

No. 6/2025

**SUPPLEMENT
TO THE
REPUBLIC OF SINGAPORE
GOVERNMENT GAZETTE
FRIDAY, 8 AUGUST 2025**

**REPORT ON THE AUDIT OF
THE FINANCIAL STATEMENTS OF
THE HOUSING AND DEVELOPMENT BOARD
FOR THE YEAR ENDED 31 MARCH 2025**

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HOUSING AND DEVELOPMENT BOARD
STATEMENT BY THE BOARD OF THE
HOUSING AND DEVELOPMENT BOARD

In our opinion,

- (a) the accompanying financial statements of the Housing and Development Board (“HDB”) and its subsidiaries (“Group”) set out on pages 9 to 66 are properly drawn up in accordance with the provisions of the Housing and Development Act 1959 (“H&D Act”), the Public Sector (Governance) Act 2018 (“PSG Act”), and Singapore Statutory Board Financial Reporting Standards (“SB-FRS”) so as to present fairly, in all material respects, the state of affairs of the Group and the HDB as at 31 March 2025, and of the results, changes in capital and reserves of the Group and the HDB and cash flows of the Group for the financial year ended on that date;
- (b) proper accounting and other records have been kept, including records of all assets of the HDB whether purchased, donated or otherwise; and
- (c) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the HDB during the year have been, in all material respects, in accordance with the provisions of the H&D Act, the PSG Act, the Constitution of the Republic of Singapore, and the requirements of any other written law applicable to moneys of or managed by the HDB.

On behalf of the Board



BENNY LIM SIANG HOE
Chairperson



TAN MENG DUI
Chief Executive Officer

Singapore
29 May 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOUSING AND DEVELOPMENT BOARD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Housing and Development Board (“HDB”) and its subsidiaries (collectively, the “Group”), which comprise the balance sheets of the Group and the HDB as at 31 March 2025, the income and expenditure statements, statements of comprehensive income, statements of changes in capital and reserves of the Group and the HDB and the statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet, income and expenditure statement, statement of comprehensive income and statement of changes in capital and reserves are properly drawn up in accordance with the provisions of the Housing and Development Act 1959 (“H&D Act”), the Public Sector (Governance) Act 2018 (“PSG Act”), and Singapore Statutory Board Financial Reporting Standards (“SB-FRS”), so as to present fairly, in all material respects, the state of affairs of the Group and the HDB as at 31 March 2025 and the results and changes in capital and reserves of the Group and the HDB and cash flows of the Group for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2025. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Allowance for impairment losses for loans receivable

As at 31 March 2025, the Group's loans receivable balance amounted to \$43,992 million and it represented 41.8% of the total assets of the Group. Allowance for impairment losses for loans receivable amounted to \$2.0 million. Loans receivable relate to mortgage loans granted to buyers of flats under public housing schemes with the flats held as collateral.

The Group provides a loss allowance for loans in arrears for which the market value of the collateral is lower than the loans receivable balance. Under SB-FRS 109, management uses the expected credit loss (ECL) model to determine the loss allowance amount, taking into account key assumptions such as the estimated overdue loans and the estimated market value of the collateral. The probability of default of these loans is determined by considering historical default rates and forward-looking macroeconomic factors, particularly in light of the uncertain market and economic conditions. The market values are estimated using recent and expected resale prices of similar flat types in the vicinity. As the loans receivable balance is material and significant judgement is required to determine the adequacy of the allowance for impairment losses for loans receivable, we have identified this as a key audit matter.

We obtained an understanding of the Group's credit policy and estimation of the ECL process. We also evaluated and tested controls over the loans initiation and repayment processes. For the allowance of impairment losses on loans receivable, we have assessed the reasonableness of key assumptions and inputs of the ECL model, including performing sensitivity analyses and reviewing management's assessment of the impact of market and economic conditions in the measurement of ECL. With respect to the market value of the collateral, we checked the reasonableness of management's estimate to external sources. We further assessed the adequacy of the related disclosures in Note 8 to the financial statements.

*Key Audit Matters (continued)*Provision for loss on properties under development

As at 31 March 2025, the Group's provision for loss balance relating to properties under development amounted to \$15,821 million. Properties under development are stated at the lower of cost and their net realisable value. Provision for loss is determined as the excess of total estimated costs of a flat over the estimated net selling price of the flat.

The determination of the provision for loss on properties under development is significant to our audit due to its magnitude and significant management judgement involved in estimating the total development costs of the project and the estimated net selling price of a flat. In addition, there is a heightened level of estimation uncertainty due to changes in market and economic conditions. As such, this is considered to be a key audit matter.

We reviewed the estimated net selling prices determined by management by comparing to published sale prices net of applicable grants. For total estimated costs of development projects, we tested key controls over the project monitoring process and tendering of contracts related to the development project and verified material variation orders to approved vendor contracts. We further obtained an understanding of management's process in determining the total estimated costs and status of the development project from project managers, and evaluated how the impact of market and economic conditions have been considered in the estimated cost to complete. We also assessed the robustness of management's estimation process by comparing actual costs incurred against estimated contract costs determined in prior year for major completed projects. We also assessed the adequacy of the disclosures in Note 14 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Board of the Housing and Development Board, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the H&D Act, the PSG Act, and SB-FRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

A statutory board is constituted based on its Act and its dissolution requires Parliament's approval. 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 there is intention to wind up the Group or for the Group to cease operations.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- 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.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, 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

Opinion

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the HDB during the year are, in all material respects, in accordance with the provisions of the H&D Act, the PSG Act, the Constitution of the Republic of Singapore, and the requirements of any other written law applicable to moneys of or managed by the HDB.
- (b) proper accounting and other records have been kept, including records of all assets of the HDB whether purchased, donated or otherwise.

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Compliance Audit* section of our report. We are independent of the Group in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the H&D Act, the PSG Act, the Constitution of the Republic of Singapore, and the requirements of any other written law applicable to moneys of or managed by the HDB. This responsibility includes monitoring related compliance requirements relevant to the HDB, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

Auditor's Responsibility for the Compliance Audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the H&D Act, the PSG Act, the Constitution of the Republic of Singapore, and the requirements of any other written law applicable to moneys of or managed by the HDB.

Auditor's Responsibility for the Compliance Audit (continued)

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the HDB's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.

The engagement partner on the audit resulting in this independent auditor's report is Eleanor Lee.

A handwritten signature in black ink, appearing to read "Ernst & Young LLP", written in a cursive style.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
29 May 2025

HOUSING AND DEVELOPMENT BOARD AND ITS SUBSIDIARIES

BALANCE SHEETS AS AT 31 MARCH 2025

Notes	<i>Group</i>		<i>HDB</i>	
	<i>31 March</i> 2025	<i>31 March</i> 2024	<i>31 March</i> 2025	<i>31 March</i> 2024
	\$'000	\$'000	\$'000	\$'000
CAPITAL AND RESERVES				
Share capital	5	1	1	1
Capital account	5	2,468,093	2,468,093	2,463,593
Capital gains reserve	5	7,565,651	7,558,096	7,565,651
Asset revaluation reserve	5	5,167,506	5,173,126	5,167,506
Fair value reserve		5,192	3,634	0
Retained earnings		126,340	128,552	0
Attributable to equity holder of the HDB		15,332,783	15,331,502	15,196,751
Non-controlling interests		45,611	45,829	0
TOTAL EQUITY		15,378,394	15,377,331	15,196,751
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	6	33,841,652	31,004,971	33,832,638
Investment properties	7	771,934	788,602	770,693
Loans receivable	8	41,153,061	38,688,416	41,153,061
Right-of-use assets	9	13,706	20,130	11,549
Intangible assets	10	38,338	14,642	38,073
Investment in subsidiaries	11	0	0	1,500
Investment securities	12	18,199	16,124	0
Deferred tax assets	13	1,816	349	0
		75,838,706	70,533,234	75,807,514
CURRENT ASSETS				
Properties under development	14	19,728,074	15,957,456	19,728,074
Properties for sale	15	2,740,977	1,389,503	2,740,977
Inventories of building materials		42,677	42,412	40,647
Loans receivable within one year	8	2,839,437	2,704,081	2,839,437
Investment securities	12	70,977	0	0
Government grant receivable	16	1,918,110	3,460,428	1,918,110
Trade and other receivables	17	1,899,269	1,995,307	1,863,792
Cash and bank balances	18	135,014	187,519	37,695
		29,374,535	25,736,706	29,168,732
TOTAL ASSETS		105,213,241	96,269,940	104,976,246

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

HOUSING AND DEVELOPMENT BOARD AND ITS SUBSIDIARIES

BALANCE SHEETS AS AT 31 MARCH 2025 (continued)

	Notes	Group		HDB	
		31 March 2025	31 March 2024	31 March 2025	31 March 2024
		\$'000	\$'000	\$'000	\$'000
LIABILITIES					
CURRENT LIABILITIES					
Loans payable within one year	19	11,821,673	9,180,791	11,821,673	9,180,791
Trade and other payables	20	4,858,632	4,577,246	4,811,025	4,542,129
Lease liabilities due within one year	9	7,093	8,467	5,328	5,320
Amount due to subsidiary		0	0	5	17
Provision for income tax		4,143	4,804	0	0
		<u>16,691,541</u>	<u>13,771,308</u>	<u>16,638,031</u>	<u>13,728,257</u>
NET CURRENT ASSETS		<u>12,682,994</u>	<u>11,965,398</u>	<u>12,530,701</u>	<u>11,810,835</u>
NON-CURRENT LIABILITIES					
Loans payable	19	68,374,267	62,868,669	68,374,267	62,868,669
Lease liabilities	9	8,219	13,408	6,377	10,791
Deferred income	21	4,760,820	4,239,224	4,760,820	4,239,224
		<u>73,143,306</u>	<u>67,121,301</u>	<u>73,141,464</u>	<u>67,118,684</u>
TOTAL LIABILITIES		<u>89,834,847</u>	<u>80,892,609</u>	<u>89,779,495</u>	<u>80,846,941</u>
NET ASSETS		<u>15,378,394</u>	<u>15,377,331</u>	<u>15,196,751</u>	<u>15,194,816</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



BENNY LIM SIANG HOE
Chairperson



NG SOOK YIN
Group Director (Finance)

HOUSING AND DEVELOPMENT BOARD AND ITS SUBSIDIARIES

INCOME AND EXPENDITURE STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	<i>Group</i>						<i>HDB</i>						
	<u>2024/2025</u>			<u>2023/2024</u>			<u>2024/2025</u>			<u>2023/2024</u>			
	<i>Notes</i>	<i>Other</i>		<i>Other</i>		<i>Other</i>		<i>Other</i>		<i>Other</i>		<i>Total</i>	
	<u>Housing</u>	<u>Activities</u>	<u>Total</u>	<u>Housing</u>	<u>Activities</u>	<u>Total</u>	<u>Housing</u>	<u>Activities</u>	<u>Total</u>	<u>Housing</u>	<u>Activities</u>	<u>Total</u>	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Sale proceeds	28	5,081,734	26,886	5,108,620	5,806,082	0	5,806,082	5,081,734	26,886	5,108,620	5,806,082	0	5,806,082
Cost of sales before net increase in provision for foreseeable loss	24	(6,842,331)	(26,672)	(6,869,003)	(7,173,432)	0	(7,173,432)	(6,842,331)	(26,672)	(6,869,003)	(7,173,432)	0	(7,173,432)
Gross (loss)/profit on sales	28	(1,760,597)	214	(1,760,383)	(1,367,350)	0	(1,367,350)	(1,760,597)	214	(1,760,383)	(1,367,350)	0	(1,367,350)
Net increase in provision for foreseeable loss	24	(2,691,565)	0	(2,691,565)	(3,737,564)	0	(3,737,564)	(2,691,565)	0	(2,691,565)	(3,737,564)	0	(3,737,564)
Gross (loss)/profit after net increase in provision for foreseeable loss		(4,452,162)	214	(4,451,948)	(5,104,914)	0	(5,104,914)	(4,452,162)	214	(4,451,948)	(5,104,914)	0	(5,104,914)
Income	22	2,330,182	1,047,432	3,377,614	2,260,248	1,049,770	3,310,018	2,330,182	902,583	3,232,765	2,260,248	878,737	3,138,985
Finance expenses	23	(1,397,474)	(79,433)	(1,476,907)	(1,278,677)	(64,933)	(1,343,610)	(1,397,474)	(79,247)	(1,476,721)	(1,278,677)	(64,598)	(1,343,275)
Operating expenses	24, 25	(2,359,859)	(546,651)	(2,906,510)	(2,094,906)	(532,012)	(2,626,918)	(2,369,292)	(395,820)	(2,765,112)	(2,103,383)	(362,905)	(2,466,288)
Other expenses	24	(881,261)	0	(881,261)	(999,049)	0	(999,049)	(881,261)	0	(881,261)	(999,049)	0	(999,049)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

