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Report to Stakeholders

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Singapore Management University

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ANNUAL
REPORT TO
STAKEHOLDERS

2018
2019

OUR
GARDEN
&
JOURNEY
OF PURPOSE





**OUR GARDEN AND OUR
JOURNEY OF PURPOSE**
are ultimately about
achieving meaningful

IMPACT!

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CHAIRMAN'S MESSAGE

This academic year has been one of transition, with several key changes in SMU's Leadership.

Mr JY Pillay stepped down as SMU Chancellor and was succeeded by Mr Lim Chee Onn; while Mr Eddie Teo was appointed Pro-Chancellor. SMU's longest-serving President, Professor Arnoud De Meyer also stepped down and he was succeeded by Professor Lily Kong as SMU's fifth President. The significant achievements of the outstanding individuals who stepped down are rightly celebrated in this Annual Report to Stakeholders and I wish to thank them for their invaluable contributions to SMU.

At the same time, I would like to express the gratitude of the Board of Trustees to their successors for accepting their appointments. They are taking on their new roles at a critical point in SMU's development, as it reaches the end of its teenage years and enters its third decade. The new leaders have already made their presence felt and shown how they intend to build on the exceptional accomplishments of their antecedents, fortify the spirit of SMU and lead the University onward.

I look forward to celebrating SMU's 20th Anniversary with you next year and to seeing our University continue towards realising Vision 2025.





I LOOK FORWARD TO
CELEBRATING SMU'S
20TH ANNIVERSARY
WITH YOU NEXT
YEAR AND TO SEEING
OUR UNIVERSITY
CONTINUE TOWARDS
REALISING VISION 2025.



MR HO KWON PING
CHAIRMAN



THE GARDEN THAT WE HAVE ENVISAGED IS WITHIN SIGHT. LET US STEP FORWARD ON OUR JOURNEY TOGETHER WITH A RENEWED SENSE OF CONFIDENCE AND PURPOSE.



PROFESSOR LILY KONG
PRESIDENT, SMU

PRESIDENT'S MESSAGE

I am deeply honoured to have been appointed SMU's fifth president and welcome the extraordinary opportunity to lead the university into its third decade with energy and enthusiasm.

During my inaugural address to the SMU community, I shared the strategic directions, goals and priorities for the University that will lead us to our 'garden' of Vision 2025. We will strive to achieve our vision through the 4I's strategy of Integration, Industry, Innovation and Internationalisation. This strategy, when fully implemented, will enable us to achieve impact by delivering a holistic and transformative education, and by addressing societal challenges through research.

Over the past year, our innovative undergraduate offerings have continued to empower students to face challenges of the future economy.

Our contributions to lifelong learning have created value for many looking to upskill, reskill and further professionalise. Our multi-disciplinary research projects have created impact by addressing key societal issues. Our outreach initiatives have fostered and strengthened our relationships with industry and community partners. All this has been made possible because of the keen sense of purpose, imagination and commitment of the entire SMU community.

The garden that we have envisaged is within sight. Let us step forward on our journey together with a renewed sense of confidence and purpose.

BOARD OF TRUSTEES



“I am delighted to welcome Ms Lim Ke Xin and Mr Ganen Sarvananthan, whose experience and unique perspectives will add to the considerable strength of the SMU Board of Trustees. I would also like to thank those members who continue to serve with a dynamic energy that drives SMU to make meaningful impact as one of the world’s great universities.”

Mr Ho Kwon Ping
Chairman
SMU Board of Trustees



Mr Zulkifli Bin Baharudin
Executive Chairman
ITL Corporation



Mr Beh Jit Han
Chairman, Asia Pacific
Reed Exhibitions



Ms Chua Sock Koong
Group CEO
Singapore Telecommunications Limited



Dato' Kho Hui Meng
President & CEO
Vitol Asia Pte. Ltd.



Mr Lai Chung Han
Permanent Secretary (Education)
Ministry of Education



BG Lim U Yang, Hugh-Reginald
Chief Executive Officer
Building and Construction Authority



Mr Lim Tse Ghow, Olivier
Chairman
 Certis Cisco Security Pte. Ltd.



Ms Lim Ke Xin
Tax Director
 PricewaterhouseCoopers
 Singapore Pte Ltd



Mr Edmund Yeng Lin
Partner and Director
Global Head of Financial Services
 Bain & Company



Professor Ng Swee Lian, Ivy
Group Chief Executive Officer
 Singapore Health Services Pte Ltd



Ms Juthika Ramanathan
Chief Executive
 (Office of the Chief Justice)
 Supreme Court Singapore



Mr Dilhan Pillay Sandrasegara
Chief Executive Officer
 Temasek International Pte. Ltd.



Mr Ganen Sarvanathan
Co-Managing Partner
 TPG Capital Asia



Mr Panote Sirivadhanabhakdi
Group Chief Executive Officer
 Frasers Property Limited



Ms Tan Su Shan, Carrie
Group Head
 Institutional Banking Group
 DBS Bank



Sir Nigel John Thrift
Visiting Professor
 University of Oxford



Mr Sunny George Verghese
Co-Founder & Group CEO
 Olam International Limited



**Mr Jaime Augusto Miranda
 Zobel De Ayala**
Chairman/CEO
 Ayala Corporation

**INAUGURAL ADDRESS
BY SMU PRESIDENT
PROFESSOR LILY KONG**



MAKING MEANINGFUL IMPACT AS ONE SMU

In her inaugural address as SMU's fifth President, Professor Lily Kong outlined the strategic directions, goals and priorities for SMU for the next few years. Here is a summary of that address.

In view of the current global environment which is influenced by mega trends including the rise of Asia, changes in demographics and the global economy, as well as technological advancement, the university of today has multiple roles to play. These include preparing the workforce, serving as key drivers of innovation and national competitiveness through research, as well as contributing to the nurturing of better citizens and more resilient societies.

In this respect, SMU seeks to influence and shape the next generation of leaders and entrepreneurs, while contributing, through research and knowledge production, to make meaningful impact on economy, society and polity. Impact is about

delivering a holistic and transformative education which then enables our students and graduates to make a meaningful impact on the world. Impact is also about addressing societal challenges through research, and thereby improving our world.

In the years ahead, we will strive to achieve this through four strategies emphasising Integration, Industry, Innovation and Internationalisation.

We will promote integration across multiple dimensions. These include integrating across curricular and co-curricular activities for undergraduates; integrating pre-employment training (PET) and continuing education and

MAKING MEANINGFUL IMPACT AS ONE SMU (CONTINUED)

training (CET) to promote life-long learning; as well as further expanding integration across SMU Schools and Institutes, Centres and Labs (ICLs) to promote multi-disciplinary research and programmes. We will ride on the momentum of our successful inter-disciplinary programmes launched in recent years, and develop others, in response to changing needs in the workplace. At the same time, we will explore the possibility of allowing a very select group of students to declare their 'missions' and devise their own integrated majors with faculty guidance.

In our pursuit of meaningful and impactful inter- and multi-disciplinary research, we have established five areas of societal challenges in which we will focus our research, namely:

- (i) interpreting economies and financial markets;
- (ii) strengthening social fabric and quality of life;
- (iii) navigating boundaries and borders;
- (iv) managing for sustainability; and
- (v) advancing innovation and technology.

To leverage maximum synergies among our existing ICLs, we will also look into how we might cluster them around cognate areas, with enabling meta-structures, such as in Law and Technology, in Artificial Intelligence (AI) and Data Analytics, and in Competition, Innovation and Transformation.

The University will strengthen and deepen our partnerships with industry – private, public and NGO sectors – through education, research and outreach. Research partnership models can be varied and bespoke; it might even be conceivable to house some companies on SMU's city campus to benefit the corporates, academia and students. As Singapore's only University in the city, we must endeavour to have a reverberating voice in the community, to contribute thought leadership and ideas, as well as to be a place in the city where

compelling and relevant ideas are discussed and debated. SMU City Dialogues is one such outreach platform which is being developed, where SMU aims to engage the broader community in discourse on topics that matter to the 'city', such as reducing inequality and remaking the economy.

We will also step up efforts to cultivate innovation and entrepreneurial talent through improvements in our Global Innovation Immersion Programme and to boost our support for venture-backed start-ups. We will aim to increase SMU's 'innovation density' by positioning our city campus as a meeting point to connect like-minded people with different talents and ideas. To facilitate this, the Tahir Foundation Connexion currently being built will include an 'Innovation Bridge' that features 500 sqm of incubation space for start-ups and will provide an environment that fosters innovation and entrepreneurship among SMU students and alumni, and with the larger community.

In the coming years, SMU's internationalisation efforts will be focused on enlarging and enriching global education opportunities for our students, including allowing them to be exposed to the entrepreneurial ecosystems in larger markets; as well as to forge more academic and research partnerships. In particular, we will look into establishing physical footprint in selected ASEAN cities, such as Bangkok, Manila, Ho Chi Minh City and Jakarta, in the form of Global Centres. These Centres will coordinate and strengthen our activities and collaboration with various stakeholders across geographies.

Professor Kong concluded that, in sum, SMU has a vision of what we want to create. It will be more fruitful if we all work together, using our own special skills and learning new ones to take on the challenges. She exhorted SMU to work as one team, one SMU, and together make meaningful impact towards a better world.

LEADERSHIP APPOINTMENTS



Mr Lim Chee Onn
SMU Chancellor

Mr Lim Chee Onn was appointed Chancellor of the University with effect from 1 August 2019. He was previously the Pro-Chancellor of SMU.

Mr Lim chairs the Singapore-Suzhou Township Development Pte Ltd and is an Honorary Chairman of the National Heritage Board. He is a Member of the Council of Presidential Advisers and a Director of the International Institute for Strategic Studies (Asia) Ltd. Mr Lim has served as a Member of Parliament, Secretary-General NTUC and Minister without Portfolio, Prime Minister's Office. He has held several board directorships and senior positions in commercial and civic institutions.

Mr Lim has been conferred the Distinguished Service Order by HE The President, Republic of Singapore and Commander, Order of the Crown, by HM King Albert II, Kingdom of Belgium.

"SMU is indeed privileged and honoured to have Mr Lim Chee Onn as our new Chancellor and we look forward to his deep wealth of knowledge and experiences to take SMU forward as we approach our 20th year as a global city university in Asia," said Professor Lily Kong, SMU President.



Mr Eddie Teo
SMU Pro-Chancellor

Mr Eddie Teo was appointed Pro-Chancellor of SMU with effect from 21 September 2018. Mr Teo shares the role of presiding over all major formal University ceremonies together with the Chancellor.

He is Chairman of the Council of Presidential Advisers and a Distinguished Fellow at the School of Social Sciences.

He held several senior roles in public service from 1970 to 2008 and has received several national awards, including The Order of Nila Utama (First Class) in 2017.

"Mr Eddie Teo has had a distinguished public service career and championed greater diversity when identifying top talent for public service leadership and in opening up scholarships to a wider range of schools. SMU is honoured to have him as our Pro-Chancellor," said Professor Lily Kong, SMU President.

LEADERSHIP
APPOINTMENTS (CONTINUED)

Professor Lily Kong
SMU President

Professor Lily Kong was appointed as the fifth President of SMU with effect from 1 January 2019. She formerly served as SMU Provost since 1 September 2015 and was highly instrumental in leading and driving many successes in all major academic aspects of the University – enhancing SMU’s student and faculty quality, developing educational programmes, and growing research impact.

Professor Kong has 28 years of solid experience as a distinguished educator, prolific researcher and senior academic leader. She has extensive experience in academic management and significant international experience. The first woman to be appointed provost of a publicly funded university in Singapore, Professor Kong served in several senior academic positions at the National University of Singapore before joining SMU.

Professor Kong succeeded Professor Arnoud De Meyer who was SMU’s longest-serving President, serving from September 2010 until 31 December 2018.



Professor Arnoud De Meyer
SMU University Professor

Professor Arnoud De Meyer was conferred the University’s highest honour – SMU University Professorship – before stepping down as President. He is the first in SMU to be conferred this title.

The SMU University Professorship is the highest appointment bestowed on a very select number of faculty to recognise significant accomplishments in research, eminent careers, and outstanding contributions to the University, the profession and the community. University Professors are recognised nationally and internationally for the importance of their scholarly and/or professional achievements. They will also have demonstrated the breadth of interest characteristically encompassed by the traditional role of scholar, teacher, and public servant. In addition, they will have brought distinction to the University resulting from these activities.



Professor Timothy Clark
SMU Provost

Professor Timothy Clark was appointed Provost of SMU with effect from 1 April 2019. Professor Clark was formerly Pro-Vice-Chancellor (Social Sciences and Health) at Durham University where he was Head of the Faculty of Social Sciences and Health, which comprises 11 departments representing a broad range of disciplines. These include Sociology, Archaeology, Durham University Business School, the School of Government and International Affairs, Durham Law School, and Sport and Exercise Sciences.

Professor Clark is a past Chair (2009) and President (2011) of the British Academy of Management and a Fellow of the Academy of Social Sciences and the British Academy of Management. He was made an inaugural Academic Fellow of the International Council of Management Consultancy Institutes in 2013, and Principal Fellow of the UK Higher Education Academy in 2015.



Professor Chandran Kukathas
Dean, SMU School of
Social Sciences

Professor Chandran Kukathas was appointed Dean of the SMU School of Social Sciences with effect from 1 July 2019. Professor Chandran was formerly the Head, Department of Government at the London School of Economics and Political Science (LSE). He also served as the Chair of Political Theory in the Department of Government and as Warden of High Holborn and Grosvenor House Halls of Residence at LSE. Prior to his appointment at LSE, he taught at the University of New South Wales, Oxford University, Australian National University and the University of Utah.

**TRANSFOR
EDU**



MATIVE CATION



TRANSFORMATIVE EDUCATION

SMU strives to be a game changer in transformative education as a specialised university focused on Management, Social Sciences and Technology, and their intersection. The University fosters innovative learning experiences that create influential change agents who drive change that positively impacts business, government and society. An SMU education equips students with disciplinary and multidisciplinary knowledge, intellectual and creative skills, interpersonal skills, a sense of global citizenship, and personal mastery. Through this, SMU nurtures graduates who think deeply and broadly, are dependable in their actions, create value in organisations and society and have an independent mind.

UNDERGRADUATE STUDIES

SMU ENHANCES ITS UNDERGRADUATE CURRICULUM

In the Academic Year 2019–2020, SMU began fully implementing a new Core Curriculum. This is in line with the recommendations made by the faculty members and administrative personnel serving on the SMU Blue Ribbon Commission on Undergraduate Education. The Commission's recommendations were announced in September 2018 to enhance the academic experience and holistic development of SMU undergraduates.

The revamped SMU Core Curriculum comprises 12 course units grouped under three inter-related pillars of learning:

- ▶ The **Capabilities** pillar aims to empower students with specific competencies and skills necessary to operate dexterously in an increasingly complex, digitised and data-driven working environment.
- ▶ The **Communities** pillar aims to help students understand the economic, technological and cultural systems that structure our interactions with our communities.
- ▶ The **Civilisations** pillar aims to immerse students in fundamental and perennial debates that cut across time and space, and to encourage a critical dialogue between multiple and competing traditions of thought and problem solving.

The existing mandatory internship and community service components for undergraduates are now integrated into the redesigned Core Curriculum as credit-bearing programmes. Through this new Core Curriculum, SMU intends to nurture graduates who have an independent mind while being dependable in deeds, and graduates who think deeply and broadly and at the same time act to create value at home and abroad.

Two other Commission initiatives were rolled out during the preceding academic year. The first, an Exploratory Course scheme, encourages students to experiment with classes outside their major or their usual sphere of interest, without being concerned about the impact on their cumulative Grade Point Average. SMU also piloted a new credit-bearing work-study option, which allows students in selected programmes to take up longer internships of up to six months, while concurrently studying on campus.



SMU Assistant Professor of Humanities Aidan Wong taking his 'Urban Cultures' course, a new Core Curriculum course under the Communities pillar, out of the traditional classroom.

The rapid growth of the digital economy and the ongoing efforts to transform Singapore through technology have seen a strong demand for graduates with sound knowledge and training in computing.



NEW UNDERGRADUATE OFFERINGS

In response to industry trends and demands, SMU has strengthened its undergraduate curriculum with the introduction of several new academic programmes to nurture future-ready talent. These were progressively launched, starting from Term 2 of Academic Year 2018–2019.

- ▶ **Bachelor of Science (Computer Science) degree** (commenced in August 2019)
Offered by SMU School of Information Systems, this degree will equip students with technical skills to build, develop and deploy computing products and solutions to thrive in marketplaces and society.
- ▶ **Bachelor of Science (Computing & Law) degree** (commencing in August 2020)
Jointly offered by SMU School of Information Systems and SMU School of Law, this degree will produce IT and legal professionals who are adept at bridging technology and law.
- ▶ **Second major in Sustainability** (commenced in August 2019)
Offered by SMU Lee Kong Chian School of Business, this is the first major of its kind in Singapore. It will produce graduates who are well-versed in the issues and business practices related to sustainability.
- ▶ **Second major in Data Science and Analytics** (commenced in August 2019)
Offered by SMU School of Economics, in collaboration with the School of Information Systems, this major will teach students practical applications of statistical modelling, computing and IT for improved data analysis and decision-making.
- ▶ **Maritime Business and Operations Track** (commenced in January 2019)
Offered by SMU Lee Kong Chian School of Business under its Operations Management major in collaboration with SMU International Trading Institute, this track will develop graduates with specialised knowledge in maritime business operations who can take on a variety of maritime-related roles.

SMU-X GOES OVERSEAS

As part of their learning journey to become future-ready global citizens, more SMU students are gaining cross-cultural exposure via the SMU-X Overseas (SMU-XO) courses, which involve SMU students collaborating with overseas partner universities and industry practitioners. Twelve SMU-XO courses — mostly in ASEAN countries — have been offered to date, with about 300 students working on real-world projects sponsored by organisations across more than 10 cities around the world. This has further boosted SMU's international reputation as an educational institution that creates meaningful impact on business, government and society.



Students from SMU and Universitas Gadjara in Yogyakarta, Indonesia, where they collaborate to find new solutions in recruiting and retaining millennial employees.



(from right to left) SMU Vice Provost (Research) Professor Steven Miller and DBS Singapore Country Head Mr Shee Tse Koon at DBS-supported social enterprise Bettr Barista.

PIONEERING PARTNERSHIPS

The DBS-SMU Sustainability Initiative, the first of its kind in Southeast Asia, is a multi-pronged initiative focusing on growing and promoting sustainability. It includes the introduction of Singapore's first Sustainability major in Academic Year 2019-2020, as well as funding for sustainability research fellowships, scholarships, and business study missions. SMU students will also be able to work on projects related to organisational improvement in social enterprises supported by DBS Foundation, the first foundation in Singapore dedicated to championing social entrepreneurship. DBS is a multinational banking and financial services corporation.

Meanwhile, SMU is the first university in Asia to partner with Citi Ventures for the latter's highly regarded Citi® University Partnerships in Innovation & Discovery (CUPID) programme. Set to commence in January 2020, CUPID will offer experiential learning to SMU students who are keen on joining the financial technology industry, and enable them to apply their classroom knowledge to real-world challenges faced by financial institutions. Citi Ventures is the venture capital arm of multinational investment bank and financial services corporation Citi.

