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FRIDAY, 18TH AUGUST 2000

REPORT ON THE AUDIT OF THE
FINANCIAL STATEMENTS OF THE
HOUSING AND DEVELOPMENT BOARD
FOR THE YEAR ENDED 31ST MARCH 2000

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**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF
THE HOUSING AND DEVELOPMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2000**

The financial statements of the Housing and Development Board (HDB), set out on pages 2 to 21, have been examined under my direction and in accordance with the provisions of the Housing and Development Act (Chapter 129, 1997 Revised Edition). I have obtained all the information and explanations I have required.

In my opinion:

- (a) the accompanying financial statements show fairly the financial transactions of HDB and of the Group for the year ended on 31 March 2000 and the state of affairs of HDB and of the Group as at that date;
- (b) proper accounting and other records have been kept, including records of all assets of HDB, whether purchased, donated or otherwise; and
- (c) the receipts, expenditure and investment of moneys, and the acquisition and disposal of assets by HDB during the financial year have been in accordance with the Act and the Constitution.

I have considered the accounts and the auditors' reports of all subsidiaries of which I have not acted as auditor, being accounts that have been included in the consolidated financial statements. The names of these subsidiaries are in Note (10) in the Notes to the Accounts.

I am satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of HDB are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements, and I have received satisfactory information and explanations as required by me for those purposes.

The auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any comment made under Section 207 (3) of the Companies Act (Chapter 50, 1994 Revised Edition).



CHUANG KWONG YONG
AUDITOR-GENERAL
SINGAPORE

28 June 2000

HOUSING AND DEVELOPMENT BOARD AND SUBSIDIARY COMPANIES

BALANCE SHEETS AS AT 31 MARCH 2000

| | <i>Note</i> | <i>HDB</i> | | <i>Group</i> | |
|--|-------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | <i>1999/2000</i> S\$'000 | <i>1998/1999</i> S\$'000 | <i>1999/2000</i> S\$'000 | <i>1998/1999</i> S\$'000 |
| CAPITAL AND RESERVES | | | | | |
| Capital account | 3 | 2,465,859 | 2,465,910 | 2,470,849 | 2,470,900 |
| Capital gains reserve | 4 | 4,596,391 | 4,546,610 | 4,596,391 | 4,546,610 |
| Asset revaluation reserve | 5 | 8,750,814 | 8,856,897 | 8,750,814 | 8,856,897 |
| Retained earnings | | — | — | 117,024 | 92,142 |
| | | 15,813,064 | 15,869,417 | 15,935,078 | 15,966,549 |
| LONG-TERM BORROWINGS | 6 | 70,787,067 | 63,020,591 | 70,787,067 | 63,020,591 |
| MINORITY INTERESTS | | — | — | 24,184 | 20,396 |
| DEFERRED TAXATION | | — | — | 350 | 320 |
| | | 86,600,131 | 78,890,008 | 86,746,679 | 79,007,856 |
| Represented By: | | | | | |
| FIXED ASSETS | 7 | 19,856,980 | 18,718,508 | 19,861,877 | 18,722,720 |
| LONG-TERM RECEIVABLES | 8 | 53,955,013 | 47,433,605 | 53,958,112 | 47,436,495 |
| PROPERTIES UNDER CONSTRUCTION | 9 | 12,038,894 | 15,978,132 | 12,038,894 | 15,978,132 |
| INVESTMENTS | 10 | 9,990 | 9,990 | 136,357 | 90,155 |
| CURRENT ASSETS | | | | | |
| Properties for sale | 11 | 4,757,706 | 2,560,651 | 4,757,706 | 2,560,651 |
| Stocks of building materials | | 80,218 | 99,989 | 81,026 | 100,900 |
| Loans receivable within 1 year | 8 | 2,231,502 | 1,718,485 | 2,232,061 | 1,719,172 |
| Debtors and prepayments | 12 | 474,017 | 521,654 | 488,343 | 538,838 |
| Amount due from subsidiary company | | 523 | — | — | — |
| Amount due from associated company | | 429 | 597 | 429 | 597 |
| Cash and deposits with banks | | 567,085 | 128,129 | 602,955 | 184,302 |
| | | 8,111,480 | 5,029,505 | 8,162,520 | 5,104,460 |
| Less: CURRENT LIABILITIES | | | | | |
| Loans payable within 1 year | 6 | 3,756,053 | 3,368,151 | 3,756,053 | 3,368,151 |
| Provisions, creditors and accruals | 13 | 3,432,772 | 4,794,144 | 3,475,375 | 4,840,873 |
| Amount due to subsidiary companies | | 3,748 | 2,355 | — | — |
| Government grant received in advance | 14 | 179,653 | 115,082 | 179,653 | 115,082 |
| | | 7,372,226 | 8,279,732 | 7,411,081 | 8,324,106 |
| NET CURRENT ASSETS/ (LIABILITIES) | | 739,254 | (3,250,227) | 751,439 | (3,219,646) |
| | | 86,600,131 | 78,890,008 | 86,746,679 | 79,007,856 |

The accompanying notes form part of the accounts.



