

Temasek's Offer to Buy Olam International

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Group Mates

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- Myat Thu- Introduction & Transparency Watchdogs
- Faith- Index Scoring & Case Study of WorldCom
- Alan- Case Study of Olam
- Sandy- Case Study of Noble and Future of Transparency
- All- Q & A

Introduction

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Anyone can name the BIG 5 accounting firms in the world?



Roles of Watch Dog



Transparency International - Worldwide

- Fight against corruption
- Assess transparency of the world's 100 largest publicly listed companies

The Centre for Governance, Institutions and Organizations (CGIO) - Singapore

- Disseminate best practices, whistle blower
- Assess transparency of Singapore listed companies through Governance & Transparency index (GTI)

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Methodology of Governance & Transparency Index

- Board matters
- Remuneration matters
- Accountability & Audit
- Communication with shareholders

Penalties Points **Thecasesolutions.com**



WorldCom Scandal (2002)

-
- WorldCom Scandal**
Company
 • USA's second largest telecommunication company (after AT&T)
 • CEO inflated assets by US\$11 billion
- Scandal**
CEO
 • CEO inflated income by US\$5 billion thru fraud
 • Overstated reserves and capitalizing operating expenses

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Clare International (2012)

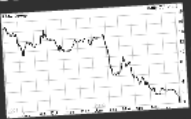
- Established in 1993 with 1,000,000 players and 100,000 servers
- One of the first to supply cash rewards
- UK, Singapore, Malaysia and 15% of shares
- Info.com listed as the first listed of the Singapore Exchange
- Founded by:
 - Ho Yee Yee (founder) - arrested after receiving information to help arrest and investigated a "Hong Kong" ruling
 - Cheong Chee Choo (founder) - peg to profit and lost due to loss
- When prices fell 1/2 price the value of the report declined 100% to 10% value
- After 1 1/2 days all reported and publicly declared their share spent and was worth nothing
- When prices continued to fall

WorldCom Scandal (2002)

Results

- CEO was sentenced to 25 years for fraud
- Company became bankrupt
- 30,000 lost their jobs
- Investors lost US\$180 billions
- US Congress passed the Sarbanes-Oxley Act

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Noble Group (Current)

[illegible]

Noble Group (Current)

Future hold for Noble?
- Short call

- Short sellers claim target price of \$0.10
- Noble trying to increase its transparency
- Unlikely to improve on its own
- Hope for white knight with ending like Olam
- Bankruptcy looming in

Future of Transparency

Future of Transparency



- Adoption rate to increase in Asia
- Realizing the benefits between lenders, investor, suppliers and shareholders through increase transparency



- What is lapping fraud?
- Why are companies slow in adopting integrated reporting?
- Future of Nobel Group?
- Should Mark-to-Market stay or go?

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Methodology of Governance & Transparency Index

- Governance Scoring at 75pts
- Board matters
- Remuneration matters
- Accountability & Audit
- Transparency Scoring at 25pts
- Bonus Points
- Penalties Points

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WorldCom Scandal (2002)

- Company
- USA's second largest telecommunication company (after AT&T)
- Scandal
- CEO inflated income by US\$4 billion thru fraud
- reducing reserves and capitalizing operating expenses

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Olam International (2002)

Company
Olam International is a public company listed on the Singapore Exchange (SGX) under the code 8155. The company is a leading provider of integrated logistics and supply chain solutions in Asia.

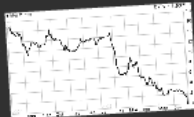
Olam International (2002)

Results
Q4 2002: Revenue increased 40%
Q4 2002: Profit increased 100% after tax
Q4 2002: EPS increased 100%
Q4 2002: Dividend increased 100%
Q4 2002: Payout ratio increased 100%

WorldCom Scandal (2002)

- Results
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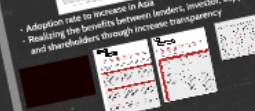


Noble Group (Current)

- Future hold for Noble?
- Short sellers claim target price of \$0.10
- Noble trying to increase its transparency
- Unlikely to improve on its own
- Hope for white knight with ending like Olam
- Bankruptcy looming in

Future of Transparency

Integrated Reporting (IR)
Including non financial information into annual reporting



- What is Integrated Reporting?
- Why are companies now adopting integrated reporting?
- Future of Noble Group?
- Should Mark-to-Market stay or go?

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Anyone can name the BIG 5 accounting firms in the world?

Do you know?

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Five basic types of financial statement fraud through:

- Fictitious sales
- Improper expense recognition
- Incorrect asset valuation
- Hidden liabilities and unsuitable disclosures

Do you know?

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- **Disseminate best practices, whistle blower**
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Methodology of Governance & Transparency Index

Governance Scoring at 75pts

- Board matters
- Remuneration matters
- Accountability & Audit

Transparency Scoring at 25pts

- **Communication with shareholders**

Bonus Points

Penalties Points

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THE CHAIRMAN		YES/NO	REMARKS
1	THE CHAIRMAN		
2	THE CHAIRMAN	2	
3	THE CHAIRMAN	5	
4	THE CHAIRMAN	3	
5	THE CHAIRMAN	1	
6	THE CHAIRMAN	2	
7	THE CHAIRMAN	3	
8	THE CHAIRMAN	1	
9	THE CHAIRMAN	2	
10	THE CHAIRMAN	3	
11	THE CHAIRMAN	1	
12	THE CHAIRMAN	2	
13	THE CHAIRMAN	3	
14	THE CHAIRMAN	1	
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32	THE CHAIRMAN	1	
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89	THE CHAIRMAN	1	
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93	THE CHAIRMAN	2	
94	THE CHAIRMAN	3	
95	THE CHAIRMAN	1	
96	THE CHAIRMAN	2	
97	THE CHAIRMAN	3	
98	THE CHAIRMAN	1	
99	THE CHAIRMAN	2	
100	THE CHAIRMAN	3	

