

ASAF

NEWSLETTER

THE NEWSLETTER OF THE ASIAN SECURITIES ANALYSTS FEDERATION INC

also available on www.asaf.org.au

Quarterly Issue, September 2005

Message from Director



*Mike Willis,
Securities Institute of Australia*

"One of our goals is to improve ethical standards," says Michael Willis, the former president of the Securities Institute of Australia and chairman of ASAF's Advocacy Committee. ASAF has decided to not add another layer of principles or policies to the impressive collection available around the globe, but to encourage the adoption of sound corporate governance principles across its members' markets in the Asia Pacific region. Thus ASAF's position is what Willis describes as a "fairly high-level" approach.

RAISING THE BAR ON CORPORATE GOVERNANCE

In the wake of widespread corporate scandals, from Enron in the US to Parmalat in Europe, there is a new emphasis on improving corporate governance standards around the world. In Asia, one leading advocate of better governance standards has been the Asian Securities Analysts Federation (ASAF).

Tracing its roots back to 1979, ASAF now includes members from 14 countries and territories, from the Mainland, down to Australia and as far as Iran. The group has multiple aims, among them to promote the interests of the investment community of Asia and to encourage and assist the development of the profession of securities analysts through the interchange of ideas and coordination of policy among member societies.

ASAF's Approach

ASAF has adopted a principles-based approach to corporate governance that is best suited to the markets in which ASAF members are engaged. Rather than take a legalistic and prescriptive approach, it feels that regulators and securities exchanges should outline their expectations as to how companies should strive to follow best practice in corporate governance, and then review and follow up where companies fail to adopt these practices, or fail to adequately explain their non-compliance.

This approach, as adopted in Hong Kong, Japan, Australia and Europe, appears to be very effective in implementation, as it allows companies to reflect the principles of good corporate governance where they are relevant, and to explain where others are not directly relevant to the company's situation.

In the latter case, they may present an alternative solution or approach, or simply explain why they are not relevant. This approach to adoption of the principles, known as "If not, why not?" has been shown to be broadly successful in the example of the Australian Stock Exchange's corporate governance principles. Companies listed in Australia are free to adopt the corporate governance recommendations or to adopt alternative practices. The average adoption rate for all ASX Corporate Governance Council recommendations for the whole market was 68%. In the case of the top-500 companies the adoption rate was almost 85%. In addition, alternative practices were adopted and disclosed in 16% of the whole market and 7% for the top 500. So, in short, disclosure in aggregate was 84% for the whole market and 92 for the top 500.

A securities regulator or exchange has a wide range of responses available to deal with these issues, from accepting a company's "If not, why not?" argument, through advice, informing markets of their views, education, other disciplinary solutions and, ultimately, suspension or delisting.

Some issues with the general principles have arisen consistently in some markets, and reflect regional and market capitalisation issues that need special consideration. For example, in several markets such as Australia and Hong Kong, the challenge for small-capitalisation stocks of finding sufficient independent directors with relevant business experience has consistently arisen. In most cases, such companies can adequately outline their approaches and targets for balancing board independence and experience, without fully complying with the principle of an independent board majority.

Similarly, the principles of an independent chairman (as opposed to an executive chairman) and an independent board audit committee are not always applicable to small cap stocks, or not easily achieved in the particular stage of a company's lifecycle.

The Application Challenge

As Willis points out: "ASAF has a very broad membership and country profile, so it is difficult to apply the same structure to countries as diverse as China, Iran, Japan and Thailand. We have encouraged our member societies to work with their local regulators and exchanges to adopt the most appropriate principles and to work towards their implementation over time."

However, Willis feels there is a clear value to the markets covered by ASAF to establish and adopt

strong principles of corporate governance and disclosure. The adoption of sound practices in governance and disclosure, and their enforcement by regulators and securities exchanges, help to build market and investor confidence and ultimately reduce the cost of capital for ASAF's markets.

