

Singapore Management University

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Singapore Management University

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new heights

REPORT TO STAKEHOLDERS
2002 - 2003



SINGAPORE
MANAGEMENT
UNIVERSITY

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SMU was created to provide a different brand of education, relevant to the global world we live in. Not an artificial place of scholars and academics simply confined within a campus setting and tucked behind volumes of books. But an active community of thinkers and doers who participate in and with the business world. Who give their time and expertise to growing enterprise. Who involve themselves in the greater community, here in Singapore and beyond. An environment where students and faculty engage one another in the process of learning and discovery.

A diversity of people, imaginatively providing fresh insights and creating new opportunities and possibilities. Where achievement is measured less by the quantifiable results and more by the process of initiative, growth and development. That's what you call a different kind of university, and that's what has made a young and vibrant SMU rise so high, so soon.



Mr Ho Kwon Ping
Chairman, Board of Trustees
Singapore Management University

A stylized, handwritten signature in white ink, reading 'Ho Kwon Ping'.

President's Message From a start-up institution with great expectations just three years ago, SMU has grown leaps and bounds. This past year was no exception, as we reached new heights while reaffirming the foundational vision of what we are – and want to be. A university with a rigorous curriculum and the right kind of academic and cultural environment for research, exploration and experimentation – where calculated risks can lead to ultimate success. A university full of dynamically talented students and academically outstanding faculty – interactive players in the process of education who make up SMU's rich intellectual and personally diverse fabric. A university that engages the local and global community, interfaces with key industry and forges supporting partnerships to fulfil our mission of becoming a world-class premier institution. The following pages attest to our young university's growth over the past year. With delight I welcome you to experience the new heights we've attained.

Professor Ronald E Frank
President
Singapore Management University



Ho Kwon Ping

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Chairman
Banyan Tree Hotels and Resorts

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Deputy Chairman
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Ministry of Education

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Executive Chairman
Raffles Medical Group Ltd

Kuok Khoon Ean

Executive Advisor
Kuok (Singapore) Ltd

John Niland

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University of New South Wales

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Chairman & Managing Director
Health Management International Ltd

Victor Fung

Chairman
Li & Fung Group

John Wong

Partner
General Atlantic Partners

Fang Ai Lian

Chairman & Managing Partner
Ernst & Young, Singapore

Jaspal Singh

Deputy Secretary (Transport)
Ministry of Transport

Cheah Kean Huat

Chief Executive Officer
WyWy Office Solutions Pte Ltd

BOARD OF TRUSTEES

as at 31 July 2003

12 July

Dr Richard Hu is appointed new Chancellor of SMU

19 August

SMU announces the Wee Kim Wee Centre at Convocation 2002

27 August

SMU partners with the Institution of Engineers, Singapore to launch the first Technology Management Series

9 September

Entrepreneur and philanthropist Li Ka-shing donates a record S\$19.5 million to SMU

6 November

SMU announces the formation of a fourth school, the School of Information Systems

1 December

Dr Steven Miller is appointed Dean of the School of Information Systems

8 January

SMU and Carnegie Mellon University sign an MOU to collaborate on the development of the School of Information Systems

20 January

SMU OnTRAC, an online career portal, is launched by President S R Nathan at SMU's third Patron's Day

23 January

Professor Edmund S Phelps is guest speaker at the launch of The Shaw Foundation Distinguished Lecture Series

14 February

University of St Gallen partners with SMU to offer management programmes

26 March

Mercer Human Resource Consulting, Singapore Business Federation and SMU launch a joint initiative to promote Human Capital Management

9 April

Professor David B Montgomery is appointed new Dean of the School of Business

8 May

SMU launches "Lien Fung's Colloquium" through a S\$500,000 donation from Mrs Ho Lien Fung

5 June

The School of Economics and Social Sciences (SESS) receives an endowment fund of S\$4 million from the Maritime and Port of Authority of Singapore (MPA) for an MPA Visiting Professorship in Maritime Business Economics at SESS

19 July

SMU's pioneer cohort of MSc in Applied Finance students graduate

July 2002 – July 2003

MILESTONES

A university with a rigorous curriculum and the right kind of academic and cultural environment for research, exploration and experimentation – where calculated risks can lead to ultimate success.



Cowan Phan. SMU student. RJC Chorale alumnus and sports enthusiast. Double degree BBM & BSc (Econ) freshman.

THE UNIVERSITY

SMU received an overwhelming response to its admissions exercise for the academic year 2003-2004, with available openings more than seven times oversubscribed. Nearly 6000 students have applied to study at SMU, representing a year-on-year increase of about 20%. 1000 had SAT scores of 1300 or higher, and over 300 had in excess of three straight-A grades in A levels, making it a challenge for Admissions to select less than 15% from such a robust and talented pool.

In August 2003, SMU will welcome 825 successful applicants – a 36% increase in intake compared with 2002. Adding diversity to campus life, 115 of the freshmen are international students, joining SMU from 20 countries. A significant rise in standards is that more than 100 freshmen – most of whom will pursue a double degree at SMU – have over three As in A levels.

But admission to SMU is not only about academic excellence. In keeping with the University's uniquely holistic approach, criteria such as leadership, entrepreneurship and personal qualities are equally as important. Our academic high flyers are also achievers in non-academic pursuits. Among the multi-talented new faces in the new academic year will be entrepreneurs already running their own businesses, as well as musicians, artists, dancers and sportsmen.

The School of Accountancy has come a long way since it took in the first batch of students. Under the deanship of Associate Professor Pang Yang Hoong, the School has consistently attracted some of the best performing students of each cohort of GCE A Level students, as well as top students from the polytechnics.



*Assoc Prof Pang Yang Hoong
Dean, School of Accountancy*

In academic year 2002-2003, the School has seen tremendous improvement in students' performance in the SMU examinations. A total of 31 students from the whole School have scored a Grade Point Average (GPA) of 3.7 and above, putting them in the Dean's List. The Bachelor of Accountancy (BAcc) is a direct meritorious honours programme. Among last year's intake, over 35% have scored a GPA of at least 3.4, which would qualify for a degree with honours, while over 20% of the pioneer batch has scored well enough to qualify for the same.

In an effort to provide more choice, students can opt to pursue a second major – in Law, Finance, Economics, Marketing or Information Systems. Following the announcement of this option, close to one-third of the pioneer students have expressed interest in pursuing a second major in Law, a valuable combination with the BAcc curriculum.

Accountancy had an overwhelming response to the admissions exercise for the new academic year 2003-2004. The School received over 1000 applications, of which 150 were accepted into the BAcc programme. The quality of applicants has improved tremendously. Close to one-third of the 2003 intake obtained three or more distinctions at the A Level examinations, and there was a significant improvement in the SAT I: Reasoning Test scores. Besides academic achievements, these students have demonstrated a notably better showing at the SMU Admissions interviews.

SCHOOL OF

bachelor of accountancy

In order to better cater to the development of students, the School has worked out a Modified Term 2 for BAcc students, effective academic year 2003-2004. This special arrangement gives senior students an opportunity to complete their internship in December, without losing out on curriculum time. They will return to campus and follow a modified term from February to June.

Public accounting firms will take in the first batch of SMU Accountancy students under the internship programme. Students will join during the peak period, from December to

February, when the firms have the highest volume of work. This will ensure that students get maximum exposure to the work they would potentially be engaged in. The School has been negotiating with the Big 4 public accounting firms, as well as several local firms, for internship positions.

Students will apply to these internship positions as they would for a permanent job. They will also be subjected to the individual firm's selection criteria, giving them a glimpse of what to expect when they are ready to join the mainstream workforce.

School of Accountancy Advisory Committee as at 31 July 2003

Mrs Fang Ai Lian (Chairman)
Chairman & Managing Partner
Ernst & Young

Ms Chua Geok Wah
Accountant General
Accountant-General's Dept

Ms Chua Sock Koong
Chief Financial Officer
Singapore Telecommunications Ltd

Dr Ernest Kan
Partner
Deloitte & Touche

Mr Gilbert Ponniah
Vice-President, Finance
HP Services AsiaPac
Hewlett-Packard Singapore (Sales) Pte Ltd

Mr Seck Wai Kwong
Executive Vice President
& Chief Financial Officer
Singapore Exchange

Mr Yeoh Oon Jin
Partner
PricewaterhouseCoopers

From its pioneer batch of 300 students in August 2000, the School of Business has taken on new dimension. This year it added a second major option to its bachelor's degree programme and launched new student preparatory workshops. Two master's degree programmes were brought under the School's aegis, including a newly launched MSc in Wealth Management – the first of its kind in Asia. And at the helm of all this stands a new dean of international stature.

The School grew to 1150 undergraduates for its first three student intakes. For academic year 2003-2004 it has admitted another 475 students, bringing the total to over 1600 – or 75% of the University's student body. A significant milestone in August 2003, the School will witness the early graduates of its Bachelor of Business Management (BBM) programme – 10 students who completed their four-year course in just three years. Even prior to their graduation, nearly all have accepted job offers from leading local and global corporations, including UBS, DBS, IBM, OCBC and Merrill Lynch. Up to another half of the pioneer batch are expected to graduate by the end of Term 1 in December 2003, with the remaining students completing their four-year programme in May 2004.

SCHOOL OF

bachelor of business management

Second Major (within BBM Programme)

To provide our students a wider range of skills sets and know-how, and in line with the University's broad-based education philosophy, the School of Business allows its students to do a second major within the BBM programme. In the new academic year 2003-2004, the School of Business will be offering a new second major in Law. To fulfil the requirements of the Law



major, students have to take five modules – Company Law plus four electives. The Department of Law plans to add new electives such as Law and International Business, and Financial Law and Regulation.

programme development and highlights

Second Major (from other SMU Schools)

BBM students have the option of pursuing a second major in Accounting from the School of Accountancy or in Economics from the School of Economics and Social Sciences. With the launch of the new School of Information Systems in August 2003, BBM students can also look forward to a second major in Information Systems.

About 25% of enrolled students are pursuing a second major either within the programme or from the other schools.

Preparatory Workshops

The School launched additional workshops in July-August 2002. Two workshops were conducted in calculus, providing an opportunity for freshmen who had been granted an exemption for calculus to review some of the concepts to better prepare them for other university courses. With an increased intake of students, four workshops are being planned for the new academic year. Another workshop in Quantitative Methods for Finance was also developed especially for students who have the inclination to specialise in finance. It was conducted in a compact manner just prior to the start of the academic year 2002-2003.

BUSINESS

master of science in wealth management

In August 2003, SMU launched the Master of Science in Wealth Management, an innovative graduate course that will bring academics and professionals together to share their knowledge on wealth management. In conjunction with the Wealth Management Institute and the Swiss Banking School, the programme will be facilitated by a team of selected faculty from two branches: senior academics with industry experience, and successful wealth managers with academic exposure. The programme has been designed specifically to meet

the needs of aspiring and seasoned wealth managers who wish to deepen their skills, knowledge and expertise. Participants will have the opportunity to learn about recent theoretical and industry advancements in wealth management as a profession and business and will also have opportunities to meet their peers and industry captains in seminars, talks, internships and site visits. For one segment of the programme, there will be an organised visit to Switzerland to compare and contrast the practice of wealth management.



Commencing their course in January 2002, the pioneer batch of 21 MSc in Applied Finance students successfully graduated from the programme in July 2003.

master of science in applied finance

The Master of Science in Applied Finance was launched in September 2001 as SMU's first graduate programme by coursework. It is an 18-month part-time programme that aims to raise the standard of practitioners' knowledge and skills in applied finance, a critical training need identified by the Singapore Economic Review Committee and the finance industry. Besides specialising in applied finance, the programme incorporates Chartered Financial Analyst (CFA) components with

courses in Term 1 and Term 3 specially tailored to equip students with the knowledge and skills to sit for the CFA Levels 1 and 2 examinations. To acquire the breadth of knowledge in finance, students are required to enrol in core courses and electives such as Corporate Finance, Financial Risk Management, Hedge Funds, e-Commerce & Finance and Corporate Strategy & Financial Performance in Term 2. The next intake of students will be admitted in June 2004.

School of Business Advisory Board as at 31 July 2003	
Dr Loo Choon Yong (Chairman) Executive Chairman Co-founder of Raffles Medical Group	Ms Natasha Kwan General Manager for Customer and Partner Experience for Asia Pacific Microsoft Asia
Ms Janet Ang Managing Director IBM Singapore	Dr Jennifer Lee Chief Executive Officer KK Women's & Children's Hospital
Mr Goh Yew Lin Executive Director GK Goh Holdings Ltd	Mr Ng Kok Song Managing Director Government of Singapore Investment Corporation
Mr Ko Kheng Hwa Managing Director Singapore Economic Development Board	Mr Wee Ee Cheong Deputy Chairman UOB Group

Professor David B Montgomery,
the Sebastian S Krege
Professor of Marketing
Strategy, Emeritus at Stanford
University has been appointed
Dean of the School of Business
commencing May 2003.

