in fulfilling a contract – certain costs which are currently expensed may need to be recognised as an asset under FRS 115.

  At this stage, the Group anticipates that the adoption of the new standard in future periods will not have a material impact on the Group's financial statements in the period of initial adoption.

- FRS 109 *Financial instruments* (effective for annual periods beginning on or after 1 April 2018)

  The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI.

  While the Group has yet to undertake a detailed assessment of the classification and measurement of financial assets, the financial assets held by the Group include:

  - equity instruments currently classified as AFS for which fair value through OCI election is available; and

  - bond instruments classified as held-to-maturity or loans and receivables and measured at amortised cost appear to meet the conditions for classification at amortised cost under FRS 109.

39. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (continued)

- FRS 109 Financial instruments (effective for annual periods beginning on or after 1 April 2018) (continued)

  Accordingly, the Group does not expect the new guidance to have a significant impact on the classification of its financial assets.

  For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designed at fair value through profit or loss. The Group does not expect the new guidance to have significant impact on the Group's accounting for financial liabilities.

  FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. While the Group is yet to undertake a detailed assessment, it would appear that the Group's current hedge relationships would qualify as continuing hedges upon the adoption of FRS 109. Accordingly, the Group does not expect a significant impact on the accounting for its hedging relationships.

  There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 Revenue from contracts with customers, lease receivables, loan commitments and certain financial guarantee contracts. The new model may result in an earlier recognition of credit losses for the Group.

  The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

39. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (continued)

- FRS 116 *Leases* (effective for annual periods beginning on or after 1 April 2019)

  FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

  The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of S$147.6 million (Note 34(b)). The Group has performed a preliminary assessment to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

  Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

40. COMPARATIVES

Certain comparative figures were reclassified from other income and gains (net) of S$109.2 million and administrative and other expenses of S$13.9 million to exceptional items, in order to conform to current year's presentation and better reflect the nature or magnitude of these items of income or expenses. The reclassification does not have a material impact on the financial position of the Group and the Company as at 31 March 2016.

41. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 15 May 2017 in accordance with a resolution of the Board of Directors of Singapore Post Limited.

42. LISTING OF COMPANIES IN THE GROUP

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2017 %	by the Group 2016 %	by the NCI 2017 %	by the NCI 2016 %
SUBSIDIARIES						
Held by the Company						
SingPost eCommerce II Pte Ltd.	Online sale of luxury products	Singapore	**100**	100	**–**	–
SingPost eCommerce Pte. Ltd.	eCommerce specialising in the provision of online sale of products	Singapore	**100**	100	**–**	–
SingPost Logistics Holding Pte Ltd	Investment holding	Singapore	**100**	100	**–**	–
Singapore Post Enterprise Private Limited	Investment holding	Singapore	**100**	100	**–**	–
SingPost Investments Pte Ltd	Investment holding	Singapore	**100**	100	**–**	–
SingPost Logistics Investments Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–

42. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2017 %	2016 %	**2017** %	2016 %
SUBSIDIARIES (continued)						
Held by subsidiaries						
SP Jagged Peak LLC [2]	Investment holding	United States	**100**	100	**–**	–
Jagged Peak, Inc [2]	eCommerce logistics enabler for high-velocity consumer products	United States	**100**	71.1	**–**	28.9
Jagged Peak Canada, Inc [2]	eCommerce logistics enabler for high-velocity consumer products	Canada	**100**	71.1	**–**	28.9
SingPost Distribution Pte. Ltd.	Provision of business mail solutions and distribution of mail	Singapore	**100**	100	**–**	–
SP Commerce Holdings, Inc [2]	Investment holding	United States	**100**	100	**–**	–
SP Commerce, Inc [2]	Provison of global sale & marketing services	United States	**100**	100	**–**	–
TG Acquisition Corporation [2]	Investment holding	United States	**97.3**	96.4	**2.7**	3.6
TradeGlobal Holdings, Inc [2]	eCommerce enablement provider	United States	**97.3**	96.4	**2.7**	3.6

42. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2017 %	by the Group 2016 %	by the NCI 2017 %	by the NCI 2016 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
TradeGlobal North America Holding, Inc. (2)	eCommerce enablement provider	United States	**97.3**	96.4	**2.7**	3.6
TradeGlobal LLC (2)	eCommerce enablement provider	United States	**97.3**	96.4	**2.7**	3.6
TradeGlobal Asia Holdings Limited (2)	eCommerce enablement provider	Hong Kong	**97.3**	96.4	**2.7**	3.6
Trade Global Europe GmbH (2)	eCommerce enablement provider	Germany	**97.3**	96.4	**2.7**	3.6
Netrada Trade and Consulting (Shanghai) Co Ltd (2)	eCommerce enablement provider	China	**97.3**	96.4	**2.7**	3.6
SingPost Logistics Enterprise Pte Ltd	Investment holding	Singapore	**100**	100	**–**	–
SingPost Logistics Australia Holdings Pty Ltd	Investment holding	Australia	**100**	100	**–**	–
Quantium Solutions International Pte. Ltd.	Investment holding, provision of management and consultancy services to related entities	Singapore	**66**	100	**34**	–

42. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2017 %	2016 %	**2017** %	2016 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Quantium Solutions (Singapore) Pte. Ltd.	Provision of delivery services and eCommerce logistics solutions	Singapore	**66**	100	**34**	–
Quantium Mail Logistics Solutions (India) Private Limited	Provision of delivery services and eCommerce logistics solutions	India	**66**	100	**34**	–
Quantium Express Solutions (India) Private Limited	Provision of delivery services and eCommerce logistics solutions	India	**66**	100	**34**	–
Quantium Solutions (Australia) Pty Limited	Provision of delivery services and eCommerce logistics solutions	Australia	**66**	100	**34**	–
Quantium Solutions (Hong Kong) Limited	Provision of delivery services and eCommerce logistics solutions	Hong Kong	**66**	100	**34**	–

42. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2017 %	2016 %	**2017** %	2016 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Quantium Solutions (Japan) Inc.	Provision of delivery services and eCommerce logistics solutions	Japan	**66**	100	**34**	–
Quantium Solutions International (Malaysia) Sdn Bhd	Provision of delivery services and eCommerce logistics solutions	Malaysia	**66**	100	**34**	–
Quantium Solutions (New Zealand) Pty Limited	Provision of delivery services and eCommerce logistics solutions	New Zealand	**66**	100	**34**	–
Quantium Solutions (Philippines) Inc +	Provision of delivery services and eCommerce logistics solutions	Philippines	**26.4**	40	**73.6**	60
Quantium Solutions (Taiwan) Co., Ltd	Provision of delivery services and eCommerce logistics solutions	Taiwan	**66**	100	**34**	–

42. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2017 %	2016 %	**2017** %	2016 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Quantium Solutions (Thailand) Co., Ltd.	Provision of delivery services and eCommerce logistics solutions	Thailand	**66**	100	**34**	–
PT Quantium Solutions Logistics Indonesia +	Provision of delivery services and eCommerce logistics solutions	Indonesia	**32.34**	49	**67.66**	51
CouriersPlease Holdings Pty Limited	Provision of delivery services and eCommerce logistics solutions	Australia	**100**	100	**–**	–
CouriersPlease Australia Pty Limited	Provision of delivery services and eCommerce logistics solutions	Australia	**100**	100	**–**	–
CouriersPlease Pty Limited	Provision of delivery services and eCommerce logistics solutions	Australia	**100**	100	**–**	–
SingPost Storage Company Ltd	Investment holding	Mauritius	**100**	100	**–**	–

42. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2017 %	2016 %	**2017 %**	2016 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
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	**–**	–
General Storage Company Pte Ltd	Investment holding & provision of management services	Singapore	**100**	100	**–**	–
Lock + Store (Chai Chee) Pte Ltd	Self storage solutions and warehousing	Singapore	**100**	100	**–**	–

42. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2017 %	2016 %	**2017** %	2016 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Lock + Store (Tanjong Pagar) Pte Ltd	Self storage solutions	Singapore	**100**	100	**–**	–
Lock + Store (Ayer Rajah) Pte Ltd	Self storage solutions	Singapore	**100**	100	**–**	–
The Store House Limited [3]	Self storage solutions	Hong Kong	**100**	100	**–**	–
The Store House Operating Company Limited [3]	Self storage management services	Hong Kong	**75**	75	**25**	25
Lock and Store (Glenmarie) Sdn. Bhd.	Self storage solutions and warehousing	Malaysia	**100**	100	**–**	–
L+S Self Storage Pte Ltd [1]	Self storage solutions	Singapore	**100**	100	**–**	–
Japan Self Storage Company Ltd	Dormant	Japan	**–**	60	**–**	40
SP Parcels Pte Ltd	Courier activities other than national post activities	Singapore	**100**	100	**–**	–
Famous Holdings Pte Ltd**	Investment holding and provision of management services	Singapore	**100.0**	62.5	**–**	37.5

42. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2017 %	2016 %	**2017** %	2016 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Famous Air & Sea Services Pte Ltd**	Freight forwarding	Singapore	**100.0**	62.5	**–**	37.5
FPS Global Logistics Pte Ltd**	Freight forwarding	Singapore	**100.0**	62.5	**–**	37.5
FPS Famous Pacific Shipping Sdn Bhd (4)**	Freight forwarding	Malaysia	**100.0**	62.5	**–**	37.5
Famous Pacific Shipping (WA) Pty Ltd **	Freight collections transhipments	Australia	**100.0**	62.5	**–**	37.5
F.S. Mackenzie Limited (5)**	Freight forwarding	United Kingdom	**100.0**	62.5	**–**	37.5
Famous Pacific Shipping (NZ) Limited (6)**	Freight forwarding	New Zealand	**90.0**	56.25	**10.0**	43.75
Mercury Worldwide (NZ) Limited (2)**	Freight forwarding	New Zealand	**90.0**	56.25	**10.0**	43.75
Eazyshipping (NZ) Limited (2)**	Freight forwarding	New Zealand	**45.0**	28.12	**55.0**	71.88
FPS Logistics (USA) Inc. (7)**	Logistics management and services	USA	**100.0**	62.5	**–**	37.5
Sino Famous Intertrans Co Ltd (8)**	Freight forwarding	China	**100.0**	62.5	**–**	37.5

42. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2017 %	by the Group 2016 %	by the NCI 2017 %	by the NCI 2016 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Famous Container Lines Co Ltd (8)**	Freight forwarding	China	**100.0**	62.5	**–**	37.5
Shinyei Shipping Co Ltd**	Freight forwarding	Japan	**89.0**	55.6	**11.0**	44.4
Tras – Inter Co. Ltd (9)**	Customs brokerage and freight forwarding	Japan	**89.0**	55.6	**11.0**	44.4
Rotterdam Harbour Holding B.V. (10)+**	Investment holdings	Netherlands	**80.0**	50.0	**20.0**	50.0
FPS Famous Pacific Shipping B.V. (2)+**	Logistics services	Netherlands	**80.0**	50.0	**20.0**	50.0
Trans Ocean Pacific Forwarding B.V. (2)+**	Logistics services	Netherlands	**80.0**	50.0	**20.0**	50.0
EWC East Way Commodities B.V. (2)+**	Trading company and purchase organisation for oceanfreight services	Netherlands	**80.0**	50.0	**20.0**	50.0
FPS Famous Pacific Shipping Germany GmbH (2)+**	Sales company for logistics services	Germany	**80.0**	50.0	**20.0**	50.0

42. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2017 %	2016 %	**2017** %	2016 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
FPS Famous Pacific Shipping s.r.o. (2)+**	Logistics services	Netherlands	**40.8**	25.5	**59.2**	74.5
SP eCommerce (Thailand) Co Ltd (11)	eCommerce specialising in the provision of online shopping platforms and services	Thailand	**100**	100	**–**	–
SP eCommerce (Korea) Co Ltd (11)	eCommerce specialising in the provision of online shopping platforms and services	Korea	**100**	100	**–**	–
SP eCommerce (Malaysia) Sdn. Bhd	eCommerce specialising in the provision of online shopping platforms and services	Malaysia	**100**	100	**–**	–

42. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2017 %	2016 %
ASSOCIATED COMPANIES				
Held by the Company				
GD Express Carrier Berhad [12]*	Provision of express delivery and customised logistics services	Malaysia	**11.22**	11.23
Held by subsidiaries				
Postea, Inc. [2]	Provision of technology and support in postal, courier and other distribution markets	USA	**27**	27
Indo Trans Logistics Corporation [13]	Provision of integrated logistics, freight and transport management and aviation services	Vietnam	**30**	30
Dash Logistics Company Ltd [11]*	Provision of integrated logistics, freight and transport management and aviation services	Vietnam	**51**	51
Shenzhen 4PX Information and Technology Co Ltd. [14]	Provision of international express delivery services, international freight forwarding, import and export of goods and technology	China	**20.14**	35.91

42. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2017 %	2016 %
ASSOCIATED COMPANIES (continued)				
Held by subsidiaries (continued)				
Efficient E-Solutions Berhad (15)	Provision of data print, record management, data and document processing	Malaysia	**20.81**	20.81
Hubbed Holdings Pty Ltd (16)	eCommerce and logistics retail network	Australia	**30**	30
Morning Express & Logistics Holding Ltd (17)	Provision of courier services and provision of management services to its related company	Hong Kong	**33**	33
E Link Station Ltd (17)	Provision of redemption services	Hong Kong	**50**	50
JOINT VENTURES				
Held by subsidiaries				
PT Trio Specommerce Indonesia (2)	eCommerce specialising in the provision of online sale of products	Indonesia	**33**	33

42. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2017 %	2016 %	**2017** %	2016 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Quantium Solutions (Singapore) Pte. Ltd.	Provision of delivery services and eCommerce logistics solutions	Singapore	**66**	100	**34**	–
Quantium Mail Logistics Solutions (India) Private Limited	Provision of delivery services and eCommerce logistics solutions	India	**66**	100	**34**	–
Quantium Express Solutions (India) Private Limited	Provision of delivery services and eCommerce logistics solutions	India	**66**	100	**34**	–
Quantium Solutions (Australia) Pty Limited	Provision of delivery services and eCommerce logistics solutions	Australia	**66**	100	**34**	–
Quantium Solutions (Hong Kong) Limited	Provision of delivery services and eCommerce logistics solutions	Hong Kong	**66**	100	**34**	–

UNAUDITED FINANCIAL STATEMENTS OF SINGAPORE POST LIMITED AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2017

The information in this Appendix IV has been extracted and reproduced from the announcement on 14 November 2017 of Singapore Post Limited and its subsidiaries for the half year ended 30 September 2017 and has not been specifically prepared for inclusion in this Information Memorandum nor has it been audited or reviewed by independent auditors of the Issuer.