SMU JOINS HANDS WITH GOOGLE

The inaugural batch of 25 SMU undergraduates have joined the SMU–Google Squared Data & Analytics Programme which aims to equip SMU undergraduates with industry-ready data analytics skills to contribute to the knowledge economy. Open to all SMU students from their second year of study, this collaboration will provide SMU students with the opportunity to undergo a six-month extended internship programme at a Google partner company in the media industry.

In another endeavour to grow Singapore’s digital workforce, Google has extended its Digitize programme — which trains local talent in digital marketing and advertising technology — to undergraduates, with SMU as its first university partner. The inaugural batch of 44 SMU undergraduates completed the Digitize Academy@SMU programme in March 2019, after which they started a four-month internship with one of Google’s agency, advertising and reseller partners.



*(from right to left)
SMU President
Professor Lily
Kong and Ms
Stephanie
Davis, Country
Director of Google
Singapore, at the
signing ceremony
for the SMU–
Google Squared
Data & Analytics
Programme
on 31 January
2019. With them
on stage was
Infocomm Media
Development
Authority (IMDA)
CEO Mr Tan
Kiat How.*



**A GLOBAL ALLIANCE TO TRANSFORM
MANAGEMENT EDUCATION**

In November 2018, SMU Lee Kong Chian School of Business and five other leading business schools announced the formation of a global partnership called the Future of Management Education Alliance. The first of its kind in the business education sector, this Alliance launched a new digital learning platform to give students and executives a more flexible, bespoke and globally accessible study experience, through a mix of face-to-face, experiential and online learning methods. The other member institutions are Imperial College Business School (UK), ESMT Berlin (Germany), BI Norwegian Business School (Norway), EDHEC Business School (France) and Ivey Business School (Canada).

STUDENT LIFE

Student life at SMU is vibrant, enriching and transformative. From sports to arts and culture, community service to entrepreneurial and international interest groups, students have a range of over 120 co-curricular activity clubs to suit their interests, and leadership and organisational skills. Students benefit from a holistic educational experience through these outside-the-classroom activities for them to learn, forge friendships for life and build character.



SMU students performing at the Academic Year 2018/19 Opening Ceremony.

STUDENT SHOWCASES



left HE President of Singapore and SMU Patron Madam Halimah Yacob visiting SMU-affiliated businesses' booths at SMU Patron's Day 2019.

right Razer founder Mr Min-Liang Tan speaking as Guest of Honour at SMU Commencement 2019.



SMU student group Samba Masala performing during SMU Open House 2019 weekend.

SPORTING
SUCCESS

Asian Games
Gold Medalists
SMU undergraduate
Kimberly Lim
(right) and her
sailing partner
Cecilia Low.

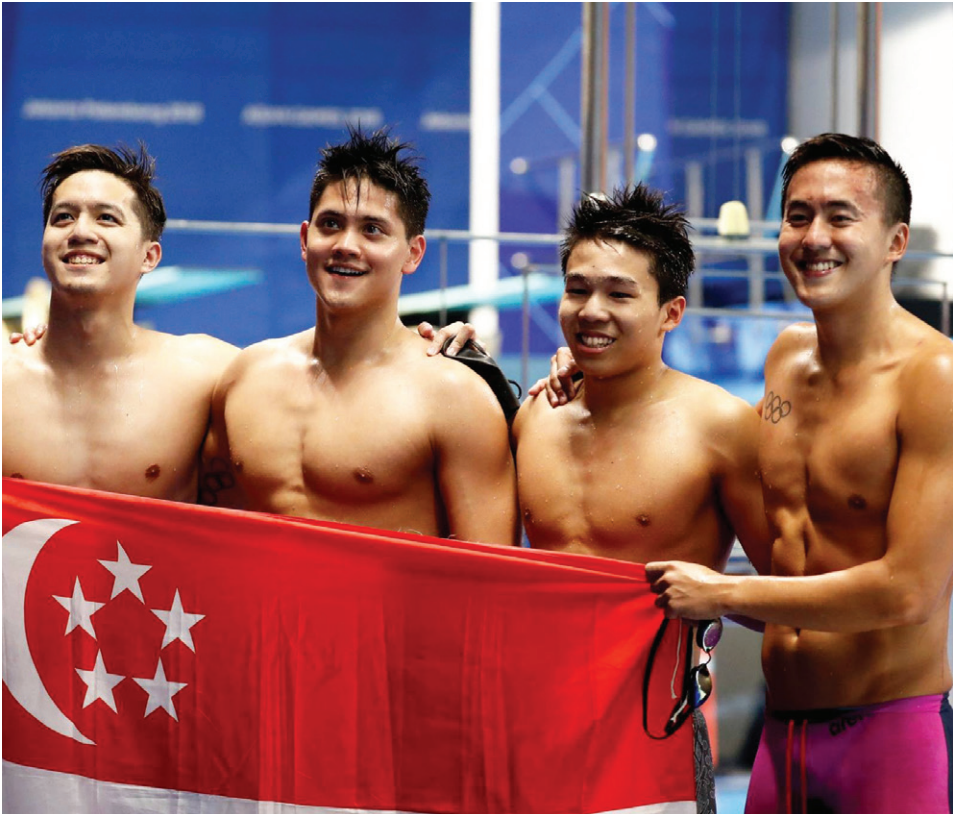
Photo
Singapore Sailing
Federation.



In the **18th Asian Games** in Jakarta-Palembang, SMU undergraduate Kimberly Lim and her sailing partner secured Singapore's first gold in sailing in the women's 49erFX. The brilliant performance at the Asian Games will give the pair a confidence boost as they look forward to qualifying for the 2020 Tokyo Olympics at the 49er World Championships at the end of this year.

Left to right:
SMU alumnus
Danny Yeo with
Joseph Schooling,
Jonathan Tan and
Quah Zheng Wen.

Photo
Sport Singapore
and Team
Singapore.



Earlier at the 18th Asian Games, SMU alumnus (Class of 2018) Danny Yeo won Singapore's first Asian Games medal in the Men's 4x200m Freestyle Relay. He was swimming with teammates Joseph Schooling, Quah Zheng Wen and Jonathan Tan, and the quartet posted a national record time of 7:14.15 to take home the bronze medal.

ARTISTIC EXCELLENCE



SMU Samba Masala and SMU Malay Language and Cultural Club were specially invited by the Singapore Ministry of Education to represent Singapore at the opening ceremony of the **11th Annual China-ASEAN Education Cooperation Week** held in China.

Members of SMU Samba Masala and SMU Malay Language and Cultural Club were specially invited by the Singapore Ministry of Education to represent Singapore at the opening ceremony of the **11th Annual China-ASEAN Education Cooperation Week** held in China.

SMU Chamber Choir took part in the **2nd Salzburg International Celebration and Choral Competition** in Salzburg, Austria in June 2019, competing against 19 choral groups from around the world. They won two Gold Diplomas: in the Open Mixed (B1) and Musica Sacra categories. They topped the former and were awarded Category Winner, which qualified them for the Grand Prix competition reserved for category winners.



The SMU Chamber Choir with its Conductor, SMU alumnus Kenny Khoo.



SMU Caderas Latinas won two awards at Asia's largest Latin dance event, the **India International Dance Congress (IIDC)**, held in Bangalore in July 2019. The senior team emerged 1st in the Team Championships while a junior pair was named 1st Runners-up in the Salsa Semi-Professional category.

left SMU Caderas Latinas' senior team: winners at the India International Dance Congress.



SMU Voix was proclaimed Open Category champions at this year's **A Cappella Championships (AcaChamps)** – their third consecutive win at the competition. AcaChamps involved teams from Singapore, China, Indonesia and The Philippines competing across eight categories in July 2019.

right SMU Voix: Open Category winners at the 2019 A Cappella Championships.

Communal living spaces at the refurbished PSR allow residents to interact and work together.



OPENING OF PRINSEP STREET RESIDENCES

After a six-month refurbishment, Prinsep Street Residences (PSR) was officially opened in October 2018. A diverse resident population of 255 undergraduate students were the first to move into PSR, which supports SMU's new residential learning-and-living concept. The 5,000 sqm estate now has 23 large-sized apartments, purpose-designed communal spaces, and meaningful programming to provide a co-live, co-learn, co-work environment. Hosting an array of sustainable features, PSR has also attained Green Mark Platinum certification from the Building and Construction Authority.

Members of the SMU Class of 2018.



GRADUATE EMPLOYMENT SURVEY 2018

According to the latest Joint Autonomous Universities Graduate Employment Survey, SMU maintained its strong track record in preparing graduates well for the labour force. The survey showed that 91.8% of SMU graduates from the 2018 cohort gained employment within six months of completing their final examinations. About 66.6% were offered jobs before graduation, an increase as compared to 2017. Besides registering a healthy and stable overall employment rate, the 2018 graduates holding full-time permanent jobs also earned all-time high starting salaries, with mean and median gross monthly salaries of \$3,977 and \$3,600 respectively.

SMU students partnering the people of Hua Tat Village in Vietnam to help them achieve self-sustainability through community-based tourism.

COMMUNITY SERVICE

On average, SMU's Class of 2018 contributed 135 hours of community service per student over their four years of study, amounting to more than 2.9 million hours of community service rendered by SMU students to date. Here are some other community service statistics racked up in 2018:

- ▶ **519** local projects were completed.
- ▶ **135** overseas projects (individual and group-based) were organised across 13 countries.
- ▶ **80%** of group-based overseas projects were organised for 3 or more consecutive years.
- ▶ **36** overseas projects were organised for 5 or more consecutive years.



TOWARDS A WORLD-LEADING UNIVERSITY

Despite its relatively young age, SMU is already shining on the international stage, as revealed in the Quacquarelli Symonds World University Rankings 2020:



11TH

among the
specialist
universities in
the world



8TH

Best Young
University
(age 10–25 years)
in the World

POSTGRADUATE STUDIES: RANKINGS

Backed by its high-quality postgraduate programmes, Lee Kong Chian School of Business is continuing its steady rise in the Financial Times (FT) global rankings:



6TH

in FT's 2018 Asia-Pacific
Business Schools ranking,
up seven notches from 2017



22ND

in FT's Executive MBA
Ranking 2018, up two
places from 2017



43RD

in FT's Global MBA
Ranking 2019, a jump
of six spots from
2018 and the 10th
highest among Asian
business schools

SMU's Master of IT in Business programme, offered by the School of Information Systems, has achieved a stellar first-time showing in the Quacquarelli Symonds Masters in Business Analytics Rankings 2019:

1ST

IN ASIA

&

11TH

WORLDWIDE

out of 75 programmes
from 17 countries

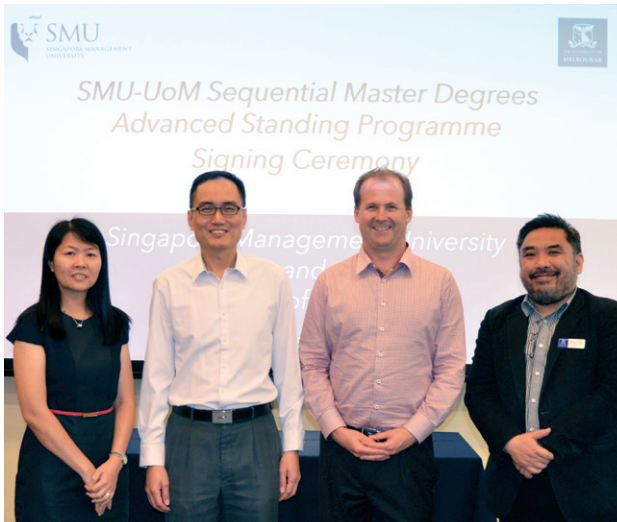
POSTGRADUATE, PROFESSIONAL AND CONTINUING EDUCATION

SMU'S WEALTH MANAGEMENT PROGRAMME IS IBF-ACCREDITED

There is now another reason to enrol in SMU's Master of Science in Wealth Management programme, offered by the Lee Kong Chian School of Business. The programme is the first in Singapore to receive Institute of Banking and Finance (IBF) accreditation under the 2018 IBF Standards for Wealth Management – Relationship Management (Private Banking). The IBF Standards are a set of internationally benchmarked competency standards for financial skills that form a comprehensive quality assurance framework.

UOB CREATES SCHOLARSHIP WITH SMU

To deepen the data skillsets in Singapore's pipeline of talent, United Overseas Bank (UOB) established a scholarship in November 2018 to support SMU postgraduate students undergoing the Master of Science in Accounting (Data and Analytics) (MSA) programme. This is the first full-tuition scholarship in Singapore for top students in an accounting and data analytics tertiary programme, and includes financial support as well as an internship at UOB.



A UNIQUE COLLABORATION WITH UNIVERSITY OF MELBOURNE

In January 2019, SMU School of Information Systems (SIS) and the University of Melbourne (UoM) School of Engineering signed an agreement to launch the SMU-UoM Sequential Master Degrees Advanced Standing Programme. This will give students the unique opportunity to study at both universities consecutively and graduate with two degrees: the SMU Master of IT in Business (MITB) and the UoM Master of Information Systems.

SMU BLUE RIBBON COMMISSION ON POSTGRADUATE EDUCATION

SMU Provost Professor Timothy Clark is leading the Blue Ribbon Commission for Postgraduate Education which will chart a path ahead for SMU's postgraduate professional and postgraduate research programmes. The Commission will review the current structure and operations of SMU's postgraduate programmes to ensure that the University is optimally positioned to attract high quality postgraduate students, and to enhance their learning outcomes and employability.

ADVANCING M&A EDUCATION IN SOUTHEAST ASIA

In partnership with the Zurich-headquartered Institute for Mergers, Acquisitions and Alliances (IMAA), SMU held its first run of the IMAA-developed International Mergers & Acquisitions Expert programme in March 2019. Covering the entire mergers and acquisitions (M&A) process, the programme imparts global best practices in M&A to companies, advisers and other stakeholders in the M&A community.

The inaugural UOB-SMU MSA scholarship recipients, Mr David Djapri and Ms Zhang Tongtong.

At the signing ceremony between SMU and UoM (left to right): SMU Associate Dean of SIS Postgraduate Professional Education Associate Professor Michelle Cheong; SMU Dean of SIS Professor Pang Hwee Hwa; UoM Dean of Melbourne School of Engineering Professor Mark Cassidy; and UoM Associate Professor of Computing and Information Systems Shanton Chang.



Signing the partnership agreement for the iBuildSG LEAD Programmes (front row, left to right) were: SMU President Professor Lily Kong; BCA CEO and SMU Trustee Mr Hugh Lim; and SUTD Associate Provost Professor Pey Kin Leong.

LEADERSHIP PROGRAMMES FOR THE BUILT ENVIRONMENT

SMU has signed an Agreement of Partnership with the Building and Construction Authority (BCA) and the Singapore University of Technology and Design (SUTD) to support leadership development in the built environment sector. SMU will serve as the anchor institution for two structured training programmes under BCA's new iBuildSG Leadership Engagement and Development (LEAD) Framework: the LEAD Horizon Programme for young emerging leaders; and the LEAD Milestone Programme for those in the C-suite.

NEW CONTINUING EDUCATION COURSES

SMU Academy, the University's professional training arm, continues to collaborate with industry partners to launch continuing education programmes.

- ▶ **SMU–Alibaba Series** (commenced in March 2019)
Conducted by Alibaba Cloud scientists, this landmark series of courses is the first-of-its-kind upskilling programme for Alibaba Cloud outside of China. It aims to enhance the tech-related capabilities of working professionals in Singapore, and to help local SMEs leverage on digital and smart technologies.
- ▶ **Executive Certificate programmes in Valuation** (commenced in August 2019)
Taught by practitioner experts from Savills Valuation and Professional Services (S) Pte Ltd, the three programmes are 'Valuation: A Corporate Perspective'; 'Valuation: Valuation Essentials for Bankers'; and 'Valuation: All You Need to Know in an Audit Process'. They are specially curated to meet the growing demand for valuation knowledge and skills across different sectors.

STUDENTS AND ALUMNI ON A DIFFERENT U

Veerappan Meenakshi

Lee Kong Chian
School of Business
undergraduate



SMU is one of the best universities because it prepares students for the working world. Its Finishing Touch workshops taught me how to write a good résumé and prepare for interviews. The curriculum offers modules which allow students to work closely with clients, giving us market experience. After one such module, Business Consulting, I went on to do an internship with Daimler Financial Services (Mercedes-Benz) and am joining them full time. If not for SMU, and its focus on the skills necessary for the real world, I would not have had this opportunity.



Elijah Tan

SMU Merit
Scholar
School of
Economics &
School of
Social Sciences
undergraduate



'A Different U' describes not only SMU's excellent teaching pedagogy but also transforming you into a better you. Flexible scheduling of modules, a balance of class participation and examinations, and the professors' guidance help us, the students, develop the way we desire. Through my majors and the core curriculum, I get to see the world from various perspectives and generate solutions from different directions. The plethora of CCAs – from sports, to academic, to recreational pursuits – add vibrancy to student life. All these enhance learning, injecting fun and supporting you in finding friends – not just those that you can live with, but those that you can't live without.



Lee Ci En

Bachelor of
Social Science
undergraduate



SMU is a university for everyone. This includes extroverts, introverts and in-betweens alike. It has a strong diversity and inclusion team to ensure that all needs are met.

I aspire to be a storyteller when I graduate. I believe that stories bridge differences in society by drawing other people into a more inclusive world. I want to create a world where everyone can play a contributing role, regardless of our differences.





I have always been a quiet and introverted person, and I knew that university would be the last chance for me to become more vocal. So I chose SMU as it is known for producing graduates who are not afraid to voice their opinions. I wanted to be more vocal and SMU has given me the opportunity, courage and skills to express myself.



Darien The
School of Law
& School of
Accountancy
undergraduate



The Future Executive Programme was instrumental in my professional development and ensured I was equipped with the right leadership competencies. The skills I learnt provided me with a platform to move into a new role and re-locate. Throughout the programme, my confidence and capability in business leadership grew. FEP equipped me with the tools needed to support my people leadership and business decision-making skills.



Katharine Swan
Country Director,
New Zealand,
Randstad
SMU ExD-
Randstad Future
Executive APAC
programme,
2016/2017



I really enjoyed my days in SMU. The Master of Science in Management (MiM) was a well-designed programme and the business insights it provided gave a solid foundation for my current work. The professors were knowledgeable, helpful and humorous. They perfectly combined theory and practice, making learning such a joyful journey, and I still keep in touch with some of them. My classmates came from different countries, and we worked in different teams each semester. From the different projects, we had opportunities to get to know each other better and become life-long friends.



Zhang Rong
Manager,
Shanghai Jiao
Tong University
Masters in
Management,
2016

IMPACTFUL RESEARCH





IMPACTFUL RESEARCH

As part of SMU's Vision 2025 to become a great university tackling the world's complexities and impacting humanity positively, SMU strives to become a catalyst for cutting-edge research by generating rigorous, high-impact, and relevant multi-disciplinary research to address Asian issues of global relevance. This research is directed to create meaningful impact in addressing five societal challenges: Economies & Financial Markets; Social Fabric & Quality of Life; Boundaries & Borders; Sustainability; and Innovation & Technology.

