



talkingtreasury, Hong Kong

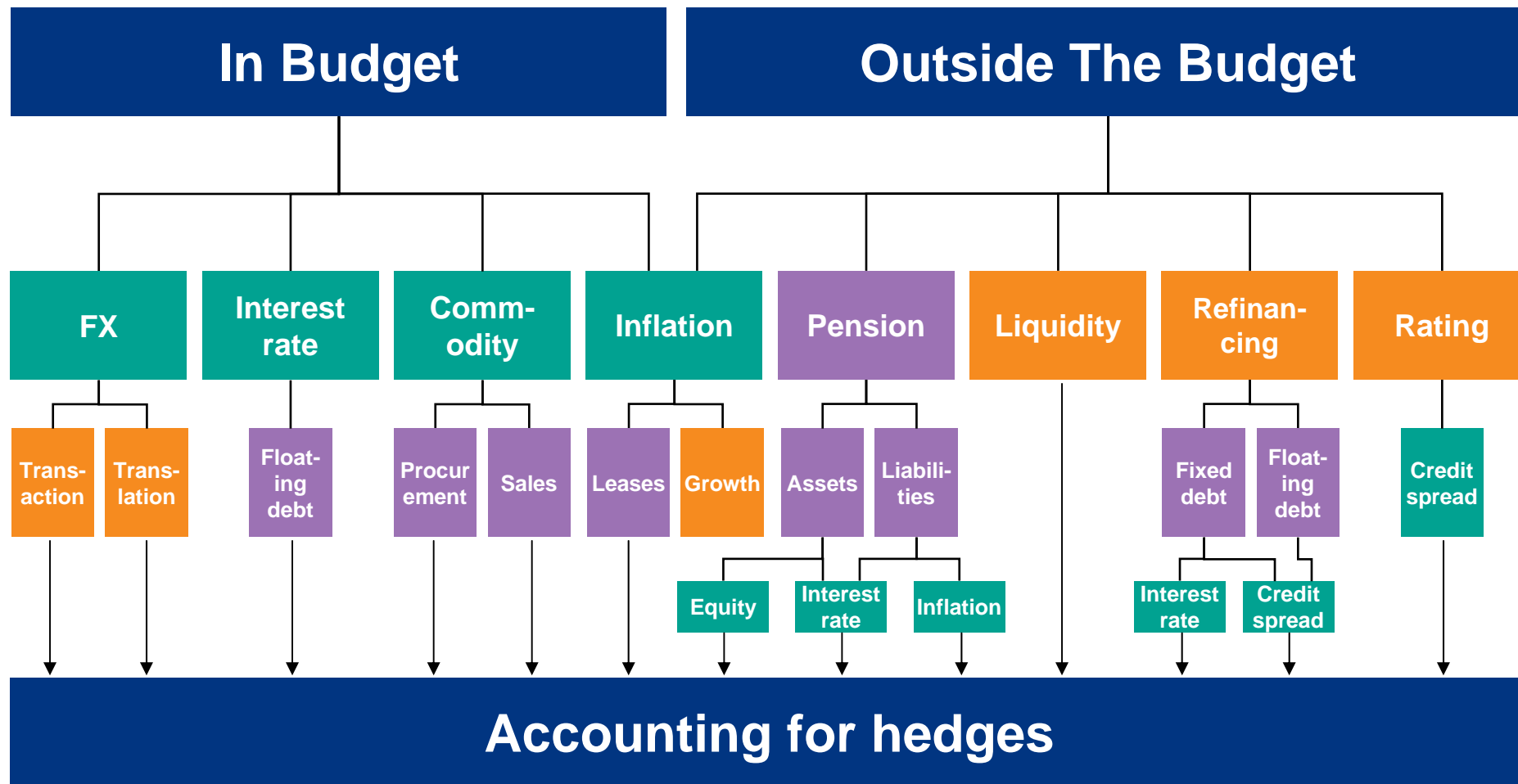
Strategic risk management panel discussion