HOUSING AND DEVELOPMENT BOARD AND ITS SUBSIDIARIES

INCOME AND EXPENDITURE STATEMENTS *(continued)* FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	<i>Group</i>						<i>HDB</i>						
	<u>2024/2025</u>			<u>2023/2024</u>			<u>2024/2025</u>			<u>2023/2024</u>			
	<u>Notes</u>	<u>Housing</u>	<u>Other</u>	<u>Activities</u>	<u>Total</u>	<u>Housing</u>	<u>Other</u>	<u>Activities</u>	<u>Total</u>	<u>Housing</u>	<u>Other</u>	<u>Activities</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
NET (DEFICIT)/ SURPLUS BEFORE GOVERNMENT GRANT AND TAXATION	28	(6,760,574)	421,562	(6,339,012)	(7,217,298)	452,825	(6,764,473)	(6,770,007)	427,730	(6,342,277)	(7,225,775)	451,234	(6,774,541)
Government grant	16			6,349,100		6,789,865				6,349,100		6,789,865	
NET SURPLUS BEFORE TAXATION AND TRANSFER TO RESERVES				10,088		25,392				6,823		15,324	
Income tax expense	13			(2,583)		(4,369)				0		0	
NET SURPLUS FOR THE YEAR BEFORE TRANSFER TO RESERVES				<u>7,505</u>		<u>21,023</u>				<u>6,823</u>		<u>15,324</u>	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

HOUSING AND DEVELOPMENT BOARD AND ITS SUBSIDIARIES

INCOME AND EXPENDITURE STATEMENTS *(continued)* FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	<i>Group</i>						<i>HDB</i>					
	<u>2024/2025</u>			<u>2023/2024</u>			<u>2024/2025</u>			<u>2023/2024</u>		
	<i>Other</i>			<i>Other</i>			<i>Other</i>			<i>Other</i>		
	<u>Notes</u>	<u>Housing</u>	<u>Activities</u>	<u>Total</u>	<u>Housing</u>	<u>Activities</u>	<u>Total</u>	<u>Housing</u>	<u>Activities</u>	<u>Total</u>	<u>Housing</u>	<u>Activities</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
NET SURPLUS ATTRIBUTABLE TO:												
Equity holder of the HDB			4,611			17,392			6,823			15,324
Non-controlling interests			2,894			3,631			0			0
			<u>7,505</u>			<u>21,023</u>			<u>6,823</u>			<u>15,324</u>
AMOUNT ATTRIBUTABLE TO EQUITY HOLDER OF THE HDB:												
NET SURPLUS FOR THE YEAR BEFORE TRANSFER TO RESERVES			4,611			17,392			6,823			15,324
RETAINED EARNINGS AT THE BEGINNING OF THE YEAR			128,552			126,484			0			0
Release of asset revaluation reserve	<i>5d</i>		5,791			29,888			5,791			29,888
Transfer to capital gains reserve	<i>5c</i>		(12,614)			(45,212)			(12,614)			(45,212)
RETAINED EARNINGS AT THE END OF THE YEAR			<u>126,340</u>			<u>128,552</u>			<u>0</u>			<u>0</u>

Additional information of segments under “Housing” and “Other Activities” is provided in Note 28.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

HOUSING AND DEVELOPMENT BOARD AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	<i>Group</i>		<i>HDB</i>	
	<i>2024/2025</i>	<i>2023/2024</i>	<i>2024/2025</i>	<i>2023/2024</i>
	\$'000	\$'000	\$'000	\$'000
NET SURPLUS FOR THE YEAR BEFORE TRANSFER TO RESERVES	7,505	21,023	6,823	15,324
OTHER COMPREHENSIVE INCOME				
<i>Items that will not be reclassified subsequently to the income and expenditure statements:</i>				
Net fair value gains on equity instruments at FVOCI	2,076	67	0	0
Reversal of impairment losses credited to asset revaluation reserve	171	0	171	0
Other comprehensive income for the year, net of tax	2,247	67	171	0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	9,752	21,090	6,994	15,324
ATTRIBUTABLE TO:				
Equity holder of the HDB	6,340	17,441	6,994	15,324
Non-controlling interests	3,412	3,649	0	0
	9,752	21,090	6,994	15,324

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

HOUSING AND DEVELOPMENT BOARD AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN CAPITAL AND RESERVES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

Group	<u>Share Capital</u> \$'000	<u>Capital Account</u> \$'000	<u>Capital Gains Reserve</u> \$'000	<u>Asset Revaluation Reserve</u> \$'000	<u>Fair Value Reserve</u> \$'000	<u>Retained Earnings</u> \$'000	<u>Attributable to Equity Holder of the HDB</u> \$'000	<u>Non- Controlling Interests</u> \$'000	<u>Total Capital and Reserves</u> \$'000
<i>Balance as at 1 April 2023</i>	1	2,468,093	7,526,711	5,203,014	3,585	126,484	15,327,888	45,124	15,373,012
Net surplus for the year before transfer to reserves	0	0	0	0	0	17,392	17,392	3,631	21,023
<i>Other comprehensive income</i>									
Net fair value gains on equity instruments at FVOCI	0	0	0	0	49	0	49	18	67
<i>Other comprehensive income for the year, net of tax</i>	0	0	0	0	49	0	49	18	67
<i>Total comprehensive income for the year</i>	0	0	0	0	49	17,392	17,441	3,649	21,090
Transfer from retained earnings to capital gains reserve (Note 5c)	0	0	45,212	0	0	(45,212)	0	0	0
Release of asset revaluation reserve on disposal of assets (Note 5d)	0	0	0	(29,888)	0	29,888	0	0	0
Return of reserves to the Government (Note 5c)	0	0	(13,827)	0	0	0	(13,827)	0	(13,827)
Non-controlling interests' share of dividend from subsidiary	0	0	0	0	0	0	0	(2,944)	(2,944)
BALANCE AS AT 31 MARCH 2024	1	2,468,093	7,558,096	5,173,126	3,634	128,552	15,331,502	45,829	15,377,331

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

HOUSING AND DEVELOPMENT BOARD AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN CAPITAL AND RESERVES *(continued)* FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	<u>Share Capital</u> \$'000	<u>Capital Account</u> \$'000	<u>Capital Gains Reserve</u> \$'000	<u>Asset Revaluation Reserve</u> \$'000	<u>Fair Value Reserve</u> \$'000	<u>Retained Earnings</u> \$'000	<u>Attributable to Equity Holder of the HDB</u> \$'000	<u>Non- Controlling Interests</u> \$'000	<u>Total Capital and Reserves</u> \$'000
Group									
<i>Balance as at 1 April 2024</i>	1	2,468,093	7,558,096	5,173,126	3,634	128,552	15,331,502	45,829	15,377,331
Net surplus for the year before transfer to reserves	0	0	0	0	0	4,611	4,611	2,894	7,505
<i>Other comprehensive income</i>									
Reversal of impairment losses credited to asset revaluation reserve	0	0	0	171	0	0	171	0	171
Net fair value gains on equity instruments at FVOCI	0	0	0	0	1,558	0	1,558	518	2,076
<i>Other comprehensive income for the year, net of tax</i>	0	0	0	171	1,558	0	1,729	518	2,247
<i>Total comprehensive income for the year</i>	0	0	0	171	1,558	4,611	6,340	3,412	9,752
Transfer from retained earnings to capital gains reserve (Note 5c)	0	0	12,614	0	0	(12,614)	0	0	0
Release of asset revaluation reserve on disposal of assets (Note 5d)	0	0	0	(5,791)	0	5,791	0	0	0
Return of reserves to the Government (Note 5c)	0	0	(5,059)	0	0	0	(5,059)	0	(5,059)
Non-controlling interests' share of dividend from subsidiary	0	0	0	0	0	0	0	(3,630)	(3,630)
BALANCE AS AT 31 MARCH 2025	1	2,468,093	7,565,651	5,167,506	5,192	126,340	15,332,783	45,611	15,378,394

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

HOUSING AND DEVELOPMENT BOARD AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN CAPITAL AND RESERVES *(continued)* FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	<u>Share Capital</u>	<u>Capital Account</u>	<u>Capital Gains Reserve</u>	<u>Asset Revaluation Reserve</u>	<u>Retained Earnings</u>	<u>Total Capital and Reserves</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
HDB						
<i>Balance as at 1 April 2023</i>	1	2,463,593	7,526,711	5,203,014	0	15,193,319
Net surplus for the year before transfer to reserves	0	0	0	0	15,324	15,324
<i>Total comprehensive income for the year</i>	0	0	0	0	15,324	15,324
Transfer from retained earnings to capital gains reserve (Note 5c)	0	0	45,212	0	(45,212)	0
Release of asset revaluation reserve on disposal of assets (Note 5d)	0	0	0	(29,888)	29,888	0
Return of reserves to the Government (Note 5c)	0	0	(13,827)	0	0	(13,827)
BALANCE AS AT 31 MARCH 2024	1	2,463,593	7,558,096	5,173,126	0	15,194,816

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

HOUSING AND DEVELOPMENT BOARD AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN CAPITAL AND RESERVES *(continued)* FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	<i>Share Capital</i>	<i>Capital Account</i>	<i>Capital Gains Reserve</i>	<i>Asset Revaluation Reserve</i>	<i>Retained Earnings</i>	<i>Total Capital and Reserves</i>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
HDB						
<i>Balance as at 1 April 2024</i>	1	2,463,593	7,558,096	5,173,126	0	15,194,816
Net surplus for the year before transfer to reserves	0	0	0	0	6,823	6,823
<i>Other comprehensive income</i>						
Reversal of impairment losses credited to asset revaluation reserve	0	0	0	171	0	171
<i>Other comprehensive income for the year, net of tax</i>	0	0	0	171	0	171
<i>Total comprehensive income for the year</i>	0	0	0	171	6,823	6,994
Transfer from retained earnings to capital gains reserve (Note 5c)	0	0	12,614	0	(12,614)	0
Release of asset revaluation reserve on disposal of assets (Note 5d)	0	0	0	(5,791)	5,791	0
Return of reserves to the Government (Note 5c)	0	0	(5,059)	0	0	(5,059)
BALANCE AS AT 31 MARCH 2025	1	2,463,593	7,565,651	5,167,506	0	15,196,751

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

HOUSING AND DEVELOPMENT BOARD AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	<u>Note</u>	<u>2024/2025</u>	<u>2023/2024</u>
		\$'000	\$'000
OPERATING ACTIVITIES			
Net deficit before government grant and taxation		(6,339,012)	(6,764,473)
Adjustments for:			
Interest income	22	(1,119,519)	(1,060,820)
Interest expense	23	1,464,358	1,331,345
Depreciation and amortisation	24	608,978	567,356
CPF Housing Grant net off against sale proceeds on sale of the flat	28	342,167	318,524
Provision for foreseeable loss for properties under development/for sale	24	4,476,932	5,121,997
Loss on disposal/write-off of assets (net)		3,820	2,388
Reversal of impairment losses on property, plant and equipment and investment properties (net)	24	(288)	(581)
Allowance for impairment losses and amount written off on loans receivable and debtors	24	7,835	6,051
Amortisation of deferred income		(271,208)	(250,092)
Amortisation of transaction cost of bonds	23	12,549	12,265
Gain on derecognition of right-of-use assets	9	0	(145)
Investment income	22	(885)	(853)
Deficit before movement in working capital		(814,273)	(717,038)
Change in working capital:			
Properties under development		(16,097,854)	(14,289,573)
Properties for sale		6,779,397	7,011,517
Inventories of building materials		(265)	70
Trade and other receivables		(253,158)	(535,486)
Trade and other payables		256,431	706,865
Late payment charges on loans receivable		(8,267)	(8,309)
		(9,323,716)	(7,114,916)
Mortgage loan repayments and interest received		5,947,344	5,761,979
Mortgage loans granted		(7,424,692)	(7,779,888)
Interest paid on mortgage financing loans		(1,073,778)	(865,967)
Income tax paid		(4,711)	(4,139)
Deferred income received	21	817,463	800,229
Net cash used in operating activities		(11,876,363)	(9,919,740)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

HOUSING AND DEVELOPMENT BOARD AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)* FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	<u>Note</u>	<u>2024/2025</u> \$'000	<u>2023/2024</u> \$'000
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment, and investment properties		1,118	1,451
Purchase of property, plant and equipment, and investment properties		(3,265,950)	(2,001,179)
Acquisition/development costs of intangible assets	10	(30,325)	(6,268)
Interest received		3,566	12,857
Dividends received from other investments	22	885	853
Purchase of investments		(70,215)	0
Net cash used in investing activities		(3,360,921)	(1,992,286)
FINANCING ACTIVITIES			
Proceeds from loans payable		95,760,890	27,357,997
Repayment of loans payable		(87,658,296)	(21,386,672)
Interest paid		(797,340)	(659,312)
Government grant received	16	7,891,418	6,604,156
Dividends paid to non-controlling shareholders		(3,630)	(2,944)
Payment of principal portion of lease liabilities	9	(8,559)	(10,352)
Net cash provided by financing activities		15,184,483	11,902,873
Net decrease in cash and cash equivalents		(52,801)	(9,153)
Cash and cash equivalents at the beginning of year		183,562	192,715
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	18	130,761	183,562
<u>Reconciliation of liabilities arising from financing activities</u>			
Group			
Total loans payable as at 1 April	19	72,049,460	65,927,070
Increase/(decrease) through financing cash flows:			
Proceeds from loans payable		95,760,890	27,357,997
Repayment of loans payable		(87,658,296)	(21,386,672)
Net increase through financing cash flows		8,102,594	5,971,325
Increase through non-cash changes:			
Amortisation of transaction cost of bonds	23	12,549	12,265
Net increase in interest payable	19	31,337	138,800
Net increase through non-cash changes		43,886	151,065
Total loans payable as at 31 March	19	80,195,940	72,049,460

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

HOUSING AND DEVELOPMENT BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

1. GENERAL INFORMATION

The Housing and Development Board (“HDB”) is a statutory board incorporated under the Housing and Development Act 1959 (“H&D Act”) under the purview of the Ministry of National Development (“MND”). As a statutory board, the HDB is subject to the directions of the MND and is required to implement policies and comply with instructions from its supervisory Ministry and other Government Ministries and Departments such as the Ministry of Finance (“MOF”). The HDB is also subject to the provisions of the Public Sector (Governance) Act 2018 (“PSG Act”).

