

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES
(Incorporated in Singapore. Registration Number: 200604346E)

**SUMMARY FINANCIAL STATEMENTS
PREPARED FROM THE AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007**

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IMPORTANT NOTE

The Summary Financial Statements as set out on pages 45 to 54 contain only a summary of the information in the full financial statements. The Summary Financial Statements do not contain sufficient information to allow for a full understanding of the results and the state of affairs of the Company and the Group.

For further information, the full financial statements and the Auditors' Report on those statements should be consulted. Readers who require a copy of the full financial statements can contact the Company's Office of Corporate Relations, University Hall, Tan Chin Tuan Wing #02-02, 21 Lower Kent Ridge Road, Singapore 119077, Tel: 6516 5125. The full financial report can also be viewed at the Company's website: <http://www.nus.edu.sg/annualreport/>.

REPORT OF THE TRUSTEES

The Board of Trustees are pleased to present their report to the members together with the audited consolidated financial statements of the National University of Singapore ("the Company") and its subsidiaries (collectively, "the Group") and balance sheet, income and expenditure statement and statement of changes in funds and reserves of the Company as of and for the financial year ended 31 March 2007. The financial year covers the financial period since its incorporation on 28 March 2006 to 31 March 2007.

Trustees

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

Mr Wong Ngit Liong - Chairman
Professor Shih Choon Fong
Professor Tan Chorh Chuan
Mr Hsieh Fu Hua
Ms Chang Hwee Nee
Mr Cheong Yip Seng
Ms Elim Chew Soo Gim
Mr Lucas Chow Wing Keung
Mr Edward Alec D'Silva
Professor Olaf Kubler
Mr Lee Tzu Yang
Mr James Loh Sinn Yuk
Ms Olivia Lum Ooi Lin
Mr Paul Ma Kah Woh
Mr Chandra Mohan K Nair
Mr Philip Ng Chee Tat
LG Ng Yat Chung
Professor Saw Swee Hock
Mr Wong Ah Long
Mr Lucien Wong
Mdm Halimah Bte Yacob

Arrangements to enable Trustees to acquire shares and debentures

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

REPORT OF THE TRUSTEES

Trustees' interests in shares or debentures

As the Company is a company limited by guarantee and not having a share capital, there are no matters to be disclosed under Section 201(6)(g), Section 201(6A)(h), Section 201(11) and Section 201(12) of the Companies Act, Cap 50.

The Trustees of the Company at the end of the financial year have no interest in the share capital (including any share options) and debentures of the Company's related corporations as recorded in the register of the directors' shareholdings kept by the Company's related corporations under Section 164 of the Singapore Companies Act.

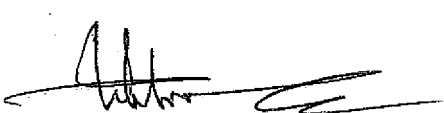
Trustees contractual benefits

Since the beginning of the financial year, no Trustee has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the Trustee or with a firm of which he/she is a member or with a company in which he/she has a substantial financial interest except for salaries, bonuses and other benefits and transactions with corporations in which certain trustees have an interest as disclosed in the financial statements.

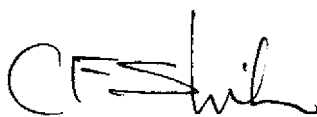
Auditors

The auditors, Deloitte & Touche, have expressed their willingness to accept re-appointment.

On behalf of the Trustees



Mr Wong Ngit Liong
Trustee



Professor Shih Choon Fong
Trustee

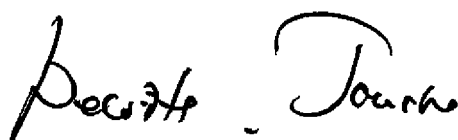
24 July 2007

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF NATIONAL UNIVERSITY OF SINGAPORE

We have audited the consolidated financial statements of the Group and the balance sheet, income and expenditure statement and statement of changes in funds and reserves of National University of Singapore for the financial year ended 31 March 2007, from which the Summary Financial Statements were derived, in accordance with Singapore Standards on Auditing. In our report dated 24 July 2007, we expressed an unqualified opinion on the financial statements from which the Summary Financial Statements were derived.