NGIAM TONG DOW
Chairman

28 June 2000



MAH LAI SEONG
Chief Financial Officer

**HOUSING AND DEVELOPMENT BOARD
AND SUBSIDIARY COMPANIES**

**INCOME AND EXPENDITURE STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000**

| | <i>Note</i> | <i>HDB</i> | | <i>Group</i> | |
|---|-------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | <i>1999/2000</i> S\$'000 | <i>1998/1999</i> S\$'000 | <i>1999/2000</i> S\$'000 | <i>1998/1999</i> S\$'000 |
| SURPLUS/(DEFICIT) FROM HOUSING ACTIVITIES | | | | | |
| Home ownership | 15 | (825,079) | (1,228,028) | (825,079) | (1,228,028) |
| Rental of flats | 16 | (221,482) | (169,874) | (221,482) | (169,874) |
| Upgrading of flats | 17 | (367,279) | (505,065) | (367,279) | (505,065) |
| Housing administration | 18 | (89,122) | (77,852) | (89,122) | (77,852) |
| Mortgage financing | 19 | 28,226 | 22,421 | 28,226 | 22,421 |
| | | (1,474,736) | (1,958,398) | (1,474,736) | (1,958,398) |
| SURPLUS/(DEFICIT) FROM OTHER ACTIVITIES | | | | | |
| Rental of commercial properties | | 188,082 | 141,602 | 188,082 | 141,602 |
| Rental of industrial properties | | 175,903 | 243,726 | 175,903 | 243,726 |
| Rental and lease administration of land | | 7,254 | 30,704 | 7,254 | 30,704 |
| Car parks | 20 | (83,642) | (56,913) | (83,642) | (56,913) |
| Markets and hawker centres | | 5,153 | 7,893 | 5,153 | 7,893 |
| Miscellaneous | 21 | 44,432 | 59,051 | 80,156 | 95,735 |
| | | 337,182 | 426,063 | 372,906 | 462,747 |
| DEFICIT FROM NORMAL OPERATIONS | | (1,137,554) | (1,532,335) | (1,101,830) | (1,495,651) |
| Gain from disposal of protected properties | 22 | 3,966 | 9,560 | 3,966 | 9,560 |
| Share of profit of associated company | | — | — | 5,297 | 5,064 |
| Taxation | | — | — | (12,044) | (11,866) |
| Minority interests | | — | — | (4,095) | (4,924) |
| NET DEFICIT BEFORE GOVERNMENT GRANT | 23 | (1,133,588) | (1,522,775) | (1,108,706) | (1,497,817) |
| Government grant | 14, 25 | 1,088,079 | 1,503,104 | 1,088,079 | 1,503,104 |
| NET (DEFICIT)/SURPLUS AFTER GOVERNMENT GRANT | | (45,509) | (19,671) | (20,627) | 5,287 |
| RETAINED EARNINGS AT THE BEGINNING OF THE YEAR | | — | — | 92,142 | 67,674 |
| Transfer from asset revaluation reserve | 5 | 95,290 | 63,516 | 95,290 | 63,516 |
| Transfer to capital gains reserve | 4 | (49,781) | (43,845) | (49,781) | (43,845) |
| Transfer to capital account on issue of bonus shares | | — | — | — | (490) |
| RETAINED EARNINGS AT THE END OF THE YEAR | | — | — | 117,024 | 92,142 |

The accompanying notes form part of the accounts.

**HOUSING AND DEVELOPMENT BOARD
AND SUBSIDIARY COMPANIES**

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2000**

| | <i>Note</i> | <i>Group</i> | |
|---|-------------|------------------|------------------|
| | | <i>1999/2000</i> | <i>1998/1999</i> |
| | | <i>S\$'000</i> | <i>S\$'000</i> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net deficit before government grant | | (1,108,706) | (1,497,817) |
| Adjustments for: | | | |
| Interest expense | | 2,107,724 | 2,370,645 |
| Depreciation | | 300,560 | 277,341 |
| Amortisation of premium/discount on bonds | | 568 | 48 |
| Loss/(gain) from disposal of fixed assets | | 49,756 | (14,205) |
| Interest income | | (436) | (5,085) |
| Minority interests | | 4,095 | 4,924 |
| Share of profit of associated company | | (3,956) | (3,667) |
| Surplus before working capital changes | | 1,349,605 | 1,132,184 |
| (Increase)/decrease in working capital | | | |
| Properties under construction | | 3,882,602 | 567,673 |
| Properties for sale | | (2,122,408) | (710,751) |
| Stocks of building materials | | 19,874 | 2,481 |
| Debtors and prepayments | | 20,827 | 296,596 |
| Provisions, creditors and accruals | | (833,153) | 163,035 |
| Amount due from associated company | | 168 | 73 |
| Repayment of mortgage loans | | 5,435,200 | 4,480,744 |
| Mortgage loans granted | | (12,439,348) | (14,817,690) |
| Interest paid | | (3,057,605) | (2,860,621) |
| Net cash used in operating activities | | (7,744,238) | (11,746,276) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from sale of fixed assets | | 32,982 | 71,019 |
| Capital expenditure | | (1,068,819) | (1,070,731) |
| Purchase of fixed assets | | (65,922) | (83,327) |
| Investment income received | | 436 | 5,122 |
| Purchase of investments | | (42,391) | (22,095) |
| Dividend received from associated company | | 145 | 798 |
| Net cash used in investing activities | | (1,143,569) | (1,099,214) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from borrowings received | | 30,529,299 | 20,782,823 |
| Repayment of term loans | | (22,375,489) | (9,893,624) |
| Net government grant received | | 1,152,650 | 1,513,662 |
| Net cash from financing activities | | 9,306,460 | 12,402,861 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | 418,653 | (442,629) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | 184,302 | 626,931 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 24 | 602,955 | 184,302 |

The accompanying notes form part of the accounts.

HOUSING AND DEVELOPMENT BOARD

NOTES TO THE ACCOUNTS 31 MARCH 2000

1. PRINCIPAL ACTIVITIES

The Housing and Development Board (HDB) is a statutory body incorporated under the Housing and Development Act (Chapter 129, 1997 Revised Edition).

The principal activities of HDB consist of the provision of residential flats for sale and rental, the upgrading and redevelopment of older estates, and the granting of mortgage financing to the purchasers of HDB flats. In addition, HDB constructs and manages ancillary facilities such as commercial properties, industrial properties, car parks, markets, hawker centres, and other amenities in the housing estates.

The activities of the subsidiary companies are in Note 10.

HDB's turnover for the year was S\$10.5 billion (FY 1998/1999: S\$11.6 billion) and the Group's turnover was S\$10.7 billion (FY 1998/1999: S\$11.7 billion). Turnover represents proceeds from properties sold and income from all other operating activities.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) *Accounting Convention*

The accounts have been prepared under the historical cost convention, modified by the revaluation of certain properties.

(b) *Basis of Consolidation*

The consolidated accounts include the accounts of HDB and its subsidiary companies prepared up to the end of the financial year. A subsidiary company is a company in which more than 50% of the issued share capital is held by HDB.

(c) *Subsidiary Companies*

The investments held in the subsidiary companies are stated at cost in HDB's balance sheet. Provision is made where there is permanent diminution in value.