21st October 2008

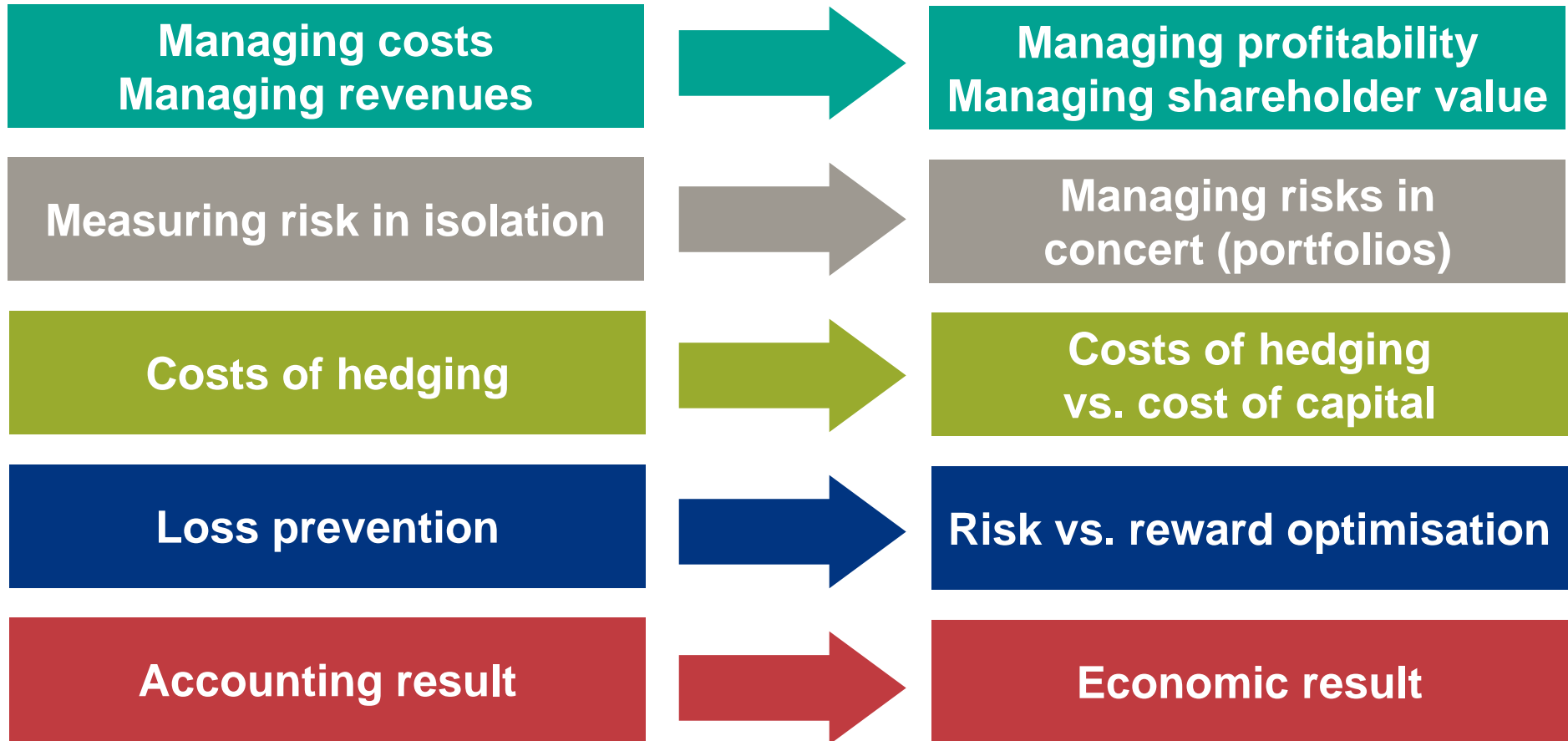


Assessing different types of risk

What are the risks that treasury should be monitoring & managing?



Examining long-term risks from a wider perspective
Changing from short-term & narrow to long-term & wide



How has the recent volatility in markets impacted the way in which companies view commodities risk?

Identifying commodities risks

- Historically commodity managed at the procurement level
- How does treasury take a more proactive stance on management of commodity risk?

Assessing the requirement to hedge?

- How big is the exposure?
- Could volatility in prices impact financial flexibility?
- Is there a benefit in implementing a hedging program?

Assessing the link to other risks

- Commodity price correlation to USD
- Natural offset of commodities risks for those companies who also have currency exposures
 - How should companies measure and manage their risks?

Accounting for hedges under IAS:

How does IAS 39 affect the way in which companies manage their risk?

IAS adoption in Asia

- Adoption of IAS in Asia has not been uniformly implemented, and there are still gaps
- IASB is currently in a consultation process to make progress in simplification of accounting for financial instruments

Jurisdiction	Implementation date
China	January 1, 2007 for publicly listed companies January 1, 2008 for state-owned enterprises January 1, 2009 for large- and medium-sized companies
Hong Kong SAR	Hong Kong SAR January 1, 2005 for publicly listed companies
Indonesia	No official implementation date but there are ongoing revisions to current standards to conform with IFRS
Japan	The Accounting Standards Board of Japan and the IASB seek to eliminate major differences by 2008, with the remaining differences being removed on or before June 30, 2011
Korea	January 1, 2011 for all publicly listed companies; early adoption is permitted in 2009 except for banking institutions
Malaysia	Malaysia January 1, 2006 for all publicly listed entities
Philippines	January 1, 2005 for all entities with “public accountability”
Taiwan	No official implementation date but there are ongoing revisions of current standards to conform with IFRS
Thailand	No official implementation date but there are ongoing revisions to current standards to conform with IFRS
Singapore	The Accounting Standards Council was created in 2007 with the broad policy objective to adopt IFRS