The address of the HDB is HDB Hub 480, Lorong 6 Toa Payoh, Singapore 310480.

The principal activities of the HDB consist of the sale and rental of residential flats, the upgrading and redevelopment of older estates, and the provision of mortgage loans to eligible purchasers of flats under the public housing schemes. In addition, the HDB develops and manages ancillary facilities such as commercial properties, car parks, and other amenities in the housing estates.

The principal activities of the subsidiaries are detailed in Note 11 to the financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 *Basis of preparation*

The consolidated financial statements of the Group have been prepared in accordance with the historical cost basis, except as disclosed in accounting policies below, and are drawn up in accordance with the provisions of the H&D Act, the PSG Act, and Singapore Statutory Board Financial Reporting Standards (“SB-FRS”) including related interpretations (“INT SB-FRS”) and Guidance Notes.

The financial statements are presented in Singapore dollar, which is the HDB’s functional currency, and rounded to the nearest thousand (\$’000), unless otherwise stated.

2.2 *New accounting standards effective 1 April 2024*

The accounting policies adopted are consistent with those previously applied under SB-FRSs except that in the current financial year, the Group has adopted all the SB-FRSs which are effective for annual financial periods beginning on or after 1 April 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the HDB.

2.3 *New or revised accounting standards and interpretations*

Below are the mandatory standards, amendments and interpretation to existing standards that have been published, and are relevant for the Group’s accounting periods beginning on or after 1 April 2025 and which the Group has not early adopted:

- Amendments to SB-FRS 109 and SB-FRS 107: Amendments to the Classification and Measurement of Financial Instruments
- Annual Improvements to SB-FRSs - Volume 11
- SB-FRS 118 Presentation and Disclosure in Financial Statements
- SB-FRS 119 Subsidiaries without Public Accountability: Disclosures
- Amendments to SB-FRS 110 and SB-FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

2. MATERIAL ACCOUNTING POLICY INFORMATION (*continued*)

2.3 *New or revised accounting standards and interpretations (continued)*

Management has considered and is of the view that the adoption of the new or revised accounting standards and interpretations will have no material impact on the financial statements in the period of their initial adoption, apart from SB-FRS 118 Presentation and Disclosure in Financial Statements issued on 9 December 2024, effective for financial years beginning on or after 1 January 2027.

SB-FRS 118 is a new standard that replaces SB-FRS 1 Presentation of Financial Statements. SB-FRS 118 introduces new categories of subtotals in the statement of profit or loss. Entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, wherein the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for the location, aggregation and disaggregation of financial information.

In addition, narrow-scope amendments have been made to SB-FRS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. SB-FRS 118 will apply retrospectively.

The new standard may have impact on the disclosure in the financial statements but not on the measurement or recognition of items in the Group's financial statements. The Group is currently assessing the impact of applying the new standard on the financial statements.

2.4 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the HDB and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the HDB. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All significant intra-group transactions, balances, unrealised income and expenses on transactions between group entities are eliminated on consolidation.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and continues to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

2.5 *Transactions with non-controlling interests*

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holder of the HDB. They are shown separately in the consolidated income and expenditure statement, statement of comprehensive income, statement of changes in capital and reserves, and balance sheet.

2.6 *Subsidiaries*

Subsidiaries are all 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 over the entity.

In the HDB's balance sheet, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in the income and expenditure statement.

2. MATERIAL ACCOUNTING POLICY INFORMATION (*continued*)

2.7 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when the Group becomes a party to the contractual provisions of the financial instruments.

Except for trade receivables, at initial recognition the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the income and expenditure statement.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, as the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

The Group classifies its financial assets into the following measurement categories:

- (i) Amortised cost; and
- (ii) Fair value through other comprehensive income (“FVOCI”)

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the contractual cash flow characteristics of the asset. The subsequent measurement of the financial assets depends on their classification.

- (i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the income and expenditure statement when the assets are derecognised or impaired, and through amortisation process.

- (ii) FVOCI

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in the income and expenditure statement. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income and expenditure statement as a reclassification adjustment when the financial asset is derecognised.

Equity instruments

The Group subsequently measures all its investments in equity instruments at their fair values. As the Group’s investments in equity instruments are not held for trading, the Group has irrevocably elected to present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognised in the income and expenditure statement when the Group’s right to receive payments is established.

2. MATERIAL ACCOUNTING POLICY INFORMATION (*continued*)

2.7 *Financial instruments (continued)*

(a) *Financial assets (continued)*

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired.

On derecognition of a debt instrument, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the income and expenditure statement.

On derecognition of an equity instrument, any difference between the carrying amount and the sum of the consideration received would be recognised in other comprehensive income and transferred to retained earnings along with the amount previously recognised in other comprehensive income relating to that asset.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

The housing development loans, mortgage financing loans and upgrading financing loans are borrowed from the Singapore Government under the Agreements for Loan Facility.

The mortgage financing loans and upgrading financing loans are obtained to finance the mortgage loans granted to lessees for purchase of flats under public housing schemes and the deferred payment scheme granted to lessees of upgraded flats. The housing development loans, bonds and bank loans are to finance the HDB's development programmes and operational requirements. The MOF will act as a lender of last resort to the HDB for its funding requirements. The MOF has funded the HDB's past deficits. The provision of any loan or funding (including the quantum) are at the absolute discretion of the Minister for Finance and the Government of Singapore, which do not guarantee the direct or indirect payment of any debt obligations of the HDB.

These loans payable are initially recognised at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of significant transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (Note 2.21).

Subsequent measurement

After initial recognition, financial liabilities not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the income and expenditure statement when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in the income and expenditure statement.

2. MATERIAL ACCOUNTING POLICY INFORMATION (*continued*)

2.7 *Financial instruments (continued)*

(c) *Offsetting of financial instruments*

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Further details can be found in Note 4(b) to the financial statements.

2.8 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

For debt instruments at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 *Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) *Group as a lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term.

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease as a receivable. Any differences between the right-of-use asset derecognised and the net investment in the sublease is recognised in the income and expenditure statement. The lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor. When the sublease is assessed as an operating lease, the Group recognises rental income from the sublease. The right-of-use asset relating to the head lease is not derecognised.

2. MATERIAL ACCOUNTING POLICY INFORMATION (*continued*)

2.9 *Leases (continued)*

(b) *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets is measured at the amount of lease liabilities recognised, and depreciated on a straight-line basis over the lease term. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.12.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.10 *Property, plant and equipment*

All land and buildings owned by the HDB on 1 April 1985 were valued at that date for the purpose of creating asset accounts arising from a change in accounting policy. A second valuation was conducted for commercial and industrial properties on 31 March 1986. Additional information on the valuation of properties is made in Note 5(d). The valuation of these properties was taken as the deemed cost of these properties and subsequently carried at deemed cost less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment acquired or constructed after 1 April 1985 are initially carried at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses.

When a building comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

2. MATERIAL ACCOUNTING POLICY INFORMATION (*continued*)

2.10 *Property, plant and equipment (continued)*

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Years</u>
<u>Land and Buildings</u>	
Leasehold land	Over the lease period up to 99 years
Buildings	Over the lease period up to 60 years
Leasehold properties	30 years

Others

Plant and machinery	3 to 10 years
Office equipment	3 to 10 years
Furniture, fittings, and fixtures	5 to 10 years
Motor vehicles	6 years

Fully depreciated assets still in use are retained in the financial statements.

No depreciation is charged on freehold land, leasehold land of 999 years, and artworks.

Assets under development (which are classified as property, plant and equipment) are carried at cost, less any recognised impairment losses. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Property, plant and equipment costing less than \$5,000 each are charged to the income and expenditure statement in the year of purchase.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the income and expenditure statement.

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 entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the income and expenditure statement when incurred.

2.11 *Investment properties*

Investment properties, comprising commercial complexes and land, are held to earn rentals. Investment properties include assets under development that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment losses. When a building comprises major components having different useful lives, each significant component is depreciated separately. Depreciation is determined on a straight-line basis over the estimated useful lives. The useful lives are stated in Note 2.10.

Assets under development are initially recognised at cost and subsequently carried at cost less any impairment losses. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

2. MATERIAL ACCOUNTING POLICY INFORMATION (*continued*)

2.11 *Investment properties (continued)*

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of investment properties is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the income and expenditure statement.

The cost of major improvements is capitalised and the carrying amounts of the replaced components are recognised in the income and expenditure statement. The cost of maintenance, repairs and minor improvements is recognised in the income and expenditure statement when incurred.

2.12 *Impairment of non-financial assets*

At the end of the reporting period, property, plant and equipment, investment properties, investment in subsidiaries, right-of-use assets, and intangible assets are reviewed for events or changes in circumstances that may indicate that these assets are impaired.

Cash-generating assets are assets held with the primary objective of generating a commercial return. Non-cash-generating assets are assets other than cash-generating assets.

For cash-generating assets, if any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) of the asset is estimated to determine the amount of impairment loss. The recoverable amount is determined in-house using the comparable sales method or the income approach based on contractual or market rents, on an individual asset basis. If the asset generates cash inflows that are largely independent of those from other assets, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For non-cash-generating assets, if there is any indication of impairment, the recoverable service amount (i.e. the higher of the fair value less cost to sell and the value in use) of the asset, is estimated to determine the amount of impairment loss.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised as operating expenses in the income and expenditure statement unless it reverses a previous revaluation credited to asset revaluation reserve for that asset, in which case the impairment loss is charged to asset revaluation reserve.

An impairment loss for an asset 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 is recognised in the income and expenditure statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in the income and expenditure statement.

2.13 *Intangible assets*

Intangible assets acquired or developed by external vendors for the Group, which comprise software licences, are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

2. MATERIAL ACCOUNTING POLICY INFORMATION (*continued*)

2.13 *Intangible assets (continued)*

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The effects of any revision are recognised in the income and expenditure statement when the changes arise.

An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income and expenditure statement.

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including manpower costs, which enhance or extend the performance of software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income and expenditure statement using the straight-line method over their estimated useful lives of 3 to 8 years.

The amortisation period and amortisation method are reviewed at least at each balance sheet date. The effects of any revision are recognised in the income and expenditure statement when the changes arise.

2.14 *Properties under development*

Properties under development include properties for sale under development and cost of upgrading sold properties.

The cost of properties under development includes acquisition costs, borrowing costs and other related development expenditure. Finance expenses are capitalised until the completion of development.

Properties under development are stated at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business.

Development of flats for sale is expected to incur a loss on sale. Provision for foreseeable loss is determined as the difference between estimated development costs and net realisable value, and charged to the income and expenditure statement when this difference can be determined reliably. The net realisable value is the estimated selling price (net of CPF Housing Grant (Note 2.25)) in the ordinary course of business. When the development of flats is completed and the flats are transferred to the properties for sale, the corresponding provision is transferred and released when the flat is sold.

2.15 *Properties for sale*

Properties for sale are stated at the lower of cost and net realisable value. Selling price and cost are on specific identification. The net realisable value is the estimated selling price (net of CPF Housing Grant (Note 2.25)) in the ordinary course of business.

Foreseeable loss for flats developed or acquired is provided for the difference between the cost and net realisable value, and charged to the income and expenditure statement. The provision for foreseeable loss is released on sale of the flat.

2. MATERIAL ACCOUNTING POLICY INFORMATION (*continued*)

2.16 *Inventories of building materials*

Inventories of building materials are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business.

2.17 *Cash and bank balances*

Cash and bank balances comprise cash at banks and bank deposits. Funds held on behalf of Club HDB and Government are excluded from cash and cash equivalents in the statement of cash flows.

2.18 *Government grant*

The HDB's deficit is fully covered by government grant. In addition, a grant is given to the HDB so that the reserves of past governments are protected in accordance with the Constitution of the Republic of Singapore.

The government grant is recognised as income when conditions are met. The government grant is received in advance, except for the grant to finance the provision for foreseeable loss on properties under development/for sale and impairment allowance of loans receivable. The amount to finance the foreseeable loss provision and impairment allowance is received when the loss is realised. The Government may also provide grants in advance to partially finance the provision for foreseeable loss on properties under development.

The cumulative grants received from the Government since the establishment of the HDB are disclosed in Note 26 to the financial statements.

2.19 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.20 *Revenue recognition*

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Sale proceeds*

Proceeds (net of CPF Housing Grant (Note 2.25)) from sale of flats, proceeds from sale of other properties and building materials are recognised as income when the customer obtains control of the asset, upon transfer of the ownership of the goods to the customer.

2. MATERIAL ACCOUNTING POLICY INFORMATION (*continued*)

2.20 Revenue recognition (*continued*)

(b) *Interest income*

Interest income is earned mainly from mortgage loans granted to purchasers of flats under public housing schemes and deferred payment scheme granted to lessees of upgraded flats. It is accrued on a time proportion basis, with reference to the principal outstanding and at the effective interest rate applicable.

(c) *Rental and related income*

Rental and related income from operating leases of rental properties are recognised in accordance with the accounting policy in Note 2.9 to the financial statements.

(d) *Car park income*

Season parking fees are recognised on a time proportion basis. Short-term parking fees are recognised as income upon receipt of payments. Car park income is from car parks in the HDB housing estates and in commercial complexes.

