

ACGA 12th Annual Conference

Asian Business Dialogue on Corporate Governance 2012



Organiser:



Asian Corporate Governance Association

“The Governance of Economic and
Financial Integration in Southeast Asia”

November 6 & 7, 2012

The St. Regis Bangkok

159 Rajadamri Road, Bangkok 10330, Thailand

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Welcome Letter & Acknowledgements

Dear Friends,

Welcome to the “Asian Business Dialogue on Corporate Governance 2012”, our twelfth annual conference, first major event in Thailand and our first event focussing on ASEAN as a theme. We are delighted to be in Bangkok this year and look forward to a stimulating series of discussions on “The Governance of Economic and Financial Integration in Southeast Asia”, as well as other current issues in Asian corporate governance.

The purpose of the Asian Business Dialogue is to bring together directors, managers, investors, professionals and officials working in the governance field for a productive sharing of views and experiences. We aim to make the programme timely (updates on recent developments), relevant (discussion of new markets and significant issues) and practical (workshops on functional areas and emerging challenges). We hope you take away many good ideas and insights.

We are honoured to have **Mr. Surong Bulakul**, Chief Financial Officer, PTT Plc., Thailand as our Gala Dinner speaker tonight. We very much look forward to his speech, “The Energy Sector in ASEAN: Opportunities and Challenges”.

We are also pleased to welcome **Mr. Richard Marshall**, Former Director, Global Cyber Security Management, Department of Homeland Security, United States, as our keynote speaker immediately after lunch, when we shift gears and look at the topical issue of cyber security: “The Changing Global Landscape of Cyber Security: Implications for Asia”.

As always, we could not organise this conference without the generous financial and organisational support of a large number of companies and individuals. We are honoured this year to have the support of four PTT Group companies – PTT Plc, PTTEP, PTT Global Chemical and Thairoil – as a Principal Sponsor, and we would like to thank Khun Theerasak and his team at PTTEP for coordinating their contribution.

We would like to welcome another Thai company, Central Group, a leading property, retail and hotel group, as a Workshop Sponsor. We thank them also for their confidence in ACGA and this event.

We again owe a large debt of gratitude to several ACGA members for their generous and continuing support for the Asian Business Dialogue:

- Principal sponsors: Aberdeen Asset Management Asia and CLSA Asia-Pacific Markets
- Supporting sponsors: Deloitte and Noble Group
- Luncheon sponsor: Capital Group
- Gala Dinner sponsor: China Universal Asset Management
- Workshop sponsor: Corston-Smith Asset Management

We have been very fortunate this year in having three leading Thai organisations as Supporting Organisations. They are the Government Pension Fund (GPF), the Thai Institute of Directors (IOD) and the Thai Listed Companies Association (TLCA). We would like to thank Khun Sopawadee and her team at the GPF, Dr. Bandid and his team at the IOD, and Khun Pensri and her team at TLCA, for their friendly assistance, advice and support.

We would also like to express our sincere thanks to the following organisations and individuals:

- Khun Pote, Khun Kanchit and their colleagues at Lombard Investments, Inc.
- Dominic Scriven, Phan Minh Tuan and the team at Dragon Capital in Vietnam.
- Eric Green of ELG Consulting, New York.
- Benjamin McCarron, formerly of Sustanalytics / Responsible Research, Singapore
- Rajifah binti Ramli of DIGI Malaysia.

Finally, a very big thank you to all our speakers and delegates for devoting time, effort and resources to participate in this year’s Asian Business Dialogue. We look forward to your feedback and any suggestions you may have on how we can make our 2013 conference – to be held in Seoul, Korea – even better.

Your sincerely,

Jamie Allen
Secretary General

Keynote Speeches and Conference Overview

Day 1: Tuesday, November 6, 2012

9.00am – 9.15am	Welcoming Remarks Ambassador Linda Tsao Yang , Chair, Asian Corporate Governance Association
9.15am – 10.15am	Plenary 1 Asian Corporate Governance Overview – Highlighting “CG Watch 2012” and Developments in Thailand
10.15am – 10.45am	Coffee Break
10.45am – 12.15pm	Plenary 2 Governance in the New Frontier – Focus on Myanmar and Vietnam
12.15pm – 1.30pm	Luncheon: Viu Restaurant, 12 th Floor, St. Regis
1.30pm – 2.30pm	Keynote Speech Emerging Issue: “The Changing Global Landscape of Cyber Security – Implications for Asia” Mr. Richard Marshall , Former Director, Global Cyber Security Management, National Cyber Security Division, Department of Homeland Security, United States
2.30pm – 4.00pm	Plenary 3 Accounting Games in Asia: the story continues...
4.00pm – 4.30pm	Coffee Break
4.30pm – 6.00pm	Plenary 4 ASEAN Capital Market Integration – Implications for Investment and Regulatory Change
6.00pm – 6.05pm	Conference Closing, Day 1
6.05pm – 7.00pm	Cocktail Reception, Pre-Function Area, 14 th Floor, St. Regis
7.00pm – 9.00pm	Gala Dinner, Astor Ballroom – with Keynote Speaker: Mr. Surong Bulakul , Chief Financial Officer, PTT Plc., Bangkok “The Energy Sector in ASEAN: Opportunities and Challenges”