ASAF's commitment to improvement of standards among its membership is also shown by the release of its position papers in 2003 and 2002 (both of which are available on ASAF website: www.asaf.org.au). The most recent, "Recommendations for Addressing Conflicts of Interest in Securities Analyst Research," recommended principles for managing conflicts, the most important being the placement of the interest of investors first. The paper also recommended the creation of Chinese walls to prevent the dissemination of information as well as internal reviews and approval of analyst compensation and strict monitoring of compliance.

The earlier paper was entitled "Corporate Disclosure of Material Price-Sensitive Information" and dealt with the principles of continuous disclosure. It recommended that companies need to manage disclosure in a manner that provides timely release and equal access to material information for all investors. To do so, companies need to develop and implement formal disclosure policies.

"We are in the business of providing solutions and ideas to our members," says Willis. Willis notes that the membership of ASAF is diverse, representing markets all along the development curve. Thus, ASAF has to take a flexible approach in recognition of the fact that each market may have differing needs to serve its particular development. "We need to be able to work with everyone. This is very much, as our name says, a federation of members," says Willis.

Progress Made

Due to the work of ASAF and others, Willis does feel there has been some progress made in the past few years on governance and disclosure issues. He cites a recent survey by the CFA Institute released in January which found that the majority of portfolio managers, analysts and advisors believe the overall quality of corporate information disclosed in Asia is either "average" (49%) or "good" (35%). A full 84% felt that the quality in the Asia Pacific region had improved in the past three years.

Nonetheless, there is more to be done. Willis states ASAF does feel that all members can benefit from the sharing of information about global best practice standards. And all members share an

interest in developing and improving governance subject to what is appropriate for their individual markets.

Indeed, one of the strengths of the group is the fact that it does represent one of the largest regional federations of securities analysts groups in the Asia Pacific area. This size means that there is a deep and wide pool of perspectives and expertise for the group to study and learn from as it develops its programs, a fact which bodes well for a continual raising the bar on governance and disclosure in the Asia Pacific region.

Mike Willis

ASAF Advocacy Committee Chair/Treasurer

Securities Institute of Australia.

***This article was first published in the July/August edition of the journal of the Hong Kong Securities Institute. It is reprinted with permission.*

ACIIA® News

New ACIIA® Member – Instituto Argentino de Ejecutivos de Finanzas (IAEF)

During the ACIIA® Council Meeting held 29 June 2005 in Tenerife, Spain, the ACIIA welcomed the Argentine Institute of Financial Executives (Instituto Argentino de Ejecutivos de Finanzas; IAEF) as an ACIIA® Associate Member. Associations from Finland, Kazakhstan, Latvia, and Romania, and also the Association of Financial Analysts of East Africa consisting of Kenya, Uganda, and Tanzania, are showing keen interest and studying the possibility of joining the ACIIA®.

The educational program of the Canadian Securities Institute (CSI) was accredited by the ACIIA® International Examination Committee (the IEC) and approved at a Council Meeting in writing held 12 September 2005. The CSI is expected to become an ACIIA® member soon.

“ACIIA® Principles of Ethical Conduct”: Public Release

The ACIIA® Ethics Working Group has developed “ACIIA® Principles of Ethical Conduct” aiming to form a supra-national policy vis-à-vis individual ACIIA® member societies, and to stimulate the further development of national standards towards ACIIA® best practice.

After an extensive period of public consultation and revision, “ACIIA® Principles of Ethical Conduct” was publicly released 30 August 2005 and copies sent to ASAF and EFFAS members, IOSCO, FESE (Federation of European Securities Exchanges), the EU Commission, members of the EU Forum Group, and ICIA (International Council of Investment Associations) members such as IASSA (Investment Analysts Society of South Africa) and the CFA Institute.

ASAF members are expected to disseminate “ACIIA® Principles of Ethical Conduct” to individuals and institutions such as regulators/self-regulatory organizations, including stock exchanges and securities dealers associations in their particular countries.