(e) *Recoveries*

Recoveries from the lessees and Town Councils for their share of the upgrading cost are recognised as income upon completion of the upgrading works, which is when the performance obligation is satisfied.

(f) *Agency and consultancy fees*

Agency fees from agency projects and consultancy fees are recognised as income over time, based on the progress of work performed.

(g) *Dividend income*

Dividend income is recognised when the shareholder's right to receive payment is established.

2.21 Finance expenses

(a) *Housing development loans, bank loans and bonds*

The HDB's development programmes and operational requirements are financed by housing development loans from the Government, bank loans and bonds issued (Note 2.7(b)). Finance expenses, comprising interest incurred on the loans and bonds, are accrued based on the effective interest rates and recognised in the income and expenditure statement, except to the extent that they are capitalised based on an average capitalisation rate during the period of time that is required to complete and prepare the asset for its intended use.

(b) *Mortgage and upgrading financing loans*

The HDB provides financing schemes to purchasers of flats under public housing schemes and lessees of upgraded flats. The schemes are financed by mortgage and upgrading financing loans from the Government. Interest expenses are charged to the income and expenditure statement in the period in which they are incurred.

2.22 Employee benefits

(a) *Defined contribution plans: Singapore Central Provident Fund (CPF) contributions*

Contributions on the Group's employees' salaries are made to the CPF as required by law. The CPF contributions are recognised in the income and expenditure statement in the period when the employees rendered their services entitling them to the contributions. The Group has no further payment obligations once the contributions have been paid.

2. MATERIAL ACCOUNTING POLICY INFORMATION (*continued*)

2.22 *Employee benefits (continued)*

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

2.23 *Contingencies*

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the balance sheet of the Group.

2.24 *Income tax*

The HDB is exempt from tax under Section 13(1)(e) of the Income Tax Act 1947.

The Group's income tax expense represents the sum of the current income tax and deferred tax of the subsidiaries of the HDB.

Current income tax 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 an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable income or expenditure at the time of the transaction.

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 tax are recognised as an expense or income in the income and expenditure statement, except when it relates to transactions which are recognised directly in equity.

2. MATERIAL ACCOUNTING POLICY INFORMATION (*continued*)

2.25 CPF housing grant

Under the CPF Housing Grant scheme, grants are disbursed to eligible households for purchase of flats in accordance with the approved housing policy.

The CPF Housing Grant and Selective En Bloc Redevelopment Scheme Grant are disbursed to eligible households for the purchase of flats from the HDB. These grants are recognised as trade and other receivables on disbursement, and net off from the sale proceeds (Note 2.20(a)) on sale of the flat.

The CPF Housing Grant is also disbursed to eligible households which purchase flats/executive condominiums from the resale market/private developers, or buyers who subsequently become eligible for the Citizen Top-Up Grant. The grants disbursed are recognised as expenses and reported as other expenses in the income and expenditure statement.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements apart from those involving estimates, which are dealt with below.

(a) *Estimation for allowance for impairment losses for loans receivable*

In the estimation of impairment losses for loans receivable, the Group considers the average resale price of flats in the same location and of similar flat type, the duration of the loan in arrears, the probability of default and the total outstanding loans receivable, taking into account current market and economic circumstances.

Management is of the opinion that adequate impairment losses, as disclosed in Note 8 to the financial statements, have been made.

The carrying amount of the Group's loans receivable is disclosed in Note 8 to the financial statements.

(b) *Estimation for impairment losses or reversals of impairment losses for property, plant and equipment, and investment properties*

At the end of each reporting period, management assesses whether there is any indication that property, plant and equipment and investment properties have suffered an impairment loss or require a reversal of previous impairment losses.

In the assessment of the impairment loss, the Group estimates the fair value less cost to sell of the properties or estimated future cash flows, with an appropriate discount rate to calculate the present value of the cash flows.

Management is of the opinion that adequate impairment losses, as disclosed in Notes 6 and 7 to the financial statements, have been made.

The carrying amounts of the Group's property, plant and equipment, and investment properties are disclosed in Notes 6 and 7 to the financial statements respectively.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (*continued*)(c) *Foreseeable losses relating to properties under development*

The estimated selling price (net of CPF Housing Grant (Note 2.25)) of the flat's location, design, and the estimated contract cost of the project are used to determine the foreseeable loss relating to properties under development.

The carrying amount of properties under development is disclosed in Note 14 to the financial statements.

4. FINANCIAL RISKS AND MANAGEMENT

The Group's activities expose it to a variety of risks as follows:

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	<u>Group</u>		<u>HDB</u>	
	<u>31 March 2025</u>	<u>31 March 2024</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>				
Loans and receivables (including cash and bank balances) ⁽¹⁾	47,923,073	47,023,194	47,795,781	46,830,065
Investment securities	89,176	16,124	0	0
<i>Financial liabilities (at amortised cost)</i>				
Loans payable	80,195,940	72,049,460	80,195,940	72,049,460
Lease liabilities	15,312	21,875	11,705	16,111
Payables (including amount due to subsidiary) ⁽²⁾	2,349,298	2,209,387	2,326,949	2,197,990

⁽¹⁾ Excludes prepayments and deferred costs.

⁽²⁾ Excludes down payment deposits and advances, deferred income, and provisions.

4. FINANCIAL RISKS AND MANAGEMENT (*continued*)(b) *Financial instruments subject to enforceable contractual netting arrangements*

Financial assets and liabilities subject to offsetting, enforceable contractual netting arrangements and similar agreements

	<u>Group and HDB</u>	
	<u>31 March 2025</u>	<u>31 March 2024</u>
	\$'000	\$'000
<i>Financial assets</i>		
<u>Trade receivables</u>		
Gross amounts of recognised financial assets	58,733	25,586
<i>Less:</i>		
Gross amounts of recognised liabilities set off in the balance sheets	(53,906)	(25,369)
Net amounts of assets presented in the balance sheets	<u>4,827</u>	<u>217</u>
<i>Financial liabilities</i>		
<u>Trade payables</u>		
Gross amounts of recognised financial liabilities	570,158	676,658
<i>Less:</i>		
Gross amounts of recognised assets set off in the balance sheets	(53,906)	(25,369)
Net amounts of liabilities presented in the balance sheets	<u>516,252</u>	<u>651,289</u>

(c) *Credit risk*

The Group's loans receivable comprise largely mortgage loans to purchasers of flats under the public housing schemes. Policies on loan quantum and credit assessment are in place for the granting of mortgage loans to flat buyers and the flats are held as collateral. In providing for the expected credit losses, the HDB considers the experience of loans with similar attributes. An allowance for impairment is made in respect of overdue loans receivable from flats buyers where the collateral held is insufficient to discharge the total loans receivable using the expected credit loss model (Note 2.8). The allowance represents the aggregate amount by which management considers it necessary to write down its loans receivable in order to state it in the balance sheet at its estimated recoverable value.

Although the Group's credit exposure is concentrated mainly in Singapore, it has no significant concentration of credit risk with any single loan recipient or group of loan recipients.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained.

Further details of credit risks on loans receivable and trade and other receivables are disclosed in Notes 8 and 17 to the financial statements respectively.

4. FINANCIAL RISKS AND MANAGEMENT (*continued*)*(d) Market risk**(i) Interest rate risk*

The Group's exposure to market risk for changes in interest rate relates primarily to the mortgage and upgrading financing loans payable and loans receivable both of which are pegged to the CPF rates. The Group manages its interest rate exposure by largely matching the terms of the mortgage and upgrading financing loans payable with those of the loans receivable. The Group also borrows housing development loans from the Government for its development programmes and operational requirements. The housing development loans are based on a variable interest rate.

In addition to government loans, the Group also accesses the capital market and financial institutions for its funding requirements as and when required. The bank loans are unsecured, borrowed at fixed interest rates and short-term in nature. Information relating to the Group's interest rate exposure is disclosed in the respective notes to the financial statements.

(ii) Foreign currency exchange risk

The Group has limited exposure to foreign currency exchange risk as its operations are substantially transacted in Singapore dollars.

All financial assets and liabilities reported on the balance sheets are denominated in Singapore dollars.

(iii) Equity price risk

The Group is not exposed to significant equity risks arising from equity investments, which are held for strategic rather than trading purposes. The Group does not actively trade equity investments. Any reasonably possible changes in prices of equity investments are not expected to have a significant impact on the Group's capital and reserves.

Further details of these equity investments can be found in Note 12 to the financial statements.

(e) Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate to finance its operations. Funding is also made available through an adequate amount of committed credit facilities. The MOF will act as a lender of last resort to the HDB for its funding requirements. The MOF has funded the HDB's past deficits. The provision of any loan or funding (including the quantum) are at the absolute discretion of the Minister for Finance and the Government of Singapore, which do not guarantee the direct or indirect payment of any debt obligations of the HDB.

4. FINANCIAL RISKS AND MANAGEMENT (*continued*)(e) *Liquidity risk (continued)**Financial liabilities*

The following tables detail the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the HDB can be contractually required to pay.

	<i>On demand or within 1 year</i>	<i>Within 1 to 5 years</i>	<i>After 5 years</i>
	\$'000	\$'000	\$'000
<i>Group</i>			
<i>31 March 2025</i>			
Loans payable	13,655,047	37,351,869	40,647,357
Lease liabilities	7,289	8,591	0
Payables ⁽¹⁾	2,349,298	0	0
	<u>13,655,047</u>	<u>37,351,869</u>	<u>40,647,357</u>
<i>31 March 2024</i>			
Loans payable	10,807,674	33,187,606	38,562,642
Lease liabilities	8,692	14,138	0
Payables ⁽¹⁾	2,209,387	0	0
	<u>10,807,674</u>	<u>33,187,606</u>	<u>38,562,642</u>
<i>HDB</i>			
<i>31 March 2025</i>			
Loans payable	13,655,047	37,351,869	40,647,357
Lease liabilities	5,395	6,697	0
Payables (including amount due to subsidiary) ⁽¹⁾	2,326,949	0	0
	<u>13,655,047</u>	<u>37,351,869</u>	<u>40,647,357</u>
<i>31 March 2024</i>			
Loans payable	10,807,674	33,187,606	38,562,642
Lease liabilities	5,385	11,406	0
Payables (including amount due to subsidiary) ⁽¹⁾	2,197,990	0	0
	<u>10,807,674</u>	<u>33,187,606</u>	<u>38,562,642</u>

⁽¹⁾ Excludes down payment deposits and advances, deferred income, and provisions.

(f) *Fair value of financial assets and liabilities*

The carrying amounts of cash and cash equivalents, trade and other current receivables, payables and other current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of loans receivable, loans payable, and investment securities are disclosed in the respective notes to financial statements.

4. FINANCIAL RISKS AND MANAGEMENT (*continued*)(f) *Fair value of financial assets and liabilities (continued)*

The fair values of financial assets (such as investment securities) that are traded in active liquid markets are determined with reference to quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the closing market price.

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2 — 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); and

Level 3 — Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	<u>Group</u>	
	<u>Level 1</u>	<u>Total</u>
	\$'000	\$'000
<i>31 March 2025</i>		
Investment securities	18,199	18,199
<i>31 March 2024</i>		
Investment securities	16,124	16,124

(g) *Capital risk management policies and objectives*

As a statutory board, the HDB's primary mission is to achieve the Government's social objectives. The HDB's development programmes and operational requirements are financed by housing development loans from the Government, bank loans and bonds issued. The MOF will act as a lender of last resort to the HDB for its funding requirements. The MOF has funded the HDB's past deficits. The provision of any loan or funding (including the quantum) are at the absolute discretion of the Minister for Finance and the Government of Singapore, which do not guarantee the direct or indirect payment of any debt obligations of the HDB.

The HDB's deficit is financed by government grant. A grant is also given to the HDB to protect the reserves of past governments in accordance with the Constitution of the Republic of Singapore. The HDB's mission and financing arrangement with the MOF remains unchanged from the last financial year.

5. CAPITAL AND RESERVES

(a) *Share capital*

Under the MOF's Capital Management Framework for Statutory Boards (Finance Circular Minute No. M26/2008), the HDB received \$1,000 equity contribution in 2008/2009 from the Minister for Finance, the body incorporated by the Minister for Finance (Incorporation) Act 1959.

(b) *Capital account*

The capital account represents:

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

5. CAPITAL AND RESERVES (*continued*)*(c) Capital gains reserve*

Under the Constitution of the Republic of Singapore, 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 relates to capital gains attributable to past governments on disposal of assets held at the changeover date of the Government.

For properties returned to the Government under Article 22B(9) of the Constitution, an amount equivalent to the net book value of the properties is charged to the capital gains reserve.

(d) Asset revaluation reserve

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

- (i) 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 of construction; and
- (ii) Land and buildings for commercial properties were valued at open market values.

The HDB conducted a second valuation for the commercial properties on 31 March 1986. The valuations were conducted by its 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. On 1 April 2005, the asset revaluation reserve in respect of investment properties was reclassified to capital gains reserve.

The balance in the asset revaluation reserve is released directly to retained earnings upon disposal of the other properties.

When properties which were previously carried at revalued amounts are impaired, the impairment loss would be charged to the asset revaluation reserve unless the balance in the asset revaluation reserve is insufficient to cover the loss, in which case the amount by which the loss exceeds the amount in the asset revaluation reserve in respect of the same class of assets is charged to the income and expenditure statement.