Day 2: Wednesday, November 7, 2012

9.00am – 9.15am	Welcome and Summary of Day 1 (Astor II and III)	
Workshops	Track 1: For Companies	Track 2: For Investors
	Company Secretary Panel – The unsung heroes of board governance	Audit Quality and Regulation in Asia – What questions should investors be asking?
9.15am – 10.45am	Coffee Break	
10.45am – 11.15am	Sustainability Reporting – How does it benefit Asian listed companies?	Portfolio Manager Panel – Experiencing Asian corporate governance from the frontline
11.15am – 12.45pm		
12.45pm – 1.30pm	Luncheon: Viu Restaurant, 12th Floor, St. Regis	

Day 1: Tuesday, November 6, 2012

Morning MC: Mr. Steven Watson, Director and Senior Vice President, Capital Research Company, Hong Kong; Chairman, Capital China Group; and ACGA Council Member

9.00am – 9.15am

Welcoming Remarks

Ambassador Linda Tsao Yang, Chair, Asian Corporate Governance Association

9.15am – 10.15am

Plenary 1

Asian Corporate Governance Overview – Highlighting “CG Watch 2012” and Developments in Thailand

If there is one constant in Asian corporate governance reform over the past 15 years, it is that the process is usually non-linear: few countries or markets have been able to sustain improvements year in, year out, and the political will for reform usually rises and falls in inverse relation to the stock market. ACGA’s sixth regional survey of corporate governance quality in Asia, “CG Watch 2012”, carried out in collaboration with CLSA, shows an interesting trend over the past two years — markets in Southeast Asia are mostly improving, while those in North Asia are struggling. Where does Southeast Asia stand out? What is holding back the North? How does Thailand perform and what are the toughest challenges it needs to overcome?

Speakers:

Mr. Jamie Allen, Secretary General, Asian Corporate Governance Association

Dr. Bandid Nijathaworn, President & CEO, Thai Institute of Directors, Bangkok

10.15am – 10.45am

Coffee Break

10.45am – 12.15pm

Plenary 2

Governance in the New Frontier – Focus on Myanmar and Vietnam

With the rapid opening of Myanmar to foreign trade and investment, and the growing challenges facing Vietnam in economic management, it is an opportune time to look at the range of political, legal and economic reforms being undertaken in both countries to foster national development. What changes must each country undergo to build sound public- and private-sector institutions capable of ensuring a high level of investor confidence and healthy growth? Is corruption being seriously addressed? Where does corporate governance fit into the picture?

Moderator:

Mr. Pote Videt, Managing Director, Lombard Investments, Inc., Bangkok; and ACGA Council Member

Speakers:

Mr. Dominic Faulder, Journalist & Author on Myanmar and Thailand, Bangkok

Mr. Albert T. Chandler, Senior Partner, Chandler & Thong-ek Law Offices, Bangkok

Mr. Dominic Scriven OBE, CEO, Dragon Capital Group, Ho Chi Minh City

Mr. Nguyen Vu Quang Trung, Deputy CEO, Hanoi Stock Exchange, Hanoi

12.15pm – 1.30pm

Luncheon: Viu Restaurant, 12th Floor, St. Regis

Afternoon MC: Mr. Anthony Muh, CEO, Asset Management, H.R.L. Morrison & Co., Hong Kong; and ACGA Council Member

1.30pm – 2.30pm

Emerging Issue: “The Changing Global Landscape of Cyber Security – Implications for Asia”

It seems that every day the media brings a different story about online crime around the world. Security breaches at companies appear to be getting worse, while individuals are increasingly afraid that their private data will be stolen. As economies and financial markets in Southeast Asia integrate more closely in the coming years, what are the implications for cyber security? What do governments, companies and individuals need to know and how should they be prepared? Does Asia face any unique challenges in building secure online systems?

Moderator:

Mr. Shasi Gangadharan, Senior Vice President, Chubb Specialty Insurance Manager, Asia-Pacific Zone, Singapore

Speaker:

Mr. Richard H.L. Marshall, Former Director, Global Cyber Security Management, National Cyber Security Division, Department of Homeland Security, United States

2.30pm – 4.00pm

Plenary 3

Accounting Games in Asia: the story continues...

Short sellers, forensic analysts and media commentators have had a field day in recent years dissecting the financial statements of suspect companies around Asia. While China has been the focus of most attention, due in part to its sheer size and to the many Chinese firms that listed in the US through “reverse takeovers”, the Olympus and AIJ accounting scandals in Japan show that even more established economies are not immune to fraud and financial misrepresentation. Are we winning the battle against aggressive accounting in Asia? What impact do regulatory and systemic factors, such as new international accounting standards and the capacity of audit firms, have on the growth of aggressive accounting? How does the quality of financial reporting in Asia compare to Europe and North America?