SINGAPORE POST LIMITED
AND ITS SUBSIDIARIES

(Registration number: 199201623M)

SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2017

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

(1)(a)(i) Statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement

	FY2017/18 Q2 S$'000	FY2016/17 Q2 S$'000	Variance %	**FY2017/18 H1 S$'000**	FY2016/17 H1 S$'000	Variance %
Revenue	**354,687**	321,733	10.2%	**708,809**	655,105	8.2%
Other income and gains (net)						
- Rental and property-related income	**10,584**	8,954	18.2%	**19,626**	18,644	5.3%
- Miscellaneous	**3,682**	1,855	98.5%	**6,437**	4,215	52.7%
Labour and related expenses	**(90,381)**	(87,651)	3.1%	**(179,814)**	(172,632)	4.2%
Volume-related expenses[1]	**(187,558)**	(161,896)	15.9%	**(372,591)**	(322,840)	15.4%
Administrative and other expenses	**(38,907)**	(34,867)	11.6%	**(73,571)**	(70,226)	4.8%
Depreciation and amortisation	**(15,191)**	(11,347)	33.9%	**(29,757)**	(22,131)	34.5%
Selling expenses	**(6,542)**	(1,932)	238.6%	**(9,600)**	(5,595)	71.6%
Finance expenses	**(2,841)**	(59)	@	**(6,727)**	(1,949)	245.2%
Total expenses	**(341,420)**	(297,752)	14.7%	**(672,060)**	(595,373)	12.9%
Exceptional items[2]	**890**	4,373	(79.6%)	**4,917**	4,462	10.2%
Share of profit of associated companies and joint ventures	**4,921**	338	@	**2,118**	912	132.2%
Profit before income tax	**33,344**	39,501	(15.6%)	**69,847**	87,965	(20.6%)
Income tax expense	**(8,461)**	(7,075)	19.6%	**(16,838)**	(18,509)	(9.0%)
Total profit	**24,883**	32,426	(23.3%)	**53,009**	69,456	(23.7%)
Net profit attributable to:						
Equity holders of the Company	**28,470**	31,443	(9.5%)	**59,443**	67,295	(11.7%)
Non-controlling interests	**(3,587)**	983	N.M.	**(6,434)**	2,161	N.M.
Operating Profit [3]	**29,910**	38,143	(21.6%)	**71,798**	87,512	(18.0%)
Underlying Net Profit [4]	**27,580**	27,070	1.9%	**54,526**	62,833	(13.2%)

Earnings per share for profit attributable to the equity holders of the Company during the period / year: [5]	**FY2017/18 Q2**	FY2016/17 Q2	**FY2017/18 H1**	FY2016/17 H1
- Basic	**1.09 cents**	1.28 cents	**2.29 cents**	2.76 cents
- Diluted	**1.09 cents**	1.28 cents	**2.29 cents**	2.76 cents

Notes
1 Volume-related expenses comprise mainly of traffic expenses and cost of sales.
2 Exceptional items comprised one-off items such as asset impairment, fair value changes on investment properties, gains or losses on sale of investments and property, plant and equipment and M&A related professional fees.
3 Operating profit for the purposes of paragraph 8 "Review of the performance of the Group" is defined as profit before net interest expense, tax and share of profit or loss of associated companies and joint ventures.
4 Underlying net profit is defined as net profit before exceptional items, net of tax.
5 Earnings per share were calculated based on net profit attributable to equity holders of the Company less distribution attributable to perpetual securities holders, divided by the weighted average number of ordinary shares outstanding (excluding treasury shares).

N.M. Not meaningful.
@ Denotes variance exceeding 300%.

Consolidated Statement of Comprehensive Income

	FY2017/18 Q2 S$'000	FY2016/17 Q2 S$'000	Variance %	FY2017/18 H1 S$'000	FY2016/17 H1 S$'000	Variance %
Total profit	**24,883**	32,426	(23.3%)	**53,009**	69,456	(23.7%)
Other comprehensive income / (loss) (net of tax):						
Items that may be reclassified subsequently to profit or loss:						
Available for sale financial assets - fair value (losses) / gains	**(129)**	65	N.M.	**(210)**	7	N.M.
Currency translation differences arising from Consolidation						
- Gains / (losses)	**581**	6,964	(91.7%)	**(632)**	(766)	17.5%
- Transfers to profit & loss arising from disposals of subsidiaries and associates	**-**	(332)	N.M.	**-**	(332)	N.M.
Other comprehensive income / (loss) for the period (net of tax)	**452**	6,697	(93.3%)	**(842)**	(1,091)	22.8%
Total comprehensive income for the period*	**25,335**	39,123	(35.2%)	**52,167**	68,365	(23.7%)
Total comprehensive income attributable to:						
Equity holders of the Company	**28,804**	38,981	(26.1%)	**58,781**	67,407	(12.8%)
Non-controlling interests	**(3,469)**	142	N.M.	**(6,614)**	958	N.M.
	25,335	39,123	(35.2%)	**52,167**	68,365	(23.7%)

* As shown in the Statement of changes in equity on pages 8 and 9.

Underlying Net Profit Reconciliation Table

	FY2017/18 Q2 S$'000	FY2016/17 Q2 S$'000	Variance %	FY2017/18 H1 S$'000	FY2016/17 H1 S$'000	Variance %
Profit attributable to equity holders of the Company	**28,470**	31,443	(9.5%)	**59,443**	67,295	(11.7%)
Losses / (gain) on disposal of property, plant and equipment	**76**	43	76.7%	**15**	(46)	N.M.
Professional fees	**764**	476	60.5%	**1,482**	476	211.3%
Fair value gain on warrants from an associated company	**(1,730)**	-	N.M.	**(7,405)**	-	N.M.
Gain on dilution of interest in an associated company	**-**	(4,892)	N.M.	**-**	(4,892)	N.M.
Provision for the restructuring of overseas operation	**-**	-	-	**991**	-	N.M.
Underlying Net Profit	**27,580**	27,070	1.9%	**54,526**	62,833	(13.2%)

N.M. Not meaningful.

(1)(a)(ii) The following items have been included in arriving at profit before income tax:

	FY2017/18 Q2 S$'000	FY2016/17 Q2 S$'000	Variance %	**FY2017/18 H1 S$'000**	FY2016/17 H1 S$'000	Variance %
Other operating income and interest income	**14,266**	10,809	32.0%	**26,063**	22,859	14.0%
Interest on borrowings	**2,387**	2,145	11.3%	**4,720**	4,162	13.4%
Depreciation and amortisation	**15,077**	11,461	31.6%	**29,757**	22,411	32.8%
Allowance for doubtful debts and bad debts written off / (written back)	**5,480**	(697)	N.M.	**5,781**	(211)	N.M.
Foreign exchange gains / (losses)	**387**	1,290	(70.0%)	**(235)**	2,309	N.M.
(Losses) / gains on sale of investments, property, plant and equipment	**(76)**	5,193	N.M.	**(15)**	5,282	N.M.