SIGNIFICANT PROJECTS



Left to right: SMU Director of the Centre for AI and Data Governance Professor Goh Yi-han, then SMU Provost Professor Lily Kong, Singapore Senior Minister of State for Transport & Communications and Information Dr Janil Puthucherry, and IMDA Assistant Chief Executive Mr Yeong Zee Kin the opening of the Centre.

Housed within SMU School of Law and helmed by Dean of SMU School of Law, Professor Goh Yi-han, is a new Centre for Artificial Intelligence (AI) and Data Governance. Made possible by a \$4.5 million grant from the National Research Foundation and the Infocomm Media Development Authority (IMDA), the Centre will undertake research projects to support the work of the Advisory Council on the Ethical Use of AI and Data, and to promote thought leadership in the area. Dr Janil Puthucherry, Senior Minister of State for Transport & Communications and Information, officially opened the Centre at a launch in September 2018.

SMU School of Law announced a strategic partnership with Element AI, a global AI software provider headquartered in Canada, in November 2018. Both parties will share information, tools and approaches as they work together to identify and research relevant areas on the governance of AI.

A four-way collaboration between logistics operator UrbanFox (a Keppel subsidiary), Fujitsu, A*STAR's Institute for Infocomm Research and SMU aims to improve the efficiency of last-mile deliveries by leveraging on AI. In September 2018, they began a field trial on a dedicated smartphone app that offers AI-driven delivery recommendations to crowdsourced delivery personnel.

Two SMU faculty members, Director of the Behavioural Sciences Institute Professor David Chan and Professor of Finance Benedict Koh, have led a research study on the effectiveness of a matched savings scheme. Commissioned by Tsao Foundation, the 18-month study examined how different factors of the scheme affected lower-income older women's decisions to save regularly. The results are being used as important inputs to the ongoing development of policies and programmes.

GLOBAL ACCOLADES

Heartiest congratulations to these SMU faculty members for their globally recognised research excellence:



Rajesh Balan
Associate Professor
School of Information Systems

Associate Professor Balan has been named as an Association for Computing Machinery (ACM) Distinguished Member for his outstanding scientific contributions to computing. He was one of 49 worldwide, and the only academic from Southeast Asia to receive the prestigious honour in 2018.



David Chan
Professor
School of Social Sciences

Professor Chan, who is also Director of SMU Behavioural Sciences Institute, has been conferred the inaugural award of Scientist-Practitioner Presidential Recognition by the Society for Industrial and Organizational Psychology (SIOP). He received the award in April 2019 at the 34th Annual SIOP Conference in Washington, DC, USA.



Steven Hoi
Associate Professor
School of Information Systems

Associate Professor Hoi was elevated to IEEE Fellow, the highest grade of IEEE membership, on 1 January 2019 in recognition of his significant research contributions to machine learning for multimedia information retrieval and scalable data analytics. He is currently on leave from SMU, following his appointment as Managing Director of Salesforce Research Asia, the software giant's first artificial intelligence research hub outside the US.



Onur Ulas Ince
Assistant Professor
School of Social Sciences

Assistant Professor Ince has been awarded the Fung Global Fellowship by the Princeton Institute for International and Regional Studies. As part of the 2019–2020 fellowship programme cohort, he is working on his second book project titled *Between Commerce and Empire*, which examines political economic arguments against European colonialism in the 18th and 19th centuries.



Jiang Lingxiao
Associate Professor
School of Information Systems

Associate Professor Jiang and his two co-authors won the 2018 ACM SIGSOFT Impact Paper Award for their research paper, “DECKARD: Scalable and Accurate Tree-Based Detection of Code Clones”. The annual award is presented to authors of papers published at least a decade ago that have been deemed highly influential by the international software engineering community.



Lim Ee Peng
Professor
School of Information Systems

Professor Lim received the Distinguished Contributions Award at the 23rd Pacific-Asia Conference on Knowledge Discovery and Data Mining (PAKDD). The award honours his significant and continued contributions in research and services to the community.



Yasmin Ortiga
Assistant Professor
School of Social Sciences

Assistant Professor Ortiga has been selected as a 2019 National Academy of Education/Spencer Postdoctoral Fellow. The fellowship programme provides funding support to early-career scholars working in critical areas of education research. Assistant Professor Ortiga is using the fellowship stipend to conduct fieldwork on higher education in the Philippines.



Zhu Feida
Associate Professor
School of Information Systems

Associate Professor Zhu was also feted at the recent PAKDD, where he was presented with the Early Career Award. This accolade is given to researchers who have made impactful contributions in knowledge discovery and data mining within the first 10 years after earning their PhD.

GRANT
WINS

Date Awarded	School / Institute, Centre or Lab	Principal Investigator	Funding Agency / Grant Call
Jul 2018	School of Social Sciences	Professor Paulin Straughan	AI Singapore's 100 Experiments Programme & Lunch Actually
Jul 2018	Lee Kong Chian School of Business	Associate Professor Marko Pitesa	Ministry of Social and Family Development's Social and Family Research Fund
Aug 2018	Lee Kong Chian School of Business	Associate Professor Hannah Chang	Ministry of Education's Academic Research Fund Tier 2
Aug 2018	Lee Kong Chian School of Business	Associate Professor Pascale Crama	Ministry of Education's Academic Research Fund Tier 2
Aug 2018	School of Economics	Associate Professor Chang Pao-Li	Ministry of Education's Academic Research Fund Tier 2
Aug 2018	School of Information Systems	Assistant Professor Akshat Kumar	Ministry of Education's Academic Research Fund Tier 2
Aug 2018	School of Information Systems	Assistant Professor Fang Yuan	AI Singapore Research Programme
Aug 2018	School of Information Systems	Associate Professor Pradeep Reddy Varakantham	Ministry of Home Affairs
Sep 2018	DHL-SMU Analytics Lab	Associate Professor Benjamin Gan	DHL
Sep 2018	School of Information Systems	Associate Professor Tan Hwee Pink	AI Singapore's 100 Experiments Programme & Surbana Technologies
Sep 2018	SMU-TCS iCity Lab	Associate Professor Tan Hwee Pink	Tata Consultancy Services (TCS) Asia Pacific Pte Ltd
Sep 2018	School of Law	Professor Goh Yihan	National Research Foundation's Smart Systems Strategic Research Programme, Emerging Research Project Funding Initiative
Nov 2018	School of Information Systems	Associate Professor Tan Hwee Pink	NTUC Health Co-operative Ltd

Project Title	Project Synopsis
Viola.AI	The project aims to develop the first holistic AI-powered mobile platform that provides dating and relationship solutions and advice based on comprehensive personality-match models.
Work-Family Conflict among Workers of Lower Socio-economic Status	The project investigates how conflict between work and family lives affects skilled employees in Singapore who come from families of lower socio-economic status.
How to Persuade the “Crowd” to Support Your Entrepreneurial Venture	The project seeks to investigate the determinants of persuasiveness in online crowdfunding, and how these vary across cultural contexts.
Open Innovation Systems for Small and Medium Enterprises (SMEs) in Singapore	The project aims to understand the mechanisms that enhance SMEs’ commercialisation of R&D from government-funded institutions through licensing.
Globalisation, Inequality and Welfare: Theory and Quantitative Analysis	The study assesses the extent to which the General Agreement on Tariffs and Trade and the World Trade Organization have contributed to welfare gains and income inequality in the post-war period (1950–2015).
Data-Driven Collective Decision Making for Urban System Optimisation	The team tackles the development of intelligent multi-agent planning and decision-making algorithms.
One-Shot Learning: A Crucial Learning Paradigm Towards Human-like Learning	The project aims to develop new algorithms and techniques to devise one-shot learning machines with human-like learning capabilities.
MHA-Merlion Initiative – Singapore Police Force 02	The project aims to use game theoretic models to randomise patrols and visits conducted by the police, with the goal of minimising their predictability and enhancing security efforts.
DHL–SMU Analytics Lab	Extended for another two years, the Lab aims to drive the innovation and development of applicable advanced analytics concepts across the supply chains globally.
Predictive Maintenance for Lifts	The team aims to leverage on AI to provide predictive analytics capabilities to Surbana’s existing lift maintenance system.
Intelligent City Services Platform	Awarded with additional funding, the Lab explores and pursues new research areas that are aligned with TCS’ business interest in smart cities.
Research Programme on the Governance of AI and Data Use	This five-year research programme aims to address governance of AI and data use, in support of the development of Singapore’s digital economy.
Smart-Tech Attendance and Home Visits Recording System	The project aims to implement a smart technology system to enhance NTUC Health’s operational efficiency and productivity.

GRANT
WINS
(CONTINUED)

Date Awarded	School / Institute, Centre or Lab	Principal Investigator	Funding Agency / Grant Call
Jan 2019	Centre for Research on the Economics of Ageing	Professor Bryce Hool	Ministry of Manpower
Jan 2019	School of Law	Professor Locknie Hsu	Singapore Judicial College's Empirical Judicial Research Grant
Jan 2019	School of Law	Mr Jerrold Soh	Singapore Judicial College's Empirical Judicial Research Grant
Jan 2019	School of Law	Assistant Professor Dorcas Quek	Singapore Judicial College's Empirical Judicial Research Grant
Jan 2019	School of Social Sciences	Assistant Professor Orlando Woods	Ministry of Education's Academic Research Fund Tier 2
Jan 2019	School of Economics	Assistant Professor Zhang Yichong	Ministry of Education's Academic Research Fund Tier 2
Jan 2019	Lee Kong Chian School of Business	Assistant Professor Liang Hao	Ministry of Education's Academic Research Fund Tier 2
Feb 2019	School of Law	Associate Professor Yip Man	Chuo University
Feb 2019	School of Information Systems	Professor Archan Misra	National Research Foundation's NRF Investigatorship
Mar 2019	School of Economics	Professor Yu Jun	Monetary Authority of Singapore's MAS Financial Sector Development Fund - Artificial Intelligence and Data Analytics Grant (Research Track)
Mar 2019	School of Information Systems	Professor Robert Deng	National Research Foundation's National Cybersecurity R&D Programme for National Satellite of Excellence in Mobile Systems Security and Cloud Security

Project Title	Project Synopsis
Evaluating Socio-economic Impacts of Employment Shocks on Older Singaporeans	The project aims to gain a better understanding of the employment setbacks faced by older Singaporeans across various households and socio-economic domains.
Dispute Settlement of ASEAN Projects/Transactions in the Belt and Road Initiative (BRI)	The project aims to provide constructive and practical suggestions for resolving BRI disputes in ASEAN.
The State of Legal Innovation in Asia-Pacific	The project aims to chart the state of legal innovation in Asia-Pacific, examine where Singapore lies on the chart, and communicate Singapore's legal innovation efforts to the world.
Mediation in the Family Justice Courts — Examining the Durability of Settlements	The project will examine the durability of mediated settlements for family cases, with the aim of shaping effective court policy.
New Religious Pluralisms in Singapore: Migration, Integration and Difference	The project seeks to understand the extent to which religion can enable or disable the integration of migrant and non-migrant communities from different religious traditions.
New Causal Inference Methods for Applied Economics	The project tackles the challenges that applied economists encounter with the use of big data, through improving three widely-used causal inference methods in modern economics.
Dual-Class Shares in a Time of Unicorns Going Public	The project aims to understand how the recent wave of relaxing listing requirements affects shareholders and other stakeholders globally through investigating the situation in Hong Kong and Singapore.
Comprehensive Analysis on Diversity of Legal Systems in Asia-Pacific Region and Convergence towards Establishment of Rule of Law	This is a continuation of an ongoing project, which aims to clarify the diversity of legal systems in the Asia-Pacific, with a focus on civil law (business transaction), dispute resolution and data privacy.
C2SEA: Coordinated Cyber-Physical Sensing & Edge Analytics	The project will pioneer new capabilities in real-time, ultra-low power, pervasive sensing by building technologies that enable a collection of resource-constrained wearable and cheap IoT devices to collaboratively execute complex machine intelligence tasks.
Econometric Methods and Data Science Techniques: A Review of Two Strands of Literature and Introduction to Hybrid Methods	The project aims to develop a pedagogical framework to identify complementarities between data science and econometrics.
National Satellite of Excellence in Mobile Systems Security and Cloud Security	The project aims to develop a technology pipeline that would address the mobile system security and mobile cloud security needs for real-time monitoring/decision systems used in critical Smart Nation applications.

**GRANT
WINS
(CONTINUED)**

Date Awarded	School / Institute, Centre or Lab	Principal Investigator	Funding Agency / Grant Call
Apr 2019	School of Law	Professor Nadja Alexander	Ministry of Law
Apr 2019	Lee Kong Chian School of Business	Associate Professor Jochen Reb	Rakuten Inc.
May 2019	School of Information Systems	Associate Professor Rajesh Krishna Balan	Microsoft Research Asia Collaborative Research Program
May 2019	Centre for Research on the Economics of Ageing	Professor Yu Jun, Professor Peter Phillips, Professor Denis Leung, Professor Phang Sock Yong, Professor Benedict Koh & Professor Tse Yiu Kuen	Ministry of Education's Academic Research Fund Tier 3
Jun 2019	School of Information Systems	Associate Professor Pradeep Reddy Varakantham & Professor Lau Hoong Chuin	Ministry of Home Affairs
Jun 2019	School of Law	Associate Professor Yip Man, Professor Tang Hang Wu & Mr Vincent Ooi	Labuan IBFC Sdn. Bhd.

Project Title	Project Synopsis
Singapore International Dispute Resolution Academy (SIDRA)	Following SIDRA's transition to SMU, this grant will be used to further advance research on dispute resolution and mediation, with the aim to develop SIDRA as a research centre demonstrating thought leadership on international dispute resolution.
Effectiveness of Training Employees with Mindfulness/Loving-Kindness	The project aims to evaluate the effectiveness of training employees with Mindfulness/Loving-Kindness at Rakuten Institute of Technology, through the Mindfulness Initiative @ SMU.
Identifying Personas Using Video Analytics	The project aims to extend existing video analytics solutions to be able to process videos of people entering a building and automatically classifying them into different categories, in real time and with as minimal prior knowledge of the people as possible.
Economic Security and the Ageing Demographic – Centre for Research on the Economics of Ageing	This funding will extend the existing Tier 3 project for a period of one year.
MHA-Merlion Initiative – Singapore Civil Defence Force 02	The project aims to optimise the response of fire engines and ambulances to medical and fire incidents in a prioritised manner.
Trends in Philanthropy Structuring: The Asian Context	The project aims to provide a comprehensive overview of philanthropy in Asia through Asia-focused lenses of review, extract fresh insights on the Asian way of giving and explain how it differs from Western trends, as well as propose innovative reforms to facilitate a sustained culture of giving in Asia.

INTERNATIONAL RECOGNITION

AACSB International, the world's largest business education network, has highlighted SMU Lee Kong Chian School of Business as one of 21 institutions in its 2019 Innovations That Inspire challenge. The School was recognised for promoting impactful research through efforts that encourage faculty members to re-envision their research agendas to achieve meaningful societal impact.

SMU Lee Kong Chian School of Business

has continued to gain greater recognition on the global stage

33RD

in the latest University of Texas at Dallas Top 100 Business School Research Rankings, the 2nd -highest position in Asia and 1st in Singapore

41ST

in the Quacquarelli Symonds World University Rankings by Subject 2019: Business & Management Studies

SMU School of

Accountancy has cracked the top 10 worldwide — and topped its Asian counterparts — in the following categories for the Brigham Young University Accounting Research Rankings, which was released in February 2019

3RD

in Archival Research (All Topics)

4TH

in Financial Archival Research

10TH

in All Publications (All Methods, All Topics), up five spots from last year

THOUGHT LEADERSHIP



SMU Retail Centre of Excellence (RCoE) organised the first Asia Retail Leaders Conference (2018). The conference focused on challenges faced by retail leaders in Asia and provided participants from 80 companies with an opportunity to interact with seasoned executives from prominent local and global businesses such as Alibaba, Benjamin Barker, DFS, Fareast Flora, JD.COM, Microsoft, NTUC, and Visa. It also featured insights from renowned professors from Stanford, Wharton, University of North Carolina, and SMU.

SMU partnered Dentons Rodyk law firm to host the Dentons Rodyk Dialogue 2019, which attracted delegates from academia and industry. It featured a profound discourse by world-renowned privacy experts on “Privacy in the Age of Social Media and Data Breaches”. Guest of Honour for this event was Singapore Senior Minister of State for Communications and Information and Transport Dr Janil Puthuchery.



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Left SMU Professor Gerard George, Guest of Honour, Singapore Senior Minister of State for Trade and Industry and Education Mr Chee Hong Tat and SMU Professor of Marketing and Director of the SMU RCoE Professor Kapil R. Tuli at the Asia Retail Leaders Conference.

Right Dentons Rodyk Dialogue 2019 Guest of Honour Dr Janil Puthuchery delivering the Keynote Address.



The BSI Conference 2019, organised by SMU’s Behavioural Sciences Institute in February 2019, took the theme “Much More Than Academic Abilities”. Attended by about 300 participants from the public, private and people sectors, the conference discussed how academic abilities and non-academic attributes influence performance and success in educational, work, social and political settings. The conference proceedings were documented in a book published by World Scientific.

BSI Conference 2019 panellists addressing questions from the audience (from left): SMU Professor of Accounting (Practice) Lim Soo Ping; Chairman, National Volunteer and Philanthropy Centre Mrs Mildred Tan; Director, SMU Behavioural Sciences Institute Professor David Chan (moderator); Editor-at-Large, The Straits Times Mr Han Fook Kwang; and Special Research Adviser, Institute of Policy Studies, National University of Singapore Mr Arun Mahizhnan.



The SMU China Forum 2018 brought together prominent business leaders, scholars and senior officials from Singapore and China in an illuminating discussion on how Artificial Intelligence (AI) is shaping the way decisions are made and how information flows in business and society. It was attended by special guest Mr Cao Shihai, Counsellor (Education) of the People’s Republic of China, in Singapore.

About 300 eminent business leaders, scholars and senior officials from Singapore and China attended the SMU China Forum 2018.



SMU Professor of Finance Francis Koh, who is the first Mapletree Professor of Real Estate, delivered the inaugural Mapletree Annual Lecture in November 2018, where he discussed how the growth of Singapore’s real estate investment trust sector, presently the third largest in the world, can be further fuelled so that our real estate companies can move up the global ranks. The Professorship and Lecture have been made possible by an endowed gift of \$3 million from Mapletree Investments to SMU in 2017.

Prof Francis Koh speaking at the inaugural Mapletree Annual Lecture.

**GLOBAL CITY
UNIVERSITY**



IN ASIA

GLOBAL CITY UNIVERSITY IN ASIA

SMU Vision 2025 encompasses becoming a global exemplar of a city university in Asia. SMU leverages its location to integrate with the city and its business, education, arts, sports and residential communities through student, faculty and staff activities. It seeks to build a project-based, living and experiential learning environment for students, and to cultivate lifelong engagement and affiliation with alumni and the community within its city precinct. Members of the SMU community also strive to make meaningful impact through community service locally and overseas. The University pursues an integrated strategy of building strong global alliances as well as marketing and internationalising the SMU brand and reputation through excellence in teaching and research.