6. PROPERTY, PLANT AND EQUIPMENT

<i>Group</i>	<i>Freehold</i>	<i>Leasehold</i>	<i>Buildings</i>	<i>Leasehold</i>	<i>Assets under</i>	<i>Plant and</i>	<i>Office</i>	<i>Total</i>
	<i>Land</i>	<i>Land</i>		<i>Properties</i>	<i>Development</i>	<i>Machinery</i>	<i>Equipment, Furniture, Fittings, and Fixtures, and Vehicles</i>	
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Cost								
At 1 April 2023	171,111	17,635,258	15,634,367	23,888	3,874,731	7,151	58,249	37,404,755
Additions	8,152	631,346	397,949	0	959,882	0	3,850	2,001,179
Disposals/write-off	(355)	(21,695)	(12,535)	0	0	(1,022)	(4,357)	(39,964)
Transfer (to)/from investment properties	0	(1,433)	(6,140)	0	1,135	0	0	(6,438)
Transfer (to)/from properties for sale	(445)	28,845	35,993	0	0	0	0	64,393
Reclassifications within Note 6	0	423,132	619,141	0	(1,043,345)	1,429	(357)	0
At 31 March 2024	178,463	18,695,453	16,668,775	23,888	3,792,403	7,558	57,385	39,423,925
Accumulated depreciation and impairment losses								
At 1 April 2023	0	3,691,609	4,164,819	12,226	0	6,896	45,402	7,920,952
Depreciation	0	202,923	325,683	795	0	392	5,666	535,459
Disposals/write-off	0	(7,277)	(10,044)	0	0	(1,022)	(3,981)	(22,324)
Transfer to investment properties	0	(700)	(4,053)	0	0	0	0	(4,753)
Transfer to properties for sale	0	(3,208)	(6,591)	0	0	0	0	(9,799)
Reclassifications within Note 6	0	0	0	0	0	258	(258)	0
Reversal of impairment losses	0	(425)	(156)	0	0	0	0	(581)
At 31 March 2024	0	3,882,922	4,469,658	13,021	0	6,524	46,829	8,418,954
Carrying amount								
At 31 March 2024	178,463	14,812,531	12,199,117	10,867	3,792,403	1,034	10,556	31,004,971

6. PROPERTY, PLANT AND EQUIPMENT (*continued*)

<i>Group</i>	<i>Freehold</i>	<i>Leasehold</i>	<i>Buildings</i>	<i>Leasehold</i>	<i>Assets under</i>	<i>Plant and</i>	<i>Office</i>	<i>Total</i>
	<i>Land</i>	<i>Land</i>		<i>Properties</i>	<i>Development</i>	<i>Machinery</i>	<i>Equipment, Furniture, Fittings, and Fixtures, and Vehicles</i>	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost								
At 1 April 2024	178,463	18,695,453	16,668,775	23,888	3,792,403	7,558	57,385	39,423,925
Additions	7,259	625,430	389,792	0	2,234,675	172	8,622	3,265,950
Disposals/write-off	(212)	(11,253)	(3,729)	0	0	(59)	(2,847)	(18,100)
Transfer (to)/from investment properties	0	(6)	0	0	499	0	0	493
Transfer (to)/from properties for sale	(644)	45,777	101,908	0	0	0	0	147,041
Reclassifications within Note 6	0	533,874	819,361	0	(1,353,497)	262	0	0
At 31 March 2025	184,866	19,889,275	17,976,107	23,888	4,674,080	7,933	63,160	42,819,309
Accumulated depreciation and impairment losses								
At 1 April 2024	0	3,882,922	4,469,658	13,021	0	6,524	46,829	8,418,954
Depreciation	0	217,308	353,339	795	0	448	5,866	577,756
Disposals/write-off	0	(3,796)	(2,569)	0	0	(59)	(2,833)	(9,257)
Transfer to investment properties	0	(2)	0	0	0	0	0	(2)
Transfer to properties for sale	0	(3,115)	(6,220)	0	0	0	0	(9,335)
Reversal of impairment losses	0	(399)	(60)	0	0	0	0	(459)
At 31 March 2025	0	4,092,918	4,814,148	13,816	0	6,913	49,862	8,977,657
Carrying amount								
At 31 March 2025	184,866	15,796,357	13,161,959	10,072	4,674,080	1,020	13,298	33,841,652

6. PROPERTY, PLANT AND EQUIPMENT (*continued*)

	<i>Freehold Land</i>	<i>Leasehold Land</i>	<i>Buildings</i>	<i>Leasehold Properties</i>	<i>Assets under Development</i>	<i>Plant and Machinery</i>	<i>Office Equipment, Furniture, Fittings, and Fixtures, and Vehicles</i>	<i>Total</i>
<i>HDB</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Cost								
At 1 April 2023	171,111	17,635,258	15,612,554	23,888	3,874,731	6,991	50,590	37,375,123
Additions	8,152	631,346	397,949	0	959,882	0	3,793	2,001,122
Disposals/write-off	(355)	(21,695)	(11,004)	0	0	(1,022)	(3,541)	(37,617)
Transfer (to)/from investment properties	0	(1,433)	(6,140)	0	1,135	0	0	(6,438)
Transfer (to)/from properties for sale	(445)	28,845	35,993	0	0	0	0	64,393
Reclassifications within Note 6	0	423,132	619,141	0	(1,043,345)	1,429	(357)	0
At 31 March 2024	178,463	18,695,453	16,648,493	23,888	3,792,403	7,398	50,485	39,396,583
Accumulated depreciation and impairment losses								
At 1 April 2023	0	3,691,609	4,152,105	12,226	0	6,736	40,813	7,903,489
Depreciation	0	202,923	324,751	795	0	392	4,686	533,547
Disposals/write-off	0	(7,277)	(8,541)	0	0	(1,022)	(3,538)	(20,378)
Transfer to investment properties	0	(700)	(4,053)	0	0	0	0	(4,753)
Transfer to properties for sale	0	(3,208)	(6,591)	0	0	0	0	(9,799)
Reclassifications within Note 6	0	0	0	0	0	258	(258)	0
Reversal of impairment losses	0	(425)	(156)	0	0	0	0	(581)
At 31 March 2024	0	3,882,922	4,457,515	13,021	0	6,364	41,703	8,401,525
Carrying amount								
At 31 March 2024	178,463	14,812,531	12,190,978	10,867	3,792,403	1,034	8,782	30,995,058

6. PROPERTY, PLANT AND EQUIPMENT (*continued*)

	<i>Freehold Land</i>	<i>Leasehold Land</i>	<i>Buildings</i>	<i>Leasehold Properties</i>	<i>Assets under Development</i>	<i>Plant and Machinery</i>	<i>Office Equipment, Furniture, Fittings, and Fixtures, and Vehicles</i>	<i>Total</i>
<i>HDB</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Cost								
At 1 April 2024	178,463	18,695,453	16,648,493	23,888	3,792,403	7,398	50,485	39,396,583
Additions	7,259	625,430	389,792	0	2,234,675	172	8,401	3,265,729
Disposals/write-off	(212)	(11,253)	(3,013)	0	0	(59)	(1,915)	(16,452)
Transfer (to)/from investment properties	0	(6)	0	0	499	0	0	493
Transfer (to)/from properties for sale	(644)	45,777	101,908	0	0	0	0	147,041
Reclassifications within Note 6	0	533,874	819,361	0	(1,353,497)	262	0	0
At 31 March 2025	184,866	19,889,275	17,956,541	23,888	4,674,080	7,773	56,971	42,793,394
Accumulated depreciation and impairment losses								
At 1 April 2024	0	3,882,922	4,457,515	13,021	0	6,364	41,703	8,401,525
Depreciation	0	217,308	352,915	795	0	448	5,184	576,650
Disposals/write-off	0	(3,796)	(1,853)	0	0	(59)	(1,915)	(7,623)
Transfer to investment properties	0	(2)	0	0	0	0	0	(2)
Transfer to properties for sale	0	(3,115)	(6,220)	0	0	0	0	(9,335)
Reversal of impairment losses	0	(399)	(60)	0	0	0	0	(459)
At 31 March 2025	0	4,092,918	4,802,297	13,816	0	6,753	44,972	8,960,756
Carrying amount								
At 31 March 2025	184,866	15,796,357	13,154,244	10,072	4,674,080	1,020	11,999	33,832,638

6. PROPERTY, PLANT AND EQUIPMENT (*continued*)

Land and buildings comprise residential car parks, flats on rental or short-term leases, commercial properties, and markets and hawker centres. Under the agreement with the National Environment Agency (“NEA”) for the management and maintenance of markets and hawker centres belonging to HDB, the NEA shall retain the rental collected, bear the operating expenses and reimburse the HDB for the holding costs of these properties. The reimbursement is recorded in “Recoveries” (Note 22). The net book value of these markets and hawker centres was \$343 million (2023/2024: \$352 million).

The impairment losses and reversal of impairment losses in respect of certain commercial properties were recognised based on the estimated recoverable values, taking into account the recent tenders and market comparables for these properties.

7. INVESTMENT PROPERTIES

	<u>Group</u>	<u>HDB</u>
	\$'000	\$'000
Cost		
At 1 April 2023	1,215,303	1,213,446
Disposals/write-off	(5,557)	(5,557)
Transfer from property, plant and equipment	6,438	6,438
At 31 March 2024	<u>1,216,184</u>	<u>1,214,327</u>
Accumulated depreciation and impairment losses		
At 1 April 2023	411,975	411,409
Depreciation	16,411	16,386
Disposals/write-off	(5,557)	(5,557)
Transfer from property, plant and equipment	4,753	4,753
At 31 March 2024	<u>427,582</u>	<u>426,991</u>
Carrying amount		
At 31 March 2024	<u><u>788,602</u></u>	<u><u>787,336</u></u>
Fair value		
At 31 March 2024	<u><u>5,774,141</u></u>	<u><u>5,769,841</u></u>

7. INVESTMENT PROPERTIES (*continued*)

	<u>Group</u>	<u>HDB</u>
	\$'000	\$'000
Cost		
At 1 April 2024	1,216,184	1,214,327
Transfer to property, plant and equipment	(493)	(493)
At 31 March 2025	<u>1,215,691</u>	<u>1,213,834</u>
Accumulated depreciation and impairment losses		
At 1 April 2024	427,582	426,991
Depreciation	16,173	16,148
Transfer from property, plant and equipment	2	2
At 31 March 2025	<u>443,757</u>	<u>443,141</u>
Carrying amount		
At 31 March 2025	<u>771,934</u>	<u>770,693</u>
Fair value		
At 31 March 2025	<u>5,727,162</u>	<u>5,722,862</u>

The fair value of the investment properties, which are leasehold in nature, is determined based on the comparable sales method or the income approach as stated in Note 2.12 to the financial statements based on the properties' highest and best use.

The fair value of the Group's investment properties, classified as Level 3 fair value, has been derived using the comparable sales method. In arriving at its fair value, the selling price of shops and office in the vicinity are considered. Adjustments have been made to reflect the differences in size, location, condition, tenure, prevailing market conditions including improvements in market rentals and other relevant factors affecting its fair value.

In the absence of available market information on comparable sales, fair value of the Group's investment properties is derived based on the income method. In arriving at its fair value, the contractual or market rents are considered with the application of an appropriate discount rate to obtain the present value of future cash flows.

The property rental income from the Group's investment properties all of which are leased out under operating leases, amounted to \$178 million (2023/2024: \$170 million). Direct operating expenses (including repairs and maintenance) arising from the rental-generating investment properties amounted to \$79 million (2023/2024: \$73 million).

The impairment losses and reversal of impairment losses are recognised to reflect the estimated recoverable amount based on the prevailing market conditions.

8. LOANS RECEIVABLE

	<i>Group and HDB</i>	
	<i>31 March 2025</i>	<i>31 March 2024</i>
	\$'000	\$'000
<i>Loans receivable</i>		
Mortgage loans for flats	43,907,700	41,312,845
Late payment charges for mortgage loans	55,780	47,677
	<u>43,963,480</u>	<u>41,360,522</u>
<i>Deferred receivable</i>		
Upgrading costs due from lessees	30,988	34,123
	<u>43,994,468</u>	<u>41,394,645</u>
<i>Less:</i>		
Allowance for impairment losses	(1,970)	(2,148)
Balance as at 31 March	<u>43,992,498</u>	<u>41,392,497</u>
Represented by amount receivable:		
Within 1 year	2,839,437	2,704,081
Later than 1 year but not more than 2 years	2,378,453	2,258,493
Later than 2 years but not more than 5 years	6,999,310	6,688,437
Later than 5 years	31,775,298	29,741,486
	<u>43,992,498</u>	<u>41,392,497</u>

The mortgage loans are granted to the buyers of flats under the public housing schemes (Note 19) with the flats held as collateral. The carrying amounts of loans receivable approximate their fair values.

The loans receivable and deferred receivable are denominated in Singapore dollars.

The movement in allowance for impairment losses on loans receivable for the Group is as follows:

	<i>Group and HDB</i>	
	<i>31 March 2025</i>	<i>31 March 2024</i>
	\$'000	\$'000
Balance as at 1 April	2,148	2,232
Reversal of loss allowance	(78)	(51)
Bad debts written off against allowance	(100)	(33)
Balance as at 31 March	<u>1,970</u>	<u>2,148</u>

For the loans receivable, there is no significant loss allowance provided in relation to the next 12 months.