Professor Montgomery is a globally known authority on marketing. He is the 2002 recipient of the American Marketing Association's prestigious Mahajan Award for contributions to marketing strategy.

He has held academic positions at MIT's Sloan School of Management and for the past 33 years the Stanford Graduate School of Business. Prof Montgomery has also served as Executive Director at the Marketing Science Institute, and assumed editorial responsibilities at numerous journals such as the *Journal of Marketing*, *Journal of Marketing Research*, *Marketing Science*, *Management Science*, *Strategic Management Journal*, *Journal of the Academy of Marketing Science*, and *Journal of International Marketing*.



*Prof David B Montgomery
Dean, School of Business*

In his new position, Professor Montgomery takes on the role of a chief academic and administrative officer of the School. He will work with the Provost to recruit a high calibre faculty and student body; create a climate of intellectual vitality and excellence; support faculty in their teaching, research and service; oversee financial management of the School; and assume increasing responsibility for the School's alumni relations.

Prof Montgomery succeeds from Associate Professor Tsui Kai Chong, who has held the position since the School's inception in June 2000.

The mission of the School of Economics and Social Sciences (SESS) is to accelerate the growth of SMU by creating a world-class centre of research and teaching in economics and the social sciences to produce broad-based, creative and entrepreneurial leaders for the knowledge-based economy. And for the School, the cornerstones for achieving this goal are: faculty, curriculum and programmes, students and research.

The initial complement of 17 full-time SESS faculty hold PhDs from top-ranking universities such as Chicago, Columbia, Harvard, London School of Economics, Michigan, Princeton and Stanford and have excellent records in teaching and research. During the year, there also was a supporting cast of three visiting professors and eight adjunct professors. At the last recruitment drive concluded in June 2003, 10 new full-time faculty were hired – nine tenure track and one teaching track. All received their PhDs from top international universities, such as Columbia, Harvard, University of Illinois, University of Pennsylvania and Yale.



*Prof Roberto S Mariano
Dean, School of Economics and Social Sciences*

SCHOOL OF

bachelor of science (economics)

The School's pioneer batch of students included 43 Economics majors and eight double degree students in Economics. The second intake of the BSc (Econ) programme attracted over 800 applications for 110 places, marking a significant increase in numbers and quality. 10 of these incoming students have been awarded scholarships – the two prestigious Li Ka-shing Scholarships, six SMU Scholarships, one Suntec City Scholarship and one Foreign Students Endowed Scholarship.

The undergraduate curriculum for the Economics major was patterned after the broad-based undergraduate economics programmes in major

universities in the US, with added features relevant to Asia. A typical programme of courses would comprise 40% in economics and the rest split among business, social sciences, humanities and quantitative methods. This curriculum is designed to train the students for career opportunities – in the private sector, public service, domestic, regional and international organisations – through courses, extracurricular activities, internships and study abroad programmes. It provides flexibility in the students' choice of areas of specialisation in economics and related fields.

Besides courses for the Economics degree programme, SESS also offers

required courses for all the students in the School of Business and the School of Accountancy as well as General Education course electives in arts and social sciences.

Plans are being finalised for a new programme within SESS – the Bachelor of Social Science, with concentration areas in Psychology, Political Science and Sociology. As well, a blueprint for the MSc/PhD programme by research is being drawn up by the Office of Research, and SESS is actively participating in structuring such a programme with Economics as a concentration area.

research initiatives

The School has initiated various activities to nurture research and promote scholastic research among faculty and the international academic community.

The SESS Short-Term Research Collaboration Programme was launched in 2002 to inculcate a vibrant research environment and to promote global collaboration of the SESS faculty with prominent research scholars of leading universities around the world.

The SESS Research Seminar Series is a platform where faculty and research scholars come together to deliberate and discuss their research findings.

The SESS Distinguished Visitors Lecture Series brings in eminent speakers to deliver lectures to the SMU community as well as the business community and the general public.

The Working Paper Series is intended to encourage faculty to provide a written document of their preliminary research findings for peer discussion and commentary. 32 papers were contributed during the academic year 2002-2003.

The Institute for Mathematical Sciences (IMS) at the National University of Singapore and SESS have concluded

arrangements to jointly organise a programme in econometrics in 2004. International researchers will be invited to participate in the programme, by way of a series of tutorials, workshops, invited keynote addresses, and contributed papers in the various activities of the programme. The programme extends over a period of six weeks and focuses on the two topical research areas of forecasting and high-frequency data analysis.

ECONOMICS AND SOCIAL SCIENCES

In October 2002, the Ministry of Education gave SMU the go-ahead to launch a fourth school that would integrate business considerations with IT solutions in specific industry settings and produce graduates with a Bachelor of Science (Information Systems Management). The pioneer intake of students was targeted for August 2003.



*Practice Prof Steven Miller
Dean, School of Information Systems*

On 1 December 2002, Dr Steven Miller assumed the role of Dean of the School of Information Systems (SIS) at SMU, along with an appointment as Practice Professor of Information Systems. He also chairs the SMU-Carnegie Mellon steering committee that manages the joint university relationship.

Immediately prior to joining SMU, Prof Miller served as Chief Architect Executive for the Business Consulting Services unit of IBM Global Services in Asia Pacific. Before IBM, he was Chief Engineer for RWD Technologies in Columbia, Maryland and previous to that the Director of Manufacturing Engineering for Fujitsu Network Communications in Richardson, Texas. Prior to his industry experience, he was an assistant professor at Carnegie Mellon University, researching and teaching about Computer-Integrated Manufacturing and Robotics applications and impacts.

His transition from a former Carnegie Mellon faculty member to a Fujitsu technical management apprentice in Japan, where he spent 30 months training, was so novel that his story appeared in 1992 on the front page of the Wall Street Journal, which noted that "he was a rising star at one of America's top engineering schools three years ago when he traded his professor's business suit for a light blue worker's jacket and his scholarly English for shaky, shop-floor Japanese."

Prof Miller has a Bachelor of Engineering Degree in Systems Engineering from the University of Pennsylvania and a Master of Science in Statistics and PhD in Engineering and Public Policy from Carnegie Mellon University. His books include *Robotic Applications and Social Implications* (1981), co-authored with Robert Ayres, and *Impacts of Industrial Robotics* (1989).

SCHOOL OF

bachelor of science (information systems management)

A distinctive feature of the SIS programme is the dual emphasis on the technical skills for the design and deployment of business information systems and on the business skills for analysing value, costs and risks of design and deployment alternatives. The programme also has a strong emphasis on IT project management and will provide students with numerous in-depth experiences with the end-to-end process of defining, designing, and deploying solutions.

A second distinctive feature of the SIS programme is the way it allows a student to combine IT with an industry sector concentration and a business function concentration. SIS students are also strongly encouraged to define a business function concentration that will link the student with one of the three other schools at SMU.

Graduates of the programme will initially be project leaders, business system analysts, architects and designers who can lead team efforts to shape and deliver IT enabled business process improvement projects based on an understanding of both technical and commercial issues. Graduates will be capable of eventually transitioning into more senior management roles where they will oversee business functions that

are critically dependent on IT enablement. Some of the graduates will even end up as entrepreneurs who create new business processes or services through innovative ways of meeting business needs with information systems.

Through the SMU-SIS partnership with Carnegie Mellon University, a team of five Carnegie Mellon faculty provided SIS with ongoing support in the selection and recruiting of SIS faculty candidates, in the design of the undergraduate programme, and in the planning and design of a joint SMU-Carnegie Mellon Postgraduate Institute in Singapore for education and research.

Five candidates accepted offers to join the new school as full time faculty as at August 2003. As well, two faculty from the School of Business transferred to SIS. The intensive international faculty recruiting campaign will continue throughout 2003 and 2004 to match the ongoing expansion of the size of the SIS undergraduate programme.

For the pioneer intake for the Bachelor of Science (Information Systems Management) degree, the School received over 830 applications, from which some 230 applicants were

shortlisted and interviewed, and 93 students matriculated into the programme. The pioneer class includes a healthy contingent of international students – mainly from India, Malaysia, China and Indonesia – accounting for over 22% of the group.

The School of Information Systems moved into the refurbished Raffles Building in June 2003.

Carnegie Mellon



SINGAPORE
MANAGEMENT
UNIVERSITY



Carnegie Mellon Provost, Prof Mark Kamlett (left) visited Singapore in January 2003 for the formal signing ceremony of the memorandum of understanding with SMU, launching a university partnership in the area of Information Systems.

INFORMATION SYSTEMS

Since its inception, SMU has constantly harnessed information technology to advance its teaching, learning, research and administration.




Wireless access to online course materials, email and other e-services is now a daily facet of student life at SMU. In preparing to welcome our new School of Information Systems (SIS) and the new cohort of SMU students, our IT infrastructure has been strengthened with the addition of more computing power and disk storage. SMUNet, the campus network, has also been upgraded to provide more bandwidth and extended to provide coverage for the Raffles Building, the home of SIS.

With the increased need for online learning, new features such as online quizzes and surveys were added to SMUConnect to facilitate online collaboration, teaching and learning. The volume of learning resources has also increased tremendously through contributions from faculty members and students. OASIS (Online Access to Student Information System), a student

portal developed to provide a one-stop access to the various sources of information and applications, coupled with an e-Helpdesk system, has helped improve delivery of quality service to our students.

Going forward, IT initiatives include a fully integrated Student Information System which aims at achieving service quality and administration excellence; a Staff Portal that provides a one-stop service centre for staff/faculty to facilitate access to e-services and information – a step closer to knowledge management; a campus-wide Facilities Management System that improves efficiency and effectiveness in office space management and resource utilisation; and a new e-learning platform that sees a paradigm shift from a traditional course management model to a learner-centric model.

CAMPUS



Facilities management has evolved into a multi-disciplinary approach toward the built environment – integrating people, process and place into a coherent, productive and holistic system.

This year, in the last phase of the Bukit Timah campus redevelopment, the refurbished Raffles Building was handed over to the recently established School of Information Systems. The Office of Undergraduate Admissions (OUA) was relocated from their existing office on the second floor to the Oei Tiong Ham lobby, providing OUA a more accessible location to serve prospective students. At the School of Accountancy, the number of rooms was expanded to accommodate the new academic staff. And with the admission of two wheelchair-bound students to SMU for the new academic year 2003-2004, ramps have been installed in the Accountancy and Business blocks, at the U-Centre and at washrooms around the campus, while a card reader has been lowered for building accessibility.

Beyond facility improvements, a Business Continuity Plan (BCP) to effectively recover from a threat or disaster was also developed. This enables the University to resume essential operations in an emergency. The BCP forms the last phase of the crisis management planning that encompasses prevention, response and recovery. Related to this, and in concerted effort with the Office of Human Resources, standard-operating procedures for anti-SARS measures were also developed, with triage equipment purchased and a designated sick bay area established on the campus.

The Library has been continuously developing its digital content through subscription to databases and e-journals.

The total Library collection increased by over 100% from 11,212 items in FY2001-2002 to 22,757 in FY2002-2003. This collection comprises 10,092 books, 11,332 serial issues, 1004 CD-ROMs and 329 Audio-visual materials.

In July 2002, the Library, in collaborative effort with the Office of Communications and IT, launched the Library proxy service to enable off-site access to IP-restricted e-resources. SMU staff and students can now access the Library's electronic resources from remote sites. This is part of an initiative to build a 24/7 service for users to maximise the utilisation of the electronic resources.

Other new services brought to the members include the online booking for the use of the Library project rooms, a Bloomberg terminal and online sign-up for training sessions arranged specially for the staff and students. A revamp of the Library website provides new contents, including SMU and Wharton working papers and digitised student projects, plus a 3-D virtual flythrough of the Library for online visitors.

DEVELOPMENTS

A university full of dynamically talented students and academically outstanding faculty – interactive players in the process of education who make up SMU's rich intellectual and personally diverse fabric.



Practice Prof Steven Miller, Dean of the School of Information Systems. PhD and ex-faculty, Carnegie Mellon University. Formerly Chief Architect Executive, IBM Global Services Asia Pacific. Founding member, Worldwide Institute of Software Architects.

THE PEOPLE

Positioning itself in a mature industry market with established educational players, the University delivered a new ad campaign that boldly asserted SMU is different.

The campaign was launched to coincide with the early admissions period, beginning in November 2002, and featured a number of different SMU students – and later faculty and employers, as well – in energetic and animated poses. Accompanying write-ups for the ads demonstrated how each of the real-life models epitomise the values of the University. The creatives have been featured in newspaper ads, on buntings along the

main drive of the Bukit Timah campus, on hoardings around the city campus site, in SMU publications and on the University's website.

