

BDO CONNECT

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Education - A Growing Business in Asia

Client Spotlight: Raffles Education Corporation Limited



Overview of Raffles Education Corporation

REC's principal activity is the providing of training programmes and courses in various areas of design and management. Their Design programmes and courses covers fashion design, visual communication (graphic design), multimedia and interior design while the management includes design management, fashion marketing and business administration.

What we at BDO Raffles did for REC

BDO Raffles provides audit and tax services to a wide range of clients. Of recent focus has been growth-oriented, owner managed businesses with expanding international requirements.

We have just completed an audit for such a firm called Raffles Education Corporation Limited (REC) for the Financial Year ending 30th of June 2007. This was our second year having audited REC. Their previous auditors were Deloitte & Touche for the financial year ending 30th June 2005.

The Challenges

REC has a large number of subsidiaries, both locally and internationally. As a result, BDO's co-ordination with other auditors auditing the various subsidiaries was a great challenge. One of the main issues facing us was ensuring that the auditors from the various subsidiaries met our deadlines and reporting requirements on time. This proved incredibly challenging indeed due to many factors.

The Experience



In an interview with Mr. Lai Keng Wei, team leader of the BDO Raffles Audit Team which carried out the REC project, he recounts some of the highlights of this challenging project.

Q: What were the challenges experienced by the audit team?

"Overall, this was a project which thoroughly tested our coordination skills."

The co-ordination and communication with the subsidiaries' respective auditors was truly an international affair, with reports being sent back and forth between offices in Malaysia, Thailand, China, Australia, India and Vietnam.

We had to coordinate with REC's Singapore management as well as their overseas management teams. During this time, lots of travel took place to review other auditors' audit working papers. (it was the first time I traveled to Beijing and Sydney).

We were exposed to other auditors' way of auditing and documentation of audit work. As auditors to the parent company, not only did we have to ensure our own high standards, but we also had to ensure those of REC's subsidiaries' management and their appointed auditors. At times, we had to stand in as a mediator for the differences in opinion between the various audit team members.

"I worked with a dedicated and committed team. I take my hat off to them"

The REC project also tested my portfolio management skills; while most of my time was devoted to this large audit, I could not neglect other clients either, otherwise the audit partners would be after me for neglecting their respective jobs!

As expected on such a large project, there were several occasions when tempers flared due to the significant stress levels experienced by our audit colleagues, and the stringent expectations of our clients. But ultimately, our professionalism showed through, which allowed us to overcome these differences.

I've been the audit manager handling the REC account since we first took over the account from Deloitte two years ago. My experience this year has been a much better one compared to last year's audit. REC has grown tremendously since we first took on the account, but in spite of these increased challenges, we were still able to manage it very satisfactorily. All our staff who worked on this project were a dedicated and committed lot. They slogged it out with me for a few months non-stop, most having worked extremely long hours to finish up the work on time and with accuracy. I take my hat off to them for dedicating their time and effort to the successful completion of REC audit

"Having come through this project gave me a great sense of accomplishment and renewed confidence"

On a personal level, I had a tough time juggling my already low number of hours of sleep per day with my other (almost non-existent) personal pursuits! On several occasions, I found myself reminding me to get a normal life. I must admit there were times I just felt like throwing in the towel. It was especially hard getting any face-to-face time with my "long suffering" girlfriend (luckily she is still hanging in there and still with me) I certainly gave a huge sigh of relief when this project finally came to an end. Having come through the project gave me a great sense of accomplishment and renewed confidence.

Believe it or not, I am now already charged up again for the next audit with new ideas flowing on how to better manage the next audit of REC!

So if all this sounds interesting, you are more than welcome to join the audit department to participate in the audit of REC next year! I hear other audit staff are envious of the REC audit team! They too want a piece of the action knowing how challenging this project can be in terms of time, commitment and professionalism. At the end of the day, the rewards speak for themselves."

Article written by Jacquelyn Chan with contributions from Lai Keng Wei,
Senior Audit Manager.
Email: kengwei@bdo.com.sg

Auditing Standard No.5

AS5, An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements, establishes requirements and provides direction that applies when an auditor is engaged to perform an audit of management's assessment of the effectiveness of internal control over financial reporting ("audit of internal control") that is integrated with an audit of financial statements.

Auditing Standard No. 5 will supersede Auditing Standard No. 2 when it becomes effective. Auditing Standard No. 5 was approved by the Securities and Exchange Commission on 25 July 2007 and is effective for audits of internal control over financial reporting required by Section 404(b) of the Sarbanes-Oxley Act of 2002 for fiscal years ending on or after 15 November 2007.