“ACIIA® Principles of Ethical Conduct” has also been uploaded to the ACIIA website, www.aciia.org, under “About ACIIA®”/ “Ethics”.

CIIA® Exams: September 2005 Session

CIIA® autumn exams were successfully held in various major cities throughout the world on 16 September in Europe and the Americas, and 17 September in Asia. Candidates came from some 13 countries.

March 2006 exams are scheduled for 10 March in Europe/the Americas, and 11 March in Asia.

ACIIA® Application for Exemption from Series 86/87 and 16 of NYSE and NASD

Following a meeting with NYSE and NASD representatives on 10 and 11 May 2005, respectively, in July, ACIIA® submitted an official application requesting exemption from Series 86 (analyst section) of the Research Analyst Qualification Examination under NYSE Rule 344 and NASD Rule 1050, and also Part II (S162 securities analysis) of the Series 16 Supervisory Analyst Qualification Examination (which serves as the qualification vehicle) under NYSE Rules 344 and 472.

NYSE and NASD are in the process of drafting some questions and ACIIA® stands ready to respond.

ACIIA® Council Meeting and Annual General Meeting: 29-30 June 2005, Tenerife, Spain

The ACIIA® Council Meeting and Annual General Meeting were held 29-30 June 2005 respectively in Tenerife, Spain. Taking the opportunity, the Spanish Association, IEAF, organized a seminar under the theme “Investment Challenges Across Three

Continents" inviting speakers from Asia, Europe, and South America to draw attention to the CIIA® as an internationally recognized designation. Over 100 participants enjoyed the seminar which included presentations by Mr. Hagiwara, ACIIA® Chairman, and three ACIIA® board members.

Secretariat News

ASAF AGM/Committee meetings/2005 Conference

The ASAF Annual General Meetings and various committee meetings will be held 25-26 October 2005 in Beijing hosted by the Securities Analysts Association of China. Following the meetings, the ASAF 2005 Conference will take place at the Shangri-La Hotel, Beijing on 27 October followed by a field trip on 28 October. The conference features many prominent speakers from Australia, China, Chinese Taipei, Hong Kong, India and Japan under the main theme "Trend and Outlook of Asian Capital Market Developments in the 21st Century". Detailed information can be found at http://www.sac.net.cn/en/detail/std/detail_en.jsp?id=1125992099100&type=CMS.STD&path=ROOT%3EEN%3ENews%3EASAF%20BEIJING%20CONFERENCE and we have created the link from the page "Conferences/Seminars" page of our website at <http://www.asaf.org.au/>.

Since the occasion provides excellent learning and networking opportunities for members, we sincerely hope that as many participants as possible from all over the world will participate.

Website Archive of Corporate Governance

As one of the activities of the ASAF Advocacy Committee, the Secretariat has compiled a preliminary list of URLs regarding the corporate governance materials of ASAF member countries/regions, and which has been circulated to members for their additional input. It is planned to post the list to our website shortly together with a similar list regarding relevant materials of non-ASAF member regions such as Europe and the Americas.

Calendar 2005

25 October 2005

ASAF Education Committee Meeting
ASAF Advocacy Committee Meeting
ASAF Communications Committee Meeting
ASAF Executive Committee Meeting

26 October 2005

ASAF Annual General Meeting

27–28 October 2005

2005 ASAF Conference

Beijing, P.R. China

17 November 2005

ACIIA Council Meeting

Seoul, Korea

June 2006

ACIIA® Council Meeting
ACIIA® Annual General Meeting

Luxembourg

Member's Regional News

Australia — SIA

Merger approved

Members of both the Securities Institute and the Australasian Institute of Banking & Finance overwhelmingly voted in favour of a full merger of the two organisations on 29 July 2005.

The past two months have been extremely busy for the new Board and staff as they work towards full integration of functions, activities and databases. A major part of this has involved working through the new business rules that will eventually be voted on by members at the Annual General Meeting in April 2006.