Significantly, the ads became a talking point in the local media. Several substantive and positive press articles plus an extended dialogue in the news forum all served to substantiate the ads' claim about the SMU difference – confident students who speak out and

participate actively in class, faculty who serve as mentors and role models, and a holistic approach to education that fosters interaction and cultivates creative and responsible risk-taking. Beyond garnering media coverage, the branding exercise also appears to have had a significant impact on the numbers and quality of new applicants for the 2003 intake, as judged by the recent admissions exercise.



Ng Peng Fong. SMU student. Band major. Expedition leader/instructor. Community volunteer.

Following the theme *Let's Get Loud* – with the focus on the quality and achievements of SMU students – this year's Patrons' Day was managed by an event company owned and run by entrepreneurial SMU students.

An august, student-composed processional fanfare heralded the arrival of SMU Patron, HE S R Nathan, President of Singapore, to the campus, where a variety of student booths – including everything from tattooing to flowers to handicrafts – filled the Upper Quadrangle, while student dance and musical performances entertained the SMU community. The January 2003 event also featured the presentation of the Tan Tee Chee Co-Curricula Awards, which recognise and award the non-academic achievements of SMU students.



President S R Nathan mingles with a throng of SMU students among the Patron's Day bazaars.



SMU students led the ceremonies and gave inspiring performances for SMU Convocation 2002, held at Suntec Singapore Ballroom in August. The event was graced by guest-of-honour Dr Lee Boon Yang, then Minister for Manpower, with SMU Chancellor, Dr Richard Hu, performing his first ceremonial duty.

This year's Open House theme – *Get a New Perspective* – played on the University's recent ad campaign, that SMU students are different.

Prospective students from Singapore JCs and tertiary institutions were invited in March 2003 to see what makes SMU a different kind of university. While admissions talks were a key feature to the day's events, students played an active role by welcoming visitors and conducting campus tours. As well, over 40 co-curricular activity booths showcased the diversity of their varsity interests, while student musical and dance performances entertained the many visitors to SMU.



The Eurythmix perform a scintillating dance routine for Open House 2003 visitors.



*In July 2003, stageit, SMU's student production house, took to Raffles Hotel's Jubilee Hall stage with its inaugural musical *Sing to the Dawn*. The musical was a critical and financial success, with 50% of the profits donated to The Straits Times Pocket Money Fund.*

By doing community service, SMU students are learning to fulfil their role as responsible citizens, demonstrating leadership and integrity within the communities they live and work.

SMU students undertook a unique community service project at KK Women's and Children's Hospital (KKH) for the 2002 holiday season. The project involved the construction of a 3.5 metre holiday tree – made up of over 1500 colourful, stuffed bears – and a set of programmes to bring holiday cheer to the hospital's in-patient and daycare children.



For the community service requirement at SMU, students must complete a minimum of 80 hours of community service attachment with a community, social or civic organisation. To date, over 300 students have completed community service, with another 350 whose community service is in progress. Some of the projects this past year included the StARS for SARS taskforce under the National Volunteer & Philanthropy Centre; the “I Feel Good” project with Straits Times to raise money for the Courage Fund; and a Singapore Red Cross Society mission to Timor Letse to educate villagers on hygiene. SMU students were also involved in the “Largest Photo Collage” in partnership with Heartware Network to raise \$1 million for this year’s President’s Challenge and the Canberra Community Centre building fund.

The SMU overseas community project to Thailand helped to foster in students a spirit of volunteerism and an appreciation of foreign culture.

The project, supported by the Singapore International Foundation (SIF), prepared students to initiate, plan and participate in overseas community service. In July 2002, 34 SMU students traveled to Nam Baow Luang School, Sanpatong District, Chiang Mai, Thailand. Called “Friends for Life”, the project comprised three objectives: to construct a halfway-house for those school students at risk of falling under the influence of drugs, to gain a better understanding of the Thai students through personal interaction, and to offer a first-hand experience of Singapore through cultural exchange.

Through the Business Study Mission (BSM) students gain first-hand observation of business practices in different social, cultural and political settings.



Students on the BSMs to China not only gained insight into China's business practices, but were even able to make some important business contacts for their own enterprises.

Launched by the School of Business, the BSM is the first such mission for undergraduate students in Singapore. The programme is designed to broaden the mindset of students and give them a better understanding of the benefits and pitfalls of doing business overseas. 24 students participated in the first BSM to Shenzhen and Hong Kong in August 2002, while 32 student participants ventured on the second mission in December 2002 to the Pearl River Delta Region, which covered the cities of Shenzhen, Dongguan, Guangzhou, Zhongshan, Zhuhai and Hong Kong.

Prior to their trips, students were required to conduct extensive research into various aspects of doing business in China. Following their return from the BSMs, students presented their findings at a seminar for the public and University community. The seminar was well received and attracted full house capacity.



As an outgrowth of the BSMs, a student-led initiative called the SMU East Asian Studies Society has been formed to deepen students' understanding of business and career opportunities beyond the shores of Singapore, particularly in East Asia.

In the new academic year, the School will introduce two new BSMs – one to India in October 2003 and the other to Spain in December.

Research is a vital element in the University's drive to be a world-class institution. To create and disseminate knowledge, SMU aspires to generate leading edge research with global impact.



In June 2003, Mr Homi Kharas, Regional Chief Economist, World Bank, spoke on East Asia Integrates: A Trade Policy Agenda for Shared Growth as part of the SMU Economics & Statistics Seminar Series 2003.

The Wharton-SMU Research Center

The Wharton-SMU Research Center (WSRC) was established in June 1999 to establish a strong research collaboration between Wharton and SMU faculties in the international research arena, with specific focus on issues relevant to Singapore and Asia.

This past year, the Center funded 23 projects undertaken by Wharton faculty associated with the Center, of which 21 were collaborations between the two universities. These projects cover a wide range of topics in marketing, economics, finance, legal studies, and management – all with diverse areas of applications. Under the Wharton-SMU collaboration scheme, 15 Wharton professors funded by WSRC visited SMU during the year for research interaction with their SMU counterparts and presented research findings at seminars.

SMU Faculty Research

The University also supports research projects of SMU faculty. With an increased number of SMU faculty and

continued dedication to research, a higher commitment to research among the faculty was evident during the year. During the financial year, 69 faculty research projects were funded. They were undertaken by faculty of all disciplines from the Schools of Business, Accountancy and Economics and Social Sciences, and received a total funding of over S\$2 million.

SMU's MSc/PhD Programme by Research

The MSc/PhD programme by research is a necessary ingredient in the development of SMU as a world-class research university and will be built on the strengths of SMU's faculty in Business, Accountancy, Economics and Information Systems. The blueprint for the MSc programme by research is being completed, with an eye towards July 2004 as a start date. The PhD programme is anticipated to follow shortly thereafter.

RESEARCH

EU TONG SEN

Commissioned Research

On 15 Oct 2002, an agreement was made between SMU and the Institute of Technical Education (ITE) to jointly conduct a study on the impact of ITE's e-learning system on students. Specifically, the two institutions will look into identifying the issues of change and improvement in the learning/teaching experience of students and instructors as well as providing evidence of the impact of ITE's e-learning environment on students' learning experience and outcomes. The feasibility study of the project was completed in May 2003 and the Principal Investigators are now in the first phase of the study to collect, analyse and evaluate data.

Research Forum

The SMU School of Business Research Forum Series was launched in January 2003. Intended as an inter-disciplinary forum for faculty to present their research work, the inaugural forum was held in January 2003, with Associate Professor Tan Wee Liang presenting the topic *Social Entrepreneurship*. To date, a total of six Research Forums have been held, including a session presented by Dr Thomas E Copeland, who as a visiting speaker for the March 2003 forum presented his topic *The Role Expectations in Explaining the Cross-Section of Stock Returns*.

Research Seminars

18 research seminars were organised by the Office of Research for academics and business practitioners. These research seminars were delivered by renowned professors from overseas universities and included topics such as:

Exploration and Exploitation on Shifting Landscapes: Exploring the Adaptive Potential of Organizations
Jitendra V Singh, Saul P Steinberg
Professor of Management & Vice Dean for International Academic Affairs, The Wharton School, University of Pennsylvania

The Structure of a Chinese Firm
Marshall W Meyer, Richard A Sapp
Professor & Professor of Management and Sociology, The Wharton School, University of Pennsylvania

Investigating Recency and Frequency Effects in Customer Base Analysis
Peter S Fader, Professor of Marketing, The Wharton School, University of Pennsylvania

INITIATIVE

faculty publications

JOURNALS

Accounting	Accounting Education
	Asia Business Law Review
	International Journal of Accounting
	Journal of International Accounting Research
Communications	Business Communication Quarterly
	Jurnal Bahasa Modern
Economics	Computational Statistics and Data Analysis
	Econometrics Journal
	Economics Letter
	Journal of Applied Econometrics
	Journal of Business and Economic Statistics
	Journal of Empirical Finance
	Journal of Quality Technology
	Journal of Royal Statistical Society: Series C
	Journal of Time Series Analysis
	Social Choice and Welfare
	Transport Policy
Finance	International Journal of Theoretical and Applied Finance
	Journal of Business Finance and Accounting
	Journal of Futures Markets
	Journal of Financial Research
	Review of Quantitative Finance & Accounting
Law	Australian Business Law Review
	Cambridge Law Journal
	Journal of Business Law
	Journal of Contract Law
	Lloyd's Maritime & Commercial Law Quarterly
Management	Decision Sciences
	Quarterly Review - Zeitschrift für Klein
	Revue de la Societe Suisse - Asie
	International Business
	Journal of Applied Psychology
Marketing	European Journal of Marketing
	Journal of International Marketing
	Journal of Operations Management
	Journal of Retailing
	Management Science

BOOKS

Low Kee Yang and Benny Tabalujan, *The Executive's Guide to Business & the Law*, 2nd Edition, Prentice Hall, 2002.

Thomas Menkhoff and Solvay Gerke (eds), *Chinese Entrepreneurship and Asian Business Networks*, London: RoutledgeCurzon, 2002.

Andrew Phang (gen ed), *Basic Principles of Singapore Business Law*, Thompson Learning, 2003.

Kirpal Singh, Dipika Mukherjee and M A Quayum (eds), *The Merlion and the Hibiscus: Contemporary Short Stories from Singapore and Malaysia*, Penguin Books, 2002.

Themis Suwardy, *Financial Reporting in Singapore: Cases & Readings*, Pearson Education, 2003.

Augustine H H Tan (ed), *Monetary and Financial Management in Asia in the 21st Century*, World Scientific, 2002.

Philip Kotler, Swee Hoon Ang, Siew Meng Leong, **Chin Tiong Tan**, *Marketing Management: An Asian Perspective*, Prentice Hall, 3rd Edition, 2003.

Teoh Boon Seong and Teng Su Cheng (eds), *Reading in a Multilingual Context: From Theory to Practice*, Singapore Association for Applied Linguistics, Singapore, 2002.

Over 300,000 copies of *Marketing Management: An Asian Perspective*, co-authored by SMU Provost Prof Tan Chin Tiong, have been sold in English, Chinese and Bahasa Indonesia.



FACULTY

SMU Vision - To be a premier university, internationally recognised for its world class research and distinguished teaching.

Faculty Appointments

In January 2003, **Professor Roberto S Mariano**, concurrent to his position as Dean, School of Economics and Social Sciences, was appointed Vice Provost at the Office of Research and Deputy Director of the Wharton-SMU Research Center. **Associate Professor Annie Koh**, Dean of Executive Education, was appointed Associate Dean, School of Business in May 2003. **Teaching Associate Professor Benedict Koh** was appointed as Programme Director for the Master of Science in Applied Finance in May 2003. **Practice Associate Professor Francis Koh** was appointed Programme Director for the Master of Science in Wealth Management, which will receive its first student intake in January 2004. **Practice Professor Pang Eng Fong** was appointed Director of the Wee Kim Wee Centre, which was launched in August 2002.

Faculty Tenure

Associate Professor Jeremy Goh, School of Business, and **Associate Professor Yang Kum Khiong**, School of Business, were granted tenure in July 2002. **Associate Professor Myoung-Jae Lee**, School of Economics and Social Sciences, joined SMU in December 2002, with tenure granted. **Associate Professor Jin-Kyung Han**, School of Business, was granted tenure in July 2003.

Elwood S Buffa

Dissertation Competition

Assistant Professor Byung Joon Park, School of Business, was named co-winner in the 2002 Elwood S Buffa Dissertation Competition. The purpose of the competition is to identify and recognise outstanding doctoral research in the development of theory or applications of the decision sciences completed during 2001. Assistant Professor Park's winning dissertation was *A Framework for Integrating Product Platform Development with Global Supply Chain Configuration*.