Datuk Seri Anwar Ibrahim

Political Reformist

Deputy Prime Minister of Malaysia (1993 -1998)

20 September 2018

Datuk Seri Anwar Ibrahim (right) followed his lecture with a lively Q&A session moderated by SMU Chairman Mr Ho Kwon Ping (left).



HO RIH HWA LEADERSHIP LECTURE SERIES

Some 1,200 people attended the 10th edition of the Ho Rih Hwa Leadership Lecture Series on 20 September 2018 featuring Malaysia's former Deputy Prime Minister Datuk Seri Anwar Ibrahim. Speaking on the topic "Leadership in the 21st Century: Winds of Change", Mr Anwar shared what he had learned from his experience as a political reformist and identified forgiveness, compassion, tenacity and courage as some of the fundamental leadership attributes.



PRESIDENTIAL DISTINGUISHED LECTURER SERIES

Twitter co-founder and CEO **Mr Jack Dorsey** was the invited speaker on 20 March 2019 where he shared his views and answered questions on topics such as online falsehoods, entrepreneurship and personal development.

Twitter co-founder and CEO Mr Jack Dorsey answers questions from the floor.



Renowned AI expert **Professor Subbarao Kambhampati** from Arizona State University, USA, spoke about the "Rise of AI and the Challenges of Human-Aware AI Systems" on 2 April 2019. Prof Kambhampati raised various issues that have emerged in tandem with advancements in AI, such as tackling data bias, and designing a future where AI systems and humans work together.

Arizona State University Professor Subbarao Kambhampati spoke to attendees about AI for now and the future.

The two events were attended by an enthusiastic crowd from within and outside the University. SMU President Prof Lily Kong moderated the discussions.

ENTERPRISE & ENTREPRENEURSHIP SERIES



The panel at “Spotlight Indonesia – Visions and Opportunities” consisted of (from left) Mr Jonathan Tahir, Deputy Chairman, Mayapada Group; Mr Alvin Gozali, President Director, PT. Putragaya Wahana; Professor Annie Koh, SMU Vice President, Office of Business Development, V3 Group Professor of Family Entrepreneurship and Professor of Finance; Dr Beh Swan Gin, Chairman, EDB; Mr Alvin Sariaatmadja, President Director, Emtex Group; and Ms Christina Suriadjaja, Co-Founder and Chief Strategy Officer, Travelio.

Organised by The EDB Society (an association set up by former and current officers of the Singapore Economic Development Board) and SMU, the Enterprise & Entrepreneur Series provides a platform for sharing, learning and networking among business trailblazers and founders of companies with aspiring young entrepreneurs. It explores megatrends and growth themes, and how Singapore could exploit such new opportunities. In this Academic Year, eminent panellists tackled “Food and Agritech: Innovations and New Opportunities” and “Entrepreneurship: Singapore and Beyond”. SMU and The EDB Society also organised the forum “Spotlight Indonesia – Visions and Opportunities”, a partnership initiative that was supported by the Singapore Economic Development Board.

“University-Public Sector Partnerships: Smart Cities” was the theme of the QS in Conversation seminar jointly organised by Quacquarelli Symonds and SMU in October 2018. The event, which attracted participants from across the ASEAN region and beyond, showcased successful examples of how universities, government agencies and other organisations are collaborating to leverage data-driven systems to power the rapidly changing landscapes of Smart Cities.



Executive Director of SMU Executive Development Dr Katharina Lange (far right) moderated a panel discussion comprising (left to right) SMU Vice Provost (Research) Professor Steven Miller; Deputy Secretary of Singapore's Smart Nation and Digital Government Office Mr Tan Kok Yam; Director of The World Bank Ms Jyoti Shukla; and Seoul National University Associate Professor of Urban Design Kwon Young-Sang, at QS in Conversation.



Dr Chen Yidan, co-founder of Internet giant Tencent and founder of The Yidan Prize, spoke on the topic “Zero to Infinity: How Education Unlocks Endless Possibilities” at the inaugural lecture of the SMU Visionary Series in May 2019. He touched on the transformative purpose of education, how it sows the seeds of innovation, and the need for education eco-systems across the world to adapt to the demands of a more complex and interconnected world in order to address its most pressing challenges.

Tencent co-founder Dr Chen Yidan fielded numerous questions during the question-and-answer session moderated by Dean of Lee Kong Chian School of Business Professor Gerard George.

NATIONAL AWARDS

SMU's leaders, senior management, faculty and staff aspire to make meaningful impact on the University, local and global communities. SMU is proud that their achievements have been recognised with the following national and international awards.

Dr Tony Tan.



SMU's Honorary Patron and Distinguished Senior Fellow **Dr Tony Tan Keng Yam** was conferred Singapore's highest civilian honour, the Order of Temasek (First Class) in the 2018 National Day Awards. Dr Tan entered politics in 1979, and served as a Member of Parliament for 27 years. He headed five ministries — education, finance, health, trade and industry, and defence. Besides setting up SMU, he showed great foresight in anticipating labour and economic trends, and did much to expand vocational and technical training opportunities for all Singaporeans. In 1995, Dr Tan became Deputy Prime Minister and formally left politics in 2006. He was then elected as Singapore's seventh President and served from 2011 to 2017.

Prof Arnoud De Meyer.



In Singapore's 2018 National Day Awards, **Professor Arnoud De Meyer**, then-SMU President, was awarded the Public Administration Medal (Gold) for his contributions to SMU and to Singapore. Prof De Meyer was SMU's fourth and longest-serving President, who held the office from September 2010 until he stepped down on 31 December 2018. In November 2018, His Majesty Philippe the King of the Belgians bestowed upon Prof De Meyer the significant honour of Commander in the Order of Leopold. The Order was founded in 1832, and it is the oldest order of chivalry or knighthood in Belgium.

Dr Noeleen Heyzer.



SMU's Lee Kong Chian Distinguished Fellow **Dr Noeleen Heyzer** was presented the World Chinese Economic Forum Outstanding Lifetime Achievement Award in 2018. Dr Heyzer, a member of the United Nations (UN) Secretary General's High Level Advisory Board on Mediation, was an Under-Secretary-General of the UN (2007 – 2015). She was the first woman to serve as the Executive Secretary of the UN Economic and Social Commission for Asia and the Pacific. The Award honours individuals who have made significant fundamental contributions in their respective field of work, demonstrated a lifetime commitment to 'make a difference' and provided outstanding contributions over a sustained period to the regional and global community.



Several members of the SMU faculty and staff also received Singapore 2018 National Day Awards for their outstanding contributions:

- ▶ Public Administration Medal (Silver) to **Prof Benedict Koh Seng Kee**, Professor of Finance (Education) from Lee Kong Chian School of Business (LKCSB)
- ▶ Public Administration Medal (Bronze) to **Ms Kuo Pey Juan**, Senior Deputy Director, SMU Academy
- ▶ Commendation Medal to **Ms Priscilla Cheng How Yin**, Senior Associate Director, Sim Kee Boon Institute for Financial Economics (LKCSB); **Mr Jeffery Tan Boon Tiam**, Associate Director, Office of Finance; **Ms Jamie Sng Ee May**, Associate Director, Office of Human Resources and Faculty Administration; **Ms Gina Tan Lay Koon**, Senior Assistant Director, School of Information Systems; and **Ms Linda Kee Choke Kim**, Assistant Director, School of Accountancy (SoA)
- ▶ Efficiency Medal to **Ms Denise Yong Yeen Hung**, Senior Manager, SoA

Singapore National Day Awards 2018 recipients (left to right) Ms Linda Kee, Ms Gina Tan, Ms Jamie Sng, Ms Denise Yong, Mr Jeffery Tan, Ms Kuo Pey Juan, Prof Benedict Koh and Ms Priscilla Cheng.

CORPORATE AWARDS

Minister Chan Chun Sing, Deputy Chairman of PA, presented the Community Partnership Excellence Award to Ms Devi, Head, Centre for Social Responsibility, Office of Dean of Students.



Once again, SMU received the Community Partnership Excellence Award at the People's Association (PA) Community Spirit Awards 2018. The award was merited by a range of community service initiatives, including several collaborations with the Central Singapore Community Development Council to support those in need.

SMU was honoured at the National Integration Council (NIC) Awards in 2019, which recognise outstanding ground-up integration projects and exemplary individuals and organisations that have gone the extra mile in promoting social integration. NIC fosters social integration between Singaporeans, foreigners and new immigrants, to create a more cohesive Singapore, with support from the private, people and public sectors.

BEYOND BORDERS

A handshake sealed the partnership - (left) Vice Chairman and CEO of Vingroup Mr Nguyen Viet Quang and then SMU President Professor Arnold De Meyer at the MOU signing ceremony.

Photo Vingroup.



A Memorandum of Understanding (MOU) was signed by Vietnamese conglomerate Vingroup and SMU in October 2018 in Hanoi, Vietnam. Under the MOU, both parties will collaborate on research and development, capacity building, as well as executive training and professional development programmes for Vingroup staff.

**BEYOND BORDERS
(CONTINUED)**



SMU Professor of Marketing Tan Chin Tiong (far left), Senior Advisor to the SMU President, moderated the panel discussion at the SMU Industry Leaders Dialogue in Myanmar in December 2018.

Four SMU Industry Leaders Dialogues were held in Manila (The Philippines), Shanghai (China), Yangon (Myanmar) and Ho Chi Minh City (Vietnam) from late 2018 to April 2019. Industry leaders, academia, as well as SMU management, staff and alumni attended the events, each comprising a panel of distinguished speakers including SMU faculty, prominent alumni and members of the respective SMU International Advisory Councils. They discussed issues ranging from global trade and sustainable urban development to China's Belt and Road Initiative.

Aiming to broaden and deepen engagements with existing and new leading Chinese partner universities, an SMU delegation led by then-President Professor Arnoud De Meyer visited four institutions in China from 20 to 24 October 2018. The trip was a success as SMU expanded its slate of collaborations with Xiamen University, Zhejiang University, Nanjing University and Fudan University.

In her first overseas mission as SMU President, Professor Lily Kong called on her counterparts at Thailand's Chulalongkorn University and Thammasat University in January 2019. Her discussions with the two Presidents centred on new academic programmes, student mobility collaborations and initiatives in the innovation space.



SMU President Professor Lily Kong (left) met with Chulalongkorn University President Professor Bundhit Eua-arporn.

**BEYOND BORDERS
(CONTINUED)**

QBO Director Ms Katrina Chan and SMU IIE Director Mr Hau Koh Foo signed the MOU in Singapore on 17 September 2018.



SMU Institute of Innovation and Entrepreneurship (IIE) is on track to achieving its goal of fostering innovation and entrepreneurship excellence with a series of MOUs with key start-up ecosystems in the region: QBO, a Philippines-based innovation hub; Sino-Singapore (Chengdu) Innovation Park Development Co. Ltd in China; and Thailand's True Digital Park.

SMU President Prof Lily Kong (far left) and UEH President Professor Nguyen Dong Phong (third from right) officiated the opening of UII, together with Vietnamese and Singaporean dignitaries.

In April 2019, SMU and the University of Economics Ho Chi Minh City (UEH) jointly launched the UEH Institute of Innovation (UII) at the UEH campus. Modelled after IIE, UII aims to support and connect entrepreneurial students and start-ups based in Singapore and Vietnam.



Ms Sylvia Stephanie Zhao Chan.



STANDING TALL

Recent SMU Accountancy graduate Ms Sylvia Stephanie Zhao Chan has finished in global joint first place for the Financial Accounting and Reporting subject in the March 2019 Associate Chartered Accountant (ACA) Professional Level exams, hence earning the Spicer and Pegler prize. Having taken the exam in March, this makes her the first undergraduate from Singapore to achieve this feat.

STANDING TALL (CONTINUED)



Then—SMU undergraduate Mr Sequeira (right) in a candid shot while representing Singapore at a student leadership conference in the US.

Photo
Toshin Sequeira.

Starting August 2019, newly minted SMU Economics graduate Mr Toshin Sequeira has commenced his one-year programme as a Schwarzman Scholar at Tsinghua University in China. The aspiring public policy maker is one of 147 students in the Class of 2020, and is the first from SMU to secure the globally coveted scholarship.

Tertiary – Winner

Ignore the Fluff,
Technology Hasn't Failed
Us and Here's Why

Victoria Ivory Birrell

Singapore Management
Singapore



For the second year in a row, an SMU undergraduate has taken the top spot in the Tertiary category of The New York Times Asia-Pacific Writing Competition. The winner of the 2018 competition was Victoria Ivory Birrell, who is now in her second year at the School of Social Sciences.

Ms Birrell (right) received her prize from Ms Helena Phua, Executive Vice President (Asia Pacific) of The New York Times, at an awards ceremony held in Hong Kong in May 2019.

Photo
The New York Times.

STANDING TALL
(CONTINUED)

DSTA Director of Digital Hub Ms Gayle Chan (far left) presented the HackerFest winner's certificate to the first placed team from SMU comprising (left to right) Mr Winston Ho, Mr Joden Seet, Mr Moses Yong and Mr Dion Ang.

Photo
DSTA.



A four-person team of SMU School of Information Systems students won first prize in the Open category of the inaugural HackerFest 2018, organised last November by the Defence Science and Technology Agency (DSTA). Their winning solution, which uses AI for improved image analytics, is being developed for real-world application.

Team Connect (left to right): Ms Cherin Wong, Ms Cassandra Ong, Ms Jessica Lee and Mr Chew Chen Hao.

SMU's Team Connect was declared champion of the 4th National Human Resource Case Competition, organised by Nanyang Business School's Human Resource Consulting Club. The SMU Business undergraduates competed against 20 other teams from local tertiary institutions, and eventually triumphed at the Grand Finals on 2 February 2019.



At the 17th Red Cross International Humanitarian Law Moot, SMU Law alumni Mr Kartik Singh (Class of 2018, far left) and Mr Sui Yi Siang (Class of 2014, far right) coached Team SMU (left to right): Ms Tan Bae Huey, Mr Lyndon Seow and Mr Huo Jiongtrui.



The 2019 moot season saw SMU Law students perform strongly yet again, with podium finishes at four international moot competitions in Singapore, Hong Kong, Germany and the UK. At the 17th Red Cross International Humanitarian Law Moot held in Hong Kong this past March, the SMU team came in first runner-up out of 120 teams from universities across the Asia-Pacific region.

COMMUNITY RELATIONS

SMU students, alumni and staff engaged with members of the public at these student-run annual initiatives:



The finale of the nine-month SMU Challenge outreach programme, Sport-A-Cause, took place on 8 September 2018 at SMU. Besides its signature Fun Run, the event featured other fitness activities (including a Zumba class, as pictured) and family-friendly games. A total of \$10,000 was raised to help Mountbatten Vocational School upgrade its equipment and facilities.



An original contemporary dance piece called *Mankind 2.0* (as pictured), jointly performed by SMU INDANCITY and SMU Malay Language & Cultural Club, opened the fourth SMU Arts Festival. From 7 to 16 September 2018, over 5,000 attendees enjoyed the festival's many visual, performing and literary arts events put together by SMU's Arts and Culture clubs.



Celebrating cultural diversity and unity, SMU Global Village ran from 12 to 21 September 2018. SMU's international student body hosted pavilions to showcase their respective traditions, songs, dances and food (such as the chestnut-catching wedding ritual at the Korean pavilion, as pictured). Internationally benchmarked talks, workshops and picnics were also organised during the festival.

ALUMNI RELATIONS

While visiting China, SMU's then-President Prof Arnoud De Meyer (centre) attended the launch of the SMU Xiamen Alumni Chapter.



SMU launched two new Overseas Alumni Chapters in China, one in Xiamen on 21 October 2018 and another in Guangzhou on 23 August 2019 bringing the total number of Overseas Alumni Chapters to 14. The 15th is set to launch in Tokyo, Japan later this year.

UNIVERSITY ADVANCEMENT

To realise Vision 2025, investments in new programmes, research and infrastructure are needed; and for the University to remain sustainable for the long term, it has to continue to build its endowment funds.

NOTABLE GIFTS

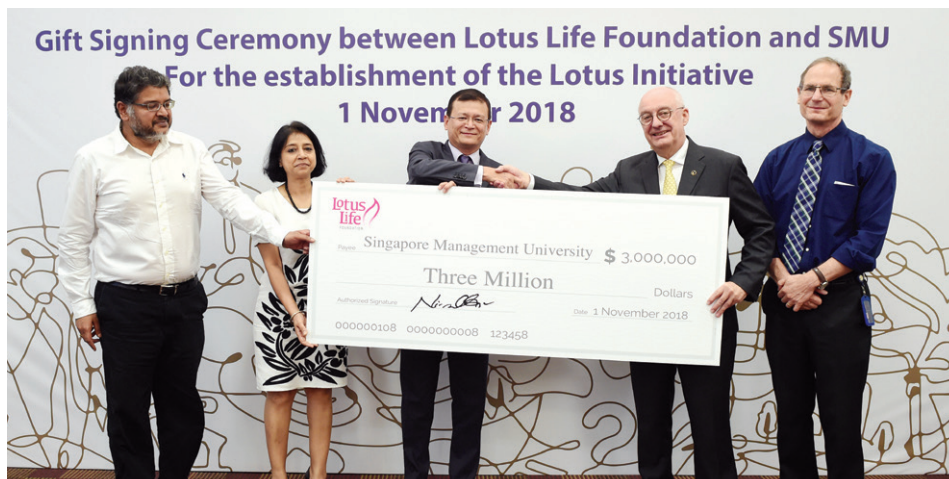
SMU Trustee Dato' Kho (centre) with the inaugural batch of scholarship recipients.



TWO NEW SCHOLARSHIPS FROM DATO' KHO HUI MENG

Dato' Kho Hui Meng, a member of SMU's Board of Trustees and long-time supporter of SMU, has provided a generous benefaction to the University. Through his donation of over \$9.2 million, two new endowed scholarship programmes have been set up. One is the Dato' Kho Hui Meng Scholarship, which allows SMU to attract the brightest and most promising students. Another is the Dato' Kho Hui Meng Inspire Scholarship, which is given to financially needy students so that they can experience SMU's transformative education and holistic campus life. Both scholarships are open to first-year full-time undergraduates pursuing any degree programme at SMU, and will support the students through their four years of study.

NOTABLE GIFTS



LOTUS LIFE FOUNDATION MAKES A PLEDGE

SMU Lien Centre for Social Innovation has found a new partner in Singapore-based charitable organisation Lotus Life Foundation. Thanks to a \$3 million contribution pledged by the Foundation, the two parties have established The Lotus Initiative which aims to strengthen local capabilities in Nepal to tackle poverty in entrepreneurial and innovative ways. Under the multi-pronged initiative, a suite of social innovation and entrepreneurship development programmes will be implemented over the next five years. It will involve a cross-section of stakeholders from Singapore and Nepal, including SMU students and faculty, social purpose organisations, social innovators and entrepreneurs.



SMU'S IAC MEMBER'S GIFT OF SCHOLARSHIP IN SUPPORT OF FILIPINO STUDENTS

Outstanding and deserving Filipino students can now receive financial support for SMU's Master of IT in Business (MITB) programme, through the Richard Lim Lee Scholarship. This has been made possible by a \$1.5 million gift from Mr Richard L. Lee, a member of SMU's International Advisory Council (IAC) in the Philippines and a parent of two SMU alumni. SMU will work with Mr Lee's alma mater, De La Salle University in the Philippines, to identify suitable applicants for the scholarship.