(d) *Associated Company*

An associated company is a company in which HDB has a long-term equity interest of between 20% to 50%. The investment held in the associated company is stated at cost in HDB's balance sheet. Provision is made where there is permanent diminution in value. The Group's share of the operating result of the associated company is included in the consolidated income and expenditure statement. The Group's share of the retained profit of the associated company is reflected in the book value of the investments in the consolidated balance sheet.

(e) *Investments*

Investments held on a long-term basis are stated at cost. Provision is made where there is a decline in value that is other than temporary, in which case provision is made for the decline in value.

(f) *Fixed Assets and Depreciation*

(i) *Properties*

All properties owned by HDB at 1 April 1985 were valued at that date for the purpose of creating fixed asset accounts arising from a change in accounting policy. The previous system did not maintain individual asset accounts and HDB was unable to identify the historical cost of each asset. The bases of valuation were:

- land and buildings of residential properties together with ancillary facilities such as car parks, markets and hawker centres were valued at replacement cost less depreciation since the date of completion; and
- land and buildings for commercial and industrial properties were valued at open market value.

HDB conducted a second valuation for the commercial and industrial properties on 31 March 1986. The valuations were conducted by HDB's in-house valuers.

The surplus over the estimated historical cost of the properties which could be reasonably identified is carried forward as the asset revaluation reserve. The asset revaluation reserve is transferred directly to retained earnings upon the sale or demolition of the assets.

All new properties acquired or constructed after 1 April 1985 are recorded at cost. Cost of properties includes the cost of land, construction cost, development overheads and financing cost until completion of the project.

(ii) *Other Assets*

All other fixed assets are stated at cost less depreciation. Assets costing less than S\$2,000 each are written off in the year of acquisition.

(iii) *Depreciation*

No depreciation is provided on freehold land and leasehold land of 999 years and artworks. All other fixed assets are depreciated from their dates of purchase or completion on a straight-line basis over their estimated useful lives, as follows:

| | | |
|---|---|---|
| Leasehold land | — | 99 years or the remaining life of the lease |
| Buildings | — | 60 years |
| Plant and machinery | | |
| Granite quarry | — | on unit of production |
| Metalforms | — | 5 years |
| Others | — | 3 – 10 years |
| Office equipment, furniture, fixtures and fittings | — | 2 – 10 years |
| Motor vehicles | — | 6 – 8 years |

(g) *Property Leases*

The sale premium and cost of sales of financial leases are taken to the income and expenditure statement in the year in which the lease is granted. Financial leases are:

- Land and buildings leased for a term of 50 years or more and for a fixed price; and
- Land and buildings leased for a period substantially the same as the remaining tenure owned by HDB.

All other leases are treated as operating leases. Income and expenses are recognised over the life of the lease.

(h) *Properties under Construction*

Properties under construction are stated at cost. They include the upgrading cost of sold properties which is recoverable from lessees, improvement and construction costs of properties undergoing improvement.

The cost includes cost of land, construction cost, professional fees, interest and other development expenditure.

No provision is made for foreseeable losses on flats under construction since HDB receives government grant to cover its net deficit.

(i) *Properties for Sale*

Properties for sale are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis.

(j) *Stocks of Building Materials*

Stocks of building materials are stated at weighted average cost. The cost includes direct materials, labour, sub-contractors' cost and production overheads.

(k) Income Recognition

- (i) Proceeds from the sale of properties are recognised as income when the properties are sold.
- (ii) Rental income is recognised on the accrual basis over the period of the leases.
- (iii) The lessees' share of the upgrading costs is recognised as income upon completion of the upgrading works.
- (iv) Interest income from mortgage loans granted to purchasers of HDB flats is calculated based on monthly rest and recognised on the accrual basis.
- (v) Season parking fees are recognised on the accrual basis. Other parking fees and related charges are recognised on a cash basis.
- (vi) Dividend income is recognised in the year in which dividends are declared payable. Interest income from fixed deposits is recognised on the accrual basis.

*(l) Long-Term Borrowings**(i) Housing Development Loans, Bank Loans and Bonds*

HDB's development programmes and operational requirements are financed by housing development loans from the Government, bank loans and bonds. Interest incurred on these borrowings and net amortised discount/premium on bonds are apportioned to all activities, including properties under construction according to the funding requirements of the activities. Borrowing costs attributable to properties under construction are capitalised until the completion of the properties.

(ii) Mortgage and Upgrading Financing Loans

HDB provides financing schemes to purchasers of HDB flats and lessees of upgraded flats. The schemes are financed by mortgage and upgrading financing loans from the Government. Interest incurred on these loans is charged to the Mortgage financing and the Upgrading activities respectively.

(m) Government Grant

HDB's annual deficit is fully covered by government grant. In addition, a grant is given to HDB so that the reserves of past governments are protected in accordance with the Constitution. Government grant is accounted for on the accrual basis.

(n) Taxation

HDB is exempt from tax under Section 13(1)(e) of the Income Tax Act (Chapter 134, 1999 Revised Edition).

Current taxation for HDB's subsidiary and associated companies is provided based on the tax payable on the chargeable income for the year.

Deferred taxation is determined using the liability method and is applied to all significant timing differences which arise from the differences in the accounting and tax treatment of certain income and expense items. Deferred tax benefits are not recognised unless there is reasonable expectation of their realisation.

3. CAPITAL ACCOUNT

| | <i>HDB</i> | | <i>Group</i> | |
|--|------------------|------------------|------------------|------------------|
| | <i>1999/2000</i> | <i>1998/1999</i> | <i>1999/2000</i> | <i>1998/1999</i> |
| | <i>S\$'000</i> | <i>S\$'000</i> | <i>S\$'000</i> | <i>S\$'000</i> |
| Balance as at 1 April | 2,465,910 | 2,465,953 | 2,470,900 | 2,470,453 |
| Transfer from retained earnings for Group's holding of associated company's bonus shares issue | — | — | — | 490 |
| Adjustments | (51) | (43) | (51) | (43) |
| Balance as at 31 March | <u>2,465,859</u> | <u>2,465,910</u> | <u>2,470,849</u> | <u>2,470,900</u> |

The capital account represents:

- (a) the effects of identification and valuation of all properties and changes in accounting when HDB adopted the present conventional accounting system on 1 April 1985; and
- (b) the premium on the sale of land under the previous accounting system.

The adjustments made during the year related to the overstatement of assets when fixed assets records were set up to implement the present accounting system on 1 April 1985.