Moderator:

Mr. Steven Watson, Director and Senior Vice President, Capital Research Company, Hong Kong; Chairman, Capital China Group; and ACGA Council Member

Speakers:

Dr. Paul Gillis, Professor of Practice, Guanghua School of Management, Peking University, Beijing; and Author, *China Accounting Blog*

Mr. Gillem Tulloch, Founder and Managing Director, Forensic Asia, Hong Kong

4.00pm – 4.30pm

Coffee Break

4.30pm – 6.00pm

Plenary 4

ASEAN Capital Market Integration – Implications for Investment and Regulatory Change

The launch of the ASEAN Trading Link on September 18, 2012, initially connecting Singapore and Malaysia and shortly afterwards Thailand, marked a tangible step forward in the region's moves towards financial integration and the creation of an ASEAN asset class: the three countries alone comprise almost 3,000 listed companies worth US\$1.4 trillion and account for 70% of the region's market cap. With plans for a broad-based ASEAN Economic Community by 2015, opportunities for expanded cross-border trade and investment within Southeast Asia appear to be considerable. How will different countries and sectors within ASEAN benefit from capital market integration? What are some of the biggest risks in this project? Will increased cross-border investment necessitate enhanced regulatory cooperation and enforcement? And how will significant gaps in governance rules and standards among countries be bridged?

Moderator:

Mr. Jamie Allen, Secretary General, Asian Corporate Governance Association

Speakers:

Mr. Ranjit Singh, Chairman, Securities Commission Malaysia, Kuala Lumpur

Mr. Chalee Chantanayingyong, Deputy Secretary-General, Securities and Exchange Commission of Thailand, Bangkok

Mr. Hans B. Sicat, CEO, The Philippine Stock Exchange, Inc., Manila

6.00pm – 6.05pm

Conference Closing, Day 1

6.05pm – 7.00pm

Cocktail Reception, Pre-Function Area, 14th Floor, St. Regis

7.00pm – 9.00pm

Gala Dinner, Astor Ballroom, St. Regis

Keynote Speaker:

Mr. Surong Bulakul, Chief Financial Officer, PTT Plc., Bangkok

“The Energy Sector in ASEAN: Opportunities and Challenges”

Day 2: Wednesday, November 7, 2012

9.00am – 9.15am

Welcome and Summary of Day 1

Mr. Robert Morrison, Chairman, Kiwibank, Wellington; and ACGA Council Member

Parallel Workshops

9.15am – 10.45am

Track 1 – For companies:

Company Secretary Panel – The unsung heroes of board governance

Much of the debate about board governance today focusses on the role of board committees and directors, especially independent directors. Although not surprising, given the emphasis placed on them in codes of best practice, such discussion arguably devotes insufficient attention to the expanding role of company secretaries in corporate governance. An experienced company secretary can make a big difference to the effectiveness of boards, committees and even the performance of individual directors. Indeed, it is hard to imagine a successful board without one. This workshop will discuss how the role of company secretaries is changing around Asia, the main internal and external challenges they face, and how they can play more of a governance advisory role within their own organisations.

Moderator:

Ms. Pensri Suteerasarn, President, Thai Listed Companies Association, Bangkok

Speakers:

Mrs. April Chan, Company Secretary, CLP Holdings, Hong Kong

Mrs. Phatchada Muenthong, Director of Governance, Risk Management and Compliance, BigC Plc, Bangkok

Track 2 – For investors:

Audit Quality and Regulation in Asia – What questions should investors be asking?

Shortly after the enactment of the Sarbanes-Oxley Act in the US in 2002, the issue of auditor independence and regulation started to find its way onto the regulatory agendas of most governments in Asia. This trend intensified following the global financial crisis and the emergence of numerous accounting frauds and failures of corporate governance, leading to the inevitable question: What did the auditor know? Auditors today are under more pressure than ever to know their clients, exercise professional scepticism, qualify accounts and explain themselves to investors. Yet there are growing concerns that downward pressure on fees and more lucrative careers outside audit are causing a brain drain in the industry. What is the current and future capacity of the audit profession in Asia in terms of personnel and depth of experience? To what extent do human-resource or other constraints affect the quality of auditing? How effective are audit regulatory bodies in Asia in helping to improve audit quality and the sustainability of the audit profession? Are they sufficiently independent of the CPA firms they are regulating?

Moderator:

Mr. Lee White, CEO, The Institute of Chartered Accountants in Australia, Sydney

Speakers:

Mr. N. Venkatram, Managing Partner, Audit, Deloitte Haskins and Sells, Mumbai

Mr. Mirza Baig, Director, Governance and Sustainable Investments, F&C Investments, Asia

10.45am – 11.15am

Parallel Workshops

11.15am – 12.45pm

Coffee Break

Track 1 – For companies:

Sustainability Reporting – How does it benefit Asian listed companies?