PAST AND PRESENT TRUSTEES BAND TOGETHER

In honour of SMU's founding President Professor Janice Bellace, current and former members of the SMU Board of Trustees have pooled their contributions to establish the Janice Bellace Professorship. It is awarded to SMU faculty whose research is centred around tackling issues that are important and relevant in our complex world, thus creating a meaningful impact on communities in the region and beyond.

Mr Nirmal Singh (centre), Chairman of Lotus Life Foundation, presented the cheque to then-SMU President Professor Arnoud De Meyer (second from right) on 1 November 2018.

left Mr Richard Lim Lee (front row, left) and SMU President Prof Lily Kong (front row, right) signed the gift agreement at SMU on 21 June 2019.

right Prof Janice Bellace (left) with the first recipient of the Janice Bellace Professorship, SMU Professor of Strategic Management Wang Heli (right) at the conferment ceremony on 15 November 2018.

LIST OF PRINCIPAL DONORS

SMU wishes to recognise the generosity and commitment of individuals, alumni, foundations and corporations, including those who wish to remain anonymous.

VISIONARIES (\$10M & above)

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SUSTAINA



BILITY REPORT



MAJOR CERTIFICATIONS AND STANDARDS

On its City Campus, SMU's green journey included improving energy and water efficiency as well as other initiatives which led to various Green Mark Certifications, International Organization for Standardization (ISO) and Singapore Standards (SS) namely:

- ▶ ISO 50001 Energy Management System Certification
- ▶ SS577: Water Efficiency Management System Certificate
- ▶ SS564: Green Data Centre Environmental and Energy Management System Certificate
- ▶ Green Mark Platinum Certification for its campus schools and buildings
- ▶ Green Mark Platinum Certification for Prinsep Street Residences
- ▶ Green Mark Platinum Certification for Tahir Foundation Connexion (also an On-site Net Zero Energy Building)



AWARD-WINNING SUSTAINABILITY

SMU's sustainability initiatives have earned numerous significant awards over the years including:

- ▶ 2005 – LIAS Award of Excellence – Gold Award – by LIAS (Campus)
- ▶ 2010 – Green Mark Platinum – by BCA (Admin Building)
- ▶ 2011 – Green Mark Gold – by BCA (Campus)
- ▶ 2014 – Water Efficient Building – Gold Award – by PUB (Campus)
- ▶ 2015 – Green Mark Platinum – by BCA (Campus)

- ▶ 2016 – Community in Bloom Awards – Gold – by NParks
- ▶ 2016 – Excellence in Energy Management – by NEA (Campus)
- ▶ 2016 – Leadership in Sustainable Design & Performance Award – by SGBC & BCA (Campus)
- ▶ 2016 – ASEAN Best Practices Award-Energy Efficient Regional Buildings – by ASEAN Centre for Energy (Campus)
- ▶ 2017 – Cities of Love Awards 2017 – Distinguished Award – As recognition for loving your city – by Inception (Environment Category)
- ▶ 2018 – Community in Bloom Awards – Gold – by NParks.
- ▶ 2018 – Singapore Environment Achievement Award (Public Sector) – by Singapore Environment Council (Campus)
- ▶ 2018 – ASEAN Best Practices Award-Energy Efficient Regional Buildings – by ASEAN Centre for Energy (SMU School of Law)
- ▶ 2019 – Green Mark Platinum – by BCA:
 - Tahir Foundation Connexion
 - › Plus Green Mark Platinum (Zero Energy) Award
 - SMU Administration Building
 - Prinsep Street Residences
 - SMU City Campus

With the four awards won at the BCA Awards 2019, SMU has achieved 100% Green Mark Platinum status for its entire campus.



SMU President Professor Lily Kong receiving the BCA Green Mark Platinum Awards (Zero Energy) Award for the Tahir Foundation Connexion from Minister of State for National Development Mr Zaqy Mohamad.

Annual Report to Stakeholders 2018/2019

AWARD-WINNING
SUSTAINABILITY
(CONTINUED)

SMU's then-President Prof Arnould De Meyer (centre) attended the 2018 ASEAN Energy Awards with OCIS staff. Also in the photo was Ms Phan Pit Li (second from left), Director of MKPL Architects, which designed the building.

Photo
Energy Market
Authority.



Energy-saving features were integral to the design of SMU School of Law building. This was recognised at the 2018 ASEAN Energy Awards, where the building won the Energy Efficient Buildings Award (New and Existing Building category).



Launched with the vision to leave a lasting legacy by creating an eco-universe in the heart of the city, SMU Grow made great strides with its on-campus urban farm as well as the promotion of a culture of sustainability across the SMU community of students, alumni, staff, faculty, and tenants. SMU Grow has won the NParks' Community in Bloom Gold Award twice, as well as the Singapore Environmental Achievement Awards (SEAA) – Merit Winner (Public Sector category), in partnership with the Office of Campus Infrastructure and Services. This was an excellent demonstration of hardware and heartware coming together towards SMU's sustainability efforts.

The Internet of Things was introduced to School of Information Systems students as a tool to monitor plant health, and resulted in a group of students embarking on a project at the SMU Grow plot and sharing their findings during the school's poster presentation day.

Officially recognised as one of the options for students' mandatory community service requirement, three teams took on SMU Grow as their community service projects – nurturing the SMU Grow plot and imparting knowledge to their peers, reducing food waste, and redistributing over-ordered food on campus.



Left to right: Ms Bernadette Toh, Consultant SMU Grow; healthy juicing expert Ms Deborah Lee and Mr Don Devin, then-chef at SMU Alumni Association's B3 Bistro, promoting produce at a "Save the Uglies Market", set up to reduce food waste.

SMU SUSTAINABILITY POLICY AND TARGETS 2017-20

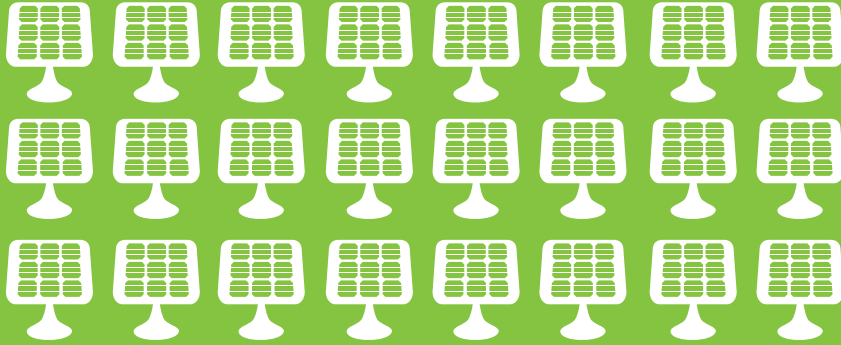


SMU is committed to making its city campus truly iconic by building quality infrastructure and facilities, developed using sustainable features, to support its dynamic pedagogical and operational requirements. Beyond hardware improvement, concerted efforts through ground-up and management-led awareness activities have contributed to a noticeable shift in the behaviour of SMU faculty, staff and students in becoming more proactive in conserving water and

electricity. In addition to the SMU community, the efforts of our industry partners like consultants and contractors, equipped with the latest global industry knowledge and technological know-how, have made the realisation of these goals possible. With the sustainability standards evolving and the bar set ever higher, SMU will continue to improve by pro-actively exploring new solutions and technologies which could be leveraged to upgrade its existing buildings and in future developments.



SMU SUSTAINABILITY POLICY AND TARGETS 2017-20 (CONTINUED)

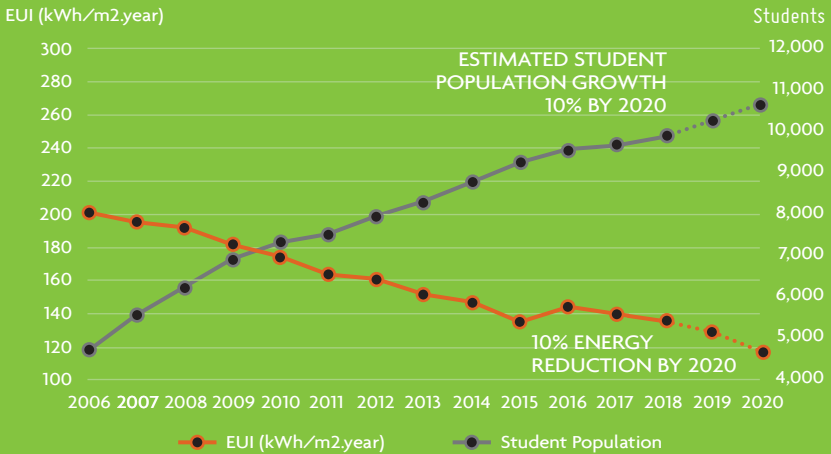


LARGEST SOLAR PLANT IN CITY CENTRE (1.35MWP) BY 2019

1.35MWP

PERFORMANCE AGAINST 2017 TARGETS TO REDUCE ELECTRICITY AND WATER CONSUMPTION

ENERGY PERFORMANCE



3R GOALS: REDUCE, REUSE, RECYCLE

REDUCE



- 10% reduction in F&B, business operations, paper & printing and discarded assets by 2020
- Water dispensers in School of Law and Admin Building saved approximately 196,783 plastic bottles
- Paper ordered reduced 22% 2017-18

REUSE



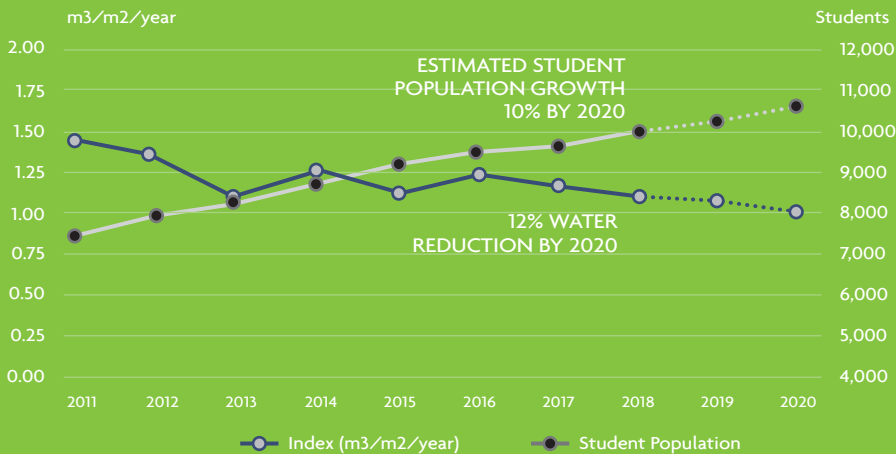
- Prinsep Street Residences refurbishment: over 300 fixtures/fittings/furniture items salvaged and donated to 15 charities
- 850 computers and 90 printers collected for refurbishment and reuse July 2018—July 2019

RECYCLE



- Paper recycled increased 39% 2017-18
- Two e-waste recycling bins operate on campus – managed by students in collaboration with industry partners

WATER PERFORMANCE



SMU SUSTAINABILITY POLICY AND TARGETS 2017-20 (CONTINUED)

Left Tahir Foundation Connexion, to open in early 2020, received BCA's Green Mark Platinum (Zero Energy) Award 2019. It showcases an array of green features as part of its active and passive design strategies. For example, the use of Mass Engineered Timber, a modular structural design, modular Mechanical, Electrical and Plumbing Services, and smart control systems for achieving energy efficiency.



Right AS3 - Multi-user facility (u/c). Estimated to be ready by mid 2021. Designed to be a Super Low Energy (SLE) and predominantly, an MET building featuring use of many other green and sustainable materials.



ELECTRICITY SAVINGS 2006-18

54,838,509kWh

- Energy cost savings **\$11.8m**
- Electricity consumption reduced by **34.6%**
- Savings equivalent to energy consumption by **940** units of 5-room HDB flats for **10** years



WATER SAVINGS 2011-18

152,000CuM

- Water cost savings **\$326,000**
- Water consumption reduced by **23%**
- Savings equivalent to **61** Olympic-size swimming pools



LARGEST SOLAR POWER PLANT IN SINGAPORE'S CITY CENTRE

SMU is also turning to renewable energy to help power the University's growing energy needs by fitting the roofs of existing and new buildings with photovoltaic panels, thereby creating the largest solar power plant in Singapore's city centre. Two charging stations have been introduced on campus to support the use of this green energy by electric vehicles.

1.35 MWp

Of energy will be harnessed by SMU's solar panels

~7.5%

Reduction in annual energy consumption

☑ Solar panels on SMU's rooftops, including the Lee Kong Chian School of Business (foreground), Li Ka Shing Library (top centre) and School of Accountancy (centre left).





FINANCIAL REVIEW

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The University is committed to developing and maintaining high standards of corporate governance and has put in place the appropriate governance structures consistent with such objectives. The University's governance evaluation checklist can be viewed at the charity portal website (www.charities.gov.sg).

GOVERNANCE FRAMEWORK

1. Statutory and Corporate Governance Framework

The governance of the University takes place within a specific statutory framework - the Singapore Management University Act (Cap. 302A) ("SMU Act") - and Section 3 of the SMU Act which provides that "The function of the university company is to pursue, within the limits of the financial resources available to it, the objects provided by its constituent documents and, in particular, the university company may confer and award degrees, diplomas and certificates, including honorary degrees and other distinctions."

Section 9(1) of the SMU Act further states that "Any provision of the constituent documents, or any regulation of the university company made in pursuance thereof, that is inconsistent with provision of this Act shall, to the extent of the inconsistency, be void."

Apart from the SMU Act, the other key document relevant to the University is its constitution ("SMU Constitution") which is regarded as a key constitutive document because it contains important provisions relating to, inter alia, the objects of the University, its powers, the role, powers and duties of the Board of Trustees, the role of the Chancellor, President and Provost. The SMU Constitution provides that "The objects of the Company are to establish, operate, maintain and promote the Singapore Management University (hereinafter called the "University") which will provide courses of study or instruction pertaining to management, human resource development and any other fields of knowledge."

The importance of the SMU Constitution in the University's governance framework is clearly stated in Article 1(1) of the SMU Constitution which states:

"These Articles are principles of fundamental and continuing significance to the governance of the Company. The Board of Trustees may from time to time set forth or revise policies and procedures consistent with these Articles and with the law for the furtherance of the Company's objectives and for the good government of the Company. The said policies and procedures shall be filed in the office of the Secretary."

CORPORATE GOVERNANCE

2. Board of Trustees

The University's Board of Trustees ("Board") is the highest governing organ within the University's governance framework and Article 36(1) to (3) of the SMU Constitution defines the role of the Board to be as follows:

- (1) There shall be a Board of Trustees of the Company, which responsibilities are to ensure that the Company acts in furtherance of its objectives in education and research and to ensure that the funds and assets of the Company are properly accounted for and safeguarded.
- (2) The Trustees shall be eminent persons of good repute and sound judgment, with considerable experience in public service, the private sector or in academia.
- (3) A Trustee shall stand in a fiduciary relation to the Company and shall perform his duties as a trustee in good faith in the best interests of the Company and with care, skill and diligence. A Trustee may, in considering the best interests of the Company, consider the effects of any action upon employees, upon suppliers and students and other constituents of the University and upon the community in which the University is located. Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a Trustee of the Company or any failure to take any action shall be presumed to be in the best interests of the Company."

The SMU Constitution states that the number of Trustees shall be up to twenty, or such other number as the Minister for Education ("Minister") shall from time to time in his discretion determine, and all of whom shall be appointed by the Minister. The SMU Constitution further provides that the Chairman of the Board shall be appointed by the Minister from amongst the Trustees and in addition, the SMU Constitution states that no person who is an officer, Faculty member or full-time employee of the Company shall be eligible for election as Chairman or Deputy Chairman. On the issue of the President's participation at Board meetings, Article 36(10) expressly states that "The President shall attend Board meeting as ex-officio and shall not be entitled to vote thereat." There are no Board members holding staff appointments in SMU.

The term of appointment, and renewals (if any), of Trustees are determined by the Ministry of Education ("MOE") / Minister in consultation with SMU. A Trustee is appointed by MOE / Minister usually on a 4-year term, renewal at the discretion of MOE/Minister as the Minister is empowered under the SMU Act and the SMU Constitution to appoint Trustees. A university's strategic plans are understandably long term in nature and in SMU, a Trustee would hence usually serve for more than 10 consecutive years as long term strategic plans often require, and also benefit from, having some level of continuity amongst its Board members and also familiarity with the University's long term strategic plans, and its origins.

SMU's Board is chaired by Mr Ho Kwon Ping. The Board's key roles are in the areas of (i) strategy formulation; (ii) policy making; (iii) external promotion of the University; and (iv) accountability. This essentially means that the Board has a role in setting and approving the University's strategic direction and appointing the strategic leadership by appointing the University's President and Provost. In this regard, the Board is in charge of providing the strategic planning oversight for the University by setting the broad strategic framework within which the President and senior university administrators can operate so as to implement the Board's strategic direction for the University. The Board also ensures that the University has in place appropriate policies, including governance policies, which are in line with best practice, and in addition, the Board also has the role to promote and being an advocate of the University to the wider community. In the area of accountability, the Board's role includes being accountable for the financial well being of the University delegating authority appropriately and ensuring that a rigorous governance framework is established for the University.

SMU Board meetings are usually held four times a year, once every quarter. The attendance of the Board members at the Board meetings for the financial year are set out below:

BOARD MEETING - SUMMARY OF ATTENDANCE FOR THE PERIOD 1 APRIL 2018 - 31 MARCH 2019

Trustees	18-May 2018	17-Aug 2018	16-Nov 2018	15-Feb 2019
Mr Ho Kwon Ping	√	√	√	√
Mr Beh Jit Han	√	√	X	√
Mr Chia Chee Ming Timothy	√	√	√	NA
Mr Dilhan Pillay Sandrasegara	X	√	√	√
Ms Chua Sock Koong	X	√	√	X
Mr Zulkifli Bin Baharudin	X	√	√	X
BG Lim U Yang Hugh-Reginald	√	√	√	√
Mr Jaime Augusto Miranda Zobel de Ayala	X	X	√	√
Mr Edmund Yeng Lin	√	√	√	√
Prof Ng Swee Lian Ivy	X	X	X	X
Mr Lim Tse Ghow Olivier	√	√	√	X
Dr Kenneth Stuart Courtis	X	X	X	NA
Ms Juthika Ramanathan	√	X	X	√
Ms Tan Su Shan Carrie	X	X	√	X
Mr Panote Sirivadhanabhakdi	√	√	√	√
Mr Lai Chung Han	X	√	√	√
Sir Nigel John Thrift	√	√	√	√
Dato' Kho Hui Meng	√	√	√	√
Mr Sunny George Verghese	√	√	X	X
Ms Lim Ke Xin	NA	NA	NA	√

NA - not applicable as the individual was either not yet appointed as a Trustee or had stepped down as Trustee

X - absent

CORPORATE GOVERNANCE

Article 42(3) of SMU's Constitution forbids any payment to Trustees for services rendered in their capacity as Trustees and it follows accordingly that no Trustee received any remuneration for services rendered in their capacity as Trustees for the financial year. Article 42(2) of SMU's Constitution does allow a Trustee to act in a professional capacity (except as auditor) by providing professional services, and to be remunerated accordingly for such professional services rendered (if any) to SMU as if he/she were not a Trustee, and in which case, such remuneration (if any) would be appropriately disclosed.