4. CAPITAL GAINS RESERVE

| | <i>HDB and Group</i> | |
|---------------------------------|----------------------|------------------|
| | <i>1999/2000</i> | <i>1998/1999</i> |
| | <i>S\$'000</i> | <i>S\$'000</i> |
| Balance as at 1 April | 4,546,610 | 4,502,765 |
| Transfer from retained earnings | 49,781 | 43,845 |
| Balance as at 31 March | <u>4,596,391</u> | <u>4,546,610</u> |

Under the Constitution, reserves of the HDB which were not accumulated during the current term of office of the Government cannot be drawn on without the approval of the President. The capital gains reserve was created to enable HDB to preserve the capital gains attributable to past governments on disposal of properties held at the changeover date of the Government.

5. ASSET REVALUATION RESERVE

| | <i>HDB and Group</i> | |
|--|----------------------|------------------|
| | <i>1999/2000</i> | <i>1998/1999</i> |
| | <i>S\$'000</i> | <i>S\$'000</i> |
| Balance as at 1 April | 8,856,897 | 8,937,337 |
| Reversal in respect of land for return to the Government | (2,873) | (13,072) |
| Transfer to retained earnings on sale and demolition of assets | (95,290) | (63,516) |
| Adjustment in respect of assets overstated in previous years | (7,920) | (3,852) |
| Balance as at 31 March | <u>8,750,814</u> | <u>8,856,897</u> |

6. LONG-TERM BORROWINGS

| | <i>HDB and Group</i> | |
|---|----------------------|-------------------|
| | <i>1999/2000</i> | <i>1998/1999</i> |
| | <i>S\$'000</i> | <i>S\$'000</i> |
| Government loans | | |
| Housing development loans | 15,903,754 | 15,367,386 |
| Mortgage financing loans | 56,094,876 | 49,092,123 |
| Upgrading financing loans | 64,391 | 34,033 |
| | <u>72,063,021</u> | <u>64,493,542</u> |
| Bank loans | 1,076,730 | 1,596,570 |
| Bonds | | |
| Principal | 1,400,000 | 300,000 |
| Add: Net unamortised premium/(discount) | 3,369 | (1,370) |
| | <u>1,403,369</u> | <u>298,630</u> |
| Balance as at 31 March | <u>74,543,120</u> | <u>66,388,742</u> |
| Less: | | |
| Amount payable within 1 year | 3,756,053 | 3,368,151 |
| Amount payable after 1 year | <u>70,787,067</u> | <u>63,020,591</u> |

6. LONG-TERM BORROWINGS — *(continued)*

Movements during the year:

| | <i>Balance as at 1.4.1999</i> | <i>Borrowings</i> | <i>Repayment</i> | <i>Balance as at 31.3.2000</i> |
|-----------------------------|---------------------------------------|-------------------|-------------------|--|
| | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> |
| Government loans | | | | |
| Housing development loans | 15,367,386 | 1,511,598 | 975,230 | 15,903,754 |
| Mortgage financing loans | 49,092,123 | 9,307,309 | 2,304,556 | 56,094,876 |
| Upgrading financing loans | 34,033 | 35,421 | 5,063 | 64,391 |
| Bank loans | 1,596,570 | 18,570,800 | 19,090,640 | 1,076,730 |
| Bonds | | | | |
| Principal | 300,000 | 1,100,000 | — | 1,400,000 |
| Premium/(discount) on bonds | (1,370) | 4,171 | (568) | 3,369 |
| | <u>66,388,742</u> | <u>30,529,299</u> | <u>22,374,921</u> | <u>74,543,120</u> |

6.1 Interest rates and repayment terms on the term loans are:

| | <i>Interest rate</i> | <i>Repayment term</i> |
|---------------------------|------------------------------|-----------------------|
| | <u>(per annum)</u> | <u></u> |
| Housing development loans | 4.50% to 6.41% | 20 years |
| Mortgage financing loans | 2.50% to 4.41% | Up to 30 years |
| Upgrading financing loans | 2.50% to 4.41% | 10 years |
| Bank loans | Varying rates of up to 6.16% | Up to 10 years |

6.2 Bonds relate to the following:

| <i>Series No.</i> | <i>Principal</i> | <i>Maturity</i> | <i>Coupon Rate</i> |
|-------------------|------------------|------------------------------------|--------------------|
| | <u>S\$M</u> | | <u>(per annum)</u> |
| 001 | 300 | 5 years redeemable on 11 Feb 2004 | 3.875% |
| 002 | 500 | 7 years redeemable on 13 May 2006 | 4.25% |
| 003 | 600 | 10 years redeemable on 21 Sep 2009 | 5.07% |

7. FIXED ASSETS

| <i>HDB</i> | | | | | |
|-------------------------------|-------------------|------------------|----------------------------|---|-------------------|
| | <i>Land</i> | <i>Buildings</i> | <i>Plant and Machinery</i> | <i>Office Equipment, Furniture and Vehicles</i> | <i>Total</i> |
| | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> |
| Cost or valuation | | | | | |
| At 1 April 1999 | 14,718,171 | 6,080,683 | 99,820 | 131,932 | 21,030,606 |
| Additions | 836,270 | 764,500 | 655 | 15,929 | 1,617,354 |
| Disposals | (63,322) | (61,385) | (10,231) | (19,681) | (154,619) |
| Transfers | (40,289) | (48,260) | — | — | (88,549) |
| At 31 March 2000 | <u>15,450,830</u> | <u>6,735,538</u> | <u>90,244</u> | <u>128,180</u> | <u>22,404,792</u> |
| Representing | | | | | |
| Valuation | | | | | |
| 1 April 1985 | 6,595,516 | 1,167,773 | — | — | 7,763,289 |
| 31 March 1986 | 1,637,883 | 971,078 | — | — | 2,608,961 |
| Cost | <u>7,217,431</u> | <u>4,596,687</u> | <u>90,244</u> | <u>128,180</u> | <u>12,032,542</u> |
| | <u>15,450,830</u> | <u>6,735,538</u> | <u>90,244</u> | <u>128,180</u> | <u>22,404,792</u> |
| Accumulated depreciation | | | | | |
| At 1 April 1999 | 1,181,589 | 951,077 | 87,058 | 92,374 | 2,312,098 |
| Additions | 159,910 | 118,718 | 3,396 | 17,031 | 299,055 |
| Disposals | (7,008) | (20,624) | (9,884) | (19,612) | (57,128) |
| Transfers | (2,270) | (3,943) | — | — | (6,213) |
| At 31 March 2000 | <u>1,332,221</u> | <u>1,045,228</u> | <u>80,570</u> | <u>89,793</u> | <u>2,547,812</u> |
| Depreciation for FY 1998/1999 | <u>150,453</u> | <u>105,456</u> | <u>4,064</u> | <u>15,903</u> | <u>275,876</u> |
| Net book value | | | | | |
| At 31 March 2000 | <u>14,118,609</u> | <u>5,690,310</u> | <u>9,674</u> | <u>38,387</u> | <u>19,856,980</u> |
| At 31 March 1999 | <u>13,536,582</u> | <u>5,129,606</u> | <u>12,762</u> | <u>39,558</u> | <u>18,718,508</u> |