Listed companies around the world are coming under increasing pressure to disclose information about their impact on society and the environment, and to explain how their policies on “sustainability” are integrated with their business operations. The dynamic Asian socio-economic and environmental contexts also expose companies to latent risks and opportunities. Sustainability reporting therefore now places as much of an emphasis on a firm’s ability to navigate through environmental and social risks and opportunities as it does on business impacts on society and the environment.

Although some Asian companies have sustainability reporting practices that match the best in the world, disclosure levels across Asian markets remain low. Not only does regulation in this area vary around the region, so too does the approach companies take – from simple philanthropy to more committed “corporate social responsibility” and fully fledged sustainability strategies. What is the value to Asian companies of taking sustainability reporting seriously? What sets the best reporters apart? This workshop will frame the discussion of this complex and rapidly evolving issue around the following pillars:

- Key drivers and evolution of sustainability reporting in Asia.
- The importance of broad-based senior executive support.
- “Mainstreaming”: Linking sustainability programmes to business activities.
- New developments in reporting: Integrated reporting, GRI G4.
- Pitfalls that companies can avoid.

Moderator:

Mr. Jaideep Singh Panwar, Manager, Research Products, Sustainalytics, Singapore

Speakers:

Ms. Esther An, Head of Corporate Social Responsibility & General Manager (Corporate Affairs), City Developments, Singapore

Mr. Ola Jo Tandre, Director Corporate Responsibility, Telenor Group, Fornebu, Norway

Track 2 – For investors:**Portfolio Manager Panel – Experiencing Asian corporate governance from the frontline**

Corporate governance is becoming an increasingly important aspect of the work of public-equity investors in Asia. From assessing governance quality when making investments to calculating the impact of potentially value-destroying transactions and capital-raising exercises, portfolio managers need to be alert to a wide range of governance risks and regulatory loopholes. After more than a decade of sustained reform in corporate governance in Asia, what do portfolio managers see as the most substantive areas of improvement? Which things have changed the least? What do investors look for when considering the quality of a company's governance, and how have their portfolio companies evolved over the years? Can financial regulators be relied upon to protect minority shareholders, or is it still largely a case of buyer-beware? And what is the best way to create a relationship of trust with a controlling shareholder?

Moderator:

Mr. Anthony Muh, CEO, Asset Management, H.R.L. Morrison & Co., Hong Kong; and ACGA Council Member

Speakers:

Mr. Arnout van Rijn, CIO, Robeco Asia-Pacific, Hong Kong

Mr. Adithec Vanabriksha, CIO, Aberdeen Asset Management, Bangkok

12.45pm – 1.30pm

Luncheon: Viu Restaurant, 12th Floor, St. Regis**SAVE THE DATE:****Asian Business Dialogue on Corporate Governance 2013 – Seoul, Korea**

ACGA plans to hold its 13th Annual Conference in Seoul, Korea in late 2013. While the date and venue have yet to be finalised, please mark your diaries for early to mid-November of next year. We will confirm the details as soon as possible.

For early registration details:

Please contact Barbara Ko, ACGA Administration, Membership & Events Manager, on (852) 2160 1788 or email to Barbara@acga-asia.org

Principal Sponsors:

Aberdeen Asset Management Asia

Aberdeen Asset Management Asia Limited (Aberdeen Asia) is the regional arm of the Aberdeen Group, a UK-based global asset manager. We have been investing in Asia for over 20 years, and since 1992 from our headquarters in Singapore. We are one of the largest managers of regional equities globally. We also have a dedicated regional bond team. Assets are invested in a variety of country and regional funds, as well as specialist products, for leading institutions, other asset managers and retail investors. In addition to Singapore, we have offices in Hong Kong, Thailand, Malaysia, Australia, Japan and Taiwan, plus representation in China. Our research-led, long-term investment approach has resulted in many awards for investment performance. Aberdeen Asia is a member of ACGA.

CLSA Asia-Pacific Markets

CLSA Asia-Pacific Markets is Asia's leading and longest-running independent brokerage and investment group. The company provides equity broking, investment banking and asset management services to global corporate and institutional clients.

Renowned for service excellence, product innovation and award-winning market intelligence, CLSA has built its reputation on unrivalled equity research and economic analysis which is consistently ranked the best in Asia.

Founded in 1986 and headquartered in Hong Kong, CLSA has over 1,500 dedicated professionals located in 20 cities across Asia-Pacific, as well as the UK and the US. CLSA's major shareholder is France's Crédit Agricole, which merged in 2003 with Credit Lyonnais. In July 2012, China's CITIC Securities became a minority shareholder of CLSA.