The interim legal name, the **Institute of Securities Finance and Banking (ISFB)** will shortly be changed to a more permanent name, and a full rebranding campaign and process will be undertaken to firmly establish the identity of the new Institute. Feedback has shown how widespread the feeling of 'ownership' of the Institute is in the financial marketplace.

Our goal is to have all databases integrated as soon as possible. PD events and member communications have already been fully co-ordinated in each region, and our two member databases will be integrated by the end of October. Shortly after that, all members will have access to all member services and benefits via the rebranded website.

Retirement incomes

The adequacy of retirement incomes is a major issue affecting Australians and one in which the Institute can be an independent and credible voice to government.

On 12 May 2005 the Minister for Revenue and Assistant Treasurer, The Hon Mal Brough MP, asked the Standing Committee on Economics, Finance and Public Administration (chaired by Hon Bruce Baird MP) to inquire into improving the superannuation savings of people under 40. A public hearing has already been held in Sydney, with more proposed for October in which the Institute should be called as a witness. To date, however, politicians, industry bodies and academics have conceded that there is a lack of new research in this area. The Institute has been in consultation with key stakeholders on the issue such as Minister Brough's office, ASIC, the Financial Literacy Foundation and the Office for Women, and

has embarked on a project researching attitudes and behaviours towards retirement incomes among Generations X and Y in response to the current House of Representatives Committee into Retirement Savings of the Under 44 Age Group. The project might also be considered as part of the wider financial literacy initiative encouraging people to assume more responsibility for funding their retirement.

The polling phase of the project aims to gauge the attitudes and perceptions of young Australians in regard to planning for their retirement. This research — being conducted through the Institute's Consumer Affairs Taskforce (which includes high-profile members from industry, academia and government) — has particular reference to the under-40 age cohort and includes comparative analyses between men and women.

It is proposed that the project will have five elements, namely:

- Focus groups;
- Polling;
- Policy Exposition Paper;
- National Symposium; and
- PD Direct and education initiatives.

The research will be conducted in two phases. The first is independent polling by CrosbyTextor and the second is an exposition paper by a highly respected academic from the Economics Department at the University of New South Wales. Some of the findings of the initial focus groups, held in Sydney on 6 July, will also be articulated in a submission to the House of Representatives inquiry.

The research will include forward projections based on economic modelling and issues such as:

- an ageing population (life expectancy rates);
- low rates of participation by women in the workforce and how this will affect retirement incomes;
- trends regarding investment products;
- attitudes towards risk; and
- attitudes towards superannuation and the aged pension.

The key objective is to contribute to thought leadership and public debate on the major issues surrounding retirement incomes and financial literacy in Australia. The Institute also participated in a national forum of key stakeholders on financial literacy at Parliament House on 16 September.

Reporting Season Trends

The Corporate Reporting Subcommittee is conducting a research survey to provide feedback from market analysts on the current reporting seasons trends.

The survey will obtain feedback from over 100 financial analysts and seeks to identify the emerging compliance trends. The impact of these trends on the usefulness of corporate information will provide a framework for recommendations to improve the information flow through the marketplace. Key areas of research will be the impact on reporting of the transition to International Financial Reporting standards, segmental reporting and earnings disclosure.

Survey responses were collected from the end of the reporting season on 12 September and it is expected that the key findings and recommendations will be released around mid-October. We fully intend that the reporting season trends survey and report will become an annual feature of the company reporting landscape, with tracking features that will enable comparisons between periods.

Diploma of Financial Services (Banking)

The new Diploma of Financial Services (Banking) is set to become the industry standard in education for banking and other retail financial services institutions. Developed in consultation with the industry and based on nationally recognised competency standards, it meets an identified need for effective leadership and management skills and training.

The course has been designed for those in banking or retail financial services environments with team and business responsibilities in branch environments, small business banking, and commercial and retail lending. The key management capabilities developed within this course are also transferable to other industry sectors.