N.M. Not meaningful.

(1)(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group			The Company		
	Sep-17	Mar-17	Sep-16	**Sep-17**	Mar-17	Sep-16
	S$'000	S$'000	S$'000	**S$'000**	S$'000	S$'000
ASSETS						
Current assets						
Cash and cash equivalents	**282,342**	366,614	158,014	**220,324**	303,179	90,189
Financial assets	**3,745**	4,301	3,863	**3,745**	3,954	3,516
Trade and other receivables	**227,886**	199,007	182,173	**201,703**	173,304	181,009
Derivative financial instruments	**25,546**	16,079	588	**25,597**	16,142	635
Inventories	**4,442**	4,450	4,893	**58**	107	227
Other current assets	**19,104**	17,174	19,491	**6,873**	5,180	7,034
	563,065	607,625	369,022	**458,300**	501,866	282,610
Non-current assets						
Financial assets	**35,977**	36,010	38,087	**35,723**	35,748	37,804
Trade and other receivables	**7,151**	7,091	6,993	**400,660**	405,122	565,361
Investments in associated companies and joint ventures	**119,543**	117,783	148,802	**14,849**	14,849	14,348
Investments in subsidiaries	**-**	-	-	**340,533**	340,533	357,779
Investment properties	**998,876**	970,392	787,593	**955,792**	927,538	803,258
Property, plant and equipment	**553,353**	565,583	559,798	**241,399**	240,371	241,560
Intangible assets	**397,506**	400,683	586,073	**-**	-	227
Deferred income tax assets	**5,648**	6,218	5,139	**-**	-	-
Other non-current asset	**4,494**	5,198	5,100	**-**	-	-
	2,122,548	2,108,958	2,137,585	**1,988,956**	1,964,161	2,020,337
Total assets	**2,685,613**	2,716,583	2,506,607	**2,447,256**	2,466,027	2,302,947
LIABILITIES						
Current liabilities						
Trade and other payables	**432,224**	395,084	375,554	**366,172**	353,681	239,133
Current income tax liabilities	**37,291**	34,774	36,125	**31,267**	30,367	30,841
Deferred income [1]	**7,325**	7,413	7,248	**7,325**	7,413	7,248
Derivative financial instruments	**-**	1,055	473	**-**	1,055	445
Borrowings	**77,857**	148,786	188,711	**57,743**	117,743	157,000
	554,697	587,112	608,111	**462,507**	510,259	434,667
Non-current liabilities						
Trade and other payables	**23,960**	44,462	28,840	**1,935**	2,070	-
Borrowings	**229,072**	215,199	217,726	**201,942**	202,318	202,680
Deferred income [1]	**45,926**	49,545	53,164	**45,926**	49,545	53,164
Deferred income tax liabilities	**60,180**	62,547	57,745	**22,433**	22,603	20,483
	359,138	371,753	357,475	**272,236**	276,536	276,327
Total liabilities	**913,835**	958,865	965,586	**734,743**	786,795	710,994
NET ASSETS	**1,771,778**	1,757,718	1,541,021	**1,712,513**	1,679,232	1,591,953
EQUITY						
Capital and reserves attributable to the Company's equity holders						
Share capital	**638,762**	638,756	452,259	**638,762**	638,756	452,259
Treasury shares	**(7,516)**	(1,227)	(1,227)	**(7,516)**	(1,227)	(1,227)
Other reserves	**69,513**	71,787	8,181	**36,566**	37,249	35,531
Retained earnings	**679,279**	650,007	722,952	**697,916**	657,628	758,605
Ordinary equity	**1,380,038**	1,359,323	1,182,165	**1,365,728**	1,332,406	1,245,168
Perpetual securities [2]	**346,785**	346,826	346,785	**346,785**	346,826	346,785
	1,726,823	1,706,149	1,528,950	**1,712,513**	1,679,232	1,591,953
Non-controlling interests	**44,955**	51,569	12,071	**-**	-	-
Total equity	**1,771,778**	1,757,718	1,541,021	**1,712,513**	1,679,232	1,591,953

Notes

1 Mainly relates to the postassurance collaboration with AXA Life Insurance Singapore Private Limited.

2 Perpetual securities amounting to S$350 million were issued by the Company on 2 March 2012. The perpetual securities are cumulative and distributions are at the option of the Company, subject to terms and conditions of the securities issue. Based on FRS32 "Financial Instruments: Presentation", the perpetual securities are presented within equity.

As at 30 September 2017, the Group has capital and investment commitments amounting to S$88.4 million not provided for in the financial statements.

(1)(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities.

	Sep-17	Mar-17	Sep-16
	S$'000	S$'000	S$'000
Amount repayable in one year or less, or on demand			
- Borrowings (secured)	**3,114**	14,043	2,430
- Borrowings (unsecured)	**74,743**	134,743	186,281
Amount repayable after one year:			
- Borrowings (secured)	**27,130**	12,881	15,046
- Borrowings (unsecured)	**201,942**	202,318	202,680
	306,929	363,985	406,437

The Group's unsecured borrowings comprised mainly S$200 million 10-year Fixed Rate Notes issued in March 2010. The Fixed Rate Notes is listed on the SGX-ST and carry a fixed interest rate of 3.5% per annum.

Details of any collateral.

Secured borrowings comprised bank loans and are secured over investment properties, or guaranteed by a director of a subsidiary with non-controlling interests.