CLSA Asia-Pacific Markets is a Founding Corporate Sponsor of ACGA. In September 2012, CLSA released its *Corporate Governance ('CG') Watch 2012* report, the 9th survey of corporate governance across Asia since 2000, and sixth in collaboration with ACGA.

PTT Group Companies:

PTT Plc

PTT Public Company Limited (PTT) is a fully-integrated national petroleum and petrochemical company with a leading position in exploration and production, transmission, petrochemical, refining, marketing and trading of petroleum and petrochemical products. PTT's operations cover the entire business value chain from upstream through to downstream with a focus on incremental value addition to promote national energy security and economic prosperity.

PTT spells out a corporate governance policy for the Board of Directors, executives and employees to follow as a working guideline, thereby promoting efficient business performance and corporate governance excellence coupled with business conduct in an ethical, transparent and auditable manner. Listed in Dow Jones Sustainability Indexes 2012, PTT, with a philosophy of equitable business growth, environmental stewardship, and powering Thailand's society to strive for sustainable social development and economic growth, never loses its grip on responsibilities for society, environmental protection, and preservation of nature.

PTT Exploration and Production

PTT Exploration and Production Public Company Limited (PTTEP), established in 1985, is Thailand's national petroleum exploration and production company. The company is gas-focused, accounting for 70% of its sales volume. PTT Group's current Exploration and Production Portfolio includes 44 E&P projects across Thailand, Indonesia, Cambodia, Myanmar, Vietnam, Oman, Algeria, Bahrain, Australia, New Zealand, Canada, and Mozambique. PTTEP emphasizes value creation and sustainable growth through operations excellence with safety while being socially responsible and environmentally conscious as well as adhering to good corporate governance and financial discipline.

PTT Global Chemical

PTT Global Chemical Public Company Limited (PTTGC) is the “Chemical Flagship” of PTT Group, with a total Olefins and Aromatics production capacity of 8.2 million tons / year and petroleum production capacity of 280,000 barrels / day. This makes PTTGC the largest integrated petrochemical and refining company in Thailand with its diversity of products in both the Olefins and Aromatics lines, consisting of seven business groups: Group Performance Center – Refinery and Shared Facilities; Aromatics; Olefins; Polymers Business Unit; EO-Based Performance Business Unit; Green Chemicals Business Unit; and High Volume Specialties Business Unit, all of which improves its competitive advantage in the petrochemical industry.

Thaioil

Thai Oil Public Company Limited operates a highly complex refinery utilizing modern and efficient processing technologies to produce petroleum products primarily for domestic distribution. The company has further diversified by investing in related businesses, including a petrochemicals plant, a lube base oil refinery, the distribution of solvent and petrochemical products, marine and pipeline transportation of crude oil, petroleum and petrochemical products as well as providing professional management consulting services.

Supporting Sponsors:

Deloitte

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 200,000 professionals, all committed to becoming the standard of excellence.

Noble Group

Noble Group (SGX: N21) manages the global supply chain of agricultural and energy products, metals and minerals. Noble operates from over 140 locations, employing more than 70 nationalities. Noble manages a diversified portfolio of essential raw materials, integrating the sourcing, marketing, processing, financing and transportation of those materials. Noble owns and manages a portfolio of strategic assets, sourcing from low cost producers such as Brazil, Argentina, Australia and Indonesia and supplying to high growth demand markets including China, India and the Middle East. Today, Noble has interests in grain crushing facilities, coal and iron ore mines, fuel terminals and storage facilities, sugar and ethanol plants, ports, vessels and other key infrastructure facilities.

Gala Dinner Sponsor:

China Universal Asset Management

Founded in October 2004, China Universal Asset Management Co., Ltd. (China Universal) is one of the most well-respected and innovative asset managers in China. Various strategies are available through a wide range of investment vehicles, including mutual funds, segregated accounts, institutional accounts as well as offshore investment products. By the end of September 2012, 25 mutual funds had been launched and constituted a diversified product line covering equity, index, bond, money markets and QDII funds.

Besides the honors awarded for its demonstrated capability, China Universal is also one of the asset managers of the National Social Security Fund (NSSF).

With its headquarters in Shanghai and branch offices in Beijing, Guangzhou and Chengdu, China Universal offers nationwide coverage with a strong local market presence. And the Hong Kong subsidiary is the international business platform and off-shore research center that allows us to access investment opportunities around the world.

Luncheon Sponsor:

Capital Group Companies

The Capital Group Companies manages money for individuals, families, corporations, governments and non-profits around the globe. Serving investors for nearly 80 years, the Capital Group is home to Capital International, a respected institutional investment manager serving clients in countries around the world. It is also the home of American Funds, one of the three largest mutual fund families in the United States. It is a member of ACGA.