8. LOANS RECEIVABLE (*continued*)

The average effective interest rates and repayment terms on the loans are:

	<u>Interest rate</u> (per annum)	<u>Repayment term</u>
Mortgage loans granted to lessees for purchase of flats under public housing schemes	2.60% or 3.16% (2023/2024: 2.60% or 3.16%)	Up to 30 years
Upgrading costs due from flat lessees	2.60% or 3.16% (2023/2024: 2.60% or 3.16%)	Up to 25 years

A credit assessment based on objective criteria is carried out for loans granted. The loans are secured by the flats that are sold. The loans are collected through monthly instalment payments from the loan recipients. Instalment payments are due on the 1st day of every month. Late payment charges will be imposed based on the outstanding balance as at the end of each month, in accordance with the Housing and Development (Penalties for Late Payment) Rules and the Housing and Development (Interest and Penalties for Late Payment of Improvement Contributions) Rules.

In determining the recoverability of the loans receivable, the HDB considers any change in credit quality of the loan, the probability of default, the duration of the loan in arrears, and the market value of the collateral as at the reporting date. Accordingly, an allowance of \$2 million (2023/2024: \$2 million) representing 0.01% (2023/2024: 0.01%) of the total loans receivable had been made.

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	<u>Group</u> 31 March 2024				<u>HDB</u> 31 March 2024			
	\$'000				\$'000			
	<u>Buildings</u>	<u>Plant and Machinery</u>	<u>Office Equipment and Vehicles</u>	<u>Total</u>	<u>Buildings</u>	<u>Plant and Machinery</u>	<u>Office Equipment and Vehicles</u>	<u>Total</u>
As at 1 April	11,691	6,695	544	18,930	992	6,695	19	7,706
Additions	2,253	15,376	289	17,918	1,720	15,376	223	17,319
Depreciation	(5,848)	(4,093)	(393)	(10,334)	(921)	(4,093)	(50)	(5,064)
Derecognition ^(a)	(2,464)	(3,920)	0	(6,384)	0	(3,920)	0	(3,920)
As at 31 March	5,632	14,058	440	20,130	1,791	14,058	192	16,041

	<u>Group</u> 31 March 2025				<u>HDB</u> 31 March 2025			
	\$'000				\$'000			
	<u>Buildings</u>	<u>Plant and Machinery</u>	<u>Office Equipment and Vehicles</u>	<u>Total</u>	<u>Buildings</u>	<u>Plant and Machinery</u>	<u>Office Equipment and Vehicles</u>	<u>Total</u>
As at 1 April	5,632	14,058	440	20,130	1,791	14,058	192	16,041
Additions	759	78	1,159	1,996	759	78	0	837
Depreciation	(3,717)	(4,276)	(427)	(8,420)	(1,004)	(4,276)	(49)	(5,329)
As at 31 March	2,674	9,860	1,172	13,706	1,546	9,860	143	11,549

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (*continued*)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	<u>Group</u>		<u>HDB</u>	
	<u>31 March 2025</u>	<u>31 March 2024</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
	\$'000	\$'000	\$'000	\$'000
As at 1 April	21,875	20,838	16,111	7,890
Additions	1,996	17,918	837	17,319
Accretion of interest (Note 23)	511	602	325	268
Payments	(9,070)	(10,954)	(5,568)	(5,301)
Derecognition ^(a)	0	(6,529)	0	(4,065)
As at 31 March	<u>15,312</u>	<u>21,875</u>	<u>11,705</u>	<u>16,111</u>
Current	7,093	8,467	5,328	5,320
Non-current	8,219	13,408	6,377	10,791

^(a) The derecognition is due to the remeasurement of lease liabilities.

The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for leases with lease terms of 12 months or less and leases of equipment with low-value. The expenses for short-term leases and leases of low-value assets are disclosed in Note 24.

10. INTANGIBLE ASSETS

	<u>Group</u>	<u>HDB</u>
	<u>\$'000</u>	<u>\$'000</u>
	<u>Software licences</u>	<u>Software licences</u>
Cost		
At 1 April 2023	18,742	17,103
Additions	6,268	6,235
Disposals/write-off	(53)	0
At 31 March 2024	<u>24,957</u>	<u>23,338</u>
Accumulated amortisation and impairment losses		
At 1 April 2023	5,190	4,140
Amortisation	5,152	4,884
Disposals/write-off	(27)	0
At 31 March 2024	<u>10,315</u>	<u>9,024</u>
Net carrying amount		
At 31 March 2024	<u>14,642</u>	<u>14,314</u>
Cost		
At 1 April 2024	24,957	23,338
Additions	30,325	30,155
At 31 March 2025	<u>55,282</u>	<u>53,493</u>
Accumulated amortisation and impairment losses		
At 1 April 2024	10,315	9,024
Amortisation	6,629	6,396
At 31 March 2025	<u>16,944</u>	<u>15,420</u>
Net carrying amount		
At 31 March 2025	<u>38,338</u>	<u>38,073</u>

11. INVESTMENT IN SUBSIDIARIES

	<u>HDB</u>	
	<u>31 March 2025</u>	<u>31 March 2024</u>
	\$'000	\$'000
Unquoted equity investment at cost	<u>1,500</u>	<u>1,500</u>

Details of the subsidiaries at the end of the reporting period are as follows:

<u>Name of subsidiaries</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Percentage of equity held</u>	
			<u>31 March 2025</u>	<u>31 March 2024</u>
			%	%
<i>Direct subsidiary</i>				
E M Services Pte Ltd ^(a)	Property management and engineering services	Singapore	75	75
<i>Indirect subsidiaries</i>				
E M Real Estate Pte Ltd ^(a)	Property management	Singapore	100	100
E M Learning Pte Ltd ^(a)	Corporate training services	Singapore	100	100
E M Engineering Pte Ltd ^(a)	Engineering services	Singapore	100	100

^(a) Audited by KPMG LLP.

12. INVESTMENT SECURITIES

	<u>Group</u>	
	<u>31 March 2025</u>	<u>31 March 2024</u>
	\$'000	\$'000
<i>Current investments:</i>		
Debt securities (quoted), at amortised cost	<u>70,977</u>	<u>0</u>
<i>Non-current investments:</i>		
Equity securities (quoted), at fair value	<u>18,199</u>	<u>16,124</u>

The debt securities at amortised cost refers to investment in treasury bill. They are measured at amortised cost using the effective interest method of any difference between the initial amount and maturity amount. The effective interest rate was calculated based on estimated future cash payments at the maturity of treasury bill.

The equity securities are measured at FVOCI. The fair value of investments in quoted investments is based on the quoted closing market prices on the last market day of the financial year. These are classified as Level 1 of the fair value hierarchy.

13. INCOME TAX

(a) *Income tax expense*

	<i>Group</i>	
	<u>2024/2025</u>	<u>2023/2024</u>
	\$'000	\$'000
Tax expense attributable to profit is made up of:		
— Current income tax	4,082	5,035
— Deferred income tax	(1,477)	(1,905)
	<u>2,605</u>	<u>3,130</u>
(Over)/under provision in prior years		
— Current income tax	(32)	1,228
— Deferred income tax	10	11
	<u>(22)</u>	<u>1,239</u>
	<u>2,583</u>	<u>4,369</u>
<i>Reconciliation of effective tax rate:</i>		
Net surplus before taxation	10,088	25,392
<i>Add/(less):</i>		
Net deficit/(surplus) of the HDB excluding intra-group transactions that is not subject to tax	4,070	(6,502)
Net surplus subject to taxation	<u>14,158</u>	<u>18,890</u>
Tax at statutory rate of 17% (2023/2024: 17%)	2,407	3,211
Expenses not deductible for tax purpose	270	75
Tax exempt income	(83)	(60)
Income not subject to tax	0	(94)
(Over)/under provision of tax in prior years	(22)	1,239
Change in unrecognised temporary differences	11	(2)
	<u>2,583</u>	<u>4,369</u>

(b) *Deferred tax assets/(liabilities)*

The following are the major deferred tax assets and liabilities recognised by the Group, and the movements thereon, during the current and prior reporting periods:

	<i>Deferred tax liabilities</i>	<i>Deferred tax assets</i>		<i>Deferred tax assets/(liabilities)</i>
	<i>Capital allowances</i>	<i>Accrued operating expenses</i>	<i>Lease liabilities-net</i>	<i>Total</i>
	\$'000	\$'000	\$'000	\$'000
<i>Group</i>				
At 31 March 2023	(2,331)	632	154	(1,545)
Charged to income and expenditure statement	1,852	101	(59)	1,894
At 31 March 2024	(479)	733	95	349
Charged to income and expenditure statement	230	1,277	(40)	1,467
At 31 March 2025	<u>(249)</u>	<u>2,010</u>	<u>55</u>	<u>1,816</u>

14. PROPERTIES UNDER DEVELOPMENT

	<i>Group and HDB</i>	
	<i>31 March 2025</i>	<i>31 March 2024</i>
	\$'000	\$'000
Land	26,861,239	21,973,651
Buildings	8,669,670	7,376,930
Upgrading works	18,124	7,454
	<u>35,549,033</u>	<u>29,358,035</u>
<i>Less:</i>		
Provision for foreseeable loss (Note 2.14)	(15,820,959)	(13,400,579)
Balance as at 31 March	<u><u>19,728,074</u></u>	<u><u>15,957,456</u></u>

15. PROPERTIES FOR SALE

	<i>Group and HDB</i>	
	<i>31 March 2025</i>	<i>31 March 2024</i>
	\$'000	\$'000
Cost of properties	3,271,567	1,648,908
<i>Less:</i>		
Provision for foreseeable loss (Note 2.15)	(530,590)	(259,405)
Balance as at 31 March	<u><u>2,740,977</u></u>	<u><u>1,389,503</u></u>

16. GOVERNMENT GRANT RECEIVABLE

	<i>Group and HDB</i>	
	<i>31 March 2025</i>	<i>31 March 2024</i>
	\$'000	\$'000
Balance as at 1 April	3,460,428	3,274,719
Government grant for the current year	6,349,100	6,789,865
	<u>9,809,528</u>	<u>10,064,584</u>
<i>Less:</i>		
Amount received	(7,891,418)	(6,604,156)
Balance as at 31 March	<u><u>1,918,110</u></u>	<u><u>3,460,428</u></u>

The government grant for the current year covers the deficit to be financed by the Government under the existing financing arrangement (Note 2.18).

17. TRADE AND OTHER RECEIVABLES

	<u>Group</u>		<u>HDB</u>	
	<u>31 March 2025</u>	<u>31 March 2024</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
	\$'000	\$'000	\$'000	\$'000
Trade receivables	1,773,705	1,741,165	1,750,732	1,709,119
<i>Less:</i>				
Allowance for impairment losses	(36,092)	(31,334)	(36,072)	(31,312)
	<u>1,737,613</u>	<u>1,709,831</u>	<u>1,714,660</u>	<u>1,677,807</u>
Other receivables	137,548	270,561	130,759	264,588
<i>Less:</i>				
Allowance for impairment losses	(24)	(24)	(24)	(24)
	<u>137,524</u>	<u>270,537</u>	<u>130,735</u>	<u>264,564</u>
Prepayments and deferred costs	21,818	12,557	16,314	9,837
Deposits	2,314	2,382	2,083	2,146
Balance as at 31 March	<u>1,899,269</u>	<u>1,995,307</u>	<u>1,863,792</u>	<u>1,954,354</u>

Included in the Group's trade receivables balance is the CPF Housing Grant of \$1,151 million (2023/2024: \$1,162 million) that had been disbursed to eligible households for the purchase of flats from the HDB. The CPF Housing Grant disbursed in the current year amounted to \$340 million (2023/2024: \$313 million). The amount disbursed will be offset against the sale proceeds on sale of the flat (Notes 2.20(a) and 2.25).

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable as at the reporting date. The Group provides for lifetime expected credit losses for trade and other receivables, based on reasonable and supportable information available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The concentration of credit risk is limited due to the large and unrelated customer base.

The movements in allowance for impairment losses on trade and other receivables for the Group and the HDB are as follows:

	<u>Group</u>		<u>HDB</u>	
	<u>31 March 2025</u>	<u>31 March 2024</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 April	31,358	28,949	31,336	28,896
Loss allowance	7,769	5,969	7,749	6,000
Bad debts written off against allowance	(3,011)	(3,560)	(2,989)	(3,560)
Balance as at 31 March	<u>36,116</u>	<u>31,358</u>	<u>36,096</u>	<u>31,336</u>

18. CASH AND BANK BALANCES

	<i>Group</i>		<i>HDB</i>	
	<i>31 March 2025</i>	<i>31 March 2024</i>	<i>31 March 2025</i>	<i>31 March 2024</i>
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	94,623	73,190	36,118	30,759
Fixed deposits	40,391	114,329	1,577	1,864
Balance as at 31 March	135,014	187,519	37,695	32,623
<i>Less:</i>				
Funds held on behalf of Club HDB and Government	(4,253)	(3,957)	(4,253)	(3,957)
Cash and cash equivalents as at 31 March	130,761	183,562	33,442	28,666

Funds held on behalf of Club HDB and Government comprises mainly fixed deposits placed on behalf of Club HDB, and fines and financial penalties collected on behalf of Government to be contributed to Consolidated Fund.

Cash and bank balances comprise cash and short-term bank deposits held by the Group, which includes bank balances of \$96 million (2023/2024: \$72 million) held by Accountant-General's Department ("AGD") under the Government's Centralised Liquidity Management Framework for Statutory Boards. The carrying amounts of these assets approximate their fair values.

Fixed deposits, excluding those held on behalf of Club HDB at the financial year end, bear average effective interest of 2.9% (2023/2024: 3.7%) per annum and for a tenure from 1 to 5 months (2023/2024: 1 to 5 months).