(1)(c) Statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group			
	FY2017/18 Q2 S$'000	FY2016/17 Q2 S$'000	**FY2017/18 H1 S$'000**	FY2016/17 H1 S$'000
Cash flows from operating activities				
Total profit	**24,883**	32,426	**53,009**	69,456
Adjustments for:				
Income tax expense	**8,461**	7,075	**16,838**	18,509
Allowance for doubtful debts and bad debts written off / (write back)	**5,480**	(697)	**5,781**	(211)
Amortisation of deferred income	**(1,853)**	(1,815)	**(3,707)**	(3,641)
Amortisation of intangible assets	**2,399**	1,054	**4,768**	2,110
Depreciation	**12,678**	10,407	**24,989**	20,301
Losses / (gains) on sale of investments, property, plant and equipment	**76**	(5,193)	**15**	(5,282)
Gain on derivative instrument	**(1,730)**	-	**(7,405)**	-
Share-based staff costs	**82**	823	**467**	1,913
Interest expense	**2,387**	2,145	**4,720**	4,162
Interest income	**(1,354)**	(1,079)	**(2,658)**	(1,490)
Share of profit of associated companies and joint ventures	**(4,921)**	(338)	**(2,118)**	(912)
	21,705	12,382	**41,690**	35,459
Operating cash flow before working capital changes	**46,588**	44,808	**94,699**	104,915
Changes in working capital, net of effects from acquisition and disposal of subsidiaries				
Inventories	**(139)**	(316)	**8**	(394)
Trade and other receivables	**(15,482)**	14,067	**(38,350)**	21,130
Trade and other payables	**(24,696)**	(22,723)	**9,050**	(9,332)
Cash generated from operations	**6,271**	35,836	**65,407**	116,319
Income tax paid	**(14,187)**	(14,527)	**(14,902)**	(16,434)
Net cash (used in) / provided by operating activities	**(7,916)**	21,309	**50,505**	99,885
Cash flows from investing activities				
Additions to property, plant and equipment, investment properties and intangible assets	**(12,481)**	(46,818)	**(38,872)**	(111,649)
Contingent consideration paid in relation to acquisition of subsidiaries	**(3,730)**	(528)	**(3,730)**	(528)
Disposal of a subsidiary, net of cash disposed of	**-**	(1,568)	**-**	(1,568)
Dividends received from associated company	**-**	801	**-**	1,660
Interest received	**2,096**	1,201	**3,104**	1,494
Loan to an associated company	**-**	(1,521)	**-**	(1,521)
Proceeds from disposal of property, plant and equipment	**161**	174	**236**	1,754
Proceeds on maturity of financial assets	**-**	3,500	**-**	4,250
Repayment of loans by associated companies	**-**	6,334	**-**	6,470
Net cash used in investing activities	**(13,954)**	(38,425)	**(39,262)**	(99,638)
Cash flows from financing activities				
Distribution paid to perpetual securities	**(7,499)**	(7,499)	**(7,499)**	(7,499)
Dividends paid to shareholders	**(22,713)**	(86,532)	**(22,713)**	(86,532)
Interest paid	**(1,307)**	(4,137)	**(1,743)**	(4,591)
Proceeds from issuance of ordinary shares	**6**	1,517	**6**	3,271
Purchase of treasury shares	**(4,323)**	-	**(7,229)**	-
Proceeds from bank term loan	**209,708**	154,517	**232,000**	301,517
Repayment of bank term loan	**(234,021)**	(115,533)	**(288,337)**	(175,039)
Net cash (used in) / provided by financing activities	**(60,149)**	(57,667)	**(95,515)**	31,127
Net (decrease)/increase in cash and cash equivalents	**(82,019)**	(74,783)	**(84,272)**	31,374
Cash and cash equivalents at beginning of financial period	**364,361**	232,797	**366,614**	126,640
Cash and cash equivalents at end of financial period	**282,342**	158,014	**282,342**	158,014

Significant non-cash transactions
In the current financial period, contingent consideration amounting to S$905,000 (H1 FY2016/17: S$2,060,000) in relation to the acquisition of subsidiaries in prior financial years was settled by way of offset against escrow deposits for the acquisition of those subsidiaries.

(1)(d)(i) Statement of changes in equity (for the issuer and group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group – Q2

	Attributable to ordinary shareholders of the Company								
	Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000	Perpetual securities S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
Balance at 1 July 2017	**638,756**	**(3,193)**	**677,271**	**70,236**	**1,383,070**	**350,535**	**1,733,605**	**48,424**	**1,782,029**
Total comprehensive income / (loss) for the period	**-**	**-**	**28,470**	**334**	**28,804**	**-**	**28,804**	**(3,469)**	**25,335**
	638,756	**(3,193)**	**705,741**	**70,570**	**1,411,874**	**350,535**	**1,762,409**	**44,955**	**1,807,364**
Adjustment to other reserves	**-**	**-**	**-**	**(1,139)**	**(1,139)**	**-**	**(1,139)**	**-**	**(1,139)**
Distribution of perpetual securities	**-**	**-**	**(3,749)**	**-**	**(3,749)**	**3,749**	**-**	**-**	**-**
Distribution paid on perpetual securities	**-**	**-**	**-**	**-**	**-**	**(7,499)**	**(7,499)**	**-**	**(7,499)**
Dividends	**-**	**-**	**(22,713)**	**-**	**(22,713)**	**-**	**(22,713)**	**-**	**(22,713)**
Employee share option scheme:									
- Value of employee services	**-**	**-**	**-**	**82**	**82**	**-**	**82**	**-**	**82**
- New shares issued	**6**	**-**	**-**	**-**	**6**	**-**	**6**	**-**	**6**
Purchase of new treasury shares	**-**	**(4,323)**	**-**	**-**	**(4,323)**	**-**	**(4,323)**	**-**	**(4,323)**
Balance at 30 September 2017	**638,762**	**(7,516)**	**679,279**	**69,513**	**1,380,038**	**346,785**	**1,726,823**	**44,955**	**1,771,778**
Balance at 1 July 2016	450,644	(1,717)	781,790	408	1,231,125	350,535	1,581,660	11,929	1,593,589
Total comprehensive income for the period	-	-	31,443	7,538	38,981	-	38,981	142	39,123
	450,644	(1,717)	813,233	7,946	1,270,106	350,535	1,620,641	12,071	1,632,712
Distribution of perpetual securities	-	-	(3,749)	-	(3,749)	3,749	-	-	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends	-	-	(86,532)	-	(86,532)	-	(86,532)	-	(86,532)
Employee share option scheme:									
- Value of employee services	-	-	-	823	823	-	823	-	823
- New shares issued	1,615	-	-	(98)	1,517	-	1,517	-	1,517
- Treasury shares re-issued	-	490	-	(490)	-	-	-	-	-
Balance at 30 September 2016	**452,259**	**(1,227)**	**722,952**	**8,181**	**1,182,165**	**346,785**	**1,528,950**	**12,071**	**1,541,021**

The Group – H1

	Attributable to ordinary shareholders of the Company							Non-	
	Share capital	Treasury shares	Retained earnings	Other reserves	Total	Perpetual securities	Total	controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2017	**638,756**	**(1,227)**	**650,007**	**71,787**	**1,359,323**	**346,826**	**1,706,149**	**51,569**	**1,757,718**
Total comprehensive income / (loss) for the period	**-**	**-**	**59,443**	**(662)**	**58,781**	**-**	**58,781**	**(6,614)**	**52,167**
	638,756	**(1,227)**	**709,450**	**71,125**	**1,418,104**	**346,826**	**1,764,930**	**44,955**	**1,809,885**
Adjustment to other reserves	**-**	**-**	**-**	**(1,139)**	**(1,139)**	**-**	**(1,139)**	**-**	**(1,139)**
Distribution of perpetual Securities	**-**	**-**	**(7,458)**	**-**	**(7,458)**	**7,458**	**-**	**-**	**-**
Distribution paid on perpetual Securities	**-**	**-**	**-**	**-**	**-**	**(7,499)**	**(7,499)**	**-**	**(7,499)**
Dividends	**-**	**-**	**(22,713)**	**-**	**(22,713)**	**-**	**(22,713)**	**-**	**(22,713)**
Employee share option scheme:									
- Value of employee services	**-**	**-**	**-**	**467**	**467**	**-**	**467**	**-**	**467**
- New shares issued	**6**	**-**	**-**	**-**	**6**	**-**	**6**	**-**	**6**
- Treasury shares re-issued	**-**	**940**	**-**	**(940)**	**-**	**-**	**-**	**-**	**-**
Purchase of new treasury shares	**-**	**(7,229)**	**-**	**-**	**(7,229)**	**-**	**(7,229)**	**-**	**(7,229)**
Balance at 30 September 2017	**638,762**	**(7,516)**	**679,279**	**69,513**	**1,380,038**	**346,785**	**1,726,823**	**44,955**	**1,771,778**
Balance at 1 April 2016	448,775	(2,116)	749,647	7,258	1,203,564	346,826	1,550,390	11,113	1,561,503
Total comprehensive income for the period	-	-	67,295	112	67,407	-	67,407	958	68,365
	448,775	(2,116)	816,942	7,370	1,270,971	346,826	1,617,797	12,071	1,629,868
Distribution of perpetual securities	-	-	(7,458)	-	(7,458)	7,458	-	-	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends	-	-	(86,532)	-	(86,532)	-	(86,532)	-	(86,532)
Employee share option scheme:									
- Value of employee services	-	-	-	1,913	1,913	-	1,913	-	1,913
- New shares issued	3,484	-	-	(213)	3,271	-	3,271	-	3,271
- Treasury shares re-issued	-	889	-	(889)	-	-	-	-	-
Balance at 30 September 2016	452,259	(1,227)	722,952	8,181	1,182,165	346,785	1,528,950	12,071	1,541,021