7. FIXED ASSETS — (continued)

| | <i>Group</i> | | | | |
|-------------------------------|-------------------|------------------|----------------------------|---|-------------------|
| | <i>Land</i> | <i>Buildings</i> | <i>Plant and Machinery</i> | <i>Office Equipment, Furniture and Vehicles</i> | <i>Total</i> |
| | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> |
| Cost or valuation | | | | | |
| At 1 April 1999 | 14,718,171 | 6,080,683 | 102,850 | 140,714 | 21,042,418 |
| Additions | 836,270 | 764,500 | 1,378 | 17,397 | 1,619,545 |
| Disposals | (63,322) | (61,385) | (10,241) | (19,885) | (154,833) |
| Transfers | (40,289) | (48,260) | — | — | (88,549) |
| At 31 March 2000 | <u>15,450,830</u> | <u>6,735,538</u> | <u>93,987</u> | <u>138,226</u> | <u>22,418,581</u> |
| Representing | | | | | |
| Valuation | | | | | |
| 1 April 1985 | 6,595,516 | 1,167,773 | — | — | 7,763,289 |
| 31 March 1986 | 1,637,883 | 971,078 | — | — | 2,608,961 |
| Cost | <u>7,217,431</u> | <u>4,596,687</u> | <u>93,987</u> | <u>138,226</u> | <u>12,046,331</u> |
| | <u>15,450,830</u> | <u>6,735,538</u> | <u>93,987</u> | <u>138,226</u> | <u>22,418,581</u> |
| Accumulated depreciation | | | | | |
| At 1 April 1999 | 1,181,589 | 951,077 | 89,756 | 97,276 | 2,319,698 |
| Additions | 159,910 | 118,718 | 3,579 | 18,353 | 300,560 |
| Disposals | (7,008) | (20,624) | (9,894) | (19,815) | (57,341) |
| Transfers | (2,270) | (3,943) | — | — | (6,213) |
| At 31 March 2000 | <u>1,332,221</u> | <u>1,045,228</u> | <u>83,441</u> | <u>95,814</u> | <u>2,556,704</u> |
| Depreciation for FY 1998/1999 | <u>150,453</u> | <u>105,456</u> | <u>4,164</u> | <u>17,268</u> | <u>277,341</u> |
| Net book value | | | | | |
| At 31 March 2000 | <u>14,118,609</u> | <u>5,690,310</u> | <u>10,546</u> | <u>42,412</u> | <u>19,861,877</u> |
| At 31 March 1999 | <u>13,536,582</u> | <u>5,129,606</u> | <u>13,094</u> | <u>43,438</u> | <u>18,722,720</u> |

8. LONG-TERM RECEIVABLES

| | <i>HDB</i> | | <i>Group</i> | |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
| | <i>1999/2000</i> | <i>1998/1999</i> | <i>1999/2000</i> | <i>1998/1999</i> |
| | <i>S\$'000</i> | <i>S\$'000</i> | <i>S\$'000</i> | <i>S\$'000</i> |
| Term loans receivable | | | | |
| Mortgage loans for flats | 56,094,876 | 49,092,123 | 56,094,876 | 49,092,123 |
| Loans for shops sold | 931 | 1,595 | 931 | 1,595 |
| Staff loans | 26,317 | 24,339 | 29,975 | 27,916 |
| | <u>56,122,124</u> | <u>49,118,057</u> | <u>56,125,782</u> | <u>49,121,634</u> |
| Deferred receivable | | | | |
| Upgrading costs due from lessees | 64,391 | 34,033 | 64,391 | 34,033 |
| | <u>56,186,515</u> | <u>49,152,090</u> | <u>56,190,173</u> | <u>49,155,667</u> |
| <i>Less:</i> | | | | |
| Amount receivable within 1 year | <u>2,231,502</u> | <u>1,718,485</u> | <u>2,232,061</u> | <u>1,719,172</u> |
| Amount receivable after 1 year | <u>53,955,013</u> | <u>47,433,605</u> | <u>53,958,112</u> | <u>47,436,495</u> |

8.1 Term loans receivable

Movements during the year for the Group:

| | <i>Balance as at 1.4.1999</i> | <i>Loans Granted</i> | <i>Repayment</i> | <i>Balance as at 31.3.2000</i> |
|--------------------------|---------------------------------------|--------------------------|------------------|--|
| | <i>S\$'000</i> | <i>S\$'000</i> | <i>S\$'000</i> | <i>S\$'000</i> |
| Mortgage loans for flats | 49,092,123 | 12,431,627 | 5,428,874 | 56,094,876 |
| Loans for shops sold | 1,595 | 392 | 1,056 | 931 |
| Staff loans | 27,916 | 7,329 | 5,270 | 29,975 |
| | <u>49,121,634</u> | <u>12,439,348</u> | <u>5,435,200</u> | <u>56,125,782</u> |

Interest rates and repayment terms on the loans are:

| | <i>Interest rate (per annum)</i> | <i>Repayment term</i> |
|---|--------------------------------------|-----------------------|
| Mortgage loans granted to lessees for purchase of HDB flats | 2.60% to 4.51% | Up to 30 years |
| Loans granted to tenants for the purchase of rental shops | 5.875% | 4 years |
| Staff loans | 5.00% to 7.00% | Up to 30 years |

8.2 Deferred receivable

Under the deferred payment scheme, lessees of upgraded flats can pay for their share of the upgrading costs through monthly instalments at interest rates ranging from 2.60% to 4.51% per annum over periods of up to 25 years.

