



**Road Show Event in Guangzhou on February 27<sup>th</sup> 2006**

**Developing Corporate Treasury Management in China :**

**Launching of**

**International Association of CFOs and Corporate Treasurers (China) Limited**

**推進国内企业财资管理的發展 -**

**國際企业财资(中国)協會有限公司成立及路演活動**

***Hosted by the American Chamber of Commerce, Guangdong***

**Venue:**

***World Trade Center Club Guangzhou, 3/F, Goldlion Digital Network Center***

***(广州市天河区体育东路 138 号金利来数码网络大厦三楼，广州世贸中心俱乐部)***

***6:30pm - 10:00pm***

***Welcome speech by Peter Wong, Founding Chairman and President of the International Association of CFOs and Corporate Treasurers (China) and AIG Regional Director and Treasurer Asia Pacific***

Good evening, Amcham President Harley, US Consul General Ed Dong, senior officials of the People's Bank of China and Guangzhou Government, members of Amcham Guangdong and the CEO Club, members of the Hong Kong Association of Corporate Treasurers, all my friends who join me tonight coming all the way from Hong Kong, London and Beijing, distinguished guests, ladies and gentlemen.

The reason for the gathering this evening is to launch a new professional treasury association dedicated purely to develop corporate treasury management in China. This new organization is called **International Association of CFOs and Corporate Treasurers (China) Limited or IACCT(China)** (國際企業財資(中國)協會有限公司). Chief financial officers (CFOs), corporate Treasurers and senior finance executives in both Multinational companies based in China and Chinese enterprises will be invited to join as members.

What is the rationale for creating this new association? Banking reform in China will lead to the creation of new interest rate and currency risk management products. A different and more specialized skill set called corporate treasury management will become increasingly important to CFOs and treasurers within corporations to manage financial assets and liabilities as well managing relationships externally with banks, institutional investors and rating agencies and internally with the Board and senior management.

This association aims to promote the sharing of treasury best practice, creating a network of treasurers and CFOs and developing treasury training and certification that will make the investment environment in China more favourable and attract more foreign investment. Sound treasury management will also enhance the competitiveness of Chinese enterprises.

To achieve this vision, we need three elements to succeed. First, we need a strong core member group to drive this initiative. Second, we need to get the right partners. Third we need to develop the right programs and activities.

On the first point, the founding members of this new association are comprised mostly of members of the Hong Kong Association of Corporate Treasurers who established the **China Treasury Forum** initiative about 18 months ago. HKACT members included the CFOs and corporate treasurers of the blue chip companies in Hong Kong including the Hongkong and

Shanghai Hotels, Hutchison Whampoa, CLP, Hongkong and China Gas, Hongkong Land, Hysan Development, Jardine Matheson, Swire Pacific, Sun Hung Kai Properties, Cathay Pacific, Dragonair, OOCL, KCRC, MTRC, Hong Kong Mortgage Corporation, Hong Kong Jockey Club and Hong Kong Electric. Also included are multinational corporations that maintain their Asia Pacific Headquarters in Hong Kong such as AIG and Astec.

In each major city in China, we will form a local Treasurers Council. After this road show event, we plan to establish the Guangdong Treasurers Council to spearhead the activities within this region. Amway, P&G, Huawei and TCL have indicated their interest.

I can't think of any better illustration of my second point than the event hosted tonight by **Harley Seyedin, President of American Chamber of Commerce, Guangdong.**

Amcham Guangdong has 800 members and has extremely good relationships with the corporate community and the government. The success of this event tonight will not only build the foundation for success within the Guangdong region but also set the stage for the following series of road shows in Beijing on September 26, in Hong Kong on July 6 and in Shanghai sometime in November. IAACCT (China) has the support from a panel of about 40 distinguished senior advisors. They are based around the world in Mainland China, Hong Kong, USA, UK and Europe, and include the chief executives of two major international treasury associations - the London-based Association of Corporate Treasurers and the Washington-based Association for Financial Professionals. Many of the distinguished guests here tonight are representing their organizations that are also partners of the IAACCT (China). They include rating agencies Moody's and Fitch Rating, treasury system specialists like SunGard, banks like Citigroup, Deutsche Bank, HSBC, JP Morgan, Standard Chartered, Bank of Tokyo Mitsubishi, the Hong Kong Trade Development Council, InvestHK, Bolero, Reuters, Hong Kong Exchanges and Clearing, EuroFinance which is part of the Economist Group and academic institutions like the Hong Kong Polytechnic University.

On the third point, I am open to your suggestions. The local Treasurers Council will develop programs to suit the local market. Examples will include roundtable discussion to share best

practice on a quarterly basis, treasury education and training activities. One of our goals is to make available professional treasury examination and certification in China. There are possibilities of bringing in internationally recognized treasury examinations and qualifications as well as in developing a long term local treasury qualification after exploring this with the Mainland government.

Before I close I would like to thank the contribution by Amcham in particular Harley and his team (Kristy and Sharon are wonderful), as well as William Tsang who allowed us to use his prestigious venue the World Trade Center Club and promote our association to his CEO Club members. In a moment you will have the opportunity to watch the performance by Orchids 18 (芳華十八). This is possible only because of the generous support from the band's founder and CEO David Kwong. Last but not the least, I must thank my AIG colleague David Peng. David has been the Vice President of Amcham Guangdong for eight years before he was promoted to Beijing to look after the cooperation between AIG and PICC. We met in 1996 and have remained good friends. David is one of my Senior Advisors.