The methodology of integrating audit of internal control and financial statements requires auditors to plan and perform the work to achieve both objectives.



Auditing Standard No. 5 at a glance:

- **Risk-based approach**
 - Includes analysis of changes in risks
 - Method of assessing risks will vary from larger, more complex to smaller, simpler companies
- **Use of judgement**
 - Determine which areas are both material and pose a risk to reliable financial reporting
- **Identify controls that address those risks**
 - Includes fraud considerations
 - Consider entity level controls (including relevant IT General Controls) and impact on financial reporting

Under the new standard, auditors are no longer required to issue an audit opinion on management's assessment of the effectiveness of internal control over financial reporting. Accordingly, auditors will only express an opinion on the effectiveness of the company's internal control over financial reporting, in accordance with Auditing Standard No. 5.

The new standard will better meet the demands of both shareholders and public companies by focusing the auditors' attention on matters that are important to establish effective internal control environment to strengthen the financial reporting process.

Article submitted by Jocelyn Goh, Audit Manager.
Email: jocelyngoh@bdo.com.sg

How Can Strategic Planning Process and Management Development transform SME & Family Business into a Professionally Managed Firm?



Tan Soon Liang, CFA, MBA
Head, Business Advisory
BDO Raffles Advisory Pte Ltd

It is time of the year to celebrate achievements for the year ending through Dinner & Dance at posh hotels, reward hardworking and productive staff through series of promotions, bonus announcements and pay increment.

Hang on! “What are our growth plans and goals for next year and beyond?” Non-management staff will wonder and sometimes skeptical about the “stretch goals” that top management will announce after their management retreat or strategic planning. Many will dread the routine of preparing operational plans, budget, financial forecast to meet these “stretch goals” with little or no increase in budget expenditure or investment and uncertain about top management thinking. Unfortunately, this lack of communication and understanding of strategic challenges facing the company becomes a harbinger for future failure due to suboptimal decision by people closest to the marketplace and customers.

Benefits of Strategic Planning

According to our research, nearly 66% of Asian companies are family owned businesses and only about 30% of Asian family-owned businesses successfully transition to the second generation of family ownership! Less than 5% successfully transition to the third generation of family ownership.

The alarming finding highlighted various causes that contribute to SMEs failure. The main cause is due to lack of emphasis on using strategic planning to set clear direction for key management team and monitoring progress as new situations emerge.

The analogy of frog and the boiling water illustrates the point that it is easy to lose objectivity and perspective to question assumptions about future business growth when management becomes too busy or comfortable on current status. It is common that as a company grows to a substantial size, key core competencies and competitive strengths emerge and take roots in the culture and mindset of people.

Most managers are guilty of adopting one-size-fits-all thinking to superimpose a successful formula or strategy from one area to another and automatically assume that you will achieve similar results. However, applying old solutions to new issues can be risky since nowadays things change very quickly and fundamentally. Besides, as company grows to a different level in terms of size and complexities, the rules of games will start to change as different set of competitors are appearing. More operating issues will appear in the process of growing due to lack of standard operating procedure for standardized process, ineffective accounting functions, inefficient reporting lines, under-developed inventory management system, etc.

Strategic planning process provides a platform whereby managers could come to agreement on the growth direction of the company after they gained a solid understanding of the business, strategy and assumptions behind that strategy. The resultant strategies ensure that key decision makers would allocate resources to where the business has the best potential, for instance, in developing their core competencies. Further, it increases the innovativeness of a company’s strategies due to the diversity of functional / business expertise of decision makers participating in strategic planning. It also provides formal means by which the managers communicate the intended strategies to the rank-and-file. It has motivational value since employees at large would be assured of a company’s clear direction.

Who should be involved in strategic planning?

In general, those who should be involved in strategic planning are normally:

1. The owner or key decision maker
2. Senior management team members
3. The corporate advisor or consultant

By involving external professionals can help the company in learning from the different industry best practices, gaining insights about their “blind spot” and having a facilitator to make sure the strategic planning discussion are on track and productive.

What are the key deliverables out of strategic planning process?

A company must function like the finely tuned engine of a racecar. It includes not only all the right components like injectors, valves, pistons, etc. and the connection must be proper and in sync with the timing and movements of all components. The slightest miss in timing will result in poor performance. Strategic planning is a holistic and disciplined work of establishing a process that provides an understanding, direction, and detailed timeline and action plan for getting most out of all assets and all people in the organization. It is imperative that owner or key decision makers of the business to articulate a vision and strategic growth plan. The strategic plan then drives the annual operating plan consisting of annual objectives, which in turn drives quarterly priorities. Performance, which is measured against the strategic and annual operating plans and quarterly priorities, provides the basis for rewards and recognition.