19. LOANS PAYABLE

	<i>Group and HDB</i>	
	<i>31 March 2025</i>	<i>31 March 2024</i>
	\$'000	\$'000
<i>Government loans</i>		
Mortgage financing loans	43,758,698	41,081,766
Upgrading financing loans	15,344	16,638
	43,774,042	41,098,404
<i>Bonds</i>		
Principal	31,610,000	28,560,000
Unamortised transaction cost	(54,973)	(56,478)
	31,555,027	28,503,522
Bank loans	4,500,000	2,112,000
	79,829,069	71,713,926
Interest payable	366,871	335,534
Balance as at 31 March	80,195,940	72,049,460

19. LOANS PAYABLE (*continued*)

	<i>Group and HDB</i>	
	<i>31 March 2025</i>	<i>31 March 2024</i>
	<u>\$'000</u>	<u>\$'000</u>
Represented by amount payable:		
Within 1 year	11,821,673	9,180,791
Later than 1 year but not more than 2 years	8,098,713	6,784,786
Later than 2 years but not more than 5 years	23,849,124	21,416,102
Later than 5 years	36,426,430	34,667,781
	<u>80,195,940</u>	<u>72,049,460</u>
Fair value of bonds	<u>31,538,611</u>	<u>27,664,171</u>

Under the Agreements for Loan Facility with the Government, mortgage and upgrading financing loans are obtained from the Government to finance loans granted to eligible purchasers of flats under the public housing schemes at interest rates that are in accordance with prevailing mortgage financing policy and upgrading programmes of the Government.

The fair value of the bonds is based on quoted market prices not traded in an active market at the end of the reporting period. The indicative ask price for the bonds issued by the Group, is classified as Level 2 fair value.

The carrying amounts of government loans and bank loans approximate their fair values. The bank loans are unsecured.

The loans and bonds are denominated in Singapore dollars.

The average effective interest rates paid and repayment terms on the loans are:

	<i>Interest rate</i> (per annum)	<i>Repayment term</i>
Mortgage financing loans	2.50% or 3.06% (2023/2024: 2.50% or 3.06%)	Up to 30 years
Upgrading financing loans	2.50% (2023/2024: 2.50%)	10 years
Bank loans (unsecured)	3.48% (2023/2024: 3.96%)	Within 1 year

19. LOANS PAYABLE (*continued*)

Bonds are issued to finance the HDB's development programmes and working capital requirements. The bonds are as follows:

<u>Series number</u>	<u>Principal</u> \$M	<u>Coupon rate (%)</u> (per annum)	<u>Effective interest rate (%)</u> (per annum)	<u>Tenure</u>	<u>Maturity</u>
057	600	3.9480	4.0150	15 years	29 January 2029
062	600	3.2200	3.2230	12 years	1 December 2026
067	700	2.5450	2.5668	15 years	4 July 2031
070	600	2.0350	2.0626	10 years	16 September 2026
074	500	2.3500	2.3712	10 years	25 May 2027
076	640	2.5980	2.6261	12 years	30 October 2029
078	515	2.3200	2.3313	10 years	24 January 2028
080	500	3.0800	3.1147	12 years	31 May 2030
082	700	2.6250	2.7356	7 years	17 September 2025
084	600	2.6750	2.7671	10 years	22 January 2029
085	500	2.4950	2.5257	7 years	11 March 2026
087	600	2.2700	2.3038	10 years	16 July 2029
088	500	2.3150	2.3687	15 years	18 September 2034
090	700	1.7600	1.8135	7 years	24 February 2027
091	800	1.2650	1.3239	10 years	24 June 2030
092	800	0.6900	0.7206	5 years	15 September 2025
093	600	1.3000	1.3487	15 years	3 December 2035
094	800	0.6350	0.6431	5 years	19 January 2026
095	900	1.3700	1.3858	7 years	16 March 2028
096	900	1.7300	1.8289	10 years	19 May 2031
097	750	1.8650	1.8987	12 years	21 July 2033
098	900	1.5400	1.5612	7 years	12 October 2028
099	1,000	1.6450	1.6764	5 years	23 November 2026
100	950	1.9710	2.0790	7 years	25 January 2029
101	1,000	1.8450	1.8766	5 years	15 March 2027
102	900	2.6270	2.6794	3 years	9 June 2025
103	1,100	2.9400	3.0214	5 years	13 July 2027
104	1,000	3.4370	3.5508	7 years	13 September 2029
105	1,200	4.0900	4.1907	5 years	26 October 2027
106	900	3.9950	4.1111	7 years	6 December 2029
107	740	3.1040	3.1236	5 years	24 November 2028
108	800	2.9770	2.9987	5 years	23 January 2029
109	700	3.1510	3.1600	7 years	12 March 2031
110	800	3.4090	3.4231	3 years	30 April 2027
111	900	3.4600	3.4941	7 years	21 May 2031
112	965	3.2440	3.2534	2 years	23 July 2026
113	500	2.6990	2.7379	10 years	9 October 2034
114	900	2.7570	2.7783	4 years	30 October 2028
115	900	3.0920	3.1819	7 years	26 November 2031
116	950	3.1200	3.1309	5 years	21 January 2030
117	700	2.8840	2.9007	7 years	25 February 2032

19. LOANS PAYABLE (*continued*)

The Board members of the HDB as at the financial statements' authorisation date and who also held office at the end of the financial year, had no interests in the bonds issued by the HDB as at 31 March 2025, except a Board member who held \$250,000 bonds issued by the HDB (2023/2024: \$Nil). The bonds have a coupon rate of 3.120% per annum and will mature on 21 January 2030.

20. TRADE AND OTHER PAYABLES

	<u>Group</u>		<u>HDB</u>	
	<u>31 March 2025</u>	<u>31 March 2024</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
	\$'000	\$'000	\$'000	\$'000
Trade payables	2,225,348	2,067,585	2,204,130	2,057,426
Downpayment deposits and advances	2,182,861	2,067,595	2,182,861	2,067,595
Other deposits	123,950	141,802	122,814	140,547
Deferred income (Note 21)	281,220	256,561	281,220	256,561
Provisions	45,253	43,703	20,000	20,000
	<u>4,858,632</u>	<u>4,577,246</u>	<u>4,811,025</u>	<u>4,542,129</u>

Provisions above include a \$20 million provision made for restoration works for a former quarry site, pending firm development plan of the agency taking over the site.

The movements in provisions for the Group and the HDB are:

	<u>Group</u>		<u>HDB</u>	
	<u>31 March 2025</u>	<u>31 March 2024</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 April	43,703	38,079	20,000	20,000
Provisions made	1,550	5,624	0	0
Balance as at 31 March	<u>45,253</u>	<u>43,703</u>	<u>20,000</u>	<u>20,000</u>

21. DEFERRED INCOME

	<u>Group</u>		<u>HDB</u>	
	<u>31 March 2025</u>	<u>31 March 2024</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
	\$'000	\$'000	\$'000	\$'000
Within 1 year (Note 20)	281,220	256,561	281,220	256,561
After 1 year but within 5 years	878,656	787,217	878,656	787,217
After 5 years	3,882,164	3,452,007	3,882,164	3,452,007
	<u>5,042,040</u>	<u>4,495,785</u>	<u>5,042,040</u>	<u>4,495,785</u>

Deferred income relates principally to amount received in advance in respect of operating leases of land, commercial properties, and flats (Note 2.9).

22. INCOME

	<u>Group</u>		<u>HDB</u>	
	<u>2024/2025</u>	<u>2023/2024</u>	<u>2024/2025</u>	<u>2023/2024</u>
	\$'000	\$'000	\$'000	\$'000
Interest income	1,119,519	1,060,820	1,116,336	1,057,067
Rental and related income	1,064,814	1,003,802	1,059,088	998,448
Car park income	732,161	735,245	732,634	735,765
Recoveries for upgrading and others	41,255	69,396	41,255	69,396
Levy on resale flats and sales premium	146,652	146,351	146,652	146,351
Agency and consultancy fees	167,112	196,502	22,831	26,507
(Loss)/gain on disposal of assets	(1,321)	120	(1,321)	120
Investment income	885	853	10,892	8,832
Fees and other income	106,537	96,929	104,398	96,499
	<u>3,377,614</u>	<u>3,310,018</u>	<u>3,232,765</u>	<u>3,138,985</u>

Investment income includes:

	<u>Group</u>		<u>HDB</u>	
	<u>2024/2025</u>	<u>2023/2024</u>	<u>2024/2025</u>	<u>2023/2024</u>
	\$'000	\$'000	\$'000	\$'000
Dividend from:				
— Unquoted subsidiary	0	0	10,892	8,832
— Others	885	853	0	0
	<u>885</u>	<u>853</u>	<u>0</u>	<u>0</u>

23. FINANCE EXPENSES

	<u>Group</u>		<u>HDB</u>	
	<u>2024/2025</u>	<u>2023/2024</u>	<u>2024/2025</u>	<u>2023/2024</u>
	\$'000	\$'000	\$'000	\$'000
Interest expense:				
— Government loans	1,065,352	997,600	1,065,352	997,600
— Bank loans	102,051	21,488	102,051	21,488
— Bonds	734,541	644,388	734,541	644,388
— Lease liabilities	511	603	325	268
	<u>1,902,455</u>	<u>1,664,079</u>	<u>1,902,269</u>	<u>1,663,744</u>
<i>Less:</i>				
Interest capitalised in properties and assets under development (Notes 6, 7 and 14)	(438,097)	(332,734)	(438,097)	(332,734)
Bond transaction cost amortisation	12,549	12,265	12,549	12,265
	<u>1,476,907</u>	<u>1,343,610</u>	<u>1,476,721</u>	<u>1,343,275</u>

During the financial year, interest capitalised as properties and assets under development amounted to \$438 million (2023/2024: \$333 million) at an average capitalisation rate of 2.60% (2023/2024: 2.41%).

24. EXPENSES BY NATURE

Expenses include the following:

	<i>Group</i>		<i>HDB</i>	
	<i>2024/2025</i>	<i>2023/2024</i>	<i>2024/2025</i>	<i>2023/2024</i>
	\$'000	\$'000	\$'000	\$'000
Cost of sales before net increase in provision for foreseeable loss	6,869,003	7,173,432	6,869,003	7,173,432
Release of foreseeable loss provided in previous years, upon sale	(1,785,367)	(1,384,433)	(1,785,367)	(1,384,433)
Provision for foreseeable loss for properties under development/for sale	4,476,932	5,121,997	4,476,932	5,121,997
Net increase in provision for foreseeable loss	2,691,565	3,737,564	2,691,565	3,737,564
Upgrading	433,557	334,459	433,557	334,459
Improvements and demolition	255,943	204,737	255,943	204,737
Depreciation and amortisation	608,978	567,356	604,523	559,881
Property tax	128,529	127,305	128,451	127,235
Reversal of impairment losses on property, plant and equipment and investment properties	(288)	(581)	(288)	(581)
Allowance for impairment losses on loans receivable and debtors	7,691	5,971	7,671	5,949
Bad debts written off	144	80	144	80
Expense for short-term leases	12,973	11,686	12,300	10,956
Expense for leases of low-value assets	3,542	4,295	3,542	4,295
Manpower costs (Note 25)	804,631	773,018	706,177	672,477
Manpower costs and overheads capitalised in:				
— properties and assets under development	(59,476)	(55,959)	(59,476)	(55,959)
— inventories of building materials	(694)	(632)	(694)	(632)
CPF Housing Grant (Note 2.25)	881,261	999,049	881,261	999,049

25. MANPOWER COSTS

	<i>Group</i>		<i>HDB</i>	
	<i>2024/2025</i>	<i>2023/2024</i>	<i>2024/2025</i>	<i>2023/2024</i>
	\$'000	\$'000	\$'000	\$'000
Salaries and bonuses	701,346	673,022	613,842	582,167
Contribution to CPF	80,369	77,076	72,323	68,997
Staff benefits	12,368	11,092	9,812	9,713
Training/development costs and others	10,548	11,828	10,200	11,600
	804,631	773,018	706,177	672,477

26. GOVERNMENT GRANT

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

	<u>HDB</u>	
	<u>2024/2025</u>	<u>2023/2024</u>
	\$'000	\$'000
Total grant as at 1 April	55,150,306	48,360,441
Grant for the financial year (Note 16)	<u>6,349,100</u>	<u>6,789,865</u>
Total grant as at 31 March	<u>61,499,406</u>	<u>55,150,306</u>

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group had transactions with its supervisory Ministry, MND, and other related parties during the year at terms agreed between the parties. The balances with related parties are unsecured, interest-free and repayable on demand unless otherwise stated.

For projects which the HDB manages on behalf of the Government or other government agencies on agency basis, the expenditure incurred on behalf of the principals during the year, which are reimbursable by the principals amounted to \$1,026 million (2023/2024: \$1,042 million). The disbursements and reimbursements for these agency projects were reported on a net basis in the income and expenditure statement.