Workshop Sponsors:

Central Group of Companies

- Founded in 1947, Central Group is one of the largest and most successful retail conglomerates in South East Asia.
- The Group consists of 5 core businesses:
 - 1 Central Retail Corporation (CRC): Owner and operator of leading department stores, supermarkets, and category killers (More than 700 stores in various sizes and formats);
 - 2 Central Pattana (CPN): Owner and developer of Shopping Centers and Mix-Used Complex;
 - 3 Central Marketing Group (CMG): Manufacturer and distributor of international and house brands of consumer products (Over 100 brands);
 - 4 Centara Hotels and Resorts (CHR): Owner and operator of Centara hotels, resorts, and convention centers (15 owned Centara hotels and 40 hotels under management contracts); and
 - 5 Central Restaurants Group (CRG): Franchisees of quick service restaurant chains (Over 600 international quick service restaurants).
- The Group's publicly-listed entities, Central Pattana, Centara Hotels & Resorts, Robinson Department Store, and BigC, are among the most highly regarded and actively traded stocks on the Stock Exchange of Thailand.
- In 2011, the Group achieved revenues of US\$ 4.5 Billion with approximately 6.7 Million sqm of retail space.
- The Group has embarked on an aggressive international expansion initiative, with the first department store in China opening in 2010. Recently, in 2011, the Group acquired la Rinascente, the leading luxury department store of Italy.
- The Group employs over 79,000 people.

Note: Number of stores as of December 2011

Corston-Smith Asset Management Sdn Bhd

Corston-Smith is an independent Southeast Asian asset management firm that focuses on corporate governance. Licensed by the Securities Commission of Malaysia and with offices in Kuala Lumpur and Singapore, Corston-Smith provides fund management services to institutional clients to achieve positive investment returns through corporate transparency and a longstanding commitment to good corporate governance whilst maintaining international investment standards and practices. Robust and appropriate Board structures and directors who are free of conflict and of integrity is something that companies have direct control over. Through a continuing and constructive dialogue we are able to engage with the investee companies, which will result in better performance and returns for all stakeholders.

Supporting Organisations:

Government Pension Fund

The Government Pension Fund (GPF) is a defined contribution fund. It was established on March 27th, 1997 under the Government Pension Fund Act B.E. 2539 (1996).

The GPF is designed to provide an add-on defined contribution scheme to the existing defined benefit scheme administered by the Ministry of Finance (Old Civil Services Scheme) and to promote contractual saving and long-term investments.

Contributing membership is mandatory for eligible officials who join the government service after the fund's inception (March 27th, 1997). Membership, however, is voluntary for officials who entered the government service prior to the Fund's inception. GPF members will receive two composite portions of retirement income; one from the old civil service (PAYG scheme), financed by the government out of the annual budget, and the other from GPF, which came from the contributions of the government and the member plus the investment return made by GPF.

To provide security for member's retirement, GPF aims to obtain a good balance between preservation of capital and growth of return under the pre-determined risk level, and to ultimately achieve a higher return than long-term inflation. GPF strongly believes in the benefits of risk diversification and adopts this principle in its investment process. The Strategic Asset Allocation comprises various types of securities for diversification. In addition, the Fund has a policy to outsource 20-30% of its asset under management to external managers in order to diversify risk as well as to gain technology & expertise transfer.

Also, as one of the country's largest institutional investors, GPF plays a leading role as a responsible investor by both adopting and encouraging corporate governance and ESG practices in the investment community.

Thai Institute of Directors Association

The Thai Institute of Directors Association (IOD) is a leading organisation dedicated to improving director professionalism and corporate governance in Thailand. Founded in 1999, two years following the 1997 Asian financial crisis, the IOD has been at the forefront of promoting good governance practices in Thai companies. Through its various activities, the IOD has helped develop professional standards of directorship, and provided best practice guidelines for company directors to perform their duties effectively up to international standards. It is the IOD's belief that with effective directors a company will be guided so that it will be managed and operated effectively, hence, resulting in better shareholder value and sustainable growth of the Thai economy.

The IOD is a not-for-profit, membership organisation, established with support from Thailand's core capital market institutions, namely the Securities and Exchange Commission, the Stock Exchange of Thailand, the Bank of Thailand, and the Foundation for Capital Market Development Fund, as well as international organisations such as the World Bank. Today, the IOD is accepted domestically and internationally for its leading role in corporate governance, and has been cited as one of the most successful professional bodies in both national and international forums.

Thai Listed Companies Association

Thai Listed Companies Association (TLCA) was founded on February 11, 1987 with 8 founding members and was then named "Listed and Authorized Companies Club". Later in 1989, it changed its name to "Listed and Authorized Companies Association" and registered with the Department of Business Development, Ministry of Commerce under the Commercial Association Act. It was again renamed "Listed Companies Association" on July 27, 1994 and since then has operated as a non-profit organisation under the umbrella of the Federation of Thai Capital Market Organisations.

TLCA aims to assume a more prominent role in representing its members by working closely with the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC) and other entities in the Federation of Thai Capital Market Organisations as well as other related government and private entities. It will also actively communicate its positions, activities and accomplishments to our members and public at large.