Students complete three core modules addressing the day-to-day challenges of managers, team leaders and supervisors, and develop the fundamental skill set required to perform effectively in these roles.

In addition, students select one of two elective modules to develop their skills in either sales and marketing or credit management and processing. Meaningful case studies and learning activities reinforce the key concepts of each module, while comprehensive learning materials provide all the essential tools for students to succeed. On

completion, graduates are encouraged to become members of the Institute.

The Diploma can be integrated into existing in-house leadership programs and customised to address the specific needs of an organisation. A Business Development staff member in your region can help with any specific queries about the course.

China — SAAC

Reform of Non-Tradable Shares – A Milestone in the Development of China's Capital Market



Dr. Lin Yixiang,
President of SAAC

The dual shareholding structure has been a major encumbrance upon development of the Chinese stock market and the reform of state-owned sector. It has substantially distorted the pricing mechanism in the domestic stock market and added uncertainty to investors' expectations. Even worse, it leads to inconsistent or even conflicting interests between non-tradable shareholders (mainly state shareholders) and tradable shareholders (public investors). Consequently, non-tradable shareholders, who usually have the control of the listed companies, tend to impinge the interests of tradable shareholders, particularly in the case of follow-up financing and selection of investment projects. The dominance of state shareholders in listed companies has also led to problematic corporate governance practices and significant related-party transactions etc.¹

In an attempt to address the above problems, China Securities Regulatory Commission (CSRC), with the approval from the State Council, announced on April 29, 2005 to kick off a pilot program to start reforming the dual shareholding structure of listed companies. The regulator's general guidelines of the pilot reform include the following: (1) non-tradable shareholders should compensate tradable shareholders as the precondition of floating their shares on stock exchanges; (2) non-tradable shares will be locked-up for 12 months after the individual

¹Please refer to the article titled "The Tradability of State-owned Shares in China – A Major Issue Facing China's Securities Market" published in ASAF Newsletter December 2004 issue.

company's reform scheme takes effect and non-tradable shareholders cannot sell more than 5% of their stakes within another 12 months and cannot sell more than 10% within 24 months; and (3) the companies should obtain the approval of reform schemes from at least two thirds of tradable shareholders.

On May 9, the regulator picked four medium-sized listed companies for the first round experiment. Each company in the program prepared an individual plan to compensate existing holders of tradable shares, with consideration mainly in the form of shares or shares combined with cash, in return for the floatability of non-tradable shares. Proposals of 3 companies won approval but the plan of computer service provider Tsinghua Tongfang failed to gain the necessary two-thirds majority.

Days after the completion of the first batch reform, the second round of pilot reform was launched on June 20, involving 42 listed companies ranging from large state-owned enterprises (SOEs) under the SASAC, local SOEs, private enterprises and small and medium-sized enterprises. The compensations to tradable shareholders demonstrate diversity but considerations are predominantly in the form of shares. Among the 42 pilot companies, 34 paid considerations in shares alone and 6 paid consideration in shares combined with cash and warrants etc. Although some of the plans have been amended reflecting the feedbacks from tradable shareholders, all 42 proposals won approvals successfully in the end.

A summary of the first 2 rounds of pilot project reform plans show that on average, tradable shareholders received 3-3.5 shares free from non-tradable shareholders for every 10 tradable shares they held. Although the stock prices of these pilot companies generally fell upon the completion of the reform, tradable shareholders' actual return increased as they have got more shares and their risks lowered.

In light of the proven success of the first 2 runs of the pilot projects and the good reception by the market, five state departments (CSRC, PBOC, SASAC, MOF and MOFCOM) jointly announced guidelines on August 24 pushing the reform process ahead. The guideline outlined the general direction of the process and paved the way for expanding the reform to the entire market. CSRC encourages all mainland-listed companies to choose a suitable time to merge their tradable and non-tradable shares. Listed companies which complete the reform would be given priority to raise new capital; and all shares in future initial public offerings will be tradable.