The following were significant transactions with the Group's supervisory Ministry, MND, and other related parties during the year:

	<u>Group and HDB</u>	
	<u>2024/2025</u>	<u>2023/2024</u>
	\$'000	\$'000
(i) <i>HDB's transactions with:</i>		
<i>Subsidiaries</i>		
Rental income	288	288
Engineering services	(9,434)	(8,480)
Property management	(137)	(261)
<i>Singapore Land Authority, as an agent for</i>		
<i>Ministry of Law</i>		
Proceeds from return of land, flats, and other properties to Government	6,566	14,482
Agency fee and other income	2,459	2,671
Purchase of land	(9,292,004)	(7,527,391)
Temporary occupation licence fees	(7,990)	(7,913)
Rental expenses	(2,160)	(598)
<i>Ministry of National Development</i>		
Agency fee and other income	29,862	36,025
<i>National Environment Agency</i>		
Recoveries	16,768	18,901
Rental income	967	909
Rental expenses and others	(1,069)	(957)
<i>Ministry of Social and Family Development</i>		
Rental income	18,228	14,699
<i>People's Association</i>		
Sale proceeds	26,887	0
Rental income	2,096	2,082
Rental expenses and others	(1,514)	(1,231)

27. SIGNIFICANT RELATED PARTY TRANSACTIONS (*continued*)

	<u>Group and HDB</u>	
	<u>2024/2025</u>	<u>2023/2024</u>
	\$'000	\$'000
(i) <i>HDB's transactions with: (continued)</i>		
<i>Ministry of Health</i>		
Rental income	2,078	1,917
Agency fee income	347	840
<i>Public Utilities Board</i>		
Agency fee income	1,261	203
<i>Central Provident Fund Board</i>		
Agency fee	(1,652)	(1,959)
<i>JTC Corporation</i>		
Agency fee income	815	1,101
<i>Temasek Polytechnic</i>		
Rental expenses	(1,865)	(1,865)
<i>Prime Minister's Office</i>		
Service fee	(607)	(214)
<i>Other Ministries and Statutory Boards</i>		
Rental income and others	1,113	1,092
<i>Town Councils</i>		
Rental of Town Councils and other income	4,879	4,630
Operating fee for car park maintenance	(77,359)	(72,929)
Electrical upgrading and improvement works	(16,825)	(19,548)
(ii) <i>Subsidiaries' transactions with:</i>		
<i>Ministries, Statutory Boards, and Town Councils</i>		
Estate management agency fee income	144,967	145,593
Rental of premises	(4,912)	(5,110)
<i>Amounts due to related parties as at 31 March</i>	224,954	262,059
<i>Amounts due from related parties as at 31 March</i>	379,524	327,087

The outstanding amounts are unsecured. There are no guarantees provided or received in respect of the related party balances. For 2024/2025, the Group had not made any allowance for impairment relating to amounts owed by related parties (2023/2024: \$Nil).

(iii) *Board member and key management personnel remuneration*

	<u>Group</u>		<u>HDB</u>	
	<u>2024/2025</u>	<u>2023/2024</u>	<u>2024/2025</u>	<u>2023/2024</u>
	\$'000	\$'000	\$'000	\$'000
Board Members' and Directors' fees	410	376	248	247
Salaries and other short-term employee benefits	11,169	10,534	10,674	10,043
Contribution to CPF	352	361	337	346
	11,931	11,271	11,259	10,636

28. SEGMENTAL INFORMATION

BUSINESS SEGMENTS

The Group operates predominantly in Singapore, and therefore the revenues are generated mainly from the operations in Singapore and the assets are located principally in Singapore. The accounting policy of the reporting segments are the same as the Group's accounting policy as disclosed in Note 2.

The Group's main operating decision makers are Board Members/Directors and key management personnel of the Group. The operating segments are determined based on the reports reviewed by the Group's main operating decision makers.

The Group's results are presented under seven business segments in respect of the Group's main activities and the government programmes implemented:

Home ownership segment

The Home Ownership segment focuses on providing home ownership flats to eligible purchasers of flats under the various home ownership schemes for public housing.

Upgrading segment

The Upgrading segment focuses on the upgrading programmes to renew and rejuvenate the older housing estates.

Residential ancillary functions segment

The Residential Ancillary Functions segment focuses on implementing housing policies, providing and managing ancillary facilities such as car parks in housing estates, and planning and building administration.

Rental flats segment

The Rental Flats segment focuses on providing rental flats to eligible tenants under the various rental housing schemes.

Mortgage financing segment

The Mortgage Financing segment focuses on providing housing loans to eligible purchasers of flats under the various public housing schemes.

Other rental and related businesses segment

The Other Rental and Related Businesses segment focuses on the provision, tenancy and management of commercial properties and land.

Agency and others segment

The Agency and Others segment encompasses estate management services, architectural and engineering consultancy services, and agency projects on behalf of the Government.

28. SEGMENTAL INFORMATION (continued)

2023/2024

	Housing						Other Activities					Total Other Activities	Group
	Home Ownership	Upgrading	Residential Ancillary Functions	Rental Flats	Mortgage Financing	Eliminations	Total Housing	Other Rental and Related Businesses	Agency and Others	Eliminations			
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	
Sale proceeds	5,985	0	140	0	0	0	6,125	0	0	0	0	6,125	
Less: CPF Housing Grant (Notes 2.20(a) and 2.25)	(319)	0	0	0	0	0	(319)	0	0	0	0	(319)	
Net sale proceeds	5,666	0	140	0	0	0	5,806	0	0	0	0	5,806	
Cost of sales before net increase in provision for foreseeable loss	(7,035)	0	(128)	0	0	(10)	(7,173)	0	0	0	0	(7,173)	
Gross (loss)/profit on sales	(1,369)	0	12	0	0	(10)	(1,367)	0	0	0	0	(1,367)	
Net increase in provision for foreseeable loss	(3,738)	0	0	0	0	0	(3,738)	0	0	0	0	(3,738)	
Gross (loss)/profit after net increase in provision for foreseeable loss	(5,107)	0	12	0	0	(10)	(5,105)	0	0	0	0	(5,105)	
External income:													
Interest income	0	1	0	0	1,043	0	1,044	0	17	0	17	1,061	
Other income	322	54	769	59	13	0	1,217	831	201	0	1,032	2,249	
Inter-segment	0	0	(11)	0	0	11	0	10	18	(28)	0	0	
Total income	322	55	758	59	1,056	11	2,261	841	236	(28)	1,049	3,310	
Net (deficit)/surplus before government grant and taxation	(6,225)	(396)	(446)	(160)	(9)	18	(7,218)	444	36	(27)	453	(6,765)	
Government grant												6,790	
Net surplus before taxation and transfer to reserves												25	
Taxation												(4)	
Net surplus for the year before transfer to reserves												21	

28. SEGMENTAL INFORMATION (continued)

2023/2024	<i>Housing</i>						<i>Other Activities</i>					
	<i>Home</i>		<i>Residential</i>	<i>Rental</i>	<i>Mortgage</i>		<i>Other Rental</i>	<i>Agency</i>		<i>Total Other</i>		
	<i>Ownership</i>	<i>Upgrading</i>	<i>Ancillary</i>	<i>Flats</i>	<i>Financing</i>	<i>Eliminations</i>	<i>Housing</i>	<i>and Related</i>	<i>and</i>	<i>Eliminations</i>	<i>Activities</i>	<i>Group</i>
\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	
<i>Segment expenses include:</i>												
Finance expenses	(92)	0	(152)	(29)	(1,006)	0	(1,279)	(62)	(3)	0	(65)	(1,344)
CPF Housing Grant (Note 2.25)	(999)	0	0	0	0	0	(999)	0	0	0	0	(999)
Upgrading	0	(321)	0	(11)	0	0	(332)	(2)	0	0	(2)	(334)
Improvements and demolition	0	(56)	(118)	(9)	0	(1)	(184)	(20)	(1)	0	(21)	(205)
Depreciation and amortisation	(158)	0	(210)	(76)	(1)	0	(445)	(102)	(20)	0	(122)	(567)
Allowance for impairment losses on loans receivable and debtors	0	0	0	(5)	0	0	(5)	(1)	0	0	(1)	(6)
<i>Assets and liabilities</i>												
Segment assets	28,020	80	11,518	4,202	41,364	0	85,184	6,369	1,134	0	7,503	92,687
Government grant receivable												3,460
Unallocated assets												123
<i>Total assets</i>												<u>96,270</u>
Segment liabilities	24,284	266	7,625	1,425	41,565	0	75,165	4,454	971	0	5,425	80,590
Unallocated liabilities												303
<i>Total liabilities</i>												<u>80,893</u>
<i>Capital additions</i>	1,143	0	506	69	0	0	1,718	285	0	0	285	<u>2,003</u>

28. SEGMENTAL INFORMATION (continued)

	Housing						Other Activities					
	Home Ownership	Upgrading	Residential		Mortgage Financing	Eliminations	Total Housing	Other Rental and Related Businesses	Agency and Others		Total Other Activities	Group
			Ancillary Functions	Rental Flats					Others	Eliminations		
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
Sale proceeds	5,217	0	207	0	0	0	5,424	27	0	0	27	5,451
Less: CPF Housing Grant (Notes 2.20(a) and 2.25)	(342)	0	0	0	0	0	(342)	0	0	0	0	(342)
Net sale proceeds	4,875	0	207	0	0	0	5,082	27	0	0	27	5,109
Cost of sales before net increase in provision for foreseeable loss	(6,646)	0	(173)	0	0	(23)	(6,842)	(27)	0	0	(27)	(6,869)
Gross (loss)/profit on sales	(1,771)	0	34	0	0	(23)	(1,760)	0	0	0	0	(1,760)
Net increase in provision for foreseeable loss	(2,692)	0	0	0	0	0	(2,692)	0	0	0	0	(2,692)
Gross (loss)/profit after net increase in provision for foreseeable loss	(4,463)	0	34	0	0	(23)	(4,452)	0	0	0	0	(4,452)
External income:												
Interest income	0	1	0	0	1,113	0	1,114	0	5	0	5	1,119
Other income	350	23	770	59	14	0	1,216	868	174	0	1,042	2,258
Inter-segment	0	0	(26)	0	0	26	0	10	21	(31)	0	0
Total income	350	24	744	59	1,127	26	2,330	878	200	(31)	1,047	3,377
Net (deficit)/surplus before government grant and taxation	(5,513)	(532)	(570)	(159)	(6)	19	(6,761)	441	11	(30)	422	(6,339)
Government grant												6,349
Net surplus before taxation and transfer to reserves												10
Taxation												(2)
Net surplus for the year before transfer to reserves												8

28. SEGMENTAL INFORMATION (continued)

2024/2025	Housing						Other Activities					
	Home		Residential		Mortgage	Total	Other Rental		Agency		Total Other	Group
	Ownership	Upgrading	Ancillary	Rental			and Related	and	Eliminations	Others		
\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	
<i>Segment expenses include:</i>												
Finance expenses	(123)	0	(173)	(31)	(1,071)	0	(1,398)	(74)	(5)	0	(79)	(1,477)
CPF Housing Grant (Note 2.25)	(881)	0	0	0	0	0	(881)	0	0	0	0	(881)
Upgrading	0	(428)	0	(4)	0	0	(432)	(2)	0	0	(2)	(434)
Improvements and demolition	0	(44)	(177)	(5)	0	(3)	(229)	(15)	(11)	(1)	(27)	(256)
Depreciation and amortisation	(190)	0	(217)	(76)	(1)	0	(484)	(107)	(18)	0	(125)	(609)
Allowance for impairment losses on loans receivable and debtors	0	0	0	(5)	0	0	(5)	(3)	0	0	(3)	(8)
<i>Assets and liabilities</i>												
Segment assets	35,262	59	11,829	4,284	43,981	0	95,415	6,617	1,139	0	7,756	103,171
Government grant receivable												1,918
Unallocated assets												124
<i>Total assets</i>												<u>105,213</u>
Segment liabilities	29,433	275	8,061	1,767	44,289	0	83,825	4,544	1,132	0	5,676	89,501
Unallocated liabilities												334
<i>Total liabilities</i>												<u>89,835</u>
<i>Capital additions</i>	2,263	0	484	160	0	0	2,907	371	0	0	371	<u>3,278</u>

29. COMMITMENTS

(a) *Building project commitments*

The following commitments for building projects are not recognised in the financial statements:

	<i>Group and HDB</i>	
	<i>2024/2025</i>	<i>2023/2024</i>
	\$'000	\$'000
Authorised and contracted for	17,008,564	14,977,970
Authorised but not contracted for	3,737,548	3,130,193
	<u>20,746,112</u>	<u>18,108,163</u>

(b) *Operating lease arrangements — as lessor*

The Group leases out its properties to non-related parties. The future aggregate minimum lease receivables under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables are as follows:

	<i>Group</i>		<i>HDB</i>	
	<i>2024/2025</i>	<i>2023/2024</i>	<i>2024/2025</i>	<i>2023/2024</i>
	\$'000	\$'000	\$'000	\$'000
Within 1 year	34,928	29,585	30,540	25,749
After 1 year but within 5 years	30,323	27,424	27,227	21,107
	<u>65,251</u>	<u>57,009</u>	<u>57,767</u>	<u>46,856</u>

30. CONTINGENT LIABILITIES

Housing Subsidies for SC/SPR Households

The Citizen Top-Up Grant is a \$10,000 housing subsidy that is given to eligible Singapore Citizen/Singapore Permanent Resident (SC/SPR) household when a qualifying household member becomes a Singapore Citizen, or when an SC child is born to the SC applicant/owner and spouse originally listed in the flat application. It is available to SC/SPR households who have paid a premium of \$10,000 for the purchase of an HDB flat direct from HDB, or taken a lower quantum of CPF Housing Grant for the purchase of a resale flat or an Executive Condominium.

The policy is estimated to have a financial effect of \$190 million (2023/2024: \$173 million). Given the uncertainty on the eventuality of SC/SPR households fulfilling the eligibility criteria (and therefore the timing and quantum of the obligation), no provision has been made in respect of this policy.

31. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2025 were authorised for issue by members of its Board on 29 May 2025.