Fulbright Foreign

Student Grant Award

Law Lecturer Eugene Tan Kheng Boon, School of Business, was awarded the Fulbright Foreign Student Grant Award (2003) in July 2003 and will pursue his master's programme at Stanford Law School under SMU's Faculty Development Scheme in 2003-2004.

2003 Carolyn Dexter

All-Academy Award

Associate Professor Thomas Menkhoff, School of Business, was nominated in June 2003 by the Academy of Management for the 2003 Carolyn Dexter All-Academy Award for Internationalizing the Academy for his joint-paper with Professor Hans-Dieter Evers *Reflections about the Role of Expert Knowledge and Consultants in an Emerging Knowledge-based Economy*.

William H Newman Award

Assistant Professor Young Rok Choi

School of Business, was nominated for the 2002 William H Newman Award. The Academy of Management awards the William H Newman Award for outstanding papers based on a recent dissertation. Prof Choi's paper, selected as representative for the Entrepreneurship division of the Academy, was entitled *Exploiting an Opportunity: Entrepreneurs' Assessment of Imitation Threat and Liability of Newness*.



Prof Andrew Phang. Chair, Department of Law, School of Business. Departmental distinction: Law launched as second major; publication of 748-page textbook, Basic Principles of Singapore Business Law.

DISTINCTION

senior faculty

President

FRANK Ronald E *Professor*

Provost

TAN Chin Tiong *Professor*

Vice Provost, Research

MARIANO Roberto S *Professor*

Dean, School of Accountancy

PANG Yang Hoong *Associate Professor*

Dean, School of Business

MONTGOMERY David B *Professor*

Dean, School of Economics and Social Sciences

MARIANO Roberto S *Professor*

Dean, School of Information Systems

MILLER Steven *Practice Professor*

Dean of Executive Education

KOH Annie *Associate Professor*

Dean of Students

LOW Aik Meng *Associate Professor*

Associate Dean, School of Accountancy

SUWARDY Themis *Teaching Assistant Professor*

Associate Dean, School of Business

KOH Annie *Associate Professor*

Associate Dean for Academic Personnel, School of Economics and Social Sciences

TSE Yiu Kuen *Professor*

Associate Dean for Programmes, School of Economics and Social Sciences

PHANG Sock Yong *Associate Professor*

Deputy Director, Wharton-SMU Research Center

MARIANO Roberto S *Professor*

Chair, Department of Law

PHANG Boon Leong, Andrew *Professor*

School of Accountancy GAN Tin Hua, Michael *Emeritus Associate Professor* • GOH Beng Wee *Lecturer* • HAN Bong-Heui *Visiting Associate Professor* • HWANG Soo Chiat *Associate Professor* • KANG Tony *Assistant Professor* • KHOO Teng Aun *Associate Professor* • KIM Sungsoo *Visiting Associate Professor* • LEE Kiat Bee Jimmy *Lecturer* • LEE Lian Fen *Lecturer* • LEE Tong Kin Andrew *Practice Associate Professor* • LEONG Kwong Sin *Associate Professor* • NG Tee Yong Jeffrey *Lecturer* • OW YONG Keng Kevin *Lecturer* • TAN Min Yen *Lecturer* • TAN Teck Meng *Professor* • TAY Siok Wan Joanne *Teaching Associate Professor* • WANG Jiwei *Lecturer* • WILLIAMS Mitchell *Associate Professor* • ZANG Yoonseok *Assistant Professor*

School of Business BONFRER Andre *Assistant Professor* • CHAN Justin *Assistant Professor* • CHAN Kok Yew Gary *Assistant Professor* • CHAY Yue Wah *Associate Professor* • CHOI Young Rok *Assistant Professor* • CHUA Choong Tze *Assistant Professor* • CHUNG Seh-Woong *Assistant Professor* • De MAEYER Peter *Visiting Assistant Professor* • EVERS Hans-Dieter *Visiting Professor* • FAN Ping Ching Terence *Lecturer* • GOH Choo Yong Jeremy *Associate Professor* • GREGURAS Gary John *Associate Professor* • HAN Jin-Kyung *Associate Professor* • HAUPTMAN Oscar *Visiting Professor* • HO Teck Hua *Visiting Professor* • HONG Dong *Assistant Professor* • HORVATH Lisa *Visiting Assistant Professor* • JANAKIRAMANAN Sundaram *Visiting Associate Professor* • KOH Cher Chiew Francis *Practice Associate Professor* • KOH Seng Kee Benedict *Teaching Associate Professor* • KOH Pearlie *Associate Professor* • LAI Shu-Ching Sandy *Assistant Professor* • LEE Pey Woan *Assistant Professor* • LEE Pui Yee Michelle *Assistant Professor* • LEE Teck Huat Marcus *Assistant Professor* • LIANG Thow Yick *Associate Professor* • LIM Kian Guan *Professor* • LOH Kiat Roger *Lecturer* • LOW Kee Yang *Associate Professor* • MACRAE Cecil Duncan *Practice Associate Professor* • MACRAE Elizabeth *Practice Associate Professor* • MENKHOFF Thomas *Practice Associate Professor* • MEYER Marshall Tommie Goh *Visiting Professorship in Entrepreneurship and Business* • NETZLEY Michael Alan *Teaching Assistant Professor* • ONG Siow Heng *Teaching Associate Professor* • PANG Eng Fong *Practice Professor* • PARK Byung Joon *Assistant Professor* • PERLUSZ Stefano *Assistant Professor* • PHAN Phillip *Visiting Associate Professor* • PULLE Austin Ignatius *Associate Professor* • RAMASWAMI Seshan *Associate Professor* • RODRIGUES Brian *Practice Associate Professor* • SAW Cheng Lim *Assistant Professor* • TAN Eng Joo *Lecturer* • TAN Keng Boon Eugene *Lecturer* • TAN Wee Liang *Associate Professor* • TEO Song Wee Melvyn *Assistant Professor* • TEOH Boon Seong *Teaching Associate Professor* • THAM Chee Ho *Assistant Professor* • TING Hian Ann Christopher *Assistant Professor* • TSCHANG Feichin Ted *Assistant Professor* • TSUI Kai Chong *Associate Professor* • VARGHESE Susheela Abraham *Assistant Professor* • WANG Siqun *Assistant Professor* • WANG Yusong *Assistant Professor* • WARACHKA Mitchell Craig *Assistant Professor* • WHARTON Glenn *Assistant Professor* • WONG Wai San Mary *Associate Professor* • WU Zhengping *Assistant Professor* • YANG Kum Khiong *Associate Professor* • YEOH Mun See Caroline *Teaching Associate Professor* • YOSHIKAWA Toru *Associate Professor*

School of Economics & Social Sciences CHANG Pao-Li *Assistant Professor* • CHUA Vincent *Assistant Professor* • DEKLE Dawn Jeanine *Teaching Associate Professor* • DOWLING John Malcolm *Visiting Professor* • GHOSH Aurobindo *Assistant Professor* • HOON Hian Teck *Associate Professor* • HUANG Fali *Assistant Professor* • KOH Winston *Associate Professor* • KRIZ Peter Nicholas *Assistant Professor* • LEE Gea Myoung *Assistant Professor* • LEE Myoung-Jae *Associate Professor* • LEUNG Heng Yan Denis *Associate Professor* • LEUNG Hing Man *Associate Professor* • MARJIT Sugata *Visiting Professor* • SHAMAN Paul *Visiting Professor* • SINGH Kirpal *Associate Professor* • SUZUKI Hikaru *Assistant Professor* • TAN Hui Heng Augustine *Emeritus Associate Professor* • TAN Kim Song *Practice Associate Professor* • TAY Swee Ann Anthony *Assistant Professor* • TAN Swee Liang *Practice Assistant Professor* • TAN Yoo Guan *Teaching Associate Professor* • WILLIAMS John Nicholas *Assistant Professor* • YANG Zhenlin *Assistant Professor*

School of Information Systems LEE Lye Hock Jacob *Teaching Associate Professor* • LI Yingjiu *Lecturer* • NARASIMHALU Arcot Desai *Practice Associate Professor* • SHUM Kam Hong *Practice Associate Professor* • WONG Yue Kee *Teaching Associate Professor* • ZHENG Baihua *Lecturer*

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To attract the best local and global talents to SMU, the investment, nurturing and development of our most important asset – human resources – has continued.

The University has made extensive use of global executive search firms to bring on board the best talents and leaders in all our key leadership positions and has been successful in attracting many top talents from leading MNCs and world renowned institutions of higher learning. SMU continues to look for people who possess the attributes to become leaders, share the organisation's beliefs and values, and who are able to play a part in fulfilling the University's mission and vision.

To build SMU into a performance-based and competency-based organisation, a performance evaluation system was developed and aligned with the pay-for-performance philosophy. Staff are rewarded based on their direct achievements and contributions. A state-of-the-art, web-based performance management system has also been developed for this purpose.

To achieve excellence in both personal and organisational development, staff development continues to be a high priority. People are trained and



developed along the competencies-based organisation model. Leaders at all levels are also extensively trained according to specific organisational needs.

(left to right) Ms Adeline Heng, Dean's Office, School of Accountancy; Ms Karen Ho, General Office; Mr Alan Koh, Office of Student Life; Ms Lim Sue May, Office of Human Resources; and Mr Darran Hanson, Office of Corporate Communications.

And with the aim to make SMU the Best Place to Work, continuing efforts and steadfast commitment have been made to promote health and wellness among employees. Those efforts were recognised by the Health Promotion Board, who awarded the University with the much coveted Health Award in 2002.

ADMINISTRATIVE

heads of departments

Director, Campus Development

FOO Yit San

Director, Career Services

CHIANG Fong Leng, Ruth

Associate Director, Centre for Academic Computing

TANG Ai Chee

Director, Communications and IT

FOO Yin Kee

Director, Corporate Communications

TAN Kheng Huay, Sharon

Director, Facilities Management

HO Thim Seng

Assistant Director, Faculty Administration

CLARKE Judith

Director, Finance

SIM Teow Hong

Director, Human Resources

ONG Tiong Eng

Director, Institutional Advancement

MEKANI Kirtida

Assistant Director, Internal Audit

LEONG Choong Pak, Victor

Assistant Director, International Relations

MALIQUE Isabelle

Director, Legal and General Affairs

CHIN Soon Fong, Edmund

Chief Librarian, Library and Information Services

KOH Bee Chin

Director, Registrar

TAN Lee Chuan

Director, Student Life

LEE Tse Chen, Stanley

Director, Undergraduate Admissions

LAI Hoew Min, Fanny

EXCELLENCE

A university that engages the local and global community, interfaces with key industry and forges supporting partnerships to fulfil our mission of becoming a world-class premier institution.



Tan Wah Yeow, Partner, KPMG.
KPMG offers scholarships and internships
to SMU students each year.

THE COMMUNITY

Through the Wee Kim Wee Centre, SMU will establish links and collaborative exchanges with other institutions to promote international studies that contribute to greater understanding of cultural diversity.



Dr Wee Kim Wee

Named after Singapore's former president, Dr Wee Kim Wee, who is known for his efforts in fostering good relations as a diplomat in the Asia-Pacific region, the Centre's primary focus is on activities and programmes with a cross-cultural and management dimension, designed to engage SMU students, faculty and the community in wide-ranging dialogues through research, publications, seminars, conferences and lectures.

In academic year 2002-2003, the Centre launched a series of well-attended talks, whose invited speakers included ambassadors, academics and policymakers. In February 2003, together with the Centre for Global Governance in the London School of Economics and the Commonwealth Business Council, the Centre organised a symposium on trade policy challenges and the Doha Round. Minister of State for Trade & Industry and Foreign Affairs Mr Raymond Lim was the keynote speaker.

With S\$1.34 million already committed to the Centre and a total of S\$5 million targeted to sustain its activities, future plans for the Centre include an international conference on talent and culture in 2004, the launch of an annual Wee Kim Wee Distinguished Lecture series, the award of travel grants for students, and support for publications on cross-cultural management.

Together with renowned academics, industry veterans and experts, SMU's executive education actively links the university with industry.



Assoc Prof Annie Koh
Dean, Executive Education

With programmes that cater to highly motivated professionals, more than 3000 executives over 25 countries have attended the various executive education events to date. These include a series of partnership programmes with renowned universities such as Wharton, ESSEC Business School and INSEAD. Other programmes have been done in collaboration with industry partners, such as the Association of Corporate

Treasurers, Institution of Engineers, Mercer Human Resource Consulting, Singapore Business Federation, Singapore Investment and Banking Association, Social Service Training Institute, and Singapore Venture Capital & Private Equity Association.


Several speciality programmes have also been introduced in the areas of Knowledge Management; Corporate Finance for the Real Estate Group; Hospital Management; Leadership Brand, Management & Sensitivity; Venture Capital & Private Equity; the Role of the CTO; and US CPA Exam Prep Programme. Following China's accession into the WTO, a timely conference was organised on *How China Will Do Business with You: Strategies for Asian Companies*.