There is no paid SMU staff, being a close member (as defined under Charity Council's governance evaluation checklist) of the family belonging to a Board member, who has received remuneration exceeding \$50,000 during the financial year.

3. Committees

The Board has the power to delegate its powers and has established various Committees to assist the Board in its duties. The Committees which have been established, include the following:

- a) Academic Affairs Committee,
- b) Audit Committee,
- c) Finance and Remuneration Committee,
- d) Investment Committee,
- e) Nominations Committee,
- f) Committee for Institutional Advancement,
- g) Enterprise Board, and
- h) Campus Development Advisory Committee.

The Committees operate based on the principle of delegated authority from the Board and are required to observe their respective Terms of Reference as set by the Board. The Terms of Reference of each of these Committees sets out the role, powers and rules applicable to these Committees.

4. President

The President of the University is appointed by the Board and Article 35(2) of the SMU Constitution describes the role and powers of the President to be as follows:

"The President shall be the chief executive officer of the Company and the University's academic and administrative head. He is responsible to the Board of Trustees for the conduct, co-ordination and quality of the University's programmes and for its future development. The President shall have the authority to perform all acts which are necessary to make effective the policies, procedures and actions of the Board of Trustees. As a liaison between the Board and the Faculty, the President shall inform each of the views and concerns of the other relating to the programmes and administration of the University. The President shall arrange for the Company's annual budget and forward estimates to be presented annually to the Board of Trustees for approval, or to a committee so appointed by the Board of Trustees for that purpose."

There is no paid SMU staff, being a close member (as defined under Charity Council's governance evaluation checklist) of the family belonging to the President, who has received remuneration exceeding \$50,000 during the financial year.

5. Provost

The Provost of the University is appointed by the Board of Trustees pursuant to Article 35(4) of the SMU Constitution and the role of the Provost, as defined by Article 35(5) of the SMU Constitution, is defined as follows:

"The Provost shall be the educational officer normally responsible for the conduct, coordination and quality of the University's academic programmes and for their future development. The Provost shall report to the President with regard to these responsibilities and in the discharge thereof shall consult the Faculty."

6. Policy on Managing Conflicts of Interest

Our Board members and staff are required in their respective capacities to act at all times in the best interest of the University. Policies and procedures are designed to prevent and address potential conflict-of-interest situations while promoting ethical business conduct of faculty and staff.

In this regard, an extract of Article 42(1) of the SMU Constitution specifically mentions that "no Trustee shall vote as a Trustee in respect of any contract or arrangement in which he is interested".

There are equivalent provisions in the SMU policies and procedures applicable to its staff which effectively state that all staff should avoid any conduct in both their business and personal activities that involve or appear to involve a conflict of interest and the relevant policies further provide that the staff involved in any stages of the procurement process shall declare and disqualify themselves from handling procurement in which conflict of interest situations arise.

CORPORATE GOVERNANCE

7. Accumulated Reserve Policy

Usage from Accumulated Reserve

No spending is allowed directly from the Accumulated Reserve account. Any need to draw from the Accumulated Reserve account must be approved by the Board of Trustees as an allocation of funds to cover the operating budget for the year. The need to draw from the Accumulated Reserve must be justified in the financial plan for the year. Where the need to draw is due to unforeseen circumstances beyond Management's ability to cope by expense reductions or use of other available funds, then proper justifications to the Board must be provided and Board approval obtained.

Usage of Income from Investment of Accumulated Reserve

To further enhance the value of the Accumulated Reserve, management and the Board seeks to invest certain unutilised portions of the Accumulated Reserve to generate income. The income will further add value to the Accumulated Reserve and could be drawn down to support the University's operating budget or development. Any utilisation of income from the investment of the Accumulated Reserve will be subject to the Board's approval. Any utilisation of the capital investment of the Accumulated Reserve will also be subject to the Board's approval.

SMU's Investment Committee has been entrusted by the Board to provide oversight on the investment of the University's Accumulated Reserve.

STATEMENT BY TRUSTEES

The Board of Trustees present their statement to the members together with the audited financial statements of Singapore Management University (the "University Company") for the financial year ended 31 March 2019.

In the opinion of the Trustees,

- (a) the financial statements of the University Company are drawn up so as to give a true and fair view of the financial position of the University Company as at 31 March 2019 and the financial performance, changes in funds and reserves and cash flows of the University Company for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the University Company will be able to pay its debts as and when they fall due.

TRUSTEES

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

Mr Ho Kwon Ping – Chairman
Mr Zulkifli Bin Baharudin
Mr Beh Jit Han
Ms Chua Sock Koong
Dato' Kho Hui Meng
Mr Lai Chung Han
BG Lim U Yang Hugh-Reginald
Mr Lim Tse Ghow Olivier
Mr Edmund Yeng Lin
Professor Ng Swee Lian Ivy
Ms Juthika Ramanathan
Mr Dilhan Pillay Sandrasegara
Mr Panote Sirivadhanabhakdi
Ms Tan Su Shan Carrie
Sir Nigel John Thrift
Mr Sunny George Verghese
Mr Jaime Augusto Miranda Zobel de Ayala
Ms Lim Ke Xin (Appointed on 12 January 2019)
Mr Ganen Sarvananthan (Appointed on 1 July 2019)
Mr Chia Chee Ming Timothy (Stepped down on 11 January 2019)
Dr Kenneth Stuart Courtis (Stepped down on 1 December 2018)

STATEMENT BY TRUSTEES

ARRANGEMENTS TO ENABLE TRUSTEES TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the University Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Trustees of the University Company to acquire benefits by means of the acquisition of shares or debentures of the University Company or any other body corporate.

As the University Company is limited by guarantee, there are no matters to be disclosed under Section 9, Twelfth Schedule of the Companies Act, Chapter 50.

TRUSTEES' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no Trustee has received or become entitled to receive a benefit 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.

On behalf of the Trustees



Mr Ho Kwon Ping
Trustee



Mr Edmund Yeng Lin
Trustee

Singapore
16 August 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE MANAGEMENT UNIVERSITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Singapore Management University (the "University Company"), which comprise the balance sheet as at 31 March 2019, the statement of comprehensive income, statement of changes in funds and reserves and cash flow statement of the University Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act"), the Singapore Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the University Company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the University Company for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Statement by Trustees set out on pages 81 and 82.

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

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

Other Matters

The financial statements of Singapore Management University for the year ended 31 March 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 17 August 2018.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SINGAPORE MANAGEMENT UNIVERSITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SINGAPORE MANAGEMENT UNIVERSITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the University Company have been properly kept in accordance with the provisions of the Act and the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- The University Company has not used the donation monies in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations, and
- The University Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.



Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
16 August 2019

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Operating funds				Total general and other funds	
		General fund		Other funds		2019	2018
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Revenue	4	109,061	106,480	73,571	62,466	182,632	168,946
Net investment gains	4	2,262	11,384	–	–	2,262	11,384
Other miscellaneous income	4	12,745	11,992	486	380	13,231	12,372
Expenses							
– Employee benefits	5	(215,049)	(209,928)	(16,988)	(15,723)	(232,037)	(225,651)
– Depreciation and amortisation	14,15,16	(34,165)	(41,840)	(122)	(109)	(34,287)	(41,949)
– Finance – borrowings		(4,610)	(3,617)	–	–	(4,610)	(3,617)
– Other expenses	6	(100,372)	(92,044)	(23,575)	(17,395)	(123,947)	(109,439)
Total expenses		(354,196)	(347,429)	(40,685)	(33,227)	(394,881)	(380,656)
(Deficit)/surplus before government grants		(230,128)	(217,573)	33,372	29,619	(196,756)	(187,954)
Government grants	7	170,932	163,805	471	467	171,403	164,272
Transfer from term funds to operating funds*		9,895	9,776	762	874	10,657	10,650
Net (deficit)/surplus		(49,301)	(43,992)	34,605	30,960	(14,696)	(13,032)
Total comprehensive income/(loss) for the financial year		(49,301)	(43,992)	34,605	30,960	(14,696)	(13,032)

* Operating funds include activities that are funded by term funds. During the year, term funds of \$10,657,000 (2018: \$10,650,000) are transferred to operating funds to fund those activities.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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Endowment fund		Term funds		Total	
2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
-	-	-	-	182,632	168,946
20,251	34,372	1,859	630	24,372	46,386
-	-	7,737	8,394	20,968	20,766
-	-	-	-	(232,037)	(225,651)
-	-	-	-	(34,287)	(41,949)
-	-	-	-	(4,610)	(3,617)
-	-	-	-	(123,947)	(109,439)
-	-	-	-	(394,881)	(380,656)
20,251	34,372	9,596	9,024	(166,909)	(144,558)
-	-	-	-	171,403	164,272
-	-	(10,657)	(10,650)	-	-
20,251	34,372	(1,061)	(1,626)	4,494	19,714
20,251	34,372	(1,061)	(1,626)	4,494	19,714

BALANCE SHEET

AS AT 31 MARCH 2019

	Note	2019 \$'000	2018 \$'000
Current assets			
Cash and cash equivalents	9	316,082	354,889
Grants and other receivables	10	63,007	57,380
Student loans	11	5,960	5,983
Financial assets at fair value through profit or loss	12	1,322,887	1,257,178
Derivative financial instruments	13	–	2,731
		1,707,936	1,678,161
Non-current assets			
Grants and other receivables	10	68,374	70,820
Student loans	11	89,277	89,943
Leasehold land	14	69,631	72,618
Property, plant and equipment	15	405,044	400,384
Intangible assets	16	131	73
		632,457	633,838
Total assets		2,340,393	2,311,999
Current liabilities			
Development grants received in advance	17	253	–
Other grants received in advance	18	8,233	2,732
Research grants received in advance	19	9,658	8,898
Other payables	20	86,966	93,308
Derivative financial instruments	13	2,442	1,987
Advances for student loans	22	8,383	6,764
		115,935	113,689
Net current assets		1,592,001	1,564,472
Non-current liabilities			
Borrowings	21	249,640	249,554
Advances for student loans	22	87,726	90,014
Deferred capital grants	23	319,919	338,842
Sinking fund received in advance	24	71,295	64,434
		728,580	742,844
Total liabilities		844,515	856,533
Net assets		1,495,878	1,455,466
Funds and reserves			
Accumulated surplus			
– General fund		253,643	276,861
– Other funds		191,335	156,730
		444,978	433,591
Endowment fund	25	1,001,963	971,877
Term funds	26	48,937	49,998
Total funds and reserves		1,495,878	1,455,466

STATEMENT OF CHANGES IN FUNDS AND RESERVES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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	Accumulated surplus			Endowment fund	Term funds	Total
	General fund	Other funds	Total			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019						
At beginning of the financial year	276,861	156,730	433,591	971,877	49,998	1,455,466
Total comprehensive income/(loss) for the financial year	(49,301)	34,605	(14,696)	20,251	(1,061)	4,494
Government grants	-	-	-	23,955	-	23,955
Donations	-	-	-	11,963	-	11,963
Transfer from endowment fund to general fund*	26,083	-	26,083	(26,083)	-	-
At end of the financial year	253,643	191,335	444,978	1,001,963	48,937	1,495,878
2018						
At beginning of the financial year	296,670	125,770	422,440	928,928	51,624	1,402,992
Total comprehensive income/(loss) for the financial year	(43,992)	30,960	(13,032)	34,372	(1,626)	19,714
Government grants	-	-	-	22,419	-	22,419
Donations	-	-	-	10,341	-	10,341
Transfer from endowment fund to general fund*	24,183	-	24,183	(24,183)	-	-
At end of the financial year	276,861	156,730	433,591	971,877	49,998	1,455,466

* This relates to transfer of funds from endowment fund to accumulated surplus to fund operating activities.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 \$'000	2018 \$'000
Cash flows from operating activities			
Deficit before government grants		(166,909)	(144,558)
Adjustments for:			
Depreciation and amortisation		34,287	41,949
Dividend income	4	(1,256)	(1,412)
Fair value gains		(18,927)	(41,586)
Interest expenses		4,610	3,617
Interest income	4	(4,189)	(3,388)
Losses on disposal of property, plant and equipment	4	892	111
Operating cash flows before changes in working capital		(151,492)	(145,267)
Changes in operating assets and liabilities:			
Other payables		(8,669)	4,593
Grants and other receivables		(6,636)	9,024
Student loans		1,476	(3,558)
Cash flows used in operations		(165,321)	(135,208)
Interest paid		(6,073)	(3,155)
Net cash flows used in operating activities		(171,394)	(138,363)
Cash flows from investing activities			
Purchase of leasehold land	14	(2,231)	(13,415)
Purchase of property, plant and equipment		(30,800)	(45,281)
Purchase of intangible assets	16	(165)	(55)
Proceeds from disposals of property, plant and equipment		162	82
Purchase of financial assets at fair value through profit or loss		(41,003)	(22,188)
Interest received		4,079	3,663
Dividends received	4	1,256	1,412
Net cash flows used in investing activities		(68,702)	(75,782)
Cash flows from financing activities			
Issuance of fixed rate notes		–	149,840
Grants (repaid)/received for advances for student loans		(1,456)	4,040
Government grants and donations received for endowment fund		31,173	29,933
Research grants received		11,607	13,876
Operating grants received		145,547	140,598
Other grants received		14,418	397
Net cash flows from financing activities		201,289	338,684
Net (decrease)/increase in cash and cash equivalents		(38,807)	124,539
Cash and cash equivalents at beginning of the financial year		354,889	230,350
Cash and cash equivalents at end of the financial year	9	316,082	354,889

Certain reclassifications have been made to the prior year's comparative figures to conform to the current year's presentation.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Reconciliation of liabilities arising from financing activities

	2019 \$'000	2018 \$'000
<u>Borrowings</u>		
At beginning of the financial year	249,554	99,758
Issuance of fixed rate notes	–	149,840
Non-cash changes – amortisation and others	86	(44)
At end of the financial year	249,640	249,554

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

1. CORPORATE INFORMATION

Singapore Management University (the "University Company") is incorporated and domiciled in Singapore as a company limited by guarantee under the provisions of the Companies Act, Chapter 50. The address of its registered office is 81 Victoria Street, Singapore 188065.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRSs") under the historical cost convention except as disclosed in the accounting policies below.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the University Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2018. The adoption of these standards did not have any material effect on the financial performance or position of the University Company.

2.3 Standards issued but not yet effective

The University Company has not adopted the following standard applicable to the University Company that has been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 116 <i>Leases</i>	1 January 2019

The University Company will adopt the new standard from 1 April 2019. The nature of the impending changes in accounting policy on adoption of FRS 116 is described below.

FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, a lessee recognises a right-of-use ("ROU") asset representing its right to use the leased item and a lease liability representing its obligation to make lease payments. The only exemptions are short-term and low-value leases. The accounting for lessors will not change significantly.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (continued)

The University Company plans to adopt the new standard on the required effective date, using the modified retrospective approach. The University Company expects to choose to measure the ROU assets for its leases at amounts equal to their lease liabilities, adjusted by the amount of any prepaid or accrued lease payments recognised in the balance sheet immediately before 1 April 2019. Accordingly, the University Company does not expect any impact to the opening retained earnings as at 1 April 2019.

Non-cancellable operating lease commitments of the University Company amounted to \$2,065,000 as at 31 March 2019 and are disclosed in Note 27(b) to the financial statements. Under FRS 116, all non-cancellable lease obligations other than those that fall within the exemptions for leases which are short-term and of low-value assets will be recognised as liabilities concurrently with the recognition of ROU assets. The new standard also introduces expanded disclosure requirements and changes in presentation.

The University Company is currently assessing the impact of FRS 116 and will adopt the new standard on the required effective date.

2.4 Revenue recognition

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

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

The University Company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the University Company's activities are met as follows:

(a) *Tuition and other student related fees, conference fees, and executive and continuing education*

Revenue from tuition and other student related fees, conference fees, and executive and continuing education are recognised over the period of the academic year or program duration.

(b) *Sponsorships and donations*

Sponsorships and donations are recognised in the financial year they are received. For donations received with attached conditions, income is not recognised but deferred until certainty exists that the conditions imposed can be met.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue recognition (continued)

(c) *Interest income*

Interest income is recognised using the effective interest method.

(d) *Dividend income*

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

(e) *Rental income*

Rental income from operating leases (net of any incentive, given to lessees) on property, plant and equipment is recognised on a straight-line basis over the lease term.

2.5 Grants from the Government and government agencies

Grants from the Government and government agencies are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the University Company will comply with all attached conditions.

Grants from the Government and government agencies received/receivable for the purchase of property, plant and equipment and computer software or to finance capital projects are taken immediately to the grants received in advance account. Upon the utilisation of the grants for the purchase of assets, they are taken to the deferred capital grants account for the assets which are capitalised, or to the statement of comprehensive income for the assets which are written off.

Government grants received by the University Company for its discretion to spend on future redevelopment and improvement projects as well as future asset replacements will be taken immediately to sinking fund, and will be subsequently transferred to deferred capital grants upon the purchase of assets.

Deferred capital grants are recognised in balance sheet and then the statement of comprehensive income over the periods necessary to match the depreciation or amortisation of the related assets purchased with the grants. Upon the disposal or write off of the assets, the balance of the related deferred capital grants is recognised in the statement of comprehensive income to match the net book value of the assets disposed or written off.

Grants from the Government and government agencies to meet the current year's operating expenses are recognised as income in the same financial year and are recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

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

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (Refer to Note 2.8 on borrowing costs).

(b) Depreciation

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

	Useful lives
Leasehold buildings	30 – 50 years or over lease term
Leasehold improvement	5 – 15 years or over lease term
Renovations	5 years or over lease term
Plant and machinery	5 years
Computer equipment	3 years
Furniture and office equipment	5 years
Motor vehicles	10 years
Other equipment	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted prospectively as appropriate, at each balance sheet date. The effects of any revision are recognised in the statement of comprehensive income when the changes arise.

No depreciation is provided for assets under construction-in-progress until construction is completed and the asset is transferred to its appropriate category.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Property, plant and equipment (continued)

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the University Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of comprehensive income when incurred.

(d) *De-recognition*

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected on its use or disposal.

On disposal or de-recognition of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in statement of comprehensive income.

2.7 Intangible assets

Acquired computer software and licences

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

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

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

The intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Borrowing costs

Borrowing costs are recognised in the statement of comprehensive income using the effective interest method except for those costs that are directly attributable to the acquisition, construction or development of properties and assets under construction. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. This includes those costs on borrowings acquired specifically for the acquisition, construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the acquisition, construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.9 Impairment of non-financial assets

The University Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the University Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments

(a) Financial assets

Initial recognition and measurement

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

At initial recognition, the University Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

Subsequent measurement

Investments in debt instruments

The subsequent measurement of financial assets depends on the University Company's model for managing the asset and the contractual cash flow characteristics of the asset. The measurement categories for classification of the University Company's debt instruments are as follows:

(i) Amortised cost

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments (continued)

(a) Financial assets (continued)

Subsequent measurement (continued)

Investments in debt instruments (continued)

(ii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. Gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of comprehensive income in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the University Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("OCI"). Dividends from such investments are to be recognised in the statement of comprehensive income when the University Company's right to receive payments is established. For investments in equity instruments which the University Company has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in the statement of comprehensive income.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments (continued)

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in the statement of comprehensive income.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Borrowings

Borrowings are presented as current liabilities unless the University Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value and subsequently carried at amortised cost. Any difference between the proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

2.13 Other payables

Other payables represent liabilities for goods and services provided to the University Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.14 Derivative financial instruments

A derivative financial instrument is initially recognised at fair value on the date the contract is entered into and is subsequently carried at its fair value. The University Company does not apply hedge accounting. Changes in the fair value of derivative instruments are recognised in the statement of comprehensive income when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Operating leases

(a) *When the University Company is the lessee*

The University Company leases various property, plant and equipment under operating leases from non-related parties.