In addition to the guidelines, CSRC unveiled a detailed operational circular on September 4, aiming at standardizing the process of non-tradable share reform and promoting the stock market's stable development.

Following the CSRC circular, 40 listed companies have filed their share reform applications with CSRC and announced their plans which show that shares are still the mainstream form of considerations (34 companies plan to pay considerations by shares alone while another 4 companies' plans also involving shares).

Reform of non-tradable shares is an epoch-making event in China's capital market. Chinese regulatory authority has demonstrated steadiness and confidence in propelling the reform. It's expected that the completion of the share reform will increase China's stock market liquidity and improve the corporate governance and operational management of listed companies. The merger of dual share structure will enable the securities market to reflect the true demand and supply as well as to adopt proper pricing mechanism. It will also provide greater scope for tradable shareholders to negotiate with non-tradable shareholders and protect their legal rights. Furthermore, various financial innovations will emerge upon the completion of the share reform which will consummate the market structure, increase the number of investment products and improve the asset allocation function of the capital market.

Hong Kong — HKSI

Recognising the Top Achievers

Understanding the importance of nurturing the next generation of financial professionals, the HKSI recently launched a scholarship programme to all the major universities in Hong Kong. The top business and finance graduates from the city's seven major universities received a total of 63 awards – 21 senior scholarships for final year and 42 junior scholarships for second-year students – for their academic achievements in 2004/5. They will now be able to take part, for free, in some of the HKSI's practical and market-focused training programmes and professional events.

"The aim of this scholarship is to serve as a gateway to assist the next generation of finance professionals enter this exciting market," said Mr Gary Cheung, HKSI Chief Executive.

According to Mr Edward Kwan, HKSI Chairman, embracing the student community is an extension of the Institute's beliefs in the importance of continuing education, as well as networking, to achieve career goals: "We shall not be able to succeed in our task without the support of the young people who are the potential professionals of tomorrow."

The students said the benefits of the HKSI training would help them prepare for their career. "This award means we can take some courses before we even graduate, giving us an advantage in a market where competition is keen," said Mr Ng Kwok Kit, winner of a junior scholarship from Hong Kong Baptist University.

Professors at the participating universities were equally positive about the programme. "It gives students the chance to meet real professionals in the securities industry, not just learn from text books," said Mr Edward Chiu from the University of Hong Kong. Added Professor Kin Lam from Hong Kong Baptist University: "Hong Kong needs a lot of financial talent, and must put in this kind of effort to raise standards."

HKSI offers training for funds management practitioners in Shenzhen

In June 2005, the Shenzhen Securities Association invited Hong Kong Investment Funds Association (HKIFA) and the Hong Kong Securities Institute (HKSI) to develop a series of training courses for local funds management practitioners in Shenzhen. The first one-day programme was held in September 2005 with over 300 practitioners attending. The scope of training included:

1. Contrast of funds and debt markets between Mainland & Hong Kong and Valuations and investment opportunities of Mainland A-shares & B-shares – Ms Tina So.
2. Regulatory framework and structure of funds industry of Hong Kong and Risk Management – Ms Florence Chan
3. Sales techniques, client relationship management and back office management – Ms Eleanor Wan

"Participants attending the training in Shenzhen"



HKSI Directors and winners of the senior award



HKSI Directors and winners of the junior award

India — ICAI

ICFAI Education Lanka launches the International CIIA Program in Sri Lanka

ICFAI Education Lanka (IEL) has recently launched the prestigious Certified International Investment Analysts (CIIA) Program in Sri Lanka. IEL was set up by The ICAFI University recently at Colombo, Sri Lanka. The Program was launched by Mr Jean – Francois Balmay, Deputy Chairman, Association of Certified International Investment Analysts, Switzerland. H E Mangala Moonesinghe, Sri Lanka High Commissioner to India, H E Aladin Manickam, Indian Dy High Commissioner, Mr Deva Rodrigo, Chairman, Ceylon Chamber of Commerce, Mr Prema Kooray, CEO, Ceylon Chamber of Commerce also graced the occasion.