The Company – Q2

	Attributable to ordinary shareholders of the Company						
	Share capital	Treasury shares	Retained earnings	Other reserves	Total	Perpetual securities	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 July 2017	**638,756**	**(3,193)**	**691,417**	**36,613**	**1,363,593**	**350,535**	**1,714,128**
Total comprehensive income / (loss) for the period	**-**	**-**	**32,961**	**(129)**	**32,832**	**-**	**32,832**
	638,756	**(3,193)**	**724,378**	**36,484**	**1,396,425**	**350,535**	**1,746,960**
Distribution on perpetual securities	**-**	**-**	**(3,749)**	**-**	**(3,749)**	**3,749**	**-**
Distribution paid on perpetual securities	**-**	**-**	**-**	**-**	**-**	**(7,499)**	**(7,499)**
Dividends	**-**	**-**	**(22,713)**	**-**	**(22,713)**	**-**	**(22,713)**
Employee share option scheme:							
- Value of employee services	**-**	**-**	**-**	**82**	**82**	**-**	**82**
- New shares issued	**6**	**-**	**-**	**-**	**6**	**-**	**6**
Purchase of new treasury shares	**-**	**(4,323)**	**-**	**-**	**(4,323)**	**-**	**(4,323)**
Balance at 30 September 2017	**638,762**	**(7,516)**	**697,916**	**36,566**	**1,365,728**	**346,785**	**1,712,513**
Balance at 1 July 2016	450,644	(1,717)	817,604	35,231	1,301,762	350,535	1,652,297
Total comprehensive income for the period	-	-	31,282	65	31,347	-	31,347
	450,644	(1,717)	848,886	35,296	1,333,109	350,535	1,683,644
Distribution on perpetual securities	-	-	(3,749)	-	(3,749)	3,749	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Dividends	-	-	(86,532)	-	(86,532)	-	(86,532)
Employee share option scheme:							
- Value of employee services	-	-	-	823	823	-	823
- New shares issued	1,615	-	-	(98)	1,517	-	1,517
- Treasury shares re-issued	-	490	-	(490)	-	-	-
Balance at 30 September 2016	452,259	(1,227)	758,605	35,531	1,245,168	346,785	1,591,953

The Company – H1

	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
	Attributable to ordinary shareholders of the Company						
Balance at 1 April 2017	**638,756**	**(1,227)**	**657,628**	**37,249**	**1,332,406**	**346,826**	**1,679,232**
Total comprehensive income / (loss) for the period	**-**	**-**	**70,459**	**(210)**	**70,249**	**-**	**70,249**
	638,756	**(1,227)**	**728,087**	**37,039**	**1,402,655**	**346,826**	**1,749,481**
Distribution on perpetual securities			**(7,458)**		**(7,458)**	**7,458**	**-**
Distribution paid on perpetual securities	**-**	**-**	**-**	**-**	**-**	**(7,499)**	**(7,499)**
Dividends	**-**	**-**	**(22,713)**	**-**	**(22,713)**	**-**	**(22,713)**
Employee share option scheme:							
- Value of employee services	**-**	**-**	**-**	**467**	**467**	**-**	**467**
- New shares issued	**6**	**-**	**-**	**-**	**6**	**-**	**6**
- Treasury shares re-issued	**-**	**940**	**-**	**(940)**	**-**	**-**	**-**
Purchase of new treasury shares	**-**	**(7,229)**	**-**	**-**	**(7,229)**	**-**	**(7,229)**
Balance at 30 September 2017	**638,762**	**(7,516)**	**697,916**	**36,566**	**1,365,728**	**346,785**	**1,712,513**
Balance at 1 April 2016	448,775	(2,116)	780,232	34,713	1,261,604	346,826	1,608,430
Total comprehensive income for the period	-	-	72,363	7	72,370	-	72,370
	448,775	(2,116)	852,595	34,720	1,333,974	346,826	1,680,800
Distribution on perpetual securities	-	-	(7,458)	-	(7,458)	7,458	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Dividends	-	-	(86,532)	-	(86,532)	-	(86,532)
Employee share option scheme:							
- Value of employee services	-	-	-	1,913	1,913	-	1,913
- New shares issued	3,484	-	-	(213)	3,271	-	3,271
- Treasury shares re-issued	-	889	-	(889)	-	-	-
Balance at 30 September 2016	452,259	(1,227)	758,605	35,531	1,245,168	346,785	1,591,953

(1)(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the 2nd quarter ended 30 September 2017, the Company issued 5,000 ordinary shares at a price of S$1.07 upon the exercise of options granted under the Singapore Post Share Option Scheme.

As at 30 September 2017, there were unexercised options for 26,300,000 (30 September 2016: 27,409,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 1,332,569 (30 September 2016: 2,900,625) unissued ordinary shares under the Restricted Share Plan.

As at 30 September 2017, the Company held 5,858,205 treasury shares (30 September 2016: 1,181,409).

(1)(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 30 September 2017, total issued shares excluding treasury shares were 2,269,231,320 (31 March 2017: 2,273,903,116).

(1)(d)(iv) A statement showing all sales, transfers, disposal, cancellation and / or use of treasury shares as at end of the current financial period reported on.

During the second quarter ended 30 September 2017, no treasury share was re-issued.

(2) Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed.

(3) Where figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

(4) Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed under paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 March 2017.

(5) If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

On 1 April 2017, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

(6) Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group			
	FY2017/18 Q2	FY2016/17 Q2	**FY2017/18 H1**	FY2016/17 H1
Based on weighted average number of ordinary shares in issue	**1.09 cents**	1.28 cents	**2.29 cents**	2.76 cents
On fully diluted basis	**1.09 cents**	1.28 cents	**2.29 cents**	2.76 cents

(7) Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current financial period reported on and immediately preceding financial year.