Leases where substantially all risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in the statement of comprehensive income on a straight-line basis over the lease term.

(b) *When the University Company is the lessor*

The University Company leases lettable floor space under operating leases to non-related parties.

Leases where the University Company retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to lessees) is recognised in the statement of comprehensive income on a straight-line basis over the lease term.

Initial direct costs incurred by the University Company in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in the statement of comprehensive income over the lease term on the same basis as the rental income. The accounting policy for rental income is set out in Note 2.4(e) to the financial statements.

2.16 Employee compensation

(a) *Defined contribution plans*

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

(b) *Employee leave entitlement*

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of the University Company are measured using the currency of the primary economic environment in which the University Company operates ("the functional currency"). The financial statements are presented in Singapore Dollar, which is the University Company's functional currency.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the statement of comprehensive income.

2.18 Funds

(a) *General fund and other funds*

Income and expenditure are accounted for under the General fund in statement of comprehensive income unless they relate to funds separately accounted under specific self-financing activities.

(b) *Endowment fund*

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

Income and expenditure arising from the management of the Endowment fund are accounted for under Endowment fund in the statement of comprehensive income.

(c) *Term funds*

Donations received which can be put to immediate use for specific programmes, capital projects or other purposes as specified by the donors for the advancement of education are taken to Term funds in the statement of comprehensive income.

Income and expenditure arising from the management of the Term funds are accounted for under Term funds in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Advances for student loans

Government grants received for the purpose of providing loans to students are taken to advances for student loans. Advances for student loans are initially measured at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.20 Leasehold land

Leasehold land premiums paid are recorded at cost and amortised over the lease tenure using the straight-line method.

2.21 Impairment of financial assets

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

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

For fees receivables, the University Company applies a simplified approach in calculating ECLs. Therefore, the University Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The University Company has established a provision matrix that is based on the University Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The University Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the University Company may also consider a financial asset to be in default when internal or external information indicates that the University Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the University Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Subsidiary

A subsidiary is an investee that is controlled by the University Company. The University Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2.23 Provisions

Provisions are recognised when the University Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for restoration costs

The University Company recognises the estimated liability on dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is calculated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value of money.

Changes in the estimated timing or amount of the expenditure for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in the statement of comprehensive income immediately.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the University Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) *Judgements made in applying accounting policies*

In the process of applying the University Company's accounting policies, management has made the following judgement that has the most significant effect on the amounts recognised in the financial statements.

Useful lives of property, plant and equipment

The cost of property, plant and equipment for the University Company is depreciated on a straight-line basis over the property, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised.

During the financial year, the University Company revised the estimated useful lives of leasehold buildings to 30 years. The effect of the revision in useful lives resulted in a decrease in depreciation expense of \$8,030,000 which is disclosed in Note 15 to the financial statements. The carrying amount of the University Company's property, plant and equipment at the balance sheet date was \$405,044,000 (2018: \$400,384,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

(b) *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The University Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the University Company. Such changes are reflected in the assumptions when they occur.

Fair value estimation on unquoted investments

The University Company holds unquoted investments that are not traded in an active market with a carrying amount of \$852,568,000 (2018: \$816,642,000) at the balance sheet date. The fair values are determined by the fund managers using various valuation techniques, including discounted cash flows and require the use of estimates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

4. REVENUE, NET INVESTMENT GAINS AND OTHER MISCELLANEOUS INCOME

	Operating funds				Total general and other funds	
	General fund		Other funds		other funds	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Tuition and other student-related fees	104,636	102,002	47,723	45,986	152,359	147,988
Conference fees, and executive and continuing education	4,425	4,478	25,848	16,480	30,273	20,958
Total revenue	109,061	106,480	73,571	62,466	182,632	168,946
Interest income	1,839	1,447	–	–	1,839	1,447
Dividend income	152	321	–	–	152	321
Fair value gains on financial assets at fair value through profit or loss (net of investment management expenses)	271	9,616	–	–	271	9,616
Fair value losses on derivatives	–	–	–	–	–	–
Net investment gains	2,262	11,384	–	–	2,262	11,384
Donations	–	–	–	–	–	–
Sponsorships	2,132	3,026	268	280	2,400	3,306
Rental income	6,278	4,973	–	–	6,278	4,973
Currency exchange gains/(losses)	6	14	(9)	(64)	(3)	(50)
(Losses)/gains on disposal of property, plant and equipment	(893)	(112)	1	1	(892)	(111)
Others	5,222	4,091	226	163	5,448	4,254
Other miscellaneous income	12,745	11,992	486	380	13,231	12,372
Total revenue, net investment gains and other miscellaneous income	124,068	129,856	74,057	62,846	198,125	192,702

Certain reclassifications have been made to the prior year's comparative figures to conform to the current year's presentation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Endowment fund		Term funds		Total	
2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
-	-	-	-	152,359	147,988
-	-	-	-	30,273	20,958
-	-	-	-	182,632	168,946
2,205	1,845	145	96	4,189	3,388
1,100	1,063	4	28	1,256	1,412
19,181	33,364	1,758	557	21,210	43,537
(2,235)	(1,900)	(48)	(51)	(2,283)	(1,951)
20,251	34,372	1,859	630	24,372	46,386
-	-	7,737	8,394	7,737	8,394
-	-	-	-	2,400	3,306
-	-	-	-	6,278	4,973
-	-	-	-	(3)	(50)
-	-	-	-	(892)	(111)
-	-	-	-	5,448	4,254
-	-	7,737	8,394	20,968	20,766
20,251	34,372	9,596	9,024	227,972	236,098

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

5. EMPLOYEE BENEFITS

	General fund	
	2019	2018
	\$'000	\$'000
Wages and salaries	190,104	184,976
Employer's contribution to Central Provident Fund	13,921	12,787
Allowances and benefits	11,024	12,165
	215,049	209,928

6. OTHER EXPENSES

	Operating funds				Total general and other funds	
	General fund		Other funds		2019	2018
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administrative expenses	43,995	40,949	8,784	7,869	52,779	48,818
Scholarships and awards	22,834	21,648	2,590	2,226	25,424	23,874
Library books, periodicals and database	5,794	5,620	161	299	5,955	5,919
Professional and instructor fees	12,759	10,980	12,012	6,959	24,771	17,939
Utilities and facility management	14,990	12,847	28	42	15,018	12,889
	100,372	92,044	23,575	17,395	123,947	109,439

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Operating funds			
Other funds		Total	
2019	2018	2019	2018
\$'000	\$'000	\$'000	\$'000
14,651	13,596	204,755	198,572
1,657	1,414	15,578	14,201
680	713	11,704	12,878
16,988	15,723	232,037	225,651

Endowment fund		Term funds		Total	
2019	2018	2019	2018	2019	2018
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
-	-	-	-	52,779	48,818
-	-	-	-	25,424	23,874
-	-	-	-	5,955	5,919
-	-	-	-	24,771	17,939
-	-	-	-	15,018	12,889
-	-	-	-	123,947	109,439

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

7. GOVERNMENT GRANTS

	2019 \$'000	2018 \$'000
Operating grants received/receivable	157,377	145,318
Less:		
Transfer to deferred capital grants (Note 23)	(532)	(763)
Goods and services tax payable for tuition fee grant	(16,098)	(16,504)
Operating grants – net	140,747	128,051
Research grants utilised (Note 19)	10,915	11,277
Deferred capital grants amortised (Note 23)	19,741	24,944
	171,403	164,272

8. INCOME TAX

Since the Year of Assessment 2008, the requirement for charities to spend at least 80% of their annual receipts on charitable objects in Singapore within 2 years in order to enjoy income tax exemption has been removed. The University Company has no income tax payable.

9. CASH AND CASH EQUIVALENTS

	2019 \$'000	2018 \$'000
Cash at bank and on hand	137,042	204,191
Short-term bank deposits	103,419	99,294
Amounts under fund management (Note 12)	75,621	51,404
	316,082	354,889

The short-term bank deposits at balance sheet date have an average maturity of 130 days (2018:116 days) from the end of the financial year with a weighted average effective interest rate of 1.85% (2018: 1.15%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

10. GRANTS AND OTHER RECEIVABLES

(a) Grants and other receivables

	2019 \$'000	2018 \$'000
<u>Current</u>		
Other receivables	16,643	19,363
Grants receivables	46,364	38,017
	<u>63,007</u>	<u>57,380</u>
<u>Non-current</u>		
Other receivables	159	29
Grants receivables	68,215	70,791
	<u>68,374</u>	<u>70,820</u>
Total grants and other receivables	<u>131,381</u>	<u>128,200</u>

(b) Other receivables

	2019 \$'000	2018 \$'000
Fees, rental and other receivables	5,667	10,185
Prepayments	8,800	7,897
Deposits	781	780
Goods and services tax receivables	539	246
Interest receivables	351	241
Receivables from brokers (Note 12)	663	29
Staff advances	1	14
Total other receivables	<u>16,802</u>	<u>19,392</u>
Analysed as:		
Current	16,643	19,363
Non-current	159	29
Total other receivables	<u>16,802</u>	<u>19,392</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

10. GRANTS AND OTHER RECEIVABLES (CONTINUED)

(b) Other receivables (continued)

Details of impaired fees, rental and other receivables are as follows:

	2019 \$'000	2018 \$'000
Fees, rental and other receivables	6,279	10,926
Less: Allowance for impairment	(612)	(741)
	<u>5,667</u>	<u>10,185</u>

Movements in allowance for impairment during the year are as follows:

	2019 \$'000	2018 \$'000
At beginning of the financial year	741	940
Write back of allowance for impairment	(129)	(199)
	<u>612</u>	<u>741</u>

(c) Grants receivables

	2019 \$'000	2018 \$'000
Current	46,364	38,017
Non-current	68,215	70,791
Total grants receivables	<u>114,579</u>	<u>108,808</u>

Included in grants receivables is an amount of \$70,791,000 (2018: \$73,892,000) relating to funding from Ministry of Education ("MOE") for development projects under the debt-grant framework which earns additional grants to match the interest charges incurred on bank borrowings.

The fair value of non-current grants receivables approximate their carrying amounts.

Management has assessed that the loss allowance provision as at 31 March 2019 on the above grants receivables is not significant as the risk of MOE defaulting on payments is remote.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

11. STUDENT LOANS

	2019 \$'000	2018 \$'000
Current	5,960	5,983
Non-current	89,277	89,943
Total student loans	95,237	95,926

Student loans comprise principally of student tuition fee, study loans and overseas studies program loans.

Student tuition fee and study loans are unsecured, interest-free during the course of study and are repayable by monthly instalments over periods of up to 20 years after the borrowers' graduation. Interest is charged based on the average of the prevailing prime rates of the 3 local banks. The interest rate for these loans as at balance sheet date is 4.75% (2018: 4.75%) per annum.

The fair value of non-current student loans approximate their carrying amounts.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are analysed as follows:

	2019 \$'000	2018 \$'000
Quoted:		
– Equities	363,885	328,331
– Fixed income	106,434	76,754
– Others	–	35,451
	470,319	440,536
Unquoted:		
– Investments	852,568	816,642
Total financial assets at fair value through profit or loss	1,322,887	1,257,178

The University Company's financial assets are managed by professional managers. The unquoted investments include investments in private equity funds and hedge funds.

Under the terms of certain limited partnership agreements, the University Company is obligated to make capital contributions upon receiving capital call notices from the fund managers. As at 31 March 2019, the University Company has unfunded commitments of \$306,097,000 (2018: \$288,608,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The carrying amounts of funds managed by professional managers and held in trust by a custodian are analysed as follows:

	2019 \$'000	2018 \$'000
Financial assets at fair value through profit or loss (as above)	1,322,887	1,257,178
Cash and cash equivalents (Note 9)	75,621	51,404
Derivative financial assets (Note 13)	–	2,731
Derivative financial liabilities (Note 13)	(2,442)	(1,987)
Receivables from brokers (Note 10)	663	29
Payables to brokers (Note 20)	(12,488)	(249)
	1,384,241	1,309,106

Included in payables to brokers is an amount of \$12,198,000 (2018: \$Nil) related to trades pending settlement as at the balance sheet date.

13. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract/ notional amount \$'000	Fair value	
		Assets \$'000	Liabilities \$'000
2019			
Currency forwards	688,938	–	(2,442)
	688,938	–	(2,442)
2018			
Currency forwards	1,549,771	2,445	(1,987)
Currency options	368,007	286	–
	1,917,778	2,731	(1,987)

The currency derivatives and options are used in the currency hedging program which aims to reduce the foreign currency risks of the investment portfolio.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

14. LEASEHOLD LAND

Leasehold land relates to land leased from the Singapore Land Authority for the housing of the campus buildings. The existing lease expires in the year 2032.

	2019 \$'000	2018 \$'000
Cost		
At beginning of the financial year	130,425	117,010
Additions	2,231	13,415
Transfers from property, plant and equipment (Note 15)	33	-
At end of the financial year	<u>132,689</u>	<u>130,425</u>
Accumulated amortisation		
At beginning of the financial year	57,807	53,170
Amortisation charge	5,251	4,637
At end of the financial year	<u>63,058</u>	<u>57,807</u>
Net carrying amount at end of the financial year	<u>69,631</u>	<u>72,618</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings \$'000	Leasehold improvement \$'000	Renovations \$'000	Plant and machinery \$'000
2019				
Cost				
At beginning of the financial year	544,297	880	19,210	81,647
Additions	13	–	575	124
Disposals	(36)	–	(3,205)	(31)
Transfers	8,530	–	1,386	696
Transfer to leasehold land (Note 14)	–	–	–	–
At end of the financial year	552,804	880	17,966	82,436
Accumulated depreciation				
At beginning of the financial year	174,534	359	14,165	77,921
Depreciation charge	17,192	133	2,136	1,561
Disposals	(12)	–	(2,336)	(31)
At end of the financial year	191,714	492	13,965	79,451
Net carrying amount				
At end of the financial year	361,090	388	4,001	2,985

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Computer equipment \$'000	Furniture and office equipment \$'000	Motor vehicles \$'000	Other equipment \$'000	Construction- in-progress \$'000	Total \$'000
30,426	15,856	359	14,604	4,058	711,337
3,079	350	–	285	30,250	34,676
(2,102)	(1,007)	(9)	(609)	–	(6,999)
650	442	–	64	(11,768)	–
–	–	–	–	(33)	(33)
32,053	15,641	350	14,344	22,507	738,981
23,899	11,803	181	8,091	–	310,953
4,419	1,558	36	1,894	–	28,929
(2,095)	(964)	(7)	(500)	–	(5,945)
26,223	12,397	210	9,485	–	333,937
5,830	3,244	140	4,859	22,507	405,044

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold buildings \$'000	Leasehold improvement \$'000	Renovations \$'000	Plant and machinery \$'000
2018				
Cost				
At beginning of the financial year	509,246	859	18,438	81,693
Additions	31,225	–	472	219
Disposals	–	(52)	(175)	(265)
Transfers	3,826	73	475	–
At end of the financial year	544,297	880	19,210	81,647
Accumulated depreciation				
At beginning of the financial year	150,519	244	12,216	76,568
Depreciation charge	24,015	115	2,115	1,496
Disposals	–	–	(166)	(143)
At end of the financial year	174,534	359	14,165	77,921
Net carrying amount				
At end of the financial year	369,763	521	5,045	3,726

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Computer equipment \$'000	Furniture and office equipment \$'000	Motor vehicles \$'000	Other equipment \$'000	Construction- in-progress \$'000	Total \$'000
27,010	15,865	345	13,431	1,615	668,502
4,292	685	14	987	7,651	45,545
(881)	(1,271)	-	(66)	-	(2,710)
5	577	-	252	(5,208)	-
30,426	15,856	359	14,604	4,058	711,337
20,338	11,397	146	6,393	-	277,821
4,441	1,670	35	1,762	-	35,649
(880)	(1,264)	-	(64)	-	(2,517)
23,899	11,803	181	8,091	-	310,953
6,527	4,053	178	6,513	4,058	400,384

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the financial year, the University Company revised the estimated useful lives of leasehold buildings to 30 years to better reflect the expected economic useful lives of the assets. The revision in estimate has been applied on a prospective basis from 1 April 2018. The effect of the revision in useful lives resulted in a decrease in depreciation expense for the financial year by \$8,030,000.

16. INTANGIBLE ASSETS

	2019 \$'000	2018 \$'000
<u>Computer software and licences</u>		
Cost		
At beginning of the financial year	15,838	15,799
Additions	165	55
Disposals	(281)	(16)
At end of the financial year	<u>15,722</u>	<u>15,838</u>
Accumulated amortisation		
At beginning of the financial year	15,765	14,118
Amortisation charge	107	1,663
Disposals	(281)	(16)
At end of the financial year	<u>15,591</u>	<u>15,765</u>
Net carrying amount at end of the financial year	<u>131</u>	<u>73</u>

17. DEVELOPMENT GRANTS RECEIVED IN ADVANCE

	2019 \$'000	2018 \$'000
At beginning of the financial year	-	-
Grants received/receivable	253	-
At end of the financial year	<u>253</u>	<u>-</u>

These are grants received from the Government and government agencies for development projects. The balance in this account represents grants received or receivable but not utilised at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

18. OTHER GRANTS RECEIVED IN ADVANCE

	2019 \$'000	2018 \$'000
At beginning of the financial year	2,732	2,334
Grants received/receivable	15,829	5,242
Grants utilised	(10,192)	(4,371)
Transfer to deferred capital grants (Note 23)	(136)	(242)
Transfer to research grants received in advance (Note 19)	–	(231)
At end of the financial year	<u>8,233</u>	<u>2,732</u>

These are grants received from the Government, government agencies and external grantors. The balance in this account represents grants received or receivable but not utilised at the end of the financial year.

19. RESEARCH GRANTS RECEIVED IN ADVANCE

	2019 \$'000	2018 \$'000
At beginning of the financial year	8,898	6,682
Grants received/receivable	11,825	13,645
Transfer to deferred capital grants (Note 23)	(150)	(383)
Recognised in the statement of comprehensive income		
– Research grants utilised (Note 7)	(10,915)	(11,277)
Transfer from other grants received in advance (Note 18)	–	231
At end of the financial year	<u>9,658</u>	<u>8,898</u>

These are grants from the Government, government agencies and external grantors for funding research activities. The balance in this account represents grants received for approved on going projects but not utilised at the end of the financial year.