9. PROPERTIES UNDER CONSTRUCTION

| | <i>HDB and Group</i> | |
|--------------------------------------|----------------------|------------------|
| | <i>1999/2000</i> | <i>1998/1999</i> |
| | <i>S\$'000</i> | <i>S\$'000</i> |
| Land | 8,352,218 | 11,114,467 |
| Buildings | 3,555,808 | 4,611,806 |
| Upgrading works | 114,138 | 242,375 |
| Improvement works | 16,730 | 9,484 |
| Balance as at 31 March | 12,038,894 | 15,978,132 |
| Interest capitalised during the year | 414,189 | 559,178 |

Development of flats is expected to incur a loss on completion. The estimated loss on the properties under construction for FY 1999/2000 was S\$0.7 billion (FY 1998/1999: S\$1.3 billion). Since the overall net deficit will be met by government grant, no provision for unrealised loss was made.

10. INVESTMENTS

| | <i>HDB</i> | | <i>Group</i> | |
|--------------------------------------|------------------|------------------|------------------|------------------|
| | <i>1999/2000</i> | <i>1998/1999</i> | <i>1999/2000</i> | <i>1998/1999</i> |
| | <i>S\$'000</i> | <i>S\$'000</i> | <i>S\$'000</i> | <i>S\$'000</i> |
| Subsidiary companies | | | | |
| Unquoted shares at cost | 9,500 | 9,500 | — | — |
| Associated company | | | | |
| Unquoted shares at cost | 490 | 490 | 490 | 490 |
| Share of post-acquisition reserve | — | — | 16,526 | 12,715 |
| Investment properties | — | — | 13,301 | — |
| Equity and bonds | | | | |
| Quoted shares at cost | — | — | 10,970 | 4,181 |
| <i>(Market value: S\$12,512,000;</i> | | | | |
| <i>FY 1998/1999: S\$4,671,000)</i> | | | | |
| Unquoted shares at cost | — | — | 644 | 604 |
| Quoted bonds at cost | — | — | 33,972 | 10,937 |
| <i>(Market value: S\$34,154,000;</i> | | | | |
| <i>FY 1998/1999: S\$10,837,000)</i> | | | | |
| Unquoted bonds at cost | — | — | 48,721 | 59,475 |
| Other investments | — | — | 11,733 | 1,753 |
| | 9,990 | 9,990 | 136,357 | 90,155 |

10. INVESTMENTS — (continued)

The subsidiary and associated companies are:

| | <i>Principal Activities</i> | <i>Percentage of equity held by the Group</i> | | <i>Cost of Investments</i> | |
|-----------------------------|-----------------------------------|---|------------------|----------------------------|------------------|
| | | <i>1999/2000</i> | <i>1998/1999</i> | <i>1999/2000</i> | <i>1998/1999</i> |
| | | % | % | S\$'000 | S\$'000 |
| Subsidiary companies of HDB | | | | | |
| Cleantech Services Pte Ltd | Property maintenance services | 100 | 100 | 6,000 | 6,000 |
| CESMA International Pte Ltd | Building and property consultancy | 100 | 100 | 2,000 | 2,000 |
| EM Services Pte Ltd | Estate management services | 75 | 75 | 1,500 | 1,500 |
| | | | | <u>9,500</u> | <u>9,500</u> |

| | <i>Principal Activities</i> | <i>Percentage of equity held by the Group</i> | | <i>Cost of Investments</i> | |
|---------------------------|-----------------------------------|---|------------------|----------------------------|------------------|
| | | <i>1999/2000</i> | <i>1998/1999</i> | <i>1999/2000</i> | <i>1998/1999</i> |
| | | % | % | S\$'000 | S\$'000 |
| Associated company of HDB | | | | | |
| ESMACO Pte Ltd | Estate management and consultancy | 49 | 49 | 490 | 490 |

| <u>Principal Activity</u> | | <i>Percentage of equity held by EM Services Pte Ltd</i> | |
|--|---------------------|---|-----------|
| | | 1999/2000 | 1998/1999 |
| Subsidiary company of EM Services Pte Ltd | | % | % |
| EM (China) Pte Ltd | Property management | 60 | 60 |

The subsidiary and associated companies are incorporated in Singapore.

11. PROPERTIES FOR SALE

| | <u>HDB and Group</u> | |
|-------------------------------|----------------------|------------------|
| | <u>1999/2000</u> | <u>1998/1999</u> |
| | S\$'000 | S\$'000 |
| Cost of flats | 5,138,781 | 2,868,219 |
| Less: | | |
| Provision for unrealised loss | <u>(381,075)</u> | <u>(307,568)</u> |
| | <u>4,757,706</u> | <u>2,560,651</u> |

The properties for sale are stated at the lower of cost and net realisable value. The net movement in the provision for unrealised loss is charged to the Home ownership activity.

12. DEBTORS AND PREPAYMENTS

| | <i>HDB</i> | | <i>Group</i> | |
|--|------------------|------------------|------------------|------------------|
| | <i>1999/2000</i> | <i>1998/1999</i> | <i>1999/2000</i> | <i>1998/1999</i> |
| | <i>S\$'000</i> | <i>S\$'000</i> | <i>S\$'000</i> | <i>S\$'000</i> |
| Debtors | 426,637 | 428,078 | 439,309 | 443,980 |
| <i>Less:</i> | | | | |
| Provision for doubtful debts | (10,208) | (8,855) | (10,625) | (9,374) |
| | 416,429 | 419,223 | 428,684 | 434,606 |
| Prepayments | 55,541 | 99,037 | 55,684 | 99,230 |
| Others | 2,047 | 3,394 | 3,975 | 5,002 |
| | <u>474,017</u> | <u>521,654</u> | <u>488,343</u> | <u>538,838</u> |
| Bad debts written off against provision for doubtful debts | 1,605 | 807 | 1,642 | 1,251 |