The one year CIIA Program has been designed to equip the candidates with special skill sets that are needed in the light of increasing globalization of investment markets. It will provide adequate exposure to emerging areas like Equity and Debt Research, Scientific Asset Allocation, Portfolio Management of Mutual Funds, Insurance etc., in a globalized environment. The CIIA Program consists

of two levels – National Level and International Level. The examinations will be conducted at Colombo, Sri Lanka. For further details, you may visit www.icfai.org/iel.



Dignitaries at the Launch of the CIIA Program

(from left) Mr. Sanjay Ramachandani, Vice-President, ICFAI, Mr. Prema Kooray, CEO, Ceylon Chamber of Commerce, H E Aladin Manickam, Dy. High Commissioner of India to Sri Lanka, Mr Jean – Francois Balmay, Deputy Chairman, ACIIA, H E Mangala Moonesinghe, High Commissioner of Sri Lanka to India, Mr. Deva Rodrigo, Chairman, Ceylon Chamber of Commerce, Mr. Vikas Godbole, Principal, INC.

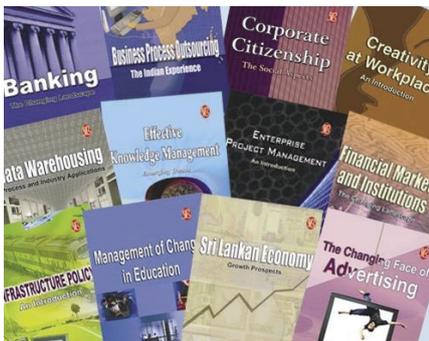
ICFAI University Press has so far published more than 570 books. For further details on the books published by the ICFAI University Press, please visit www.icfaipress.org/books.



Prof. Manas Chakravarty taking a session on Emergence of New India – Opportunities & Challenges in the FDP at Jodhpur

Faculty Development Programs

The ICFAI University recently organized a series of Faculty Development Programs at 13 different cities in India for the benefit of the Faculty Members of Educational Institutions. These Programs were conducted at Jaipur, Jodhpur, Shimla, Chandigarh, Yamunanagar, Udaipur, Kota, Jalandhar, Jammu, Amritsar, Bikaner, Bhatinda and Ludhiana. Over 450 faculty members of prominent educational institutions participated in these Programs. The Program was exclusively designed by the ICFAI University and covered sessions on teachers as mentors and role models, and the emergence of new India in terms of various economic & business aspects.



New Releases from ICFAI University Press

ICFAI University Press, a constituent of the ICFAI University has recently published 60 new titles. Some of the recently published titles include:

- Corporate Citizenship - The Social Aspects
- Enterprise Project Management – An Introduction
- Sri Lankan Economy – Growth Prospects
- Business Process Outsourcing – The Indian Experience
- Financial Markets and Institutions – The Changing Landscape
- Creativity at Workplace – An Introduction
- Infrastructure Policy - An Introduction
- The changing Face of Advertising
- Banking – The Changing Landscape

Japan — SAAJ

Recent Events

5th SAAJ Summer Seminar: New Trend of Investments, 5 July 2005, Tokyo:

Featuring stimulating lectures by prominent speakers on the subjects below, the seminar was most successful, attracting 137 participants:

Session 1: Fixed-Income-Based Hedge Funds – Investment Strategy and Risk Management

Session 2: Investment in Bonds of Emerging Markets

Session 3: Bank Loan Market and Investment – New Investment Frontiers

**7th SAAJ-Nippon Finance Association
Joint Seminar: M&A and Evaluation of
Corporate Value – Theory and Practice, 7
September 2005, Tokyo:**

SAAJ holds annual joint seminars in cooperation with Nippon Finance Association focusing on various investment topics. This 7th joint seminar featured well-known professors from Hitotsubashi University as speakers and attracted 220 participants, providing them with the latest knowledge and strategic investment skills through intensive sessions:

Session 1 Corporate Value and Evaluation Method Based on Corporate Finance Theory

Session 2 Evaluation of Corporate Value in M&A.

