Asian Business Dialogue on Corporate Governance 2003

Thinking Strategically about Governance
October 16, 2003
The Ballroom, The Ritz-Carlton
3 Connaught Road Central, Hong Kong

A high-level and practical discussion on the strategic corporate governance imperatives facing investors and companies in Asia. Panelists will represent institutional investors, leading companies, financial and professional intermediaries and development banks.

Organiser:
Asian Corporate Governance Association

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### Keynote Speeches and Conference Overview

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| 9 am - 9.10 am| Introductory Remarks                                                  | **Ambassador Linda Tsao Yang**  
Chair, Asian Corporate Governance Association  
*Former US Executive Director, Asian Development Bank, Manila* |
| 9.10 am - 9.45 am | Keynote Speech                                                       | **Mr. Jin Liqun**  
Vice President (Operations 1), Asian Development Bank, Manila  
*Former Vice Minister, Ministry of Finance, Beijing, China* |
| 9.45 am - 11 am | SESSION 1: Asia Progress Report                                       |                                                                                                                                         |
| 11 am - 11.30 am | Coffee Break                                                         |                                                                                                                                         |
| 11.30 am - 12.45 pm | SESSION 2: Shareowner Activism                                       |                                                                                                                                         |
| 12.45 pm - 2.15 pm | Luncheon Keynote                                                     | **Justice Jack B. Jacobs**  
Supreme Court of Delaware, State of Delaware, United States  
*Former Vice Chancellor of the Delaware Court of Chancery*  
Location: The Harbour Room, Level 3, The Ritz-Carlton |
| 2.30 pm - 3.45 pm | SESSION 3: Stakeholder Imperatives                                   |                                                                                                                                         |
| 3.45 pm - 4.15 pm | Coffee Break                                                         |                                                                                                                                         |
| 4.15 pm - 5.30 pm | SESSION 4: Thinking Strategically about Governance                   |                                                                                                                                         |
| 5.30 pm - 5.45 pm | Conference Summary                                                   | **Mr. Peter Sullivan**  
Chairman and Chief Executive, Lombard Investments, Inc., San Francisco |
| 6 pm - 8 pm   | ACGA Annual Cocktail Reception                                       | **All delegates are welcome to attend the evening reception.**                                                                                   |
### Panel Discussions

**SESSION 1: Asia Progress Report**

9.45 am - 11 am

Has corporate governance in Asia improved? In form, in substance, or both? Have real, notable improvements occurred that have helped to rebuild investor trust, either in large listed companies, smaller listed entities, private companies or privatised state enterprises? What innovative steps are being taken to strengthen systems of disclosure and accountability?

Drawing on perspectives from the investment, corporate and legal sectors, this session will also focus on such timely questions as:

- Governments remain the main catalyst for corporate governance reform in Asia. What are the pros and cons of such a top-down approach?
- What steps have regulators taken to energise enforcement and ensure markets are not “over-regulated and under-enforced”?
- How are current legal systems helping or hindering shareowner activism? Will class action become a viable, effective tool to protect shareholder rights?

**Moderator**  
Mr. Jinwon Park  
Senior Foreign Legal Consultant, Shin & Kim, Seoul  
Former independent director, Hyundai Heavy Industries, and other Korean listed firms

**Panelists**

- Mr. Vincent Duhamel, CFA  
  Senior Principal and Chief Executive, State Street Global Advisors Asia, Hong Kong  
  Member, Hong Kong Securities and Futures Commission Shareholders Group

- Mrs. Lalita Gupte  
  Joint Managing Director, ICICI Bank Limited, Mumbai, India

- Mr. Ko-Yung Tung  
  Senior Partner, O’Melveny & Myers, New York  
  Former General Counsel and Vice President, World Bank

**SESSION 2: Shareowner Activism**

11.30 am - 12.45 pm

What impact have active minority shareowners had on corporate governance reform in Asia? What tangible changes have they brought to companies? What lessons can Asia learn from experiences in other parts of the world?

Drawing on perspectives from the public equity, private equity and investment banking sectors, this session will also consider issues such as:

- What issues surprise investors as they press management for changes?
- What strategies work or do not work in the restructuring of investee-company governance? What are the one or two most valuable lessons they have learned?
- How are asset managers incentivised by their clients (the major pension funds) to undertake research and a more proactive role in governance matters?
- Are shareholder proxy services encouraging more active participation in proxy voting?