In our opinion, the Summary Financial Statements as set out on pages 45 to 54, are consistent, in all material respects, with the financial statements from which they were derived.

For a better understanding of the state of affairs of the Group and the Company as at 31 March 2007 and the results, changes in funds and reserves of the Group and the Company and cash flows of the Group for the financial year ended on that date and of the scope of our audit, the Summary Financial Statements should be read in conjunction with the financial statements from which the Summary Financial Statements were derived and our audit report thereon.

A handwritten signature in black ink, appearing to read "Deloitte Touche", is positioned above the printed name of the firm.

Deloitte & Touche
Certified Public Accountants

Singapore
24 July 2007

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT 31 MARCH

	GROUP		COMPANY	
	2007	2006	2007	2006
	S\$'000	(Restated) S\$'000	S\$'000	(Restated) S\$'000
ACCUMULATED SURPLUS				
General Funds	782,289	626,342	759,517	608,432
Restricted Funds	1,263,101	942,136	1,198,157	957,009
	2,045,390	1,568,478	1,957,674	1,565,441
ENDOWMENT FUNDS	1,286,456	1,187,720	1,286,456	1,187,720
CAPITAL PRESERVATION ACCOUNT	67,782	63,328	67,782	63,328
INVESTMENT REVALUATION RESERVE	(4,970)	(4,226)	(4,970)	(4,226)
TRANSLATION RESERVE	207	269	-	-
TOTAL EQUITY	3,394,865	2,815,569	3,306,942	2,812,263
NON-CURRENT ASSETS				
Subsidiary companies	-	-	200	200
Associated companies	172,597	68,652	89,898	67,957
Fixed assets	1,497,605	1,481,775	1,495,965	1,480,709
Intangible asset	11,878	-	11,878	-
Held-to-maturity investments	500	500	500	500
Available-for-sale investments	6,238	5,904	4,705	5,035
Student loans (repayable after 12 months)	184,321	173,511	184,321	173,511
Long-term loan to subsidiary company	-	-	350	350
	1,873,139	1,730,342	1,787,817	1,728,262
CURRENT ASSETS				
Student loans (repayable within 12 months)	51,840	49,590	51,840	49,590
Debtors	581,552	407,784	580,312	405,972
Consumable stores	498	385	278	193
Deposits and prepayments	13,530	14,281	13,303	14,189
Amount owing by subsidiary company	-	-	3,459	950
Amount owing by associated company	1,059	1,037	1,000	1,000
Investments at fair value through income and expenditure statement	2,486,085	1,137,301	2,486,085	1,137,301
Derivative financial instruments	14,656	7,178	14,656	7,178
Fixed deposits	153,807	1,176,269	153,744	1,176,206
Cash and bank balances	71,778	142,739	60,974	138,005
	3,374,805	2,936,564	3,365,651	2,930,584
TOTAL ASSETS	5,247,944	4,666,906	5,153,468	4,658,846

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

BALANCE SHEETS (cont'd)

AS AT 31 MARCH

	GROUP		COMPANY	
	2007 S\$'000	2006 (Restated) S\$'000	2007 S\$'000	2006 (Restated) S\$'000
CURRENT LIABILITIES				
Creditors and accrued expenses	260,592	198,071	259,155	197,139
Grants received in advance	95,945	114,800	92,370	111,789
Derivative financial instruments	3,770	5,348	3,770	5,348
Amount owing to subsidiary company	-	-	-	8
Long-term loan (repayable within 12 months)	-	609	-	609
	360,307	318,828	355,295	314,893
NON-CURRENT LIABILITIES				
Deferred capital grants	1,269,489	1,325,543	1,267,948	1,324,724
Advances from government for student loans	223,283	206,966	223,283	206,966
	1,492,772	1,532,509	1,491,231	1,531,690
TOTAL LIABILITIES	1,853,079	1,851,337	1,846,526	1,846,583
NET ASSETS	3,394,865	2,815,569	3,306,942	2,812,263

The accompanying notes form an integral part of these financial statements.