ACGA Member Discussion Forums

ACGA Investor Discussion Group (AIDG)

Launched in June 2003, the ACGA Investor Discussion Group (AIDG) is a forum for institutional investor members to share ideas and experiences on topical issues of corporate governance in Asia.

AIDG helps investors keep abreast of major CG developments of relevance to them in the 11 markets covered by ACGA. It also acts as an important sounding board on policy, regulatory and company issues affecting minority shareholders in Asia. ACGA incorporates this feedback into our advocacy white papers, letters and submissions.

Meetings are held once per quarter by conference call. Because of time-zone differences, two calls are arranged – one for Asia / Europe and one for North America / Australia.

Selected issues on the agenda of AIDG meetings in 2012:

1. **Japan:** New “Japan Strategy Paper” / Updates on Olympus / Dilutive private placements / Quality of audits / Status of independent directors
2. **Korea:** Ministry of Justice plans for strengthening outside directors
3. **Taiwan:** New regulations allowing split voting / Board battle at China Petrochemical Development Corporation / Engagement on voting by poll and audit committees
4. **Hong Kong:** New consultation from the Securities and Futures Commission on the regulation of IPO sponsors / underwriters
5. **India:** The Ministry of Corporate Affairs’ new Corporate Governance Committee
6. **Singapore:** Follow up on SGX consultation regarding voting by poll in 2011

ACGA Corporate Discussion Group (ACDG)

Launched in February 2012, the ACGA Corporate Discussion Group (ACDG) is a forum for Asian listed company members on topical issues in corporate governance policy and practice in Asia.

ACDG seeks to assist companies in the execution of their governance work and provides a platform for the sharing of ideas and experience. The Group also acts as a sounding board on policy, regulatory and best practice issues facing Asian companies.

Meetings are held once per quarter, with a physical meeting in Hong Kong and a conference-call facility for members based around the region.

Selected issues on the agenda of ACDG meetings in 2012:

1. Newly revised Codes of Corporate Governance in Hong Kong, Singapore and Malaysia — key points of relevance for directors and company secretaries.
2. New regulations on disclosure of “price-sensitive information” in Hong Kong.
3. The Private Sector Anti-Corruption Coalition in Thailand
4. Board evaluation — how companies do it.
5. ACGA China Board Manual — research on the evolution of boards in China

Over time, ACGA’s intention is to explore ways to bring the two groups together for mutually useful discussions on current issues in Asian corporate governance.

ACGA Member Discussion Forums

ACGA Investor Discussion Group (AIDG)

Launched in June 2003, the ACGA Investor Discussion Group (AIDG) is a forum for institutional investor members to share ideas and experiences on topical issues of corporate governance in Asia.

AIDG helps investors keep abreast of major CG developments of relevance to them in the 11 markets covered by ACGA. It also acts as an important sounding board on policy, regulatory and company issues affecting minority shareholders in Asia. ACGA incorporates this feedback into our advocacy white papers, letters and submissions.

Meetings are held once per quarter by conference call. Because of time-zone differences, two calls are arranged – one for Asia / Europe and one for North America / Australia.

Selected issues on the agenda of AIDG meetings in 2012:

1. **Japan:** New “Japan Strategy Paper” / Updates on Olympus / Dilutive private placements / Quality of audits / Status of independent directors
2. **Korea:** Ministry of Justice plans for strengthening outside directors
3. **Taiwan:** New regulations allowing split voting / Board battle at China Petrochemical Development Corporation / Engagement on voting by poll and audit committees
4. **Hong Kong:** New consultation from the Securities and Futures Commission on the regulation of IPO sponsors / underwriters
5. **India:** The Ministry of Corporate Affairs’ new Corporate Governance Committee
6. **Singapore:** Follow up on SGX consultation regarding voting by poll in 2011

ACGA Corporate Discussion Group (ACDG)

Launched in February 2012, the ACGA Corporate Discussion Group (ACDG) is a forum for Asian listed company members on topical issues in corporate governance policy and practice in Asia.

ACDG seeks to assist companies in the execution of their governance work and provides a platform for the sharing of ideas and experience. The Group also acts as a sounding board on policy, regulatory and best practice issues facing Asian companies.

Meetings are held once per quarter, with a physical meeting in Hong Kong and a conference-call facility for members based around the region.

Selected issues on the agenda of ACDG meetings in 2012:

1. Newly revised Codes of Corporate Governance in Hong Kong, Singapore and Malaysia — key points of relevance for directors and company secretaries.
2. New regulations on disclosure of “price-sensitive information” in Hong Kong.
3. The Private Sector Anti-Corruption Coalition in Thailand
4. Board evaluation — how companies do it.
5. ACGA China Board Manual — research on the evolution of boards in China

Over time, ACGA’s intention is to explore ways to bring the two groups together for mutually useful discussions on current issues in Asian corporate governance.