**Moderator**  
Mr. Pote Videt  
Managing Director, Private Equity (Thailand) Co., Ltd, Bangkok  
Member, Council of Economic Advisors to the Prime Minister of Thailand

**Panelists**

- Mr. Taiji Okusu  
  Managing Director and Vice Chairman, UBS Warburg Japan, Tokyo  
  Member, Board of Governors, International Corporate Governance Network

- Mr. Robert Storer  
  Executive Director, Alaska Permanent Fund Corporation, Juneau, Alaska

**SESSION 2: Shareowner Activism**

2.30 pm - 3.40 pm

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SESSION 3: Stakeholder Imperatives
How should companies in Asia respond to the many new demands being placed on them — not just by investors but also other stakeholders such as creditors, insurers, listing sponsors, professional advisers, regulators and society at large — for more transparency and accountability?

Drawing on perspectives from the insurance, securities and corporate sectors, this panel will also consider questions such as:

- Is the management of stakeholder demands mostly a matter of common sense and good business practice? Or are new technologies and systems — in accounting, auditing, financial reporting and communication — necessary to meet new regulations and higher standards?
- What impact is the Sarbanes Oxley Act of 2002 having on the relationship between Asian listed companies and their financial advisers or auditors?
- What are investment banks doing to raise governance standards through new debt or equity issues?

Moderator
Mr. James Prieur, CFA
President and Chief Operating Officer, Sun Life Financial, Toronto

Panelists
Mr. Gary Coull
Executive Chairman, CLSA Asia-Pacific Markets, Hong Kong
Executive Chairman, CLSA Private Equity and director of listed companies in Hong Kong

Mr. George Tahija
President Director, PT. Austindo Nusantara Jaya, Jakarta

SESSION 4: Thinking Strategically about Governance
Corporate governance is becoming an important element in the way that companies and investors do business in Asia. How are companies integrating governance issues into their business strategies and operations? Given that implementing governance reforms can be challenging, how can companies get the most out of the time and effort invested? Likewise, how can investors ensure that the benefits of activism enhance an investee company’s competitiveness and long-term viability?

Building upon the issues discussed in previous sessions, this panel will also consider useful tools and strategies, including for companies:

- Engaging an independent consultant to assess or rate your corporate governance against both international and local best practices.
- Prioritising and phasing in reforms to maximise benefits and contain costs.
- Internal training at different levels within an organisation.

And for investors:
- Corporate governance units (within an investment fund).
- Shareholder agreements.
- Private engagement or public activism?
- Focus funds.

Moderator
Mr. Douglas Pearce
CEO/CIO, British Columbia Investment Management Corporation, Victoria, Canada

Panelists
Mr. Varun Bery
Managing Director, Telecom Venture Group, Hong Kong

Mr. V-Nee Yeh
Chairman, Hsin Chong Construction, Hong Kong
Co-founder, Value Partners Ltd, an investment fund specialising in Greater China
Acknowledgements

We sincerely thank the following individuals and organisations for generously supporting the Asian Business Dialogue on Corporate Governance 2003:

- Keynote Speakers — Mr. Jin Liqun and Justice Jack B. Jacobs — and all our moderators and speakers for giving of their time and, in some cases, travelling long distances to participate.
- Principal Sponsors — Chubb, CLSA Asia-Pacific Markets and Lombard Asian Private Investment Company — for their continued and generous assistance.
- Supporting Sponsor — Oracle Corporation Asia-Pacific.
- Luncheon Sponsor — Sun Life Financial Asia.
- Media Partner — the Asian Wall Street Journal.
- Supporting Organisation — International Chamber of Commerce.
- Mr. Lawrence S. Schaner of Jenner & Block, LLC, Chicago and Mr. Takeshi Kadota of Mitsubishi Corp, Tokyo for kindly assisting with programme development.

ACGA also gratefully acknowledges the support of the following business association:

Aberdeen Asia
AIG Investment
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Hewitt Associates
Hong Kong University
GIC Special Investments
IMC Pan Asia
Jardine Lloyd Tho
Kookmin Bank
Lombard/APIC
Li & Fung

Asian Corporate Governance Association (ACGA)

Our aim is to build a dialogue that is both disclosure-based and rule-based.