When implementing strategic planning process in a SMEs or family businesses, there are likely to be additional implementation problems beyond those experienced in larger companies. For instance, Management may lack knowledge on the planning process and knowing what planning activities are needed.

There is also a tendency to take on too much at one time and becoming overwhelmed by the process. Additionally, nobody in the organization may have the project and group leading skills to facilitate the planning process.

There are multiple solutions that management can consider:

1. Hire a planning facilitator to assist in implementing your planning process. To contain costs, invite other businesses in your area to share part of the travel and facilitator expense. Much of the planning can be done alternating between a seminar setting and small work groups. The knowledge transfer takes place in the seminar setting with the work groups being used to immediately apply the new knowledge through completion of various planning activities. The facilitator can roam between groups offering individual advice.
2. Use a local management consultant in your area. Sharing costs can also be done as above.
3. Train your own in-house facilitator. This can be accomplished by working with an outside planning facilitator to include facilitator training along with the other

How could BDO Raffles Growth Model frame growth options?



BDO Raffles Growth Model

Using BDO Raffles Growth Model, we believe that the management is the core engine to drive the company forward. Having a group of committed, capable and integrated management team is always the top priority for any company's success.

Once the management team is in place, they can formulate and own their strategic growth plans by taking into consideration the resources available and the suitability of implementation of the operating plan at different stages of the company's life cycle by thinking about corporate development, strategy and financing options. This framework encourages creativity and innovativeness to think out of the box rather than be constrained by lack of resources, competency or people.

We would recommend SMEs and family businesses which are serious about strategic planning to set aside time for management team to learn and calibrate some common language for business planning. This is crucial prior to a productive strategic planning process since most managers have different backgrounds, experience and understanding of the process. Some of the management development program that may be useful to be conducted in house are:

- Personal Effectiveness and performance management of managers
- Change Management
- Leadership styles and skill
- Counseling and constructive performance appraisal
- Team work and achieving results through working with people
- Financial statement analysis and budgeting process

Article submitted by Tan Soon Liang, Head BDO Raffles Business Advisory.

This article is also published in the CIMA magazine, Dec 2007

Email: soonliang@bdo.com.sg



Debt Repayment Scheme

The Ministry of Law (“MinLaw”), with a view to achieving a “win-win” situation for both creditors and debtors, issued a Consultation Paper relating to a proposed Debt Repayment Scheme (“DRS”) in April 2007.

The purpose of the DRS is to enable creditors to receive a higher recovery as compared to a situation when debtors are bankrupt as a result of their inability to repay their liabilities and also to prevent debtors from facing the financial embarrassment and social stigma that comes with being a bankrupt.

The proposal is definitely a positive and encouraging move by MinLaw.

However, the DRS does not apply to every individual. There is a qualifying criteria which the individual needs to satisfy. For a start, the amount owed should not be more than S\$100,000/- and only debts incurred on a personal basis are applicable, i.e. consumer loans, personal loans and debts incurred from credit facilities etc. Debts incurred from business activities do not qualify for the DRS.

Under the DRS, the debtor will be required to adjust his lifestyle, apportion his income and realize his assets with a view to ensuring that the debtor repays as much as possible to his creditors. The debtor needs to provide a proposed repayment plan to the administrator appointed by the Official Assignee. The DRS process will include formulation of a repayment plan, meeting of creditors, endorsement, implementation and modification of the repayment plan, all of which will be regulated by guidelines to be issued by the Insolvency & Public Trustee’s Office in due course.

After the successful completion of the repayment plan, the debtor will be released from all debts under the plan and be afforded a fresh start. Creditors at the same time can also receive a higher dividend payment than in the case of the debtor being adjudged a bankrupt.

Source:

1) Consultation Paper extracted from the Insolvency & Public Trustee’s Office Website

http://www.minlaw.gov.sg/ipto/corporate/Downloads/DRS_consultation_paper.pdf

Article submitted by Gary Loh, Manager - Business Restructuring Services.

Email: garylroh@bdo.com.sg

Tax Deduction for Borrowing Costs

Following the last budget announcement on 15 February 2007 with regard to widening the scope of tax deduction on borrowing costs (those which are incurred as a substitute for interest expense or to reduce interest costs) which was previously confined to the actual interest costs, the government had subsequently released an e-guide on 21 June 2007 which specified in details on the nature of such borrowing costs which qualify for tax deduction under this new tax treatment.