Other Seminars

SAAJ held 15 seminars and workshops during July-September 2005, including:

- Life Planning and Asset Allocation
Roger Ibbotson, President, Ibbotson Associates.
- Prospects for the Japanese Stock Market in the Second Half of 2005 and Investment Strategy
Seichiro Iwasawa, Financial & Economic Research Center, Nomura Securities Co. Ltd.
- Trend and Influence of FTAs on the Japanese Economy
Koichiro Ebihara, Mitsui O.S.K. Lines
- Corporate Management Under a Shrinking Population
Akihiko Matsutani, Professor, National Graduate Institute for Policy Studies

Upcoming Events/Seminars

**20th SAAJ Annual Conference:
Management Strategy for the Global M&A
Era, 7 October 2005, Tokyo:**

The annual conferences offer impressive general sessions and panel discussions. Some 500 are expected to participate.



Other Seminars:

SAAJ plans to hold the following seminars during October to December:

- Indian Economy and the Indo-Japanese Economic Relationship
Takafumi Kadokura,
Dai-ichi Life Research Institute Inc.
- Managing Fixed Income Risk and Relative Value
Eugene Flood, Chief Executive Officer,
Smith Breeden Associates
- Outlook for the World Economy in 2006
Akinari Horii, Director-General,
International Dept., Bank of Japan

Thailand — SAA, Thailand

**Training Young-Blood Securities
Analysts**

Securities Analysts Association (SAA), Thailand Securities Institute (TSI), SETTRADE.Com Co. Ltd. and the Market for Alternative Investment (MAI) jointly host the Young Researcher Competition (YRC) Project to train quality analysts for the capital market on a research competition granting prizes that include an overseas study tour and training courses worth over THB 5 mln. Qualified applicants will also have a chance to join leading firms in the capital market.

Dr. Kongkiat Opaswongkarn, President of the SAA, said that “the YRC project is essentially a material cooperative effort of the capital market organizations in developing the market’s human

resources. The project will systematically be training future securities analysts while they are still in college so that they learn the right approach from the very beginning."

"The SAA will support the project by training 200 Round - 2 qualifiers on how to do research, how to conduct executive interviews and tips on how to write a research report. The trainers will all be leading experts.

Experienced analysts also join SAA in supporting this project by volunteering to lead participants in visiting specified listed companies in the Stock Exchange of Thailand and MAI.



The SAA has been collaborating with various organizations in training quality securities analysts. This includes projects such as its Securities Analysts Workshops and its Professional Counseling for Students," he ended.

Recent activities of SAA

On August 15, 2005 SAA held a seminar, in cooperation with the Stock Exchange of Thailand, for analysts on "Advanced Analysis on Thai Economics". The event was very successful with more than 250 participants from securities companies, mutual fund companies, banks and listed companies. Speakers were Dr. Chalongphob Sussangkarn, President, Thailand Development Research Institute (TDRI); Dr. Atchana Waiquamdee, Assistant Governor - Monetary Policy Group, Bank of Thailand, Dr. Somchai Sujjapongse, Deputy Director-General, Fiscal Policy Office, Ministry of Finance.



SAA, as a small part in Save Andaman Network, which consists of six core local government and non-profit organizations and 44 national organizations including the Federation of Thai Capital Market Organizations (FeTCO) of which SAA is a member, received a memento from local people on July 28, 2005 as an expression of gratitude for the assistance they received. The scope of Save Andaman Network's assistance was to give support to local communities and restoration of the environment in Tsunami-devastated areas. Up till now, the network has given support to 123 villages, for example, restoration of houses and fishing boats, fishing gears, restoration of livelihoods and rehabilitations of natural resources base.



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