13. PROVISIONS, CREDITORS AND ACCRUALS

| | <i>HDB</i> | | <i>Group</i> | |
|---|------------------|------------------|------------------|------------------|
| | <i>1999/2000</i> | <i>1998/1999</i> | <i>1999/2000</i> | <i>1998/1999</i> |
| | <i>S\$'000</i> | <i>S\$'000</i> | <i>S\$'000</i> | <i>S\$'000</i> |
| Creditors | 882,418 | 1,236,577 | 895,303 | 1,248,467 |
| Interest payable | 643,852 | 1,179,544 | 643,852 | 1,179,544 |
| Deposits | 693,460 | 845,834 | 693,460 | 845,834 |
| Deferred income | 561,700 | 568,502 | 563,211 | 569,968 |
| Provision for land premium and related expenses | 204,519 | 409,796 | 221,837 | 426,296 |
| Others | 446,823 | 553,891 | 457,712 | 570,764 |
| | <u>3,432,772</u> | <u>4,794,144</u> | <u>3,475,375</u> | <u>4,840,873</u> |

14. GOVERNMENT GRANT RECEIVED IN ADVANCE

| | <i>HDB and Group</i> | |
|--|----------------------|--------------------|
| | <i>1999/2000</i> | <i>1998/1999</i> |
| | <i>S\$'000</i> | <i>S\$'000</i> |
| Balance as at 1 April | 115,082 | 104,524 |
| Amount received | <u>1,152,650</u> | <u>1,513,662</u> |
| | 1,267,732 | 1,618,186 |
| Transfer to income and expenditure statement | <u>(1,088,079)</u> | <u>(1,503,104)</u> |
| Balance as at 31 March | <u>179,653</u> | <u>115,082</u> |

15. HOME OWNERSHIP ACTIVITY

| | <i>HDB and Group</i> | |
|--|----------------------|------------------|
| | <i>1999/2000</i> | <i>1998/1999</i> |
| | <i>S\$'000</i> | <i>S\$'000</i> |
| Sale proceeds | 6,078,278 | 7,158,063 |
| <i>Less:</i> | | |
| Cost of sales | 6,324,373 | 7,513,779 |
| GROSS LOSS ON SALES | (246,095) | (355,716) |
| (Increase)/decrease in provision for unrealised loss | (79,487) | 82,490 |
| GROSS LOSS | (325,582) | (273,226) |
| <i>Add:</i> | | |
| Sales premium and levy on resale flats | 217,083 | 318,919 |
| Other income | 30,279 | 38,155 |
| <i>Less:</i> | | |
| EXPENDITURE | | |
| CPF housing grant | 516,026 | 1,101,260 |
| Interest expense | 140,216 | 118,718 |
| General and other expenses | 90,617 | 91,898 |
| TOTAL EXPENDITURE | 746,859 | 1,311,876 |
| DEFICIT | (825,079) | (1,228,028) |

16. RENTAL OF FLATS ACTIVITY

| | <i>HDB and Group</i> | |
|---|----------------------|------------------|
| | <i>1999/2000</i> | <i>1998/1999</i> |
| | <i>S\$'000</i> | <i>S\$'000</i> |
| INCOME | 24,464 | 32,395 |
| <i>Less:</i> | | |
| EXPENDITURE | | |
| Improvement works, demolition and maintenance | 135,377 | 91,986 |
| Depreciation | 61,047 | 60,718 |
| Interest expense | 20,499 | 22,661 |
| General and other expenses | 29,023 | 26,904 |
| TOTAL EXPENDITURE | 245,946 | 202,269 |
| DEFICIT | (221,482) | (169,874) |

17. UPGRADING OF FLATS ACTIVITY

| | <i>HDB and Group</i> | |
|----------------------------|----------------------|------------------|
| | <i>1999/2000</i> | <i>1998/1999</i> |
| | <i>S\$'000</i> | <i>S\$'000</i> |
| INCOME | 189,132 | 42,009 |
| <i>Less:</i> | | |
| EXPENDITURE | | |
| Upgrading cost | 548,309 | 540,452 |
| General and other expenses | 8,102 | 6,622 |
| TOTAL EXPENDITURE | 556,411 | 547,074 |
| DEFICIT | (367,279) | (505,065) |

18. HOUSING ADMINISTRATION ACTIVITY

| | <i>HDB and Group</i> | |
|---|----------------------|------------------|
| | <i>1999/2000</i> | <i>1998/1999</i> |
| | <i>S\$'000</i> | <i>S\$'000</i> |
| DEFICIT | | |
| Lease administration | (35,796) | (24,348) |
| Specific works | (40,540) | (40,450) |
| Town council administration and maintenance works | (12,786) | (13,054) |
| | (89,122) | (77,852) |

As the public housing authority, HDB carries out functions to implement housing policies. The functions include:

- (a) administration of lease agreements of HDB flats and privatisation of HUDC estates;
- (b) enhancing the standard of living in the public housing estates under the specific works programme; and
- (c) liaison work on town council policies and maintenance works for the television antenna systems located in HDB estates.

19. MORTGAGE FINANCING ACTIVITY

| | <i>HDB and Group</i> | |
|----------------------------|----------------------|------------------|
| | <i>1999/2000</i> | <i>1998/1999</i> |
| | <i>S\$'000</i> | <i>S\$'000</i> |
| INCOME | 1,697,468 | 1,938,533 |
| <i>Less:</i> | | |
| EXPENDITURE | | |
| Interest expense | 1,644,290 | 1,892,178 |
| General and other expenses | 24,952 | 23,934 |
| TOTAL EXPENDITURE | 1,669,242 | 1,916,112 |
| SURPLUS | 28,226 | 22,421 |

20. CAR PARKS ACTIVITY

| | <i>HDB and Group</i> | |
|---|-----------------------------|-----------------------------|
| | <i>1999/2000</i> S\$'000 | <i>1998/1999</i> S\$'000 |
| INCOME | | |
| Parking charges | 289,613 | 287,201 |
| Fines | 42,506 | 45,020 |
| Other income | 6,131 | 5,750 |
| TOTAL INCOME | 338,250 | 337,971 |
| Less: | | |
| EXPENDITURE | | |
| Depreciation | 105,127 | 91,163 |
| Improvement works, demolition and maintenance | 71,845 | 50,958 |
| Property tax | 24,707 | 25,294 |
| Interest expense | 175,054 | 182,372 |
| General and other expenses | 45,159 | 45,097 |
| TOTAL EXPENDITURE | 421,892 | 394,884 |
| DEFICIT | (83,642) | (56,913) |