We would believe that every businessman whose business are highly geared, should applaud the Singapore government for this new tax treatment, who alas, recognized that the cost of funding is no longer confined to interest costs given the arrays of sophisticated financial products available in the market.

This is also perhaps another attempt by the government to fine-tune its tax legislation to make it “relevant” in today’s business context.

Such borrowing costs that are allowed for tax deductions should be those incurred to secure lower interest rates on borrowings to finance capital expenditure that produce taxable income.

The list of tax deductible borrowing costs stated in the aforesaid e-guide is reproduced for your attention:-

Items

1	Guarantee fees
2	Bank option fees
3	Discounts on notes or bonds
4	Premiums on redemption of notes or bonds
5	Prepayment fees/ early redemption fees
6	Extension fees
7	Increased costs
8	Interest rate cap premiums
9	Interest rate swap payments
10	Conversion fees
11	Cancellation fees

You may refer to the said e-guide for the details stated for the above items.

In summary, the circular stated that in order to enjoy tax deduction on any of the above qualifying borrowing costs, taxpayers are required to claim the qualifying borrowing costs in their returns and to provide brief details of how the borrowing costs claimed have been incurred as a substitute for interest expense or to reduce cost.

Should you need further clarifications or require our assistance for the tax deduction claim, you may refer to our tax consultants for advice.

Article submitted by Juan Ming Khaw from Tax Advisory Services.

BDO Raffles Internationalisation Series

*“Venturing Overseas,
a key part of any business in
Singapore”*

Venturing overseas is key part of any business in Singapore seeking to embark or build upon their growth plans. Given Singapore’s limited size and resources, the push towards internationalisation has always been evident in local enterprises. In a recent survey on SMEs conducted by DP information Group, 70% of our local SMEs have turnover generated from overseas, an increase from 59% in the previous year. This is an encouraging sign that more and more local enterprises are taking steps to reach out to different overseas markets. In line with this, we will be looking at different countries and markets around the region to provide an overview of the different market opportunities as part of our Internationalisation Series. At BDO Raffles, our mission is to partner our client for success.

Country Spotlight: Vietnam – Market Opportunities in Real Estate, Hospitality & Tourism



In the first of our Country Series, we turn the spotlight on Vietnam, a fast emerging Asian Tiger. In the recent SME Development Survey 2007, Vietnam was identified as the top destination country for overseas expansion in the coming 12 months by our local SMEs. In this issue, we look at a brief look at market opportunities in the Real Estate, Hospitality and Tourism sectors, which are experiencing one of the fastest growths in Vietnam.

Overview of Vietnam

Much has been said about Vietnam in recent years. Rising from the effects of decades of war, it is now experiencing tremendous growth resulting from economic reforms. Once one of the poorest countries, Vietnam is now experiencing the 2nd highest growth in Asia, only second to China, and fast becoming a powerhouse in Southeast Asia. Many Multi-national Corporations has adopted the “China-Plus-One” approach where the “one” in this case is often Vietnam. Many well-established manufacturers in China are looking at Vietnam as part of their diversification efforts. Its recent entry to the World Trade Organisation (WTO) underlines its growing importance and strengths as a trading nation.

Though not categorized as one of the 'Asian Tiger's yet but very much considered to be the next one, Vietnam's relative late entry as an economic force has seen a huge influx of foreign investments in the last five years. Vietnam is showing strong signs of emulating the high growth seen in their Asian counterpart countries in the last 50 years and is fast becoming the next Asian Tiger. In addition, political stability is a key attractiveness over and beyond some neighbouring countries in the region.

Singapore Companies in Vietnam

Singapore is the 2nd largest foreign direct investor in Vietnam, second only to Korea, having invested a total of USD 1.3 billion in the first nine months of 2007. Many of our local enterprises have made forays into the Vietnam markets with notable successes. In particular, the real estate market has seen companies such as Capital Land and Keppel Land achieving key milestones and establishing a very strong in-market presence.

FDI by Top 5 Singapore-owned companies (Implemented Capital)

Company	US\$ Mil-lion	Sector
Keppel Land Pte Ltd	200	Properties - Sedona Serviced Apt, Saigon Centre, Tamarind Park in HCMC; Hanoi and International Centre and Sedona Suites service apartment building in Hanoi
Asia Pacific Breweries Pte Ltd	148	Beer
PID Investment Private Limited (Taken over by UOB Investment)	69	Property/ Sofitel Plaza Hanoi
Mitorient Enterprise Pte Ltd	53.6	An NOL investment to operate Vietnam International Container Terminal (VICT)
Vietnam-Singapore Joint Venture Industrial Park	48.5	Vietnam- Singapore Industrial Park

Source: IE Singapore



Market Opportunities - Real Estate in Vietnam

It is often said that land prices have never quite fallen in Vietnam. The widespread speculative 'land fever' of the last 5 or so years has, to a degree, been controlled by the new Land Law and its implementing Decrees. However, though 'frozen', prices have yet to be adversely affected, partially because the vast majority of buyers are prepared to pay a premium to become homeowners.