TRANSPARENCY & INVESTOR RELATIONS			
ENR ACCREDITED	ENR RATING	POINTS	MAXIMUM
1. Does the company have a corporate website?	1	1	1
2. Does the company have a corporate website with the following information:	1	1	1
a. Corporate mission statement	1	1	1
b. Corporate vision statement	1	1	1
c. Corporate values statement	1	1	1
d. Corporate social responsibility statement	1	1	1
e. Corporate environmental statement	1	1	1
f. Corporate governance statement	1	1	1
g. Corporate risk management statement	1	1	1
h. Corporate human resources statement	1	1	1
i. Corporate financial statement	1	1	1
j. Corporate legal statement	1	1	1
k. Corporate security statement	1	1	1
l. Corporate sustainability statement	1	1	1
m. Corporate social responsibility statement	1	1	1
n. Corporate environmental statement	1	1	1
o. Corporate governance statement	1	1	1
p. Corporate risk management statement	1	1	1
q. Corporate human resources statement	1	1	1
r. Corporate financial statement	1	1	1
s. Corporate legal statement	1	1	1
t. Corporate security statement	1	1	1
u. Corporate sustainability statement	1	1	1
v. Corporate social responsibility statement	1	1	1
w. Corporate environmental statement	1	1	1
x. Corporate governance statement	1	1	1
y. Corporate risk management statement	1	1	1
z. Corporate human resources statement	1	1	1
aa. Corporate financial statement	1	1	1
ab. Corporate legal statement	1	1	1
ac. Corporate security statement	1	1	1
ad. Corporate sustainability statement	1	1	1
ae. Corporate social responsibility statement	1	1	1
af. Corporate environmental statement	1	1	1
ag. Corporate governance statement	1	1	1
ah. Corporate risk management statement	1	1	1
ai. Corporate human resources statement	1	1	1
aj. Corporate financial statement	1	1	1
ak. Corporate legal statement	1	1	1
al. Corporate security statement	1	1	1
am. Corporate sustainability statement	1	1	1
an. Corporate social responsibility statement	1	1	1
ao. Corporate environmental statement	1	1	1
ap. Corporate governance statement	1	1	1
aq. Corporate risk management statement	1	1	1
ar. Corporate human resources statement	1	1	1
as. Corporate financial statement	1	1	1
at. Corporate legal statement	1	1	1
au. Corporate security statement	1	1	1
av. Corporate sustainability statement	1	1	1
aw. Corporate social responsibility statement	1	1	1
ax. Corporate environmental statement	1	1	1
ay. Corporate governance statement	1	1	1
az. Corporate risk management statement	1	1	1
ba. Corporate human resources statement	1	1	1
bb. Corporate financial statement	1	1	1
bc. Corporate legal statement	1	1	1
bd. Corporate security statement	1	1	1
be. Corporate sustainability statement	1	1	1
bf. Corporate social responsibility statement	1	1	1
bg. Corporate environmental statement	1	1	1
bh. Corporate governance statement	1	1	1
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bk. Corporate financial statement	1	1	1
bl. Corporate legal statement	1	1	1
bm. Corporate security statement	1	1	1
bn. Corporate sustainability statement	1	1	1
bo. Corporate social responsibility statement	1	1	1
bp. Corporate environmental statement	1	1	1
bq. Corporate governance statement	1	1	1
br. Corporate risk management statement	1	1	1
bs. Corporate human resources statement	1	1	1
bt. Corporate financial statement	1	1	1
bu. Corporate legal statement	1	1	1
bv. Corporate security statement	1	1	1
bv. Corporate sustainability statement	1	1	1
bw. Corporate social responsibility statement	1	1	1
bx. Corporate environmental statement	1	1	1
by. Corporate governance statement	1	1	1
bz. Corporate risk management statement	1	1	1
ca. Corporate human resources statement	1	1	1
cb. Corporate financial statement	1	1	1
cc. Corporate legal statement	1	1	1
cd. Corporate security statement	1	1	1
ce. Corporate sustainability statement	1	1	1
cf. Corporate social responsibility statement	1	1	1
cg. Corporate environmental statement	1	1	1
ch. Corporate governance statement	1	1	1
ci. Corporate risk management statement	1	1	1
cj. Corporate human resources statement	1	1	1
ck. Corporate financial statement	1	1	1
cl. Corporate legal statement	1	1	1
cm. Corporate security statement	1	1	1
cn. Corporate sustainability statement	1	1	1
co. Corporate social responsibility statement	1	1	1
cp. Corporate environmental statement	1	1	1</

BONUSES			
The following are some of the questions that may be asked in a competency interview for this category. The answers are not intended to be definitive or comprehensive.			
NO.	DESCRIPTION	POINTS	REMARKS
1	Describe the role of the compensation manager and the types of compensation programs that exist. How many compensation programs exist in the United States? How many compensation programs exist in the United States? How many compensation programs exist in the United States?	10	
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Scandal

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