	The Group		**The Company**	
	Sep-17	Mar-17	**Sep-17**	Mar-17
Net asset value per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	**76.10**	75.03	**75.47**	73.85

	The Group		**The Company**	
	Sep-17	Mar-17	**Sep-17**	Mar-17
Ordinary equity per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	**60.82**	59.78	**60.18**	58.60

(8) **Review of the performance of the group.**

Second Quarter And Half Year Ended 30 September 2017

Revenue

Revenue	FY17/18 Q2 S$'000	FY16/17 Q2 S$'000	Variance %	FY17/18 H1 S$'000	FY16/17 H1 S$'000	Variance %
Postal	**148,346**	126,945	16.9%	**298,174**	263,987	13.0%
Logistics	**165,905**	154,131	7.6%	**332,177**	310,813	6.9%
eCommerce	**63,478**	63,977	(0.8%)	**128,198**	129,258	(0.8%)
Inter-segment eliminations*	**(23,042)**	(23,320)	1.2%	**(49,740)**	(48,953)	(1.6%)
Total	**354,687**	321,733	10.2%	**708,809**	655,105	8.2%

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

Group revenue rose 10.2% for the second quarter ("Q2") and 8.2% for the half year ("H1") ended 30 September 2017, led by growth in the Postal and Logistics segments.

Postal revenue rose 16.9% in Q2 and 13.0% in H1 respectively, as International mail revenue rose on the back of higher crossborder eCommerce deliveries, in particular with higher volumes from the Alibaba Group. This helped offset the decline in Domestic mail revenue, which reflects continued migration towards electronic statements and bills.

Logistics revenue increased 7.6% in Q2 and 6.9% in H1 respectively. SP Parcels, Couriers Please and Famous Holdings all contributed to revenue growth, with higher last-mile eCommerce deliveries across Singapore and Australia, as well as higher freight forwarding volumes respectively.

These were partially offset by the revenue decline at Quantium Solutions due largely to competitive pressures at its Hong Kong operations, which negated the improved performance in Singapore from higher utilisation at the Regional eCommerce Logistics Hub.

eCommerce revenue declined marginally in Q2 and H1. Revenue for TradeGlobal declined due to the loss of two large customers as previously disclosed. This was offset by revenue growth at Jagged Peak with higher volumes and addition of new customers.

Other Income

Rental and property-related income rose 18.2% in Q2 with rental income recognition for some of the SingPost Center's retail tenants.

Miscellaneous other income rose to S$3.7 million in Q2, compared to S$1.9 million last year, due largely to favourable trade related foreign exchange translation differences.

Total Expenses

Total expenses increased 14.7% in Q2 and 12.9% in H1 respectively, largely due to the increase in volume-related expenses, as the Group seeks to grow volumes to benefit from economies of scale from operating leverage.

Volume-related expenses were up 15.9% in Q2 and 15.4% in H1, reflecting the change in business mix as part of the Group's transformation, with higher International mail terminal dues as well as higher Logistics volume-related expenses.

Labour and related expenses rose with higher temporary and contract staff costs to support growth in the business, while Administrative and other expenses rose with higher professional fees and property-related expenses.

Selling expenses rose to S$6.5 million in Q2 and S$9.6 million in H1, largely due to doubtful debt provision.

Depreciation and amortisation expenses were higher by 33.9% in Q2 and 34.5% in H1, due largely to higher equipment depreciation costs at the Regional eCommerce Logistics Hub and higher amortisation of intangible assets for TradeGlobal due to shortening of amortisation period of customer relationships from 18 years to 7 years.

Finance expenses rose to S$2.8 million in Q2 from S$0.1 million in the comparative period a year ago, mainly due to unfavourable non-trade related foreign translation differences.

Operating Profit

OP	**FY17/18 Q2 S$'000**	FY16/17 **Q2** S$'000	**Variance** %	**FY17/18 H1 S$'000**	FY16/17 **H1** S$'000	**Variance** %
Postal	**35,051**	33,291	5.3%	**71,367**	75,380	(5.3%)
Logistics	**(4,206)**	4,968	N.M.	**184**	12,206	(98.5%)
eCommerce	**(2,926)**	(6,760)	56.7%	**(7,098)**	(10,279)	31.0%
Property & others #	**1,101**	2,271	(51.5%)	**2,428**	5,743	(57.7%)
Operating Profit before exceptional items	**29,020**	33,770	(14.1%)	**66,881**	83,050	(19.5%)
Exceptional items	**890**	4,373	(79.6%)	**4,917**	4,462	10.2%
Operating Profit	**29,910**	38,143	(21.6%)	**71,798**	87,512	(18.0%)

Others refer to the commercial property rental operations, unallocated corporate overhead items and one-off items.

For the half year, Postal operating profit declined 5.3%, reflecting the decline in contribution from the Domestic mail business.

In Q2, Postal operating profit rose 5.3%, the first in five quarters. The Postal segment had benefitted from higher International mail operating profit, which helped offset the decline in the Domestic mail business.

The Logistics segment registered an operating loss of S$4.2 million in Q2, and consequently a significantly lower operating profit of S$0.2 million in H1 compared to last year. The loss in Q2 was mainly due to doubtful debt provision for a key customer of Quantium Solutions Hong Kong.

Excluding the provision, Logistics operating profit would have been about S$1.0 million in Q2. The decline in operating profit from S$5.0 million in the comparative period a year ago was largely due to lower contribution from Quantium Solutions Hong Kong with intense pricing competition resulting in the loss of business. It also reflected costs from planned investments to build out our eCommerce logistics network, such as the Regional eCommerce Logistics Hub.

Operating losses from the eCommerce segment were S$7.1 million in H1 and S$2.9 million in Q2 respectively, due largely to operating losses at TradeGlobal.

The eCommerce segment's operating loss of S$2.9 million in Q2 narrowed on a quarter-on-quarter basis, compared to S$4.2 million in Q1, as management continues to execute on the turnaround business plan for TradeGlobal.

Operating profit under "Property & others" declined to S$1.1 million in Q2, from S$2.3 million in the comparative period a year ago, largely due to pre-opening expenses incurred for the SingPost Center retail mall that was opened on 9 October 2017.

Exceptional items

The Group recorded exceptional items of S$0.9 million in Q2 due to a fair value gain on warrants from an associated company, partially offset by professional fees. In the comparative period a year ago, exceptional items amounted to S$4.4 million due to a gain on dilution of interest in an associated company.

Excluding exceptional items, operating profit declined 14.1% in Q2 to S$29.0 million and 19.5% in H1 to S$66.9 million.

Share of results of associated companies and joint ventures

Share of results of associated companies and joint ventures rose for the quarter and half year. This was driven by an improved performance at Indo Trans Logistics, our integrated logistics associate in Vietnam.

Net Profit and Underlying Net Profit

Net profit attributable to equity holders was $28.5 million for Q2, a decline of 9.5% due to the absence of an exceptional gain on dilution of interest in an associated company recorded in the comparative period a year ago.

Excluding exceptional items, underlying net profit rose 1.9% for Q2, driven by improved performance from Postal, eCommerce, associates and joint ventures.

For H1, net profit attributable to equity holders declined 11.7% and underlying net profit declined 13.2% largely due to lower operating profit in the Logistics segment.

Balance Sheet

The Group's total assets amounted to S$2.7 billion as at 30 September 2017, slightly lower than as at 31 March 2017, due largely to lower cash and cash equivalents used to pay down short-term borrowings, partially offset by higher trade and other receivables.

Total liabilities were S$913.8 million, compared to S$958.9 million as at 31 March 2017, due largely to lower borrowings.

Total borrowings decreased from S$364.0 million as at 31 March 2017 to S$306.9 million as at 30 September 2017. Interest coverage ratio[2] stands at 22.0 times compared to 13.3 times as at 31 March 2017.