Though prices remain very high – Vietnam is often cited as having the highest land prices in world relative to GDP – the Vietnamese population's appetite for real estate remains unaltered (in common with their Chinese counterparts), despite the apparent overvaluation, as compared against bank interest rates. This can best be demonstrated by the fact that most families are only able to afford to buy one-third of one square meter of an apartment each year (Asian Development Bank Survey 2004).

With Vietnam's recent entry into the WTO, its real estate market is expected to take off, just as Shanghai's real estate markets took off after China's entry to WTO in 2001. Recent changes in land-use laws have opened the door wider to much-needed foreign capital and has resulted in increase in office, retail and residential projects as developers race to meet the rapid urbanization of cities like Ho Chi Minh and Hanoi.

Since construction costs are small in comparison with land prices and because the government has now prevented undeveloped land trading, the result is an array of residential construction throughout the major cities such as Ho Chi Minh and Hanoi, with almost every road and

alleyway being temporary home to one or more groups of construction workers. Also because of the high price of land, owners develop as much of the site area as possible and / or chop their land into ever smaller parcels.

In the hospitality sector, the absence of new hotel developments since the Asian financial crisis has resulted in a shortage of available rooms at peak times in Hanoi and Ho Chi Minh. Increasingly, hotel developers and operators are showing renewed interest in the 5-star segment, with Hanoi and Ho Chi Minh being the main locations and other cities such as Danang gaining in popularity.



Hanoi

Hanoi may be Vietnam's capital city but it is not the largest city in the country. Nevertheless it enjoys substantial inward investments into commerce and industry while at the same time managing to retain its unique laid back charm. The city is therefore becoming as popular with multinational companies and their expatriate employees as it is with overseas visitors and it is becoming both a budget and package tourist hotspot. Visitors are attracted to the contrasting modern skyscrapers and the timeless lakes, gardens and wide, shaded boulevards and the city is highly accessible with an international airport on its doorstep. The central part of Hanoi is densely populated with about 1.5 million people.

Hanoi presents opportunities for the investor in the residential and commercial rental real estate market and it offers developers a chance to create anything from office and retail space to satellite towns to catering to Hanoi workers with affordable and desirable suburban properties. Mr. Pham Si Liem, Vice President of the Vietnam Construction Association, was quoted in a recent report "In Hanoi the supply of public housing is quite low, especially compared to Ho Chi Minh. In general, we have two kinds of apartment

blocks: one called the common type and the other a high-level apartment. The former targets low and medium income earners, and the latter, which are located in favourable areas of the city, target high income earners, overseas Vietnamese and foreigners." He continued by sharing "Wise investors have seen that Hanoi will be expanding to neighbouring provinces in the future, and believe now is a good time to pour money into these areas. This will be a new source of supply for the city."

Ho Chi Minh

Ho Chi Minh has a rapidly developing economy, well-educated population and modern facilities. It has become the business centre of Vietnam and has one of the fastest growing micro-economies in the world. Unsurprisingly, it is attracting substantial and sustained investments from overseas and its population is swelling. The Vietnamese government is considering proposals to develop satellite townships to house city residents and investment is being sought for various districts.

It is often seen that the demand currently outstrips the supply in the residential market. According to IE Singapore, the supply crunch is felt more in the good city centre locations. Service apartments are enjoying over 95% occupancy rates and rental rates for retail and office space is moving up steadily. To meet demand, the Vietnamese government is planning several real estate projects. This holds great potential for foreign real estate players, whom have increasingly been making their presence felt over the last couple of years. Real estate players who can provide the full spectrum of services from master planning, architectural services, property development to management may create an edge over the existing or incoming competitors in Vietnam.

How BDO Raffles can help

The Management Consulting division of BDO Raffles is currently assisting a number of its clients to identify property development opportunities, locating the right local partners and successfully gain market entry into Vietnam. At the same time, a number of Vietnamese land owners have also engaged BDO Raffles to conduct investment promotions and overseas joint venture partner searches on their behalf.