INCOME AND EXPENDITURE STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH

GROUP

	GENERAL FUNDS		RESTRICTED FUNDS		TOTAL	
	2007	2006	2007	2006 (Restated)	2007	2006 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
OPERATING INCOME						
Tuition and other fees	179,833	171,613	23,347	15,921	203,180	187,534
Other income	12,874	11,922	166,221	193,231	179,095	205,153
	192,707	183,535	189,568	209,152	382,275	392,687
OPERATING EXPENDITURE						
Expenditure on manpower	560,337	511,511	32,739	24,296	593,076	535,807
Depreciation	183,528	185,685	5,157	3,582	188,685	189,267
Other operating expenditure	351,505	348,246	86,139	77,027	437,644	425,273
	1,095,370	1,045,442	124,035	104,905	1,219,405	1,150,347
Operating (Deficit)/Surplus	(902,663)	(861,907)	65,533	104,247	(837,130)	(757,660)
Investment income	15,896	15,452	88,128	74,190	104,024	89,642
Change in fair value of investments	(321)	16,189	47,624	56,584	47,303	72,773
Share of results (net of tax) of associated companies	-	-	104,312	(12,470)	104,312	(12,470)
Profit on sale of associated company	-	-	-	14	-	14
(Deficit)/Surplus before Grants	(887,088)	(830,266)	305,597	222,565	(581,491)	(607,701)
GRANTS						
Operating Grants :						
Government	776,541	575,561	6,669	3,334	783,210	578,895
Agency for Science, Technology & Research	51,763	53,569	40	67	51,803	53,636
Others	46,668	43,276	94	215	46,762	43,491
Deferred Capital Grants amortised	178,621	181,219	3,646	1,329	182,267	182,548
	1,053,593	853,625	10,449	4,945	1,064,042	858,570
SURPLUS FOR THE YEAR BEFORE TAX	166,505	23,359	316,046	227,510	482,551	250,869
Income tax	-	-	-	(6)	-	(6)
SURPLUS FOR THE YEAR AFTER TAX	166,505	23,359	316,046	227,504	482,551	250,863

The accompanying notes form an integral part of these financial statements.

NATIONAL UNIVERSITY OF SINGAPORE AND ITS SUBSIDIARIES

INCOME AND EXPENDITURE STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH

COMPANY

	GENERAL FUNDS		RESTRICTED FUNDS		TOTAL	
	2007	2006	2007	2006 (Restated)	2007	2006 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
OPERATING INCOME						
Tuition and other fees	179,833	171,613	23,347	15,921	203,180	187,534
Other income	13,226	11,922	161,122	190,680	174,348	202,602
	193,059	183,535	184,469	206,601	377,528	390,136
OPERATING EXPENDITURE						
Expenditure on manpower	560,337	511,511	25,743	19,590	586,080	531,101
Depreciation	183,528	185,685	4,687	3,407	188,215	189,092
Other operating expenditure	356,719	356,056	78,578	70,455	435,297	426,511
	1,100,584	1,053,252	109,008	93,452	1,209,592	1,146,704
Operating (Deficit)/Surplus	(907,525)	(869,717)	75,461	113,149	(832,064)	(756,568)
Investment income	15,896	15,452	110,190	63,920	126,086	79,372
Change in fair value of investments	(321)	16,189	47,624	56,584	47,303	72,773
(Deficit)/Surplus before Grants	(891,950)	(838,076)	233,275	233,653	(658,675)	(604,423)
GRANTS						
Operating Grants :						
Government	776,541	575,561	-	-	776,541	575,561
Agency for Science, Technology & Research	51,763	53,569	-	-	51,763	53,569
Others	46,668	43,276	-	-	46,668	43,276
Deferred Capital Grants amortised	178,621	181,219	2,954	1,190	181,575	182,409
	1,053,593	853,625	2,954	1,190	1,056,547	854,815
SURPLUS FOR THE YEAR	161,643	15,549	236,229	234,843	397,872	250,392

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

1 INCORPORATION

On 28 March 2006, National University of Singapore was incorporated as a company limited by guarantee (Registration No. 200604346E) (hereafter known as “the Company”).

Pursuant to the Corporatisation Exercise (“Corporatisation Exercise”) undertaken by National University of Singapore, a statutory board of Singapore, the operations, business undertakings, assets and obligations were transferred to the Company at their net assets values as at 1 April 2006.