Apart from the regular programmes and seminars, visiting delegates have been hosted for roundtable discussions and customised seminars, while the public have been provided with complimentary learning opportunities

through the Distinguished Public Lecture Series, which has featured three illustrious speakers: *How Fast is China Really Growing?* by Nobel Laureate Lawrence Klein, *The Leader of the Future* by Dr Marshall Goldsmith, and *Expectations Based Management: Matching Shareholder Value to Company Performance* by Dr Thomas E Copeland.

Moving ahead, new partnerships and collaboration agreements have been forged to offer novel and exciting programmes, including Managing Successful Luxury Businesses in Asia, Strategic Human Capital Management, Strategies & Corporate Governance for Voluntary Welfare Organisations, Personal Wealth Management, and Managing Emerging Technologies.

LINKING



The School of Economics and Social Sciences (SESS) conducted an in-house training programme on Public Sector Economics for the Ministry of Finance in June 2003.

In its maiden effort to provide public service through professional development programmes to targeted audiences, SESS organised six of its senior faculty to conduct the training. The programme covered economic issues in social safety nets, education,

healthcare and health insurance, housing and land, natural monopoly, public enterprises/privatisation/regulation of markets, and transport. A total of 24 participants attended the lively three-and-a-half day programme at SMU.

In February, the School of Business played host to the 2003 1st Global Investors Workshop, Asia.

The Association for Investment Management and Research (AIMR), an international, non-profit organisation of more than 55,000 investment practitioners and educators in over 100 countries, hosted its first Global Investors Workshop, Asia (GIW) at the School of Business. Leading the workshop sessions were Robert F Bruner, Distinguished Professor of

Business Administration at the Darden School at the University of Virginia, and Bernard Dumas, Rothschild Professor of Banking & Professor of Finance at INSEAD. The event's featured speaker was Mr Ng Kok Song, Managing Director (Public Markets), Government of Singapore Investment Management Corporation.

INDUSTRY

The CEO Talks series brings leaders into the classroom setting to share their experiences and views on current business issues.

Launched in January 2003 by the School of Business, the series is entitled *Management & Leadership: A Seminar with CEOs*. The School organised seven talks, bringing in names like Dr Jannie Tay of The Hour Glass, Mr Boon Swan Foo of A*Star, and Mr J Y Pillay of the Singapore Exchange, among other prominent business leaders.

The talks – covering topics such as management, leadership and entrepreneurship – have been well received. After attending nine sessions, the students can choose to obtain one half course credit by writing a term paper that focuses on leadership trends and management thoughts, and writing a general reflection of lessons they have learnt from the entire series of talks.

In the wake of recent corporate scandals, *Accounting: A Road to the Top* provided a hopeful note for students considering the profession.

The February 2003 seminar, organised by the School of Accountancy, attracted over 600 people – most of them students considering tertiary education. The purpose of the seminar was to bring together members of the industry to address the role of the accounting profession in light of recent scandals, and to highlight the value of pursuing an accounting programme at university. The eminent speakers on the round-table panel included leaders from the accounting profession who spoke passionately about their career choice, as well as the tremendous potential of the industry for prospective students.



Panelists for the Career Choice Seminar included (right to left) Mrs Fang Ai Lian of Ernst & Young, Dr Ernest Kan of Deloitte & Touche and the Institute of Certified Public Accountants of Singapore, Ms Euleen Goh of Standard Chartered Bank, and Practice Assoc Prof Andrew Lee of Singapore Management University.



Despite a bleak economic forecast, worsening job markets, war in Iraq, terrorist threats and the virulent SARS outbreak in Singapore, career services pressed on to find employment for the University's early batch of graduating students.

With a list of more than 50 organisations recruiting, nine out of 10 early graduating students secured jobs, with most being employed by the banks and multinational firms, such as UBS, Merrill Lynch, DBS, OCBC and IBM. For the next batch of graduating students, a book showcasing resumes of students have been sent to over 200 organisations, with another 100 copies to be sent to SMU donors and contacts. As well, on-campus career talks, exhibitions and recruitment have been planned from September to December 2003.

The University continued to receive strong support from the industry as the internship programme gained market acceptance. More than 90% of SMU interns received good or excellent performance appraisals. The number of participating organisations offering internships nearly tripled from 70 to 200 and represent a wide spectrum of industries, including banking and finance, IT, manufacturing, transport and logistics, audit and consultancy, and hospitality and services sectors.

To assist in the recruitment and internship process, an online career portal known as SMU OnTRAC was developed. Officially launched by President S R Nathan at Patron's Day 2003, the online system allows employers direct access to a talent pool of SMU undergraduates and makes recruitment easier and faster.



Together with an entourage comprising education, business and manufacturing sectors from his country, Prime Minister of Mongolia, Nambar Enkhbayar (left) was hosted by SMU President Prof Ronald Frank (right) to a campus visit in October 2002. Among the distinguished visitors were Minister of State for Health and Environment, Dr Balaji Sadasivan (center) and Singapore Ambassador to Mongolia, HE Calvin Eu.



In January 2003, Dr Laura D'Andrea Tyson – Dean of the London Business School (LBS) and former US President Clinton's National Economic Adviser – was hosted to a University lunch at SMU by personal friend and LBS alumnus Mr Wong Kan Seng, Minister for Home Affairs.

Cultivating important relationships is a mark of the University's vision to be an institution of international standing.

IAAP Visit

As part of its local varsity visit, the International Academic Advisory Panel (IAAP) – comprising distinguished academics and heads of universities and industries from around the world – visited SMU in January 2003. This was the IAAP's fourth biennial meeting on Remaking Singapore – The Role of the University Sector. The IAAP was established by the Ministry of Education in 1997 to help Singapore universities develop into world-class centres of excellence in scholarship and research.

SMU-St Gallen MOU

Swiss Ambassador to Singapore, Dr Daniel Woker, visited the Bukit Timah campus in February 2003 for the signing of a memorandum of understanding between SMU and the University of St Gallen (HSG). The agreement deepens the collaborative efforts between the universities in the development and delivery of two programmes – one on Management in Europe at the HSG campus in Switzerland and the other on Management in Asia at the SMU campus in Singapore.

FOSTERING

Believing that an international exchange programme adds an invaluable dimension to student life, SMU continues to increase its number of agreements with foreign partner universities.

An international exchange programme provides good opportunity for foreign students to study in the heart and hub of Asia and for SMU students to experience a global dimension to their education. It enables students to enrich their knowledge as they live and study in different countries.

And at a personal level, it fosters greater understanding, cultural appreciation and international goodwill.

The International Student Exchange Programme at SMU is arranged with partner universities through memoranda of understanding and

consists of an exchange of students on a one-to-one basis that can be extended to one year.

The University has developed relationships with 57 partner universities throughout the world.

Austria

FH Joanneum

Australia

University of Adelaide
University of New South Wales
University of Western Australia

Belgium

Katholieke Universiteit Leuven

Canada

Queen's University, Ontario
University of Calgary
University of Manitoba

China

Sun Yat Sen University

Denmark

Aarhus School of Business
Copenhagen Business School

Finland

Helsinki School of Economics

France

Bordeaux Business School
ESC-Grenoble
ESC Rouen
ESSEC Business School
Université Paris-Dauphine

Germany

European Business School
WHU Otto Beihseim

Hong Kong

Chinese University of Hong Kong
City University of Hong Kong
Hong Kong University
of Science and Technology
University of Hong Kong

Italy

Bocconi University

Japan

Ritsumeikan Asia Pacific University
Waseda University

Mexico

Tec de Monterrey
Universidad de las Américas, Puebla

New Zealand

University of Auckland
University of Canterbury
University of Otago
Victoria University of Wellington

Norway

Norwegian School of Management BI

Philippines

University of Philippines

Spain

Universitat Pompeu Fabra – ESCI

South Korea

Pusan National University

Sweden

Jonkoping International Business School
Lund University

Switzerland

University of St Gallen

Thailand

Chulalongkorn University

Turkey

Koç University

United Kingdom

University of Bath
University of Southampton
University of Surrey

United States

Arizona State University
California State University,
Long Beach
DePaul University
Emory University
Lehigh University
North Carolina State University
Ohio State University
Rensselaer Polytechnic Institute
University of Florida
University of Minnesota
University of Pennsylvania
(The Wharton School)
University of Virginia
Washington State University

■ New exchange programmes

RELATIONSHIPS

To realise its vision of being a premier university, SMU has been strategically aligning with partners through its institutional advancement to build up the SMU Term and Endowment Funds in perpetuity.

Our fundraising efforts in financial year 2002-2003 added nearly S\$21 million in donations, sponsorships and pledges of support to our portfolio. These will generate almost S\$63 million as part of the Singapore Government's 3:1 Matching Grant Scheme, bringing the SMU Endowment and Term Funds to a total of S\$190.5 million, including a seed grant of S\$50 million by the Singapore Government. This is made possible through the confidence and support of the many individuals, corporations, foundations and Singapore Government, who continue to be generous in their giving to SMU.

Highlights and Activities

This financial year saw great strides in all areas of fundraising and external relations. The university increased private support from the community and many major events took place. Some highlights of these include:

Li Ka-shing Leadership Gift

The Li Ka-shing Leadership Gift was made by the global entrepreneur and philanthropist, Dr Li Ka-shing through his Li Ka-shing Foundation and the Hutchison Whampoa Group with a generous donation of S\$19.5 million to SMU. A staunch believer of education, Dr Li is the benefactor of numerous developments of education and medical care in mainland China and Hong Kong. This donation is the largest single contribution ever received by a tertiary institution in Singapore, and comprises two parts:

Li Ka-shing Library

S\$15 million from the gift will support the endowment of the SMU Library, named after Dr Li Ka-shing, in recognition of his generosity. The Li Ka-shing Library will form the heart of the new SMU city campus at Bras Basah and become a significant hub of activity and learning.



Li Ka-shing Library

Li Ka-shing Endowed Scholarship Programme

The remaining S\$4.5 million from the gift will support the Li Ka-shing Endowed Scholarships at SMU. The purpose of this gift is to foster intellectual excellence and attract the finest students via an endowed scholarship programme for outstanding students from mainland China and Hong Kong. The first scholarships have been awarded in academic year 2003-2004 and will build up to eight scholarships in perpetuity. These scholarships will serve to facilitate and prepare students for success in the global business environment and will also help to promote education links between Singapore, mainland China and Hong Kong, to groom a new generation of business leaders.

In cultivating community relations among the university's future neighbours in the Bras Basah District, SMU held a session in May 2003 to update its stakeholders on the progress of the city campus. The session attracted over 40 participants from the arts, business, cultural and religious communities. The session gave stakeholders insights into the project, and also a glimpse into the dynamism the university will inject into the community when it moves into its new facility in 2005.

Since the groundbreaking in March 2002, the heart of the district has been undergoing dramatic transformation, as the foundations for the new campus buildings have been laid. In conjunction with the initial excavation works, SMU cooperated with the National Heritage Board in their archaeological efforts to collect commemorative items at the existing site – which enabled the team to recover artifacts from a 19th century convict prison.

The stakeholder session also provided an opportunity to update the community on SMU's effort to preserve the hallmark greenery of the district. The four-month transplanting exercise involved careful uprooting and replanting of 15 mature trees to a local nursery. In addition, a 37-tonne, six-storey tall raintree, with a crown measuring 25-metres wide, was transplanted. This 70-year old raintree, which sat on the site of the proposed Li Ka-shing Library, was successfully moved to a new site 50 metres from its original location.



Lee Kuan Yew Global Business Plan Competition

SMU received a term gift of S\$750,000 from an anonymous donor for the Lee Kuan Yew Global Business Plan Competition. The Lee Kuan Yew Global Business Plan Competition is an event organised by SMU, with assistance from The Wharton School of the University of Pennsylvania. The world's first open international business competition for undergraduates from universities, colleges and polytechnics from around the world, it serves to cultivate a mutually reinforcing relationship between entrepreneurship and participative education. The gift secured will enable the next three Competitions, scheduled to be organised between 2003–2008, to enjoy the benefits and stability of a long-term collaboration and is a strong show of support for SMU, our vision, and our quality education programmes.

Launch of The Shaw Foundation Distinguished Faculty Lecture Series

The Shaw Foundation Distinguished Faculty Lecture Series was established with an endowed gift of S\$500,000 from the Shaw Foundation. The purpose of the series is to inspire the community with the views of outstanding academic scholars in any discipline from around Asia and the world. The inaugural lecture was held in January 2003 and was delivered by Professor Edmund S Phelps, Professor of Political Economy, Columbia University. A seminal figure in modern economics, Professor Phelps spoke on *Institutions & Economic Performance: Aspects of the Globalisation Question*. The inaugural lecture was co-organised by the School of Economics and Social Sciences and the Office of Institutional Advancement.