Should you like to find out more about how we can help you in your overseas expansion plans into Vietnam, please do not hesitate to contact our Management Consulting Division at weehan@bdo.com.sg or Tel: 6828 9184.

Article submitted by Tah Wee Han from Management Consulting Services.



Filing of Financial Statements in XBRL

Client Circular 2/2007

Dear Sirs

Reminder - Filing of Financial Statements in XBRL

We refer to the earlier circular from our associate company, Corporate Alliance Pte Ltd ("CAPL"), on the above subject. Since then, CAPL have received many requests from their clients for assistance to file their financial statements in the XBRL format acceptable to ACRA when filing their Annual Returns ("AR").

As the preparation of Financial Statements in XBRL format is on a different platform, additional time and effort are required to re-enter in the Financial Statements in the XBRL format.

A quick outline of the requirements for filing of financial statements in XBRL:-

1. Applies only to Companies with financial YE on or after 30 April 2007; AND
2. Filing of AR from 1 November 2007.

Please note that Solvent Exempt Private Companies ("EPC") will continue to be exempted from filing their financial statements.

As the preparation of financial statements in XBRL is time consuming, CAPL would require your co-operation by forwarding your financial statements to us at least 7 working days before the deadline for filing your AR (ie within one month after the Annual General Meeting).

For a proposed fee structure, you can contact us at 68289128 or email info@corporatealliance.com.sg

Client Circular 3/2007 dated 27 November 2007

Dear Sir / Madam

Singapore Exchange Limited (SGX) yesterday unveiled details of its sponsor-supervised listing platform – Catalist for fast growing local and international companies. Catalist will replace the current second board SESDAQ on 17 December 2007.

The name “Catalist” is a combination of the words “catalyst” and “listing”. It signifies a listing on this platform acting as the catalyst to propel the growth of a company.

Catalist allows the approved sponsors, and not the SGX, to determine the suitability of a company for listing in the new regime. The first batch of approved sponsors is expected to be named in January 2008 when Catalist opens for initial public offerings under the new regime. The sponsors are governed by the rules and regulations and are subject to strict admission and on-going requirements. However, SGX will still hold the power to discipline companies listing in Catalist and to ensure the companies do not step away from taking charge of the entire marketplace with the assistance of the sponsors. The sponsors will play a critical role in this regime, they are accountable for non-compliances.

The current SESDAQ companies can upgrade to the mainboard if they meet its listing criteria, or engage a sponsor to remain on Catalist. If later applies, the current SESDAQ companies will continue to be governed by the existing rules. They will then have at least 2 years from the announcement of the first batch of sponsors to appoint their sponsors and to comply with the new rules. To assist in the transition of SESDAQ companies to Catalist, SGX plans to waive their listing fees for 3 years from the time they engage a sponsor and enter the new regime. At the moment,

The SGX has relaxed the rules to allow companies listed on Catalist to be more flexible in their corporate moves. The following are some of the rules of Catalist:-

1. Companies must list through a Sponsor.
2. They need not meet any prescribed financial entry criteria. They do require to report minimum earnings or operational track records when seeking a listing.
3. There is no restriction on the size of companies seeking a listing on Catalist.
4. Instead of a prospectus, listing applicants must issue an Offer Document. The Offer Document will be lodged on the Catalist website for public comment.
5. Post-IPO, companies must retain a Sponsor at all times. If not they will face delisting.
6. They will have a wider mandate for issuing new shares.
7. They will have more leeway to make acquisitions and disposals of assets that do not require shareholders' approval

Please see Appendix I of the summary of differences between Catalist and SESDAQ.

*For more information, you can contact Sin Chee Mei,
Manager - Corporate Secretarial Division at
cheemei@corporatealliance.com.sg*

BDO Raffles News & Events

NTU Business Plan Competition 2007

Nanyang Technological University (NTU) recently hosted the Grand Final of their Business Plan Competition with the theme Creativ Lab '07 - Ideas, Inspired by Imagination. It was a campus-wide competition very much in line with Singapore's effort to promote and develop an entrepreneurial environment leading to a vibrant and thriving sector of high growth technology-oriented companies. Designed to encourage the growth of entrepreneurship through education and competition, it provided a platform in which participants could present new business concepts to local venture capitalists, entrepreneurs and investors.

We are proud and honoured to have our very own Mr Tan Soon Liang, Head of Corporate Finance Services as a panelist amongst 9 other distinguished judges for the Grand Final. This is his second year judging at the NTU Business Plan Competition.