21. MISCELLANEOUS ACTIVITIES

| | <i>HDB</i> | | <i>Group</i> | |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <i>1999/2000</i> S\$'000 | <i>1998/1999</i> S\$'000 | <i>1999/2000</i> S\$'000 | <i>1998/1999</i> S\$'000 |
| SURPLUS | | | | |
| Rental and sale of corporate housing | 2,576 | 11,039 | 2,576 | 11,039 |
| Building resources | 16,440 | 17,206 | 16,440 | 17,206 |
| Agency projects | 22,704 | 28,431 | 55,836 | 63,984 |
| Interest income and others | 2,712 | 2,375 | 5,304 | 3,506 |
| | 44,432 | 59,051 | 80,156 | 95,735 |

22. GAIN FROM DISPOSAL OF PROTECTED PROPERTIES

| | <i>HDB and Group</i> | |
|---|-----------------------------|-----------------------------|
| | <i>1999/2000</i> S\$'000 | <i>1998/1999</i> S\$'000 |
| Rental flats | | |
| Sale proceeds (<i>after deducting discount of S\$1 million; FY 1998/1999: S\$2 million</i>) | 12,597 | 15,367 |
| <i>Less:</i> | | |
| Net book value and other expenses | (8,631) | (18,265) |
| | 3,966 | (2,898) |
| Car parks | | |
| Sale proceeds | — | 12,458 |
| <i>Less:</i> | | |
| Net book value and other expenses | — | — |
| | — | 12,458 |
| SURPLUS | 3,966 | 9,560 |

Properties held by HDB as fixed assets prior to the changeover of the current Government form part of the reserves which cannot be drawn on without the approval of the President under the Constitution. During the year, HDB sold some protected flats. The sale of rental flats was launched in 1994. Tenants are offered a discount of 3% of the selling price of the flat for each year of tenancy, up to a maximum of 30% or S\$10,000, whichever is lower.

23. NET DEFICIT BEFORE GOVERNMENT GRANT

| | <i>HDB</i> | | <i>Group</i> | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <i>1999/2000</i> S\$'000 | <i>1998/1999</i> S\$'000 | <i>1999/2000</i> S\$'000 | <i>1998/1999</i> S\$'000 |
| This is arrived at after charging the following: | | | | |
| Interest expense | 2,522,480 | 2,929,871 | 2,522,480 | 2,929,871 |
| Salaries | 376,742 | 384,109 | 427,617 | 433,372 |
| Staff welfare | 6,827 | 6,966 | 7,688 | 7,817 |
| Overseas travelling | 49 | — | 221 | 71 |
| Auditors' remuneration | 783 | 671 | 846 | 733 |
| Board members' fees | 70 | 69 | 70 | 69 |
| Directors' fees | — | — | 71 | 72 |
| Directors' remuneration | — | — | 317 | 325 |
| Bad debts written off | — | 24 | — | 24 |
| Doubtful debts provision | 2,958 | 1,994 | 2,973 | 2,279 |
| And after crediting: | | | | |
| Interest income | 1,695,416 | 1,942,282 | 1,699,363 | 1,947,384 |
| Rental income | 737,803 | 791,505 | 737,803 | 791,505 |

Interest income is derived mainly from mortgage loans granted to the purchasers of HDB flats. Interest expense is incurred on loans from the Government, bank loans and bonds.

24. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of balances with banks and cash on hand. Cash and cash equivalents included in the consolidated cash flow statement comprise the following balance sheet amounts:

| | <i>Group</i> | |
|------------------------|------------------|------------------|
| | <i>1999/2000</i> | <i>1998/1999</i> |
| | S\$'000 | S\$'000 |
| Bank balances and cash | 18,799 | 136,638 |
| Fixed deposits | 584,156 | 47,664 |
| | <u>602,955</u> | <u>184,302</u> |

25. GOVERNMENT GRANT

Cumulative grant from the Government since the establishment of HDB in 1960 amounts to:

| | S\$'000 |
|---------------------------------|------------------|
| Total grant as at 1 April 1999 | 8,524,617 |
| Grant for FY 1999/2000 | <u>1,088,079</u> |
| Total grant as at 31 March 2000 | <u>9,612,696</u> |

26. RELATED PARTY TRANSACTIONS

The following related party transactions took place during the year:

| | <i>1999/2000</i> | <i>1998/1999</i> |
|------------------------------|------------------|------------------|
| | S\$'000 | S\$'000 |
| Services rendered to HDB by: | | |
| CESMA International Pte Ltd | 5,247 | 10,484 |
| Cleantech Services Pte Ltd | 1,980 | 3,838 |
| EM Services Pte Ltd | 6,971 | 8,756 |
| Services rendered by HDB to: | | |
| CESMA International Pte Ltd | 613 | 2,443 |
| Cleantech Services Pte Ltd | 1,371 | 1,052 |
| EM Services Pte Ltd | 983 | 935 |

27. COMMITMENTS FOR CAPITAL EXPENDITURE

The following commitments for capital expenditure are not provided for in the financial statements:

| | <i>HDB</i> | | <i>Group</i> | |
|-----------------------------------|------------------|------------------|------------------|------------------|
| | <i>1999/2000</i> | <i>1998/1999</i> | <i>1999/2000</i> | <i>1998/1999</i> |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Authorised and contracted for | 3,312,544 | 4,340,217 | 3,316,095 | 4,342,740 |
| Authorised but not contracted for | <u>1,612,877</u> | <u>1,979,607</u> | <u>1,618,527</u> | <u>1,979,807</u> |
| | <u>4,925,421</u> | <u>6,319,824</u> | <u>4,934,622</u> | <u>6,322,547</u> |

28. CONTINGENT LIABILITY

The Inland Revenue Authority of Singapore (IRAS) has requested HDB to return input Goods and Services Tax (GST) which was previously claimed by and refunded to HDB by IRAS amounting to S\$58 million. The input GST now disallowed by IRAS is in respect of activities mainly funded by government grant. HDB accounted for GST based on exempt and taxable activities, and only claimed input GST incurred for our taxable activities. HDB intends to object to the basis and computation of the assessment.

29. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.