Temasek's Offer to Buy Olam International

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Group Mates
Thecasesolutions.com
• 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
Thecasesolutions.com
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
Governance Scoring at 75pts
• Board matters
• Remuneration matters
• Accountability & Audit
Transparency Scoring at 25pts
• Communication with shareholders
Bonus Points
Penalties Points
Thecasesolutions.com
WorldCom Scandal (2002)
Company
• USA's second largest telecommunication company (after AT&T)
Scandal
• CEO inflated assets by US$11 billion
• Overstated income by US$5 billions thru fraud reducing reserves and capitalizing operating expenses
Thecasesolutions.com
Olam International (2012)
Olam International (2015)
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
Thecasesolutions.com
Noble Group (Current)
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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 finance information into annual reporting
• Adoption rate to increase in Asia
• Realizing the benefits between lenders, investor, suppliers and shareholders through increase transparency
Q & A

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Do you know?

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Five basic types of financial statement fraud through:

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

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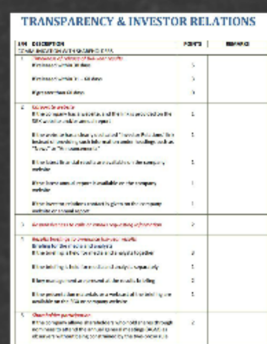
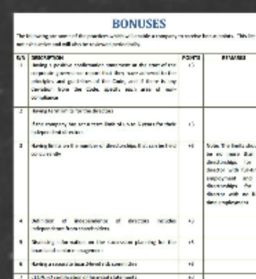
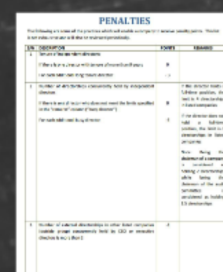
GOVERNANCE



TRANSPARENCY & INVESTOR RELATIONS



BONUSES



PENALTIES

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