The judges panel. Soon Liang, seated second from the left



Soon Liang receiving a token of appreciation from Dr Vesa, Assistant Professor at NTU

Mid Autumn Festival

On September 25th, BDO Raffles held a celebration for the Mid-Autumn Festival with assorted mooncakes, Chinese tea and activities. Staff racked their brains, and tested their Chinese language skills by solving tricky Chinese riddles. Winners were awarded with the traditional 'hong bao'. It was a good time for everyone to wind down from a busy day at work and given the opportunity to mingle with their colleagues from the different divisions.

BDO Raffles Food Hunt

The R & R committee of BDO Raffles organised a Food Hunt for staff on Saturday the 27th of October. Even though the weather on the day wasn't bright and cheery, it did not dampen the mood of the participants. At 10 am, a total of 6 teams of 4 participants gathered on the 6th floor. The teams comprised of 2 teams from Audit A and B respectively, and one team each from the Tax Department and Corporate Secretarial.



The objective of the game is to locate the right food stall from the various Markets and Shopping Malls mostly located within the Central Business District. There were a total of 7 locations which each team had to hunt for and sample the food. Picture clues and a brief description of the type of food they had to sample were provided. The team that completed the Food Hunt in the fastest time with the least amount of clues used won the race. The fact that the teams were only allowed to travel by public transportation or on foot made it more of a challenge. The team I facilitated resorted to running most of the way, which attracted a lot of stares from the public particularly along Orchard Road! In the process, our team thoroughly enjoyed ourselves and at the same time got a great workout!

BDO Raffles News and Events cont'd

Some teams resorted to adding ice on their sizzling, hot dishes to allow them to gobble down their food alot faster. Others took this opportunity to enjoy the dishes at a more leisurely pace. At the end of the day, everyone had a swell time as it was a great way to unwind from the busy week and there was lots of laughter and bonding along the way.

The top 3 teams did not go home empty handed. In fact they won very attractive cash prizes!

The Winning team - Audit A

The 1st Runner-up - Tax Dept

The 2nd Runner-up - Audit B

For those that didnt make it to the Food Hunt this year, make sure you participate in the next R&R event. I am sure you could do with the attractive cash prizes!

Thank you to all the participants and the R&R committee members for making this event a success. Look out for the next R&R event. There will be more coming your way.!



BDO Raffles International News & Events

BDO inaugurates new Member Firm in France

BDO International, the world's 5th largest accounting network, announced today that BDO France SAS will be its new French Member Firm, effective 3 December 2007.

BDO France has six founding partners: Jean-Pierre Allouch, Vincent Baillot, Jean-Paul Papeix, François Rosse (previously with the firm ABPR), Michel Léger (of Léger & Associates) and Patrick Giffaux, who will merge their existing practices into a new entity.

With four offices in the greater Paris region, one in Burgundy and one in Provence, the firm has 16 partners and 167 staff. The business plan is based on the significant growth prospects foreseen from the inward referrals generated by the BDO International network, as well as major new clients in the French market, an active merger policy and high level recruitment prospects.

The founding partners possess a true international culture and enjoy an excellent reputation in the French market. Their shared ambition is to grow and develop the practice to the highest international level and to offer the best quality services to large French clients with trans-national activities, as well as to foreign clients with businesses in France.

Jean-Pierre Allouch, Chairman of the Supervisory Board of the new firm, says: "I am delighted to be part of this project that adds a new and credible firm to the six largest players on the French market".

Michel Léger, Chief Executive Officer of BDO France, adds: "The new firm responds to clients' need for more choice and to the demand by regulators for greater competition. The BDO brand and access to the BDO international network gives our firm the necessary stamp of quality and reputation to compete effectively in today's ever more globalised marketplace."

Frans Samyn, Chief Executive Officer of BDO International, comments: "In BDO France we have found a group of partners whose exact wish is to fulfill our stated objective to deliver seamless and consistent client service in every major economy in the world".

New CEO Designated



BDO International, the world's 5th largest accounting network, announced today that Jeremy Newman, managing partner at BDO Stoy Hayward, is to become CEO of BDO International, effective 1 October 2008.

Frans Samyn, who has been in post as Chief Executive at BDO's head office in Brussels, Belgium, since October 2002 will step down when his term of office comes to an end in September 2008.

Jeremy Newman has been managing partner of BDO Stoy Hayward, the UK Member Firm of BDO International since 2001 and his term of office is also due to end in September 2008. An election to appoint his successor in the UK firm will be held, as planned, early in 2008.

Since 2002, BDO International's global revenues have risen from USD 2.4 Billion to USD 3.9 Billion in 2006 and the world wide number of partners and staff increased from 22,500 to 30,000. BDO is recognised internationally by the financial markets and the regulators as one of the world's six large accounting networks with global capabilities.