Prof Edmund S Phelps
The Shaw Foundation Distinguished Faculty Lecturer

scholarships, awards and loans at smu

To help meet SMU's goal of attracting outstanding students, the University has established the SMU Scholarship Programme. 29 prestigious SMU Scholarships have been offered to exemplary students, beginning with academic year 2003-2004, with 30 to be awarded per annum subsequently. Each scholarship will be tenable for up to four years of studies, subject to students maintaining a GPA of at least 3.4. These scholarships will waive entire tuition fees and also provide an annual cash allowance of S\$5000, plus a one-time grant of up to S\$3000 for the purchase of a notebook computer, which the scholar may keep on successful completion of his/her degree.

Through the generosity of our new and existing supporters, the University has received several gifts from individuals, corporations and foundations in support of scholarships and other forms of student resources, including awards, medals, bursaries and loans. Such gifts vary in size and purpose, and may be awarded to help subsidise the cost of tuition fees, notebooks, book allowances, living expenses, overseas exchange programmes and general assistance. In academic year 2002-2003, we were able to award 28 scholarships and disburse an additional 17 loans and financial grants to our students.

New Donations

The University received donations and pledges of support for 14 new scholarships and student resources. Some of these included:

Saw Swee Hock Scholarship & Gold Medal

The Saw Swee Hock Scholarship has been established by Professor Saw Swee Hock, former Professor of Statistics, NUS, and Visiting Professorial Fellow at the Institute of Southeast Asian Studies. This scholarship will be awarded to a final year student specialising in Finance, in the Bachelor of Business Management programme, with good academic performance and evidence of financial hardship. Prof Saw has also supported a Gold Medal, which will be awarded annually to the student who achieves the best academic performance in the Master of Science in Applied Finance programme.

Ong Angie Memorial Scholarship

This scholarship, established by the Ong Angie Memorial Fund, will be given annually to a first year student studying in the Bachelor of Accountancy programme at SMU. Selection criteria for this scholarship include creditable academic performance, evidence of leadership skills, good character records and community service involvement. Preference will be given to students who demonstrate evidence of financial hardship. The scholarship is tenable for the whole course of study of not more than four years, subject to the selection criteria as stated.

KPMG Accounting Gold Medal Award

This gold medal award has been established by KPMG. It will be awarded to an outstanding graduating Bachelor of Accountancy student with the highest GPA in the Accounting concentration. It consists of a certificate, a gold medal and a cash prize.

Accountancy-Law Major Award

This award, established by Mr Ong Sim Ho on behalf of the Ong Angie Memorial Fund, will be given annually to an outstanding graduating Bachelor of Accountancy student. Selection criteria for this award include a cumulative GPA of not less than 3.0 in the Bachelor of Accountancy programme and obtaining the highest cumulative GPA comprising the Law major in the five law modules. The award consists of a certificate and a cash prize.

Renewed Donations

Several organisations that have supported SMU in previous years have continued to show their confidence by renewing a total of 27 scholarships. These included:

- Cycle & Carriage Scholarship
- Deloitte & Touche Scholarships
- Energizer Scholarship
- Ernst & Young Scholarships
- Foreign Students Endowed Scholarships
- K & G Scholarships
- Luxasia Scholarships
- Moore Stephens Scholarship
- NOL Scholarships
- SCCC Business Scholarships
- Suntec City Scholarship
- Tien Wah Press Scholarship

Future Support

SMU is moving forward positively. However, to continue to build on our successes and to be at the forefront of the world stage, we need to continue to attract outstanding students, recruit and retain the finest faculty, further develop our infrastructure, build external linkages and support, and promote diversity in all aspects of university life.

For this we seek the continuous support of the community. All donations made to SMU will attract additional funding at a ratio of 3:1 as part of the Singapore Government's Matching Grant Scheme, which will support the betterment of education at SMU.

SMU gratefully acknowledges the support of its friends and well-wishers as it works towards achieving its vision of becoming a premier university.

Donors (S\$10 million and above)

Dr Li Ka-shing and Hutchison
Whampoa Group

Donors (up to S\$2,499,999 million)

Mr Tommie Goh
Mrs Ho Lien Fung
Lee Foundation
Mr Laurence Moh
Overseas Union Bank Limited
(which has since been merged with
United Overseas Bank Limited)
Prima Limited
Tanoto Foundation
The Shaw Foundation Pte

Donors (up to S\$499,999)

Blu Inc Group Ltd
Rtd Justice Choor Singh
Citigroup
Ernst & Young
Dr Lee Seng Tee
Neptune Orient Lines Ltd
REDAS
Prof Saw Swee Hock
Singapore Shipping Corporation Limited
The Singapore Buddhist Lodge
Education Foundation

Donors (up to S\$99,999)

Cambridge International Examinations,
University of Cambridge
CISCO Systems (USA) Pte Ltd
City Developments Ltd
Cycle & Carriage Limited
DBS Bank
Deloitte & Touche
Egon Zehnder International Pte Ltd
GIC Pte Ltd
IDA Singapore
ING Bank N.V.
KPMG
Luxasia Pte Ltd
PricewaterhouseCoopers
Singapore Chinese Chamber of
Commerce Foundation
Standard Chartered Bank
Mr Sum Yee Loong
Suntec City Developments Pte Ltd
The Ong Angie Memorial Fund
United Overseas Bank Limited

Donors (up to S\$24,999)

Aik Soon Hardware Pte Ltd
Aretae Interactive Ltd
Asia Pacific Breweries Ltd
Mr Mick Aw
CapitaLand Ltd
Dr Chan Onn
DBS Cards
DBS Vickers Securities (Singapore) Pte Ltd
Deloitte Consulting Pte Ltd
Energizer Singapore Pte Ltd
FinatiQ.com
Foo Kon Tan Grant Thornton
Prof Jamshed Ghandi
Ho Bee Developments Pte Ltd
HSBC Ltd
HSBC Singapore
Isaac Manasseh Meyer Trust Fund
Keppel Corporation Ltd
Assoc Prof Annie Koh
Kwan Im Thong Hood Cho Temple
Prof Lee Fook Hong
Assoc Prof Low Aik Meng
MarginMan Asia-Pacific Pte Ltd
Moore Stephens
Merrill Lynch Investment Managers
MobileOne (Asia) Pte Ltd
National Computer Systems
Pinnz Pte Ltd
Prudential Assurance Company
Singapore Pte Ltd
Reuters Singapore Pte Ltd
Rotary Club of Orchard
Scient International Pte Ltd
Singapore Exchange Securities Trading Ltd
Singapore United Estates Pte Ltd
Assoc Prof Kirpal Singh
SurfGold.Com Pte Ltd
Prof Tan Teck Meng
TH Group Berhad
Tien Wah Press Pte Ltd
Assoc Prof Tsui Kai Chong
UBS AG
Winsland Investment Pte Ltd
Mr Wong Fong Fui

Donors (up to S\$4,999)

Association of Banks in Singapore
Ms Claire Chiang
Chip Huat Construction Co Pte Ltd
Chuan Seng Kim Trading
& Construction Pte Ltd
Crocodile International Pte Ltd
DataOne Asia Pte Ltd
Elite Horticulture Services
EmitAsia Singapore Pte Ltd
Mrs Fang Ai Lian
Habigreen Properties Pte Ltd
Hewlett-Packard Singapore Pte Ltd
Mr Ho Kwon Ping
iDNS.net International Pte Ltd
Institute of Certified Public Accountants
of Singapore
International Associated Co Pte Ltd
Ms Alicia Lam
Lim Choon Teck Pte Ltd
Mr Lim Gek Ming
Mr S G Moorthy
Mr Ng Chung Poh
NTUC Income Insurance Co-operative Ltd
Peck Brothers Construction
Popular Holdings Ltd
Mr Steve Quek
Seagate Technology International
SembCorp Waste Management Pte Ltd
Serial System Ltd
Singapore Information Technology
Federation
Mr Tan Kok Wee
Prof Tan Chin Tiong
Mr Teo Seng Cheong
Trans-Island Bus Services Ltd
Mr Eddie Wee Leng Huat
Windsor Airmotive Asia Pte Ltd
Mr John Wong Weng Foo
Practice Assoc Prof Caroline Yeoh Mun See

Donors (Support In Kind)

Acer Computer Singapore Pte Ltd
AsiaPac Distribution Pte Ltd
Ms Sunflower Chong
Compaq Computer Asia Pte Ltd
Electro-Acoustic Systems Pte Ltd
Raffles Hotel
Raffles International Limited
Rajah & Tann
Sennheiser Electronic Asia Pte Ltd
Shangri-La Hotel Singapore
Singapore Computer Systems Pte Ltd

DONORS

up to 31 March 2003

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FINANCIAL REPORT

year ended March 31, 2003

report of the trustees

The Board of Trustees present their report together with the audited financial statements of Singapore Management University ("university company") for the financial year ended March 31, 2003.

1 TRUSTEES

The Trustees of the university company in office at the date of this report are:

Mr Ho Kwon Ping	– Chairman
Dr Han Cheng Fong	– Deputy Chairman
Prof Janice Bellace	
Mr Chan Yeng Kit	
Mr Cheah Kean Huat	
Mrs Fang Ai Lian	
Dr Victor K. Fung	
Dr Gan See Khem	
Mr Latiff Ibrahim	
Mr Kuok Khoon Ean	
Mr Kwek Leng Beng	
Dr Loo Choon Yong	
Prof John Rodney Niland	
Mr Jaspal Singh	
Mr Sunil Sreenivasan	
Mr Tan Kee Yong	(Appointed on January 10, 2003)
Mr John Wong	

2 PRINCIPAL ACTIVITIES

The principal activities of the university company are the advancement and dissemination of knowledge, the promotion of research and scholarships and the conferring and awarding of degrees, diplomas and certificates.

There have been no significant changes in the nature of these activities during the financial year.

3 ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

There were no acquisitions or disposals of subsidiaries during the financial year.

4 RESULTS FOR THE FINANCIAL YEAR

	\$'000
Net surplus for the year	41,227
Accumulated surplus at beginning of year	36,106
Accumulated surplus at end of year	<u>77,333</u>

5 MATERIAL TRANSFERS TO/(FROM) PROVISIONS AND RESERVES

During the financial year, there were no material transfers to or from reserves and provisions other than those disclosed in the attached financial statements.

6 ISSUE OF SHARES AND DEBENTURES

The university company is a company limited by guarantee and has no share capital. Accordingly, Section 201(6)(e) is not applicable.

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

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Trustees of the university company to acquire benefits by means of the acquisition of shares or debentures in any other body corporate.

8 TRUSTEES' INTERESTS IN SHARES AND DEBENTURES

The university company is a company limited by guarantee and has no share capital and debentures. Accordingly, Section 201(6)(g) is not applicable.

9 DIVIDENDS

The memorandum and articles of the university company restrict the use of fund to the furtherance of the objects of the university company and prohibit the payment of dividend to members.

10 TRUSTEES' ACTIONS RELATING TO BAD AND DOUBTFUL DEBTS

Before the statement of income and expenditure and the balance sheet were made out, the Trustees of the university company took reasonable steps to ascertain that proper action had been taken in relation to the writing off and providing for bad debts and doubtful debts of the university company and have satisfied themselves that all known bad debts have been written off and that doubtful debts provision is not required.

At the date of this report, the Trustees of the university company are not aware of any circumstances which would render any amount written off for bad debts inadequate to any substantial extent or require the setting up of a provision for doubtful debts.

11 TRUSTEES' ACTION RELATING TO CURRENT ASSETS

Before the statement of income and expenditure and the balance sheet were made out, the Trustees of the university company took reasonable steps to ascertain that any current assets of the university company which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values or were adequately provided for.

At the date of this report, the Trustees are not aware of any circumstances which would render the values attributable to current assets in the financial statements misleading.

12 CHARGES ON ASSETS AND EXISTENCE OF CONTINGENT LIABILITIES AFTER YEAR END DATE

At the date of this report:

- a) there does not exist any charge on the assets of the university company which has arisen since the end of the financial year which secures the liability of any other person; and
- b) there does not exist any contingent liability of the university company which has arisen since the end of the financial year.

13 ABILITY TO MEET OBLIGATIONS

No contingent or other liability of the university company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Trustees, will or may substantially affect the ability of the university company to meet their obligations as and when they fall due.

14 OTHER CIRCUMSTANCES AFFECTING FINANCIAL STATEMENTS

At the date of this report, the Trustees of the university company are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the university company misleading.

15 UNUSUAL ITEMS

In the opinion of the Trustees of the university company, the results of the operations of the university company have not been substantially affected by any item, transaction or event of a material and unusual nature during the financial year.