- Tracked corporate governance issues of relevance.
- Created a website (www.acga-asia.org) with an updated news item section.
- Formed the “ACGA” Group and created a line of research on governance.
- Developed exclusive content and published three books.
- Developed the “ACGA Code of Best Practices” and advises them on implementation.
- Developed a module entitled “Corporate Governance in Practice” for inclusion in curriculums.
- Given input or support to various national and regional initiatives.

ACGA was founded in 2000 as a board of senior executive from corporations and institutions with a vested interest in the governance of Asian companies. It was established with support from the International Chamber of Commerce.

Registration Form

Fax this form to Jessica Ko on (852) 2878 7288 or post to Room 3403, Citibank Tower, 3 Garden Road, Hong Kong. Tel: (852) 2878 3733 Email: jessica@acga-asia.org

I wish to reserve _______ seat(s) for the “Asian Business Dialogue on Corporate Governance 2003” @ HK$3,500 (US$450) per place.

Total payment due: HK$ _______ (US$ _______)

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Payment by electronic transfer: Please pay into
HSBC account No. 500-510086-838
Address: #1 Queen’s Road, Central, Hong Kong
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Overseas Delegates
Overseas delegates who wish assistance in booking a hotel room, please contact Jessica Ko, ACGA Administrator, on (852) 2878 3733 or jessica@acga-asia.org

ACGA Members
Corporate members of ACGA are entitled to one complimentary seat at the conference and may buy additional seats at a 40% discount.

For details on membership, please contact:

ACGA Corporate Governance Association
3 Garden Road, Citibank Tower, Room 3403, Hong Kong
Tel: (852) 2878 3733 Email: jessica@acga-asia.org
Asian Corporate Governance Association

The Asian Corporate Governance Association (ACGA) is a non-profit membership association dedicated to advising and supporting investors, companies and regulators in the implementation of effective corporate governance in Asia. In recent years we have:

- Tracked corporate-governance developments across 11 countries in Asia and carried out independent research into issues of relevance to investors and companies.
- Created a website (www.acga-asia.org) that centralises information on corporate governance in Asia and provides updated news items.
- Formed the "ACGA Investor Discussion Group", a platform through which institutional investors can share ideas and concerns on governance matters.
- Developed exclusive services and tools for ACGA members.
- Developed the "ACGA Quick Assessment", a service that assesses companies against international best practices and advises them on how to improve their governance.
- Developed a modular training course for senior executives and directors.
- Presented at almost 100 conferences, seminars and training courses around the region.
- Regularly spoken to the media across Asia.
- Given input or support to regulators in several countries.

ACGA was founded in 1999 by Lombard/APIC, a private equity fund management company, in cooperation with a board of senior executives and professionals from around Asia. Lombard continues to be a major sponsor. Other Founding Corporate Sponsors include: Chubb Insurance, CLSA Asia-Pacific Markets and Sun Life Financial Asia.

Founding Corporate Sponsors:

ACGA Corporate Members

Our aim is to build an effective network of members who support ACGA's goal of advancing governance reform that is both disclosure-based and market-driven. Members include:

- Aberdeen Asia
- AIG Investment Corp (Asia)
- Aon Hong Kong
- CalSTRS
- Chubb Insurance
- Citigroup Asset Management - Asia
- CLSA Asia-Pacific Markets
- Coudert Brothers
- Credit Agricole Asset Management (HK)
- Hermes Pensions Management
- Hewitt Associates
- Hong Kong University of Science and Technology
- GIC Special Investments
- IMC Pan Asia Corporation
- Jardine Lloyd Thompson
- Kookmin Bank
- Lombard/APIC
- Li & Fung
- LIM Advisors
- Lloyd George Management
- Marsh Inc.
- Mirant Asia-Pacific
- Morley Fund Management
- Neptune Orient Lines
- Oracle Corporation Asia-Pacific
- Prudential Portfolio Managers
- Standard Life Investments
- Standard & Poor's
- State Street Global Advisors Asia
- Sun Life Financial Asia
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- TSMC
- Value Partners
- Vtech Holdings
- Watson Wyatt

For details on membership benefits, contact Jamie Allen on (852) 2872 4048 or jamie@acga-asia.org