[2] EBITDA to interest expense

As at 30 September 2017, the Group was in a net debt position[1] of S$24.6 million, compared to a net cash position of S$2.6 million as at 31 March 2017. While total borrowings were lower, cash and cash equivalents also declined due largely to negative movements in working capital from higher receivables.

Ordinary shareholders' equity was slightly higher at S$1.4 billion as at 30 September 2017, compared to 31 March 2017 due to retained profit for the period.

Cash Flow

Net cash inflow from operating activities in H1 amounted to S$50.5 million, compared to S$99.9 million last year. Operating cash inflow before working capital changes declined by S$10.2 million to S$94.7 million, while changes in working capital decreased S$40.7 million due to higher receivables resulting from a timing difference in receipts. This has since been reduced in October, post the close of the quarter.

Net cash outflow for investing activities in H1 was S$39.3 million, compared to S$99.6 million last year, as capital expenditure declined with the completion of the Regional eCommerce Logistics Hub. Capital expenditure in H1 was S$38.9 million, comprising largely the residual balance for SingPost Centre retail mall redevelopment, compared to S$111.6 million last year.

Net cash outflow from financing activities in H1 was S$95.5 million, compared to inflow of S$31.1 million last year, largely due to net repayment of short-term borrowings.

(9) Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

(10) A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Postal

While the decline in domestic letter mail volumes is expected to continue, the Group is focused on growing the International mail segment to mitigate the drop in contribution from Domestic mail.

Changes in the international terminal dues system will take effect from 1 January 2018. This will affect not just SingPost but all cross border eCommerce postal deliveries globally. Mitigating measures are being put in place.

The International mail transhipment market remains highly competitive, and margins are relatively low. With the shift in mix towards lower margin International mail, blended Postal margin is expected to decline.

[1] Cash and cash equivalents less borrowings

Logistics

Over the past few years, we have built out an eCommerce logistics network spanning 19 markets. Partly as a result of costs from planned investments in our network, Logistics margins have declined.

The focus for SingPost moving forward is to drive traffic and volumes onto our eCommerce logistics network and increase utilisation of existing infrastructure, so as to benefit from greater economies of scale and operating leverage.

It will take time for the Logistics segment to grow its profit contribution while it executes on its plans.

eCommerce

In eCommerce, the Group has acquired technologies, customers and market knowhow which enables SingPost to scale its integrated solutions by offering an omni-channel experience that will drive volumes onto its logistics network.

TradeGlobal is executing on a turnaround business plan. While business and cost initiatives are being put in place to improve performance, TradeGlobal is not expected to be profitable for the financial year ending 31 March 2018.

Property & Others

The retail mall at the new SingPost Centre opened on 9 October 2017. The Group will progressively recognise rental income as occupancy ramps up towards a steady state.

Capital expenditure and Cash flow

Capital expenditure for FY2017/18 is expected to be lower than FY2016/17, as the majority of development projects had been completed.

With lower capital expenditure, free cash flow is expected to improve in FY2017/18.

Strategic review

As announced in August 2017, the Group CEO and the leadership team are working with the Board to review and update SingPost's strategy, and deliver a roadmap to improve the Group's performance.

SingPost's strategic vision of transforming from a postal provider to an eCommerce logistics player remains relevant and in the right direction.

The next phase is to build upon the existing foundation, leverage our assets and strengths, and build new capabilities.

SingPost is committed to connecting communities in an eCommerce world.

The key themes of our strategy are:

- **Win in our home market**
    - We strive to be the leading eCommerce logistics player in Singapore, building on our strong infrastructure backbone and harnessing technologies to serve the urban logistics needs of a smart nation.

- **Deliver full value from our overseas investments**
  - We will integrate our businesses across geographies; and
  - maximise the potential of our overseas investments, including a turnaround of our TradeGlobal business.

- **Ignite our future growth engines**
  - We aim to capture global cross-border eCommerce flows by strengthening our strategic collaboration with Alibaba and its associated companies; and
  - build out our eCommerce logistics capabilities in Southeast Asia.

- **Drive cost leadership**
  - We will optimise costs and re-engineer our operations to enhance competitiveness and provide best value for customers.

(11) Dividends

Current financial period reported on

Interim dividend
For the second quarter ended 30 September 2017, the Board of Directors has declared an interim dividend of 0.5 cent per ordinary share (tax exempt one-tier).

The interim quarterly dividend of 0.5 cent per ordinary share will be paid on 8 December 2017. The transfer book and register of members of the Company will be closed on 28 November 2017 for the preparation of dividend warrants. Duly completed registrable transfers of the ordinary shares in the capital of the Company received by the Company's registrar up to 5.00 pm on 27 November 2017 will be registered to determine members' entitlements to the dividend.

Corresponding period of the immediately preceding financial year

Interim dividend
An interim dividend of 1.0 cent per ordinary share (tax exempt one-tier) for the second quarter ended 30 September 2016 was declared on 4 November 2016 and paid on 30 November 2016.

(12) If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

(13) Interested Person Transactions

During the second quarter and half year ended 30 September 2017, the following interested person transactions were entered into by the Group:

	Aggregate value of all interested person transactions during the financial period (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		**Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**	
	FY2017/18 Q2 S$'000	FY2016/17 Q2 S$'000	**FY2017/18 Q2 S$'000**	FY2016/17 Q2 S$'000
Sales				
Singapore Telecommunications Group	**-**	-	**1,046**	-
	-	-	**1,046**	-
Purchases				
PSA Corporation	**-**	-	**1,518***	-
Sembcorp Group	**-**	-	**-**	415
Singapore Telecommunications Group	**-**	-	**499***	-
	-	-	**2,017**	415
Total interested person transactions	**-**	-	**3,063**	415

	Aggregate value of all interested person transactions during the financial period (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
	FY2017/18 H1 S$'000	FY2016/17 H1 S$'000	**FY2017/18 H1 S$'000**	FY2016/17 H1 S$'000
Sales				
Mediacorp Group	**-**	-	**370***	-
Singapore Telecommunications Group	**-**	-	**1,238**	1,801*
Starhub Group	**-**	-	**638**	759
	-	-	**2,246**	2,560
Purchases				
Certis Cisco Group	**-**	-	**-**	450
PSA Corporation	**-**	-	**1,518***	-
SembCorp Group	**-**	-	**-**	5,224*
Singapore Airlines Group	**-**	-	**4,248**	4,588
Singapore Telecommunications Group	**-**	-	**499***	-
	-	-	**6,265**	10,262
Total interested person transactions	**-**	-	**8,511**	12,822

Note
All the transactions set out in the above table were based on the Group's interested person transactions register. They were either based on contractual values for the duration of the contracts (which vary from 2 months to 3 years) or annual values for open-ended contracts.

*Include contracts of duration exceeding one year.

(14) Confirmation by the Board pursuant to rule 720(1) of the Listing Manual

The Board had received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 in pursuant to Rule 720(1) of the listing manual of the Singapore Exchange Securities Trading Limited.

(15) Confirmation by the Board pursuant to rule 705(5) of the Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the second quarter ended 30 September 2017 to be false or misleading.

On behalf of the Board of Directors

MR SIMON CLAUDE ISRAEL	**MR PAUL COUTTS**
Chairman	Director

Singapore
14 November 2017