16 UNUSUAL ITEMS AFTER YEAR END DATE

In the opinion of the Trustees of the university company, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the university company for the financial year in which this report is made.

17 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no Trustee has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the university company or a related corporation with the Trustee or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements.

There were certain transactions (shown in the financial statements) with a corporation/ corporations in which certain Trustees have an interest.

18 OPTIONS GRANTED

The university company is a company limited by guarantee and has no share capital. During the financial year, no option to take up unissued shares of the university company was granted.

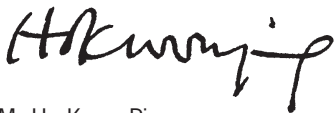
19 OPTIONS EXERCISED

The university company is a company limited by guarantee and has no share capital. During the financial year, there were no shares of the university company issued by virtue of the exercise of an option to take up unissued shares.

20 UNISSUED SHARES UNDER OPTION

The university company is a company limited by guarantee and has no share capital. At the end of the financial year, there were no unissued shares of the university company under option.

ON BEHALF OF THE TRUSTEES



Mr Ho Kwon Ping



Dr Han Cheng Fong

July 15, 2003

auditors' report to the members of singapore management university

We have audited the financial statements of Singapore Management University for the financial year ended March 31, 2003. These financial statements are the responsibility of the university company's Trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Trustees, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) the financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act ("Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:
 - i) the state of affairs of the university company as at March 31, 2003 and of the results and cash flows of the university company for the financial year ended on that date; and
 - ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements;
- b) the accounting and other records and the registers required by the Act to be kept by the university company have been properly kept in accordance with the provisions of the Act.



DELOITTE & TOUCHE
Certified Public Accountants

Singapore
July 15, 2003

balance sheet

March 31, 2003

	Notes	2003 \$'000	2002 \$'000
ASSETS			
Current Assets:			
Cash and Bank Balances	4	3,407	4,134
Fixed Deposits	4	150,541	77,711
Other Receivables	5	2,795	1,828
Total Current Assets		<u>156,743</u>	<u>83,673</u>
Non-Current Assets:			
Investments	6	121,510	82,870
Student Tuition Fee Loans	7	2,541	1,470
Fixed Assets	8	156,538	141,748
Total Non-Current Assets		<u>280,589</u>	<u>226,088</u>
Total Assets		<u>437,332</u>	<u>309,761</u>
LIABILITIES, FUNDS AND RESERVES			
Current Liabilities:			
Development Grants Received in Advance	9	51,140	22,131
Research Grants Received in Advance	10	1,975	991
Other Payables	11	16,152	11,956
Total Current Liabilities		<u>69,267</u>	<u>35,078</u>
Funds and Reserves:			
Special Funds	12	134,104	103,353
Deferred Capital Grants	13	156,628	135,224
Accumulated Surplus		77,333	36,106
Total Funds and Reserves		<u>368,065</u>	<u>274,683</u>
Total Liabilities, Funds and Reserves		<u>437,332</u>	<u>309,761</u>

The accompanying notes form part of the financial statements.

statement of income and expenditure

Year ended March 31, 2003

	Notes	General fund		Other funds		Total	
		2003	2002	2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating income	14	7,709	5,059	1,015	1,062	8,724	6,121
Staff and manpower cost	15	(31,359)	(17,169)	(255)	(188)	(31,614)	(17,357)
Depreciation		(14,929)	(7,601)	–	–	(14,929)	(7,601)
Other operating expenditure	16	(16,350)	(9,705)	(1,137)	(1,082)	(17,487)	(10,787)
Operating deficit	17	(54,929)	(29,416)	(377)	(208)	(55,306)	(29,624)
Non-operating income	18	553	1,055	113	91	666	1,146
Deficit before government grants		(54,376)	(28,361)	(264)	(117)	(54,640)	(28,478)
Government grant income	19	95,867	62,565	–	–	95,867	62,565
Surplus (Deficit) after government grants for the year		41,491	34,204	(264)	(117)	41,227	34,087
Accumulated surplus (deficit) at beginning of year		36,478	2,274	(372)	(255)	36,106	2,019
Accumulated surplus (deficit) at end of year		77,969	36,478	(636)	(372)	77,333	36,106

The accompanying notes form part of the financial statements.

cash flow statement

Year ended March 31, 2003

	2003 \$'000	2002 \$'000
Cash flows used in operating activities:		
General/Other funds		
Operating deficit before non-operating income and government grants	(55,306)	(29,624)
Revenue of special fund/other funds received:		
Interest from fixed deposits and current accounts	134	480
Refund of interest to government body	(163)	–
Donations	122	308
Funds received for tuition fee loan fund – net	1,936	1,051
Funds received for term fund – net	718	1,467
Add adjustment for non-cash items:		
Depreciation	14,929	7,601
Fixed assets written off	255	2
Others	(991)	(2,144)
Operating deficit	(38,366)	(20,859)
Changes in working capital:		
Increase in other payables	4,196	2,893
Increase in other receivables	(967)	(1,411)
Increase in student tuition fee loans	(1,071)	(1,056)
Net cash used in operating activities	(36,208)	(20,433)
Cash flows from financing activities:		
Research grant received	1,823	1,739
Operating grant received	76,934	52,731
Development grants received	68,487	147,495
Net cash from financing activities	147,244	201,965
Cash flows from investing activities:		
Acquisition of fixed assets	(29,974)	(141,429)
Increase in investments – net	(38,640)	(37,576)
Grants and related income received for Endowment Fund	29,681	16,047
Net cash used in investing activities	(38,933)	(162,958)
Net increase in cash	72,103	18,574
Cash at beginning of year	81,845	63,271
Cash at end of year	153,948	81,845
Cash comprises:		
Cash and bank balances	3,407	4,134
Fixed deposits	150,541	77,711
	153,948	81,845

The accompanying notes form part of the financial statements.

notes to financial statements

March 31, 2003

1 GENERAL

The university company is incorporated in the Republic of Singapore as a company limited by guarantee under the Singapore Companies Act, Chapter 50 with its principal place of business and registered office at 469 Bukit Timah Road, Singapore 259756. It is also subject to the provisions of the Charities Act, Chapter 37. The financial statements are expressed in Singapore dollars.

The principal activities of the university company are the advancement and dissemination of knowledge, the promotion of research and scholarships and the conferring and awarding of degrees, diplomas and certificates.

The financial statements of the university company for the year ended March 31, 2003 were authorised for issue by the Board of Trustees on July 15, 2003.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements are prepared in accordance with the historical cost convention and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Statements of Accounting Standard ("SAS").

The university company has adopted all the applicable new/revised SAS which becomes effective during the year. The adoption of the new/revised SAS does not affect the results of current or prior periods.

FINANCIAL ASSETS – The university company's principal assets are bank balances and cash, other receivables and investments. Other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

FINANCIAL LIABILITIES – Financial liabilities are classified according to the substance of the contractual arrangements entered into. Financial liabilities include other payables which are stated at their nominal value.

INVESTMENTS – Quoted and unquoted investments held on a long-term basis are stated at cost less impairment losses recognised, where the investment's carrying amount exceeds its estimated recoverable amount.

FIXED ASSETS – Fixed assets are carried at cost, less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Construction-in-progress consists of construction costs and related expenses incurred during the period of construction.

Depreciation is charged so as to write off the cost of assets, other than construction-in-progress, over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold land	– 30 years
Leasehold improvement	– over period of lease
Renovations	– 5 years
Computer equipment and software	– 3 years (2002 : 5 years)
Furniture and office equipment	– 5 years
Motor vehicles	– 10 years
Others	– 5 years

No depreciation is provided on construction work-in-progress.

Fixed assets costing less than \$1,000 each and library books are charged to the Statement of Income and Expenditure in the year of purchase.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

With effect from April 1, 2002, the University company changed the estimated useful life of computer equipment from 5 years to 3 years to take into account the rapid technological changes of the computer equipment. Accordingly, with effect from April 1, 2002, the net book value of computer equipment as at April 1, 2002 are depreciated over the remaining useful life based on 3 years less the number of months depreciated as at April 1, 2002. This change in the estimated useful life of computer equipment resulted in an increase in depreciation expense of \$1,330,995 (\$1,081,284 relating to computer equipment brought forward from April 1, 2002 and \$249,711 relating to computer equipment bought during the year) and a corresponding increase in the utilisation of deferred capital grant to match the depreciation expense.

IMPAIRMENT OF ASSETS – At each balance sheet date, the university company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

GENERAL FUND AND OTHER FUNDS – Income and expenditure are generally accounted for under the General Fund in the Statement of Income and Expenditure. The income and expenditure relating to funds that are set up for specific purposes are accounted for under Other Funds in the Statement of Income and Expenditure.

Other Funds are set up to account for funds maintained separately for self-financing activities carried out by the university company and funds received from grants and donations for such specific activities.

The income and expenditure of the General Fund and Other Funds are included in the Statement of Income and Expenditure of the university company.

SPECIAL FUND – The Endowment Fund and Tuition Fee Loan Fund are disclosed separately in the Balance Sheet as Special Funds.

Donations and government grants, which are kept intact as capital, are directly taken to these Funds in the year in which such donations and government grants are received.

Income and expenditure arising from the management of the Endowment Fund are taken directly to the Endowment Fund account.

FOREIGN CURRENCY – Transactions in foreign currencies are recorded in Singapore dollars at the rates ruling at the dates of the transactions. At each balance sheet date, recorded monetary balances are reported at the rates ruling at the balance sheet date. All realised and unrealised exchange adjustment gains and losses are dealt with in the Statement of Income and Expenditure.

Forward foreign exchange contracts, which are entered for hedging purposes, are valued on the basis consistent with the assets and liabilities which are the subject of the hedge. Profit and losses on these transactions are recognised on a basis consistent with the transactions to which they apply.

Transaction in foreign exchange forward contracts which are entered for non-hedging purposes and which are outstanding at year end are revalued at the applicable forward exchange rates approximating the forward rates prevailing on balance sheet date. Exchange differences are taken to the Statement of Income and Expenditure.

REVENUE RECOGNITION – Tuition and other fees for the academic year, dividend income and donations are recognised in the financial year they are received. The academic year of the university company covers the period from August 1 to July 31. For accounting purposes, the university company recognises the tuition and other fees for the full academic year to coincide with the financial year and accordingly, no prepaid tuition and other fees are recognised at the end of each financial year. All other income is recognised on the accrual basis.

GRANTS – Government grants and contributions from other organisations for the purchase of depreciable assets or to finance capital projects are taken to the Development Grants Received In Advance account in the first instance. They are taken to the Deferred Capital Grants account upon the utilisation of the grants for the purchase of assets which are capitalised, or to the Statement of Income and Expenditure for purchase of assets which are written off.

Deferred Capital Grants are recognised in the Statement of Income and Expenditure over the periods necessary to match the depreciation of the assets purchased with the related grants. Upon the disposal of the fixed assets, the balance of the related deferred capital grants is recognised in the Statement of Income and Expenditure to match the net book value of the fixed assets written off.

Government grants to meet the current year's operating expenses are recognised as income in the same year.

3 FINANCIAL RISKS AND MANAGEMENT

The university company manages its exposure to financial risks using a variety of techniques and instruments. The university company's policy prohibits it to enter into speculative transactions.

a) Interest rate risk

Interest bearing financial assets are mainly bank balances, fixed deposits and student tuition fee loans. Bank balances and fixed deposits are short term in nature, therefore, any future variations interest rates will not have a material impact on the results of the university company. Interest based on average prevailing prime rates of four local banks is levied on the student tuition fee loans after the borrower's graduation. The university company does not have any interest bearing financial liabilities.

b) Credit risk

The university company places its cash and deposits with creditworthy institutions. Investment portfolios are managed by reputable asset management companies.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the balance sheet.

c) Significant concentrations of credit risk

Concentrations of credit risk exist when changes in economic, industry or geographical factors similarly affect group of counterparties whose aggregate credit exposure is significant in relation to the university company's total credit exposure.

The university company does not have any significant concentrations of credit risk.

d) Foreign currency risk

The university company's operation is not exposed to foreign exchange risk as most of its transactions are in the Singapore dollar, which is also its reporting currency. Fund managers currently manage the university company's Endowment Fund, and may invest in instruments denominated in foreign currency. Foreign currency exposure arising from such investments are managed by the fund managers.

e) Liquidity risk

The Trustees are of the view that there is no liquidity risk as the university company maintains an adequate level of highly liquid assets in the form of cash and short term fixed deposits.

f) Fair value of financial instruments

The fair value of the university company's financial assets and financial liabilities approximate their carrying value except for long-term investments where its fair value exceed the carrying cost as disclosed in Note 6 to the financial statements.