ACGA Corporate Members

- Aberdeen Asset Management Asia
- AEGON Asia
- AMP Capital Investors
- Amundi
- Andra AP-fonden AP2
- Aon Corporation
- APG Asset Management
- Asia Mezzanine Capital Group
- Asian Development Bank
- The Association of Chartered Certified Accountants
- AXA Investment Managers
- Baillie Gifford
- Bank Consortium Trust Company Ltd
- BlackRock
- bcIMC
- CalPERS
- CalSTRS
- Cbus Superannuation Fund
- China Universal Asset Management
- Chubb Insurance
- CLP Holdings
- CLSA Asia-Pacific Markets
- The Co-operative Asset Management
- Corston-Smith Asset Management
- CPA Australia
- Deloitte Touche Tohmatsu
- Deutsche Bank AG
- Dixon Advisory & Superannuation Services
- DLA Piper
- Dragon Capital Group Limited
- East Capital
- Eastspring Investment (Singapore) Limited
- F&C Asset Management
- FIL Investment Management (Singapore) Limited
- First State Investments
- Florida State Board of Administration
- Governance for Owners
- Grant Thornton
- Harris Associates
- Henderson Global Investors
- Hermes Fund Managers
- The Hongkong and Shanghai Banking Corporation Limited
- Hysan Development Company
- Ichigo Asset Management
- Indus Capital Partners
- ING Asia / Pacific
- International Finance Corporation (IFC)
- Invesco Asset Management (Japan) Limited
- Investec Asset Management
- Jardine Lloyd Thompson
- Jones Day
- KPMG International
- Legal & General Investment Management
- LGT Capital Partners
- Li & Fung
- LIM Advisors
- Lloyd George Management
- Lombard Investments
- Manulife (International)
- Maple-Brown Abbott
- Marsh
- Milbank, Tweed, Hadley & McCloy
- Mn Services
- Morgan Stanley Investment Management
- Newton Investment Management Ltd
- Noble Group
- Norges Bank Investment Management
- Oaktree Capital Management
- Ontario Teachers' Pension Plan
- Overlook Investments
- PGGM Investments
- PT Austindo Nusantara Jaya
- RAILPEN Investments
- Richard Ivey School of Business (Asia)
- Robeco
- Southeastern Asset Management
- Standard Life Investments
- State Street Global Advisors (Asia)
- SMAM
- Swire Pacific
- Taiwan Semiconductor Manufacturing Company
- Taiyo Pacific Partners
- Threadneedle Asset Management
- TIAA-CREF
- UCLA Anderson School of Management
- UniSuper Management
- Universities Superannuation Scheme
- University of Wisconsin Law School
- Utilico Emerging Markets
- Vietnam Dairy Joint Stock Company
- Ward Ferry Management Limited
- Washington State Investment Board
- Wellington Management Company

Asian Corporate Governance Association

The Asian Corporate Governance Association (ACGA) is an independent, non-profit membership association dedicated to promoting long-term, systemic improvements in corporate governance in Asia through research, advocacy, and education. ACGA is well known for its regional “CG Watch” surveys of corporate governance in Asia, carried out in collaboration with CLSA Asia-Pacific Markets, and for its practical “White Papers” on corporate governance in individual markets, such as Japan, India and Taiwan.

ACGA promotes constructive dialogue between key groups, including institutional investors, companies and financial regulators. It provides independent input to Asian governments on policy and regulatory issues, and organises regular discussion forums for investors and companies.

ACGA’s membership network comprises more than 90 companies, including global investment and financial institutions, Asian listed companies, professional firms and educational bodies based in Asia and around the world.

We are pleased to welcome Norges Bank Investment Management (NBIM) as our first “Foundation Sponsor” from January 2012. We are also very grateful to CLSA Asia-Pacific Markets for being a Founding Sponsor of the Association since 2001 and to Lombard Investments and Chubb Insurance for their long-term support.

NBIM

Norges Bank Investment Management



Summary of ACGA Activities in 2012

Research

- “CG Watch 2012” – the region’s leading survey on macro corporate governance quality in 11 Asian markets; sixth survey published with CLSA in September 2012
- Board Composition in China (*work in progress*)
- Regulatory updates on ACGA website: www.acga-asia.org
- Monthly newsletter on CG in Asia: “ACGA Regional Briefing”

Advocacy submissions

- Ministry of Justice consultation on company law amendments in Japan
- Hong Kong SFC consultation on regulation of IPO investment bank “sponsors”
- IAASB’s consultation on improving the auditor’s report
- Hong Kong Exchanges consultation on board diversity
- “Japan Strategy Paper” (*work in progress*)

Member events

- Quarterly “ACGA Investor Discussion Group”
- Launch of quarterly “ACGA Corporate Discussion Group”
- Briefings for members in Hong Kong, Singapore, New York and Washington
- Investor Delegation to Japan

Public events / speaking

- ACGA 12th Annual Conference, Bangkok, November 2012
- Invitations to speak at more than 20 conferences and events around Asia