All ownership of the subsidiaries have been transferred to the Company pursuant to the Corporatisation Exercise and the consolidated financial statements have been prepared using the pooling-of-interest method as the Corporatisation Exercise is considered by the Trustees to be a re-organisation of companies under common control. Accordingly, the Group’s consolidated financial statements have been prepared as if the subsidiaries had always been part of the Group.

2 GENERAL

The address of the Company’s registered office and place of business is 21 Lower Kent Ridge Road Singapore 119077. The financial statements are expressed in Singapore dollars.

The Company is principally engaged in the advancement and dissemination of knowledge, and the promotion of research and scholarship.

The consolidated financial statements of the Group and the balance sheet, income and expenditure statement and statement of changes in funds and reserves of the Company as of and for the year ended 31 March 2007 were authorised for issue in accordance with a resolution of the Board of Trustees on 24 July 2007.

3 CHANGES IN ACCOUNTING POLICIES

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRSs (“INT FRSs”) issued by the Council on Corporate Disclosure and Governance that are relevant to its operations and effective for annual periods beginning on or after 1 April 2006. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group’s and the Company’s accounting policies and has no material effect on the amounts reported for the current year or prior years.

At the date of authorisation of these financial statements, the following FRSs and INT FRSs and amendments to FRS were issued but not effective:

FRS 107	-	Financial Instruments: Disclosures
FRS 108	-	Operating Segments
INT FRS 107	-	Applying the Restatement Approach under FRS 29 Financial Reporting in Hyperinflationary Economies
INT FRS 108	-	Scope of FRS 102
INT FRS 109	-	Reassessment of Embedded Derivatives
INT FRS 110	-	Interim Financial Reporting and Impairment
INT FRS 111	-	FRS 102 - Group and Treasury Share Transactions
INT FRS 112	-	Service Concession Arrangements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

3 CHANGES IN ACCOUNTING POLICIES (cont'd)

Amendments to FRS 1 Presentation of Financial Statements on Capital Disclosures.

Consequential amendments were also made to various standards as a result of these new/revised standards.

The application of FRS 107 and the consequential amendments to other FRS will not affect any of the amounts recognised in the financial statements, but will change the disclosures presently made in relation to the Group and the Company's financial instruments and the objectives, policies and processes for managing capital.

Other than FRS 107, Management expects that the adoption of the other FRSs, INT FRSs and amendments to FRS as stated above in future periods will have no material impact on the financial statements of the Group and the Company in the period of their initial adoption.

FRS 40 – Investment Property

Although FRS 40 will be effective for annual periods beginning on or after 1 January 2007, the Group has decided to apply early adoption of FRS 40 with effect from 1 April 2006. The properties previously classified as investment properties following FRS 25 – Accounting for Investments, do not meet the criteria of investment properties under the new FRS 40. As a result, these properties have been reclassified to fixed assets with effect from 1 April 2005 and are depreciated over the remaining useful life of the properties. The impact of early adoption of FRS 40 has been accounted for retrospectively and the effects on the amounts reported for 2007 and 2006 are disclosed in note 4 to the Summary Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

4 RECLASSIFICATION AND COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements and due to the early adoption of FRS 40. As a result, certain line items have been amended on the face of the Balance Sheet, Income and Expenditure Statement, Statement of Changes in Funds and Reserves and Cash Flow Statement, and the related notes to the financial statements. Comparative figures have been adjusted to conform with the current year's presentation.

	GROUP					
	General Funds		Restricted Funds		Total	
	Previously reported	As Restated	Previously reported	As Restated	Previously reported	As Restated
	2006 S\$'000	2006 S\$'000	2006 S\$'000	2006 S\$'000	2006 S\$'000	2006 S\$'000
Income and Expenditure Statement for the year ended 31 March 2006						
Depreciation ^(a)	185,685	185,685	3,505	3,582	189,190	189,267
Surplus for the year ^(a)	23,359	23,359	227,581	227,504	250,940	250,863
Balance Sheet as at 31 March 2006						
Accumulated Surplus ^(a)	626,342	626,342	943,995	942,136	1,570,337	1,568,478
Investment Properties Revaluation Reserve ^(a)					13,409	-
Investment Properties ^(a)					15,725	-
Fixed assets ^(a)					1,481,318	1,481,775
Debtors ^(b)					408,166	407,784
Fixed deposits ^(b)					1,175,944	1,176,269
Cash and bank balances ^(b)					142,263	142,739
Creditors and accrued expenses ^(b)					197,652	198,071