4 CASH AND BANK BALANCE AND FIXED DEPOSITS

Included in cash and bank balances and fixed deposits are amounts placed with fund managers as follows:

	2003 \$'000	2002 \$'000
Cash and bank balances	1,416	1,873
Fixed deposits	2,193	9,996
	<u>3,609</u>	<u>11,869</u>

5 OTHER RECEIVABLES

	2003 \$'000	2002 \$'000
Goods and services tax receivable	60	225
Interest receivable	1,284	719
Fees receivable	1,169	443
Deposits	140	98
Prepayments	140	20
Staff loans	2	10
Others	–	313
	<u>2,795</u>	<u>1,828</u>

6 INVESTMENTS

	2003 \$'000	2002 \$'000
At cost:		
Quoted bonds	109,027	68,300
Quoted equity shares	12,483	14,570
	<u>121,510</u>	<u>82,870</u>
Market value:		
Quoted bonds	112,348	67,501
Quoted equity shares	11,036	17,122
	<u>123,384</u>	<u>84,623</u>

7 STUDENT TUITION FEE LOANS

Student tuition fee loans are repayable by monthly instalments over periods of up to 20 years after the borrowers' graduation. Interest is charged at the average prime rates of three local banks prevailing on the first day of each quarter, or such other rates as may be determined from time to time.

8 FIXED ASSETS

	Leasehold land \$'000	Leasehold improve- ment \$'000	Renovations \$'000	Computer equipment & software \$'000	Furniture & office equipment \$'000	Motor vehicles \$'000	Others \$'000	Construction in-progress \$'000	Total \$'000
Cost:									
At beginning of year	91,900	39,693	379	5,859	1,948	21	1,473	8,724	149,997
Additions	–	1,448	38	1,519	585	–	843	25,541	29,974
Transfers	1,026	–	–	–	–	–	–	(1,026)	–
Written off	–	–	(347)	(216)	(10)	–	(11)	–	(584)
At end of year	92,926	41,141	70	7,162	2,523	21	2,305	33,239	179,387
Accumulated depreciation:									
At beginning of year	–	6,404	180	1,056	356	1	252	–	8,249
Depreciation for the year	3,097	8,115	76	2,768	448	2	423	–	14,929
Written off	–	–	(235)	(82)	(7)	–	(5)	–	(329)
At end of year	3,097	14,519	21	3,742	797	3	670	–	22,849
Depreciation for last year	–	6,404	75	707	216	1	198	–	7,601
Net book value:									
At beginning of year	91,900	33,289	199	4,803	1,592	20	1,221	8,724	141,748
At end of year	89,829	26,622	49	3,420	1,726	18	1,635	33,239	156,538

9 DEVELOPMENT GRANTS RECEIVED IN ADVANCE

	2003 \$'000	2002 \$'000
At beginning of year	22,131	11,176
Grants received	68,487	147,495
Interest income	533	–
Less: Transfer to Deferred Capital Grants (Note 13)	(35,934)	(133,827)
Less: Transfer to Statement of Income and Expenditure (Note 19)	(4,077)	(2,713)
At end of year	51,140	22,131

These are grants from the Government for financing development projects. The balance in this account represents grants received at the end of the financial year to be utilised or transferred to other accounts.

As at the end of the financial year, total development grants received from the Government since the establishment of the university company amounted to \$232,522,000 (2002 : \$164,035,000).

10 RESEARCH GRANTS RECEIVED IN ADVANCE

	2003 \$'000	2002 \$'000
At beginning of year	991	143
Grants received	1,823	1,739
Transfer from Operating Grant (Note 19)	537	445
Less: Transfer to Deferred Capital Grants (Note 13)	(13)	(54)
Less: Transfer to Statement of Income and Expenditure (Note 19)	(1,363)	(1,282)
At end of year	1,975	991

These are grants from the Government, Government agencies and other private organisations for research activities. The balance in this account represents grants received but not utilised at the end of the financial year.

11 OTHER PAYABLES

	2003 \$'000	2002 \$'000
Accruals for fixed assets	7,896	7,279
Other accruals	7,409	4,279
Retention payable	320	269
Refundable deposits	527	129
	<u>16,152</u>	<u>11,956</u>

12 SPECIAL FUNDS

	Endowment fund		Tuition fee loan fund		Term funds		Total	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Revenue and other additions:								
Interest from fixed deposits and current accounts	3,926	3,241	–	–	–	–	3,926	3,241
Gifts and sponsorships	–	–	–	–	1,162	1,955	1,162	1,955
Government grants	–	–	1,936	1,051	–	–	1,936	1,051
	<u>3,926</u>	<u>3,241</u>	<u>1,936</u>	<u>1,051</u>	<u>1,162</u>	<u>1,955</u>	<u>7,024</u>	<u>6,247</u>
Less: Expenditure	(1,584)	(2,117)	–	–	(144)	(26)	(1,728)	(2,143)
Less: Transfer to Statement of Income and Expenditure	–	–	–	–	(300)	(462)	(300)	(462)
Operating surplus for the year	<u>2,342</u>	<u>1,124</u>	<u>1,936</u>	<u>1,051</u>	<u>718</u>	<u>1,467</u>	<u>4,996</u>	<u>3,642</u>
Donations	5,047	2,883	–	–	–	–	5,047	2,883
Government grants	20,708	9,923	–	–	–	–	20,708	9,923
Surplus for the year	<u>28,097</u>	<u>13,930</u>	<u>1,936</u>	<u>1,051</u>	<u>718</u>	<u>1,467</u>	<u>30,751</u>	<u>16,448</u>
Balance at beginning of year	100,124	86,194	1,453	402	1,776	309	103,353	86,905
Balance at end of year	<u>128,221</u>	<u>100,124</u>	<u>3,389</u>	<u>1,453</u>	<u>2,494</u>	<u>1,776</u>	<u>134,104</u>	<u>103,353</u>
Represented by:								
Cash and bank balances	1,894	1,886	848	–	369	60	3,111	1,946
Fixed deposits	4,389	14,721	–	–	2,122	1,716	6,511	16,437
Interest receivable	1,253	719	–	–	–	–	1,253	719
Loans to students	–	–	2,541	1,453	–	–	2,541	1,453
Management fee accrual	(75)	(72)	–	–	–	–	(75)	(72)
Outstanding settlement	(750)	–	–	–	–	–	(750)	–
Investments	121,510	82,870	–	–	–	–	121,510	82,870
Fixed assets	–	–	–	–	3	–	3	–
Net assets	<u>128,221</u>	<u>100,124</u>	<u>3,389</u>	<u>1,453</u>	<u>2,494</u>	<u>1,776</u>	<u>134,104</u>	<u>103,353</u>

Endowment Fund comprises donations, grants, gifts, testamentary disposition and proceeds from gifts of movable or immovable property. The objectives of these funds include the provision of facilities for teaching, training and research, the advancement and dissemination of knowledge and the promotion of research.

Tuition Fee Loan Fund is funded by advances from Government for the purpose of providing loans to students to assist them in paying their tuition fees.

Term Funds comprise donations for the purpose of awarding scholarships, academic awards for students, research and other programmes for the advancement of education.

13 DEFERRED CAPITAL GRANTS

	2003 \$'000	2002 \$'000
At beginning of year	135,224	8,012
Add:		
Grants received for capital expenditure and development project:		
Transfer from Development Grants Received in Advance (Note 9)	35,934	133,827
Transfer from Research Grants Received in Advance (Note 10)	13	54
Transfer from Operating Grants (Note 19)	638	1,078
Transfer from Term Funds	3	–
Less:		
Grants taken to Statement of Income and Expenditure (Note 19):		
To match depreciation	(14,929)	(7,601)
Fixed assets written off	(255)	(2)
Adjustments	–	(144)
At end of year	156,628	135,224

14 OPERATING INCOME

	General fund		Other funds		Total	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Tuition and other fees	7,709	5,059	–	–	7,709	5,059
Sundry revenue	–	–	1,015	1,062	1,015	1,062
	7,709	5,059	1,015	1,062	8,724	6,121

15 STAFF AND MANPOWER COST

	General fund		Other funds		Total	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Costs of defined contribution plans included in staff and manpower cost (\$'000)	1,970	1,541	32	22	2,002	1,563
Number of employees at end of year					255	182

16 OTHER OPERATING EXPENDITURE

	General fund		Other funds		Total	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Administrative expenses	10,484	5,623	1,113	1,047	11,597	6,670
Communications and computing	2,800	2,764	19	24	2,819	2,788
Library books and periodicals	1,481	1,006	4	10	1,485	1,016
Repairs and maintenance	1,585	312	1	1	1,586	313
	16,350	9,705	1,137	1,082	17,487	10,787

17 OPERATING DEFICIT

In addition to the charges and credits disclosed elsewhere in the notes, this item includes the following charges:

	2003 \$'000	2002 \$'000
Remuneration to a trustee	79	32
Professional fees paid to a firm in which a trustee has interest	55	73
Auditors' remuneration	30	30
Depreciation expense	14,929	7,601
Fixed assets written off	255	2

18 NON-OPERATING INCOME

	General fund		Other funds		Total	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Interest from fixed deposits and current accounts	134	480	–	–	134	480
Refund of interest to government body	(163)	–	–	–	(163)	–
Net	(29)	480	–	–	(29)	480
Donations	17	218	105	90	122	308
Rental	322	220	–	–	322	220
Others	243	137	8	1	251	138
	553	1,055	113	91	666	1,146

19 GOVERNMENT GRANT INCOME

	2003 \$'000	2002 \$'000
Operating grants:		
Operating grants received	76,934	52,731
Less: Transfer to Research Grants Received in Advance (Note 10)	(537)	(445)
Less: Transfer to Deferred Capital Grants (Note 13)	(638)	(1,078)
Less: Amount used for goods and services tax on tuition fees	(646)	(435)
Net	75,113	50,773
Development grants utilised (Note 9)	4,077	2,713
Research grant utilised (Note 10)	1,363	1,282
Deferred capital grant utilised (Note 13):		
To match depreciation	14,929	7,601
Fixed assets written off	255	2
Adjustments	–	144
Others	130	50
Total government grant income recognised	95,867	62,565

As at the end of the financial year, total operating grants received since the establishment of the university company amounted to \$169,022,000 (2002 : \$92,088,000).

20 INCOME TAX

Under Section 13M of the Income Tax Act, Cap.134, the university company is exempt from income tax in a financial year if it applies at least eighty per cent of the tax-adjusted income of that financial year towards the objectives of the university company by the end of the following financial year.

For the current financial year, the university company has to expend approximately \$53,072,000 (2002 : \$25,487,000) towards its objectives by the end of the next financial year to enable the university company to obtain exemption from tax in 2003. Failing this, the university company will be subject to tax. The maximum amount of tax liability, if any, would be approximately \$11,676,000 (2002 : \$6,244,000).

21 CONTINGENT LIABILITIES

- a) As at March 31, 2003, the university company has outstanding unsecured guarantees amounting to \$875,000 (2002 : \$926,000).
- b) In 2002, the university company has received claims from a contractor amounting to \$1.14 million for works carried out on one of its buildings.

Based on legal advice received and information presently available, the university company is of the view that these claims are without merit and the university company has reasonable grounds to resist this claim successfully. Accordingly, no provision was made in the university company's financial statements in respect of these claims.

22 CAPITAL EXPENDITURE COMMITMENTS

	2003 \$'000	2002 \$'000
Estimated amounts committed for future capital expenditure authorised but not provided for in the financial statements:		
Contracted for	58,771	33,789
Not contracted for	377,460	434,666

23 OPERATING LEASE COMMITMENTS

	2003 \$'000	2002 \$'000
Minimum lease payments paid under operating leases	428	373
Adjustment to prior year's estimate	–	(1,161)
Net	428	(788)

At the balance sheet date, the commitments in respect of operating leases with a term of more than one year were as follows:

	2003 \$'000	2002 \$'000
Within one year	568	–
In the second to fifth years inclusive	199	–

24 OTHER COMMITMENTS

	2003 \$'000	2002 \$'000
Forward foreign exchange contract for hedging (in fund managers' portfolio):		
Buy Australian dollars	885	–
Sell United States dollars	(883)	–

As at the end of the financial year, the positive fair value of the above contract is \$10,000 (2002 : \$Nil).

statement of trustees

In the opinion of the Trustees, the accompanying financial statements set out on pages 48 to 63 are drawn up so as to give a true and fair view of the state of affairs of the university company as at March 31, 2003 and of the results and cash flows of the university company for the financial year then ended and at the date of this statement there are reasonable grounds to believe that the university company will be able to pay its debts as and when they fall due.

ON BEHALF OF THE TRUSTEES



Mr Ho Kwon Ping



Dr Han Cheng Fong

July 15, 2003



Caroline Ng, SMU Student, Singapore Dance Theatre Scholar,
Relief ballet teacher & volunteer