The role of CEO of BDO International will continue to be an authoritative and challenging voice in the current debate over the market domination of the Big 4 firms, and the resulting lack of competition and choice in the audit market. Jeremy has successfully persuaded the UK market that BDO Stoy Hayward has the necessary capabilities to audit all but the very largest firms. His appointment demonstrates the International network's recognition of the need to influence the global market of BDO's market position, strength and capabilities.

Jeremy Newman comments: "I am very proud to have served as managing partner at BDO Stoy Hayward and the growth and success of the UK firm will continue to be my number one priority until I stand down in September 2008.

"It will be a privilege for me to move into this new role with BDO International and to drive forward the development of an already strong international network, ensuring that BDO can truly be the only alternative to the Big 4, not only in national markets, but also on an international scale."

Frans Samyn added: "I am pleased to see that the BDO International network is determined to further strengthen its position in the world wide accounting market. Clients and prospects are keen to see more choice and regulators want more competition. With his track record in the UK, Jeremy will be able to convince the entire world wide network and the international markets that BDO will fill the void."

BDO International: year end results demonstrate significant growth



BDO Global Coordination B.V. has announced the year-end results for the BDO International network, as at 30 September 2007.

Total combined fee income for all BDO Member Firms world wide (including the exclusive members of Member Firms' Alliances) has again grown at double digit pace to total US\$ 4,703.8 million – an increase of 20% on last year's total of US\$ 3,911.9 million.

Expressed in euro, the 2007 world wide combined fee income total is EUR 3,298.2 million, representing a growth in euro of 7%, due to the weakening of the US dollar compared to the euro during the reporting period.

The BDO International network now comprises 626 offices in 111 countries and a total staff of almost 32,000 (31,576): an increase of 6% over last year. New Member Firms joined in China (Beijing), Panama and Trinidad / Tobago. In Greece, Norway, Australia and New Zealand, BDO concluded mergers which resulted in substantial growth in those markets. BDO's Member Firm in France left the network in 2007 and the appointment of a new French Member Firm was announced one week ago.

The results by region show excellent trends, despite the drop in revenues in France, while awaiting the admission of a new Member Firm. Growth was 6% in Europe, bolstered by 40% growth in Central and Eastern Europe. The Asia Pacific and Latin American regions both grew in excess of 20%. Currency exchange fluctuations, with a weak US dollar and a strong Canadian dollar, had a mixed effect on the average growth of the North American region.

Frans Samyn, Chief Executive Officer of BDO International, declared that the network is proud of this level of growth. 'Consistently sound performance across the network shows BDO's strength in all regions, which is a necessity in the increasingly global marketplace in which we operate. Our accomplishment reflects the increasing number of larger companies looking outside the four dominant accountancy networks', he said. 'BDO challenges the market model and provides a distinctively different option for clients: they experience a different level of attention and service quality at BDO and they value the uniquely high level of partner involvement. These results prove that BDO consistently demonstrates the global capabilities to serve large trans-national clients, wherever they are in the world'.

For more information about our services, contact the following divisions:

Audit & Assurance

Peter Leong peterleong@bdo.com.sg DID: 68289120

Business Restructuring Services

Leow Quek Shiong quekshiong@bdo.com.sg DID: 68289170

Business Transaction Services

Ross Limjoco rosslimjoco@bdo.com.sg DID: 68289125

Corporate Finance

Tan Soon Liang soonliang@bdo.com.sg DID: 68289169

Management Consulting

Tah Wee Han weehan@bdo.com.sg DID: 68289184

Risk Advisory Services

Scott Lam scottlam@bdo.com.sg DID: 68289185

Tax Advisory

Michelle Seat michelleseat@bdo.com.sg DID: 68289182

Corporate Alliance Pte Ltd

Corporate Secretarial

Lim Swe Jian swejian@corporatealliance.com.sg DID: 68289139

Outsourcing Accounting

Lim Siew Ming siewming@corporatealliance.com.sg DID: 68289109



BDO Raffles
5 Shenton Way
#07-01 UIC Building
Singapore
Tel: 65 6828 9118
Fax: 65 6828 9111
Email: info@bdo.com.sg
www.bdo.com.sg

BDO International is a world wide network of public accounting firms, called BDO Member Firms, serving international clients. Each BDO Member Firm is an independent legal entity in its own country. The combined total fee income of all BDO Member Firms was US\$ 3,911 million in 2006. The global network currently has 621 offices in 107 countries and some 29,714 partners and staff in the Member Firms providing business advisory services throughout the world.