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

4 RECLASSIFICATION AND COMPARATIVE FIGURES (cont'd)

	COMPANY					
	General Funds		Restricted Funds		Total	
	Previously reported	As Restated	Previously reported	As Restated	Previously reported	As Restated
	2006 S\$'000	2006 S\$'000	2006 S\$'000	2006 S\$'000	2006 S\$'000	2006 S\$'000
Income and Expenditure Statement for the year ended 31 March 2006						
Depreciation ^(a)	185,685	185,685	3,330	3,407	189,015	189,092
Surplus for the year ^(a)	15,549	15,549	234,920	234,843	250,469	250,392
Balance Sheet as at 31 March 2006						
Accumulated Surplus ^(a)	608,432	608,432	958,868	957,009	1,567,300	1,565,441
Investment Properties Revaluation Reserve ^(a)					13,409	-
Investment Properties ^(a)					15,725	-
Fixed assets ^(a)					1,480,252	1,480,709
Debtors ^(b)					406,354	405,972
Fixed deposits ^(b)					1,175,881	1,176,206
Cash and bank balances ^(b)					137,529	138,005
Creditors and accrued expenses ^(b)					196,720	197,139

(a) Due to early adoption of FRS 40

(b) Certain reclassifications have been made to prior year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been amended on the Balance Sheet and Income and Expenditure Statement. Comparative figures have been adjusted to conform with the current year's presentation.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

4 RECLASSIFICATION AND COMPARATIVE FIGURES (cont'd)

The financial statements of the Company and the Group for 2007 cover the financial period from 28 March 2006 (date of incorporation of the Company) to 31 March 2007.

As the Company took over the assets and liabilities of the former National University of Singapore ("the University"), at book values on 1 April 2006, the comparatives of the Company have been prepared using the University's financial statements for 2006 and the comparatives of the Group have been prepared by applying the pooling-of-interest method as if the subsidiaries of the Company had always been part of the Group since the beginning of the earliest period presented.

5 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

The Company receives grants from the Ministry of Education (MOE) to fund its operations and is subjected to certain controls set by MOE. Hence, other state-controlled enterprises are considered related parties of the Company. Many of the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand.

There were transactions with corporations in which certain trustees have an interest.

Details of significant balances and transactions between the related parties are described below:

	GROUP		COMPANY	
	2007 S\$'000	2006 S\$'000	2007 S\$'000	2006 S\$'000
Balances				
Debtors	499,825	333,645	499,790	333,593
Creditors and accrued expenses	9,002	19,346	9,002	19,346
Deferred Capital Grants	1,141,399	1,187,309	1,139,943	1,186,491
Grants received in advance	80,833	105,278	80,226	100,807
Transactions				
Non-endowed donations received	11,115	8,963	11,115	8,963
Other income	305	57	229	-
Other operating expenditure	10,841	10,169	10,841	10,169
Operating/capital grants received	888,713	847,221	878,450	838,038

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

6 KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation for eighteen (2006: fifteen) and fifteen (2006: twelve) key management personnel of the Group and the Company respectively, are as follows:

	GROUP		COMPANY	
	2007	2006	2007	2006
	S\$'000	S\$'000	S\$'000	S\$'000
Short-term benefits	7,727	5,305	7,134	4,729
Post-employment benefits	125	106	109	82
	<u>7,852</u>	<u>5,411</u>	<u>7,243</u>	<u>4,811</u>

7 CONTINGENT LIABILITIES

During the year, the Company terminated an agreement with a contractor due to unsatisfactory performance by the contractor. The contractor instigated proceedings for alleged loss and damages suffered due to the termination of the agreement. The total amount claimed against the Company is \$30,774,000.

The Company has disclaimed liability and is defending the action and has counter-claimed against the contractor. The Company's lawyers have advised that they are reasonably optimistic that the Company was entitled to terminate the contract with the contractor and that the Company is entitled to damages from the contractor. No provision has been recognised in the financial statements as the Company's management does not consider that there is any probable loss.