20. OTHER PAYABLES

	2019 \$'000	2018 \$'000
<u>Current</u>		
Tuition fees received in advance	29,762	30,475
Refundable deposits	1,094	941
Payables to brokers (Note 12)	12,488	249
Other accruals for operating and capital expenditure	43,622	61,643
	<u>86,966</u>	<u>93,308</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

21. BORROWINGS

	2019 \$'000	2018 \$'000
<u>Non-current</u>		
Fixed rate notes	<u>249,640</u>	<u>249,554</u>

(a) *Effective interest rate*

Borrowings are unsecured and bear interest at 2.43% (2018: 2.43%) per annum.

(b) *Fixed rate notes*

On 7 March 2014, the University Company issued \$100,000,000 of 3.16% Singapore Dollar non-secured fixed rate notes under the Multicurrency Medium Term Note (MTN) programme to finance capital expenditure and general working capital requirements. Unless previously redeemed, purchased or cancelled, the notes will be redeemed at its redemption amount on its maturity date, 7 March 2024. The fair value of the notes as at 31 March 2019 is \$102,700,000 (2018: \$103,000,000) and are included under level 2 of the fair value hierarchy.

On 28 November 2017, the University Company issued \$150,000,000 of 1.95% Singapore Dollar non-secured fixed rate notes under the Multicurrency Medium Term Note (MTN) programme to finance capital expenditure and general working capital requirements. Unless previously redeemed, purchased or cancelled, the notes will be redeemed at its redemption amount on its maturity date, 28 November 2022. The fair value of the notes as at 31 March 2019 is \$147,450,000 (2018: \$146,625,000) and are included under level 2 of the fair value hierarchy.

(c) *Borrowing costs capitalised*

Borrowing costs of \$375,000 (2018: \$264,000) arising on financing specifically entered into for the development of construction-in-progress (Note 15) were capitalised during the financial year. The amount of borrowing costs capitalised was determined based on the effective interest rate disclosed in Note 21(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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22. ADVANCES FOR STUDENT LOANS

	2019 \$'000	2018 \$'000
At beginning of the financial year	96,778	92,738
Grants received/receivable	26,575	27,121
Interest income	1,535	1,516
Student loans and interest on student loans refunded to the Government	(28,031)	(24,305)
Student loans written off	(748)	(292)
At end of the financial year	<u>96,109</u>	<u>96,778</u>
Current	8,383	6,764
Non-current	87,726	90,014
Total advances for student loans	<u>96,109</u>	<u>96,778</u>
<u>Represented by:</u>		
Cash and cash equivalents	2,878	3,595
Student loans	93,231	93,183
	<u>96,109</u>	<u>96,778</u>

The advances for student loans are from the Government for purpose of providing loans to students to assist them in paying their tuition fees.

The fair value of non-current advances for student loans approximate their carrying amounts.

23. DEFERRED CAPITAL GRANTS

	2019 \$'000	2018 \$'000
At beginning of the financial year	338,842	362,398
Transfer from other grants received in advance (Note 18)	136	242
Transfer from research grants received in advance (Note 19)	150	383
Transfer from operating grants (Note 7)	532	763
Amortisation of deferred capital grants (Note 7)	(19,741)	(24,944)
At end of the financial year	<u>319,919</u>	<u>338,842</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

24. SINKING FUND RECEIVED IN ADVANCE

	2019 \$'000	2018 \$'000
At beginning of the financial year	64,434	58,043
Grants received/receivable	4,268	4,268
Investment gains	2,593	2,123
At end of the financial year	<u>71,295</u>	<u>64,434</u>
<u>Represented by:</u>		
Cash and cash equivalents	4,385	2,790
Other receivables	34	1
Financial assets at fair value through profit or loss	67,640	61,619
Derivative financial instruments	(125)	36
Other payables	(639)	(12)
Total sinking fund received in advance	<u>71,295</u>	<u>64,434</u>

Sinking fund is an outright government grant received by the University Company for spending at its discretion on future redevelopment, improvement projects and asset replacement.

The portion of the sinking fund that is not required for immediate asset replacement is invested to ensure that the real value of the fund is preserved in the long run. The investment gains include interest and dividends earned on investments and investment gains in net asset value of the investment portfolio less relevant expenses and transaction costs arising from the management of the investment portfolio.

25. ENDOWMENT FUND

	2019 \$'000	2018 \$'000
Endowment fund		
– Capital	740,721	704,802
– Accumulated net income	261,242	267,075
Total endowment fund	<u>1,001,963</u>	<u>971,877</u>
<u>Represented by:</u>		
Cash and cash equivalents	75,213	62,123
Grants receivable	8,559	8,336
Other receivables	553	71
Financial assets at fair value through profit or loss	928,113	900,992
Derivative financial instruments	(1,714)	533
Other payables	(8,761)	(178)
Total endowment fund	<u>1,001,963</u>	<u>971,877</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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25. ENDOWMENT FUND (CONTINUED)

Endowment fund comprises donations, grants, gifts, testamentary disposition and proceeds from gifts of movable or immovable property and accumulated net income generated thereon. The objectives of this fund include the provision of facilities for teaching, training and research, the advancement and dissemination of knowledge and the promotion of research.

Accumulated net income includes interest and dividends earned on investments and investment gains in net asset value of the investment portfolio less relevant expenses and transaction costs arising from the management of the investment portfolio.

26. TERM FUNDS

	2019 \$'000	2018 \$'000
At beginning of the financial year	49,998	51,624
Donations received	7,737	8,394
Donations utilised	(10,657)	(10,650)
Investment gains	1,859	630
At end of the financial year	48,937	49,998
<u>Represented by:</u>		
Cash and cash equivalents	28,944	25,543
Other receivables	38	1
Other student loans	160	196
Financial assets at fair value through profit or loss	20,021	24,249
Derivative financial instruments	(37)	14
Other payables	(189)	(5)
Total term funds	48,937	49,998

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

Investment gains include interest and dividends earned on investments and investment gains in net asset value of the investment portfolio less relevant expenses and transaction costs arising from the management of the investment portfolio.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

27. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	2019 \$'000	2018 \$'000
Property, plant and equipment	46,885	11,609

(b) Operating lease commitments

Where the University Company is a lessee

The University Company leases various property, plant and machinery under non-cancellable operating lease agreements. These leases have varying terms, escalation rights and renewal rights. The lease expenditure charged to the statement of comprehensive income during the financial year is as follows:

	2019 \$'000	2018 \$'000
Rental expense on operating leases	4,128	4,232

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are analysed as follows:

	2019 \$'000	2018 \$'000
Not later than one year	2,044	3,229
Later than one year but not later than five years	21	1,470
	2,065	4,699

Where the University Company is a lessor

The future minimum lease payments receivable under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are analysed as follows:

	2019 \$'000	2018 \$'000
Not later than one year	2,120	2,045
Later than one year but not later than five years	1,519	2,178
	3,639	4,223

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

28. RELATED PARTIES TRANSACTIONS

The following significant transactions took place between the University Company and related parties during the financial year at terms agreed between the parties:

(a) *Human Capital Leadership Institute ("HCLI")*

	2019	2018
	\$'000	\$'000
Service fee income	–	100

Two directors of HCLI were key management personnel of the University Company.

On 1 July 2017, HCLI was no longer a related party to the University Company as the University Company ceased to be a member of HCLI and the two key management personnel of the University Company no longer act as directors in HCLI with effect from 1 July 2017.

(b) *Grants from the Government and government agencies*

The University Company receives grants from MOE to fund its operations and is subject to certain controls set by MOE and considers MOE a related party. Hence, the Government and government agencies are considered related parties of the University Company.

In addition to the information disclosed in elsewhere in the financial statements, the following transactions, either individually or collectively significant, took place between the University Company and related parties during the year.

	2019	2018
	\$'000	\$'000
Purchase of land from Singapore Land Authority (including land premium)	2,231	13,000

(c) *Key management personnel compensation*

Key management personnel compensation is analysed as follows:

	2019	2018
	\$'000	\$'000
Salaries and bonus	7,860	8,714
Central Provident Fund contributions	208	222
Allowances and benefits	5,200	3,018
Total	13,268	11,954

The key management personnel includes the President, Provost, Deans and key Administrative Heads.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

29. INVESTMENT IN SUBSIDIARY

Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership interest	
			2019 %	2018 %
SMU Ventures Pte. Ltd.	Singapore	Investment holding	100	100

The financial statements of SMU Ventures Pte. Ltd. with a paid-up capital of \$1 (2018: \$1) have not been consolidated with the University Company's financial statements as the University Company is of the view that the subsidiary is not material to the University Company. The balances and transactions of the University Company are not affected by the non-consolidation.

30. CHARITY ACT AND REGULATION

In accordance with the disclosure requirement under Section 17(1) of the Charities (Institutions of a Public Character) Regulations 2010, the University Company has received total tax-deductible donations of \$18,051,000 (2018: \$18,236,000) during the financial year. The expenses relating to fund raising activities are funded by operating grants.

31. FINANCIAL RISK MANAGEMENT

The University Company's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The University Company's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the University Company's financial performance.

The Board of Trustees has an Investment Committee to assist the Board in the oversight of the University Company's investments. The Investment Committee approved the asset allocation of a globally diversified portfolio and selection of fund managers. The fund managers selected are required to manage the individual mandates within the prescribed investment guidelines.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

The following sections provide details regarding the University Company's exposure to the above-mentioned market risks and management of these risks.

(a) Market risk

(i) Currency risk

The University Company's operations are not exposed to significant currency risk as most of its transactions are transacted in Singapore Dollar. The University Company's exposure to currency risk arises principally from its investments denominated in foreign currencies, such as United States Dollar ("USD"), Euro, Great Britain Pound, Australian Dollar and Japanese Yen. Its main exposure to foreign currency risk for these investments is the USD.

To manage the foreign currency exposure, the University Company implemented a currency hedging program to reduce the foreign currency risks (Note 13).

Apart from its investments, the University Company is not exposed to significant foreign currency risk on other financial assets or financial liabilities.

The University Company's foreign currency exposures are as follows:

	USD \$'000	Others \$'000
2019		
Financial assets		
Financial assets at fair value		
through profit or loss	974,762	221,357
Derivatives	(686,333)	–
Cash and cash equivalents	52,553	3,666
Other assets	304	39
Currency exposure of financial assets	341,286	225,062
2018		
Financial assets		
Financial assets at fair value		
through profit or loss	1,045,464	207,405
Derivatives	(597,345)	(41,161)
Cash and cash equivalents	16,483	1,671
Other assets	–	30
Currency exposure of financial assets	464,602	167,945

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

With all other variables being held constant, a 5% (2018: 5%) change of the USD against the SGD will result in the following changes to the net surplus as follows:

	Increase/(decrease) In net surplus	
	2019	2018
	\$'000	\$'000
USD against SGD		
– Strengthened	17,064	23,230
– Weakened	<u>(17,064)</u>	<u>(23,230)</u>

(ii) Price risk

The University Company's investments are exposed to price risk on its equity securities. To manage this risk, the University Company diversifies its investments across different markets and industries whenever appropriate. At 31 March 2019, with all other variables held constant, a 10% (2018: 10%) increase/decrease of market values of equity securities will result in an increase/decrease in net surplus by \$36,389,000 (2018: \$32,833,000).

(iii) Interest rate risk

Interest rate risk is the risk that the future cash flows or fair value of a financial instrument will fluctuate due to changes in market interest rates.

The University Company's interest-bearing assets relate mainly to its cash and cash equivalents. These financial assets are short-term in nature, and hence any future variations in interest rates will not have a material impact on the results of the University Company.

Interest based on the average prevailing prime rates of three local banks is levied on the student loans after the borrower's graduation. However, these interests will be returned to the Government as such loans are funded by the Government.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) *Market risk (continued)*

(iii) *Interest rate risk (continued)*

The University Company's investments include fixed income securities which are exposed to interest rate risk. Changes in interest rates will have an impact on the fair values of the instruments. To mitigate this risk, the University Company diversifies these investments across different fixed income securities with varying maturity and interest rate terms. At 31 March 2019, with all other variables held constant, 1% (2018: 1%) increase/decrease in interest rates will result in an increase/decrease in net surplus by \$5,144,000 (2018: \$2,666,000).

The University Company has no material exposure to interest rate risks relating to borrowings as there are no variable rate borrowings. The University Company maintains its borrowings in fixed rate instruments.

(b) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The University Company's exposures to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and cash equivalents and derivatives), the University Company adopts the policy of dealing exclusively with high credit rating counterparties to minimise credit risk.

The University Company considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investment with credit rating.

The University Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The University Company considers a financial asset in default when the University Company is unlikely to receive the outstanding contractual amounts in full.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) *Credit risk (continued)*

To assess whether there is a significant increase in credit risk, the risk of a default occurring on the asset as at reporting date is compared with the risk of default as at the date of initial recognition. The University Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days due in making contractual payment.

The University Company determined that its financial assets are credit-impaired when:

- There is significant financial difficulty of the debtor;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- There is disappearance of an active market for that financial asset because of financial difficulty.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to meet a repayment plan with the University Company. Where financial assets have been written off, the University Company continues to engage enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The following sections disclose the credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Fees, rental and other receivables

The University Company provides for lifetime expected credit losses for all fees, rental and other receivables. The provision rates are determined based on the University Company's historical observed default rates analysed in accordance with days past due and calibrated to adjust the historical credit loss experience with forward-looking information such as forecast of economic conditions.

Management has assessed that the loss allowance as at balance sheet date is negligible as the University Company has no significant default in fees, rental and other receivables based on historical experience.

Financial assets that are neither past due nor impaired

Grants and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment records with the University Company. Cash and cash equivalents, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Except for fees, rental and other receivables, there is no other class of financial assets that is past due or impaired.

The ageing analysis of fees, rental and other receivables past due but not impaired is as follows:

	2019 \$'000	2018 \$'000
<u>Past due:</u>		
Less than 2 months	5,109	5,932
Between 2 and 3 months	231	1,221
Over 3 months	1,113	1,763
	<u>6,453</u>	<u>8,916</u>

The carrying amount of fees, rental and other receivables individually determined to be impaired and the movement in related allowance for impairment are set out in Note 10(b).

Concentration and exposure to credit risk

At the end of the reporting period, there is no significant concentration of credit risk. The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the University Company's financial assets and liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	2019			Total \$'000
	One year or less \$'000	One to five years \$'000	Over five years \$'000	
Financial assets:				
Financial assets at fair value through profit or loss	1,322,887	–	–	1,322,887
Grants and other receivables (excluding prepayments)	54,366	10,304	57,911	122,581
Student loans	5,960	13,393	75,884	95,237
Cash and cash equivalents	316,082	–	–	316,082
Derivative financial instruments	–	–	–	–
Total undiscounted financial assets	1,699,295	23,697	133,795	1,856,787
Financial liabilities:				
Borrowings	6,073	271,373	–	277,446
Advances for student loans	8,383	12,526	75,200	96,109
Other payables (excluding tuition fees received in advance)	57,204	–	–	57,204
Derivative financial instruments	2,442	–	–	2,442
Total undiscounted financial liabilities	74,102	283,899	75,200	433,201
Total net undiscounted financial assets/ (liabilities)	1,625,193	(260,202)	58,595	1,423,586

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2018			
One year or less \$'000	One to five years \$'000	Over five years \$'000	Total \$'000
1,257,178	–	–	1,257,178
49,512	10,304	60,487	120,303
5,983	15,116	74,827	95,926
354,889	–	–	354,889
2,731	–	–	2,731
1,670,293	25,420	135,314	1,831,027
6,073	174,290	103,155	283,518
6,764	13,077	76,937	96,778
62,833	–	–	62,833
1,987	–	–	1,987
77,657	187,367	180,092	445,116
1,592,636	(161,947)	(44,778)	1,385,911

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value measurement

The University Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuations inputs used as follows:

- (a) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (c) Level 3 – Unobservable inputs.

Financial assets and liabilities carried at fair value

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2019				
Assets				
Financial assets at fair value through profit or loss				
– Equities	363,885	–	–	363,885
– Fixed income	106,434	–	–	106,434
– Other investments	–	465,009	387,559	852,568
	<u>470,319</u>	<u>465,009</u>	<u>387,559</u>	<u>1,322,887</u>
Liabilities				
Derivative financial instruments				
– Currency forwards	–	2,442	–	2,442
	<u>–</u>	<u>2,442</u>	<u>–</u>	<u>2,442</u>
2018				
Assets				
Financial assets at fair value through profit or loss				
– Equities	328,331	–	–	328,331
– Fixed income	76,754	–	–	76,754
– Other investments	35,451	512,898	303,744	852,093
Derivative financial instruments				
– Currency forwards	–	2,445	–	2,445
– Currency options	–	286	–	286
	<u>440,536</u>	<u>515,629</u>	<u>303,744</u>	<u>1,259,909</u>
Liabilities				
Derivative financial instruments				
– Currency forwards	–	1,987	–	1,987
	<u>–</u>	<u>1,987</u>	<u>–</u>	<u>1,987</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value measurement (continued)

Financial assets and liabilities carried at fair value (continued)

Level 1

The fair value of financial assets classified under Level 1 is based on quoted market prices (unadjusted) from active markets at the balance sheet date.

Level 2

The fair value of financial instruments that are not traded in an active market is based on valuations provided by independent sources such as market participants, dealers and brokers. Derivative financial instruments are valued using widely accepted pricing models with market observable inputs including volatilities, yield curves, foreign exchange spot and forward rates. These instruments are classified as Level 2.

Level 3

Financial assets classified under Level 3 are valued using valuation techniques based on unobservable inputs that are supported by little or no market activity and which are significant inputs to the valuation. The fair value is determined by the fund managers using various valuation techniques, including discounted cash flows.

The following table presents the changes in Level 3 instruments:

	2019	2018
	\$'000	\$'000
<u>Other investments</u>		
At beginning of the financial year	303,744	210,865
Purchases	49,210	73,726
Fair value gains recognised in profit or loss	34,605	19,153
At end of the financial year	387,559	303,744
Total gains for the period included in profit or loss for investments held at the end of the financial year	34,605	19,153

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) *Categorisation of financial instruments*

The carrying amount of the different categories of financial instruments is carried at amortised cost as follows:

	2019 \$'000	2018 \$'000
<u>Financial assets carried at amortised cost</u>		
Cash and cash equivalents (Note 9)	316,082	354,889
Grants and other receivables (Note 10)	131,381	128,200
Less: Prepayments (Note 10)	(8,800)	(7,897)
Student loans (Note 11)	95,237	95,926
	533,900	571,118
<u>Financial liabilities carried at amortised cost</u>		
Other payables (Note 20)	86,966	93,308
Less: Tuition fees received in advance (Note 20)	(29,762)	(30,475)
Borrowings (Note 21)	249,640	249,554
Advances for student loans (Note 22)	96,109	96,778
	402,953	409,165

32. CAPITAL MANAGEMENT

The primary objective of the University Company's capital management is to ensure it maintains a strong credit rating and healthy capital ratios in order to support its business and fulfil its financing commitments.

The University Company is partially funded by the grants received from MOE and the balance from its accumulated surplus. In addition, a portion of the accumulated surplus is invested so as to further enhance its value. This investment income could be drawn down to support the University Company's operating budget or development.

No changes were made to the objectives, policies or processes during the years ended 31 March 2019 and 2018.

33. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors on 16 August 2019.

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