

Alumni**news**

November 2008

Keeping you connected with KPMG

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Strengthening our networks

KPMG integrates its firms across Asia

Taking part in the 2008 World Economic Forum in Tianjin

KPMG partners with the 2010 Asian Games

Closer ties to accountancy profession in Hong Kong

Message from the Chairmen

Welcome to this November 2008 issue of *Alumninews*.

It has been an interesting year so far, and whilst the recent economic uncertainty has required us to adapt, we remain on course in our long-term strategy for quality growth and committed to our Employer of Choice agenda. These strategies are central to the future success of KPMG and its people.

We continue to hold a dominant share of the audit market among Hong Kong's top 100 listed companies, based on market capitalisation, and we are currently helping clients navigate difficult times with services that help them manage their risks and improve performance.

New client wins over the past six months include Swiss Re and China Merchants Bank in the financial sector; Baosteel in industrial markets; Ricoh and Samsung in the technology sector; and CBRE, Baltrans and Maersk in the property and infrastructure sector. In addition, we were recently appointed as provisional liquidators of five Hong Kong based Lehman Brothers companies.

We are always excited to hear about the latest achievements of our alumni, many of whom are extremely active in the community. In July, our former chairman Dr. Marvin Cheung was awarded the Golden Bauhinia Award, and former senior partner Iain Bruce is currently serving as Steward of the Hong Kong Jockey Club. Many other KPMG people have been inspired by their examples to take a more active role in the accounting profession or community life.

Since 2000, we have had a single management structure across our Hong Kong and mainland China offices. As a demonstration of this unity, many of our experienced partners and board members are now located in our mainland offices, and we have recently appointed 57 new partners and directors, as detailed below. Earlier this year we opened our twelfth office in China, in Nanjing. KPMG member firms employ more than 120,000 people worldwide and KPMG China is now one of the largest single firms within this network.

Moreover, the China firm is now playing a leading role in leadership and integration efforts across the Asia Pacific region. This issue of *Alumninews* includes more about these exciting developments.

We hope you find this issue of *Alumninews* interesting and we always welcome your feedback.

Best wishes,
John and Carlson



KPMG adopts full regional integration in Asia Pacific

In September 2008, KPMG's Asia Pacific board announced their decision to integrate member firms across the region in order to support the continued growth and development of KPMG.

Since regulatory frameworks across Asia have begun to develop and converge, now is an ideal time for KPMG to begin integrating its operations. As the world's attention is focused on Asian countries and their potential for growth, KPMG Asia Pacific will be in a good position to meet clients' demands for an integrated and pan-Asian audit, tax and advisory service.

To oversee the integration process, co-chairman of KPMG China Carlson Tong will take over as both chairman of the Asia Pacific region and chairman of KPMG China in 2009. John Harrison, also current co-chairman of KPMG China, has been appointed to a new position as global deputy chairman.

The integration of firms in the region will give partners and staff new international opportunities and a wide variety of cross-border challenges and experiences. KPMG Asia Pacific aims to recruit and retain the best talent, and this will be reflected in even greater training, personal development and career opportunities across the region.

In its initial stages, regionalisation will involve integrating management at the same time as implementing a regional governance model. KPMG intends to move step-by-step in applying a clear regionalisation plan, which has a strong governance model; a shared management structure; and above all, clear change management and communication systems to ensure the smooth transition to KPMG Asia Pacific.

Following the merger of several European firms to form KPMG Europe in 2006, KPMG's lines of business and key infrastructure areas will formulate joint strategies and make key decisions on a regional-wide basis supported by an Asia Pacific Executive Management Group.

Aligning management and policies will increase KPMG's competitiveness, market position and efficiency, with benefits for clients, staff and business efficiency. For clients, regionalisation will ensure that KPMG operates on a truly international level, drawing on the best local and pan-Asian knowledge that our member firms have to offer.



The Asia Pacific board members have expressed a strong commitment to integration, while also stressing the importance of operating in a manner that maintains the culture and feel of our national practices.

KPMG Asia Pacific is the foundation on which we will continue to improve our service and commitment to clients now and in the future.

Congratulations to the following people in KPMG China, who were promoted or joined us as partners during 2007/2008:

Audit: Natalie Chan, Vivien Cheng, Eric Cheung, Alex Choi, Money Chow, Ming Chung, Francis Duan, JK Kim, Belinda Kwee, Elie Lai, Vincyy Lai, Banny Leung, Tadashi Morimoto, Jack Ng, Tommy Siu, Adrian Tan, Simon Tong, Bing Yu, Jessie Zheng and Jacky Zou

Tax: Anthony Chau, Chi Cheng, Barbara Forrest, Jonathan Jia, Jean Li, Eileen Sun, John Timpany and Tracy Zhang

Advisory: Paul Chau, Linda Chen Lin-Hsin, Herrman Cheung, Doug Ferguson, David Frey, Kevin Liu, Reynold Liu, Eugenia Lo, Miguel Montoya, Philip Ng, Simon Topping and David Yeung

PPD: Len Jui, Ian Parker, Vivian Siu and Jacqueline Wong

Markets: Andrew Thomson

In addition, 12 people were promoted to director level.

Tax: Kari Pahlman

Advisory: James Chen, Mimi Chiu, John Ip, Fergal Power, Henry Shek, Daniel Wang, Siew Peng Yeo and Frank Zhu

HR: Angel An and Peter Yu

Markets: Andith Yeung



KPMG host pre-dinner drinks



Carlson Tong and Mr. Allen



John being interviewed by Tianjin television at the WEF



Profile on Tianjin TV

KPMG at the World Economic Forum in Tianjin

At the September 2008 Annual Meeting of the New Champions organized by the World Economic Forum in Tianjin, co-chairman of KPMG China John Harrison was a member of a panel discussing the topic of corporate governance.

The Annual Meeting of the New Champions brings together over 200 rapidly growing companies from emerging countries along with established global players to discuss the opportunities and challenges facing businesses trying to achieve global growth. Opening the 2008 meeting, Premier Wen Jiabao spoke of China's commitment to the continual process of reform and opening, and noted that while the world's economic environment is subject to volatility, China's growth will continue alongside its commitment to the international community.

Attending the event were government representatives from numerous countries as well as leaders of multi-national companies such as Fred Zulu Hu, chairman of Goldman Sachs in China; Jean-Daniel Gerber, state secretary for Economic Affairs in Switzerland; William R. Rhodes, senior vice chairman of Citigroup; Thomas Enders, CEO of Airbus; and Wang Jianzhou, chairman and chief executive of China Mobile Communications.

During the debate, on "Picking the perfect board: Mission impossible?", the panel discussed key elements to consider when choosing and managing a board of directors for a company that hopes to achieve global growth.

The panel agreed that good governance largely depends on selecting a board which can empower management but also hold it accountable for its actions. The discussion covered the different kinds of board members required by different types of companies, and the problems management faces on inheriting an existing board. All the panelists said that trust and honest communication between management and the board is one of the most important factors for creating a positive working relationship.

John was also interviewed by Tianjin Television along with the Richard Hausmann, president and CEO of Siemens China, discussing the topic: "How companies go global".

Of the event, John said, "We found all of the sessions to be immensely interesting but their value lies in the opportunity to meet and trade valuable insights with some of our most important clients, and discuss key issues that affect the global economy."

Retiring from the partnership



Sheila Pattle

Audit partner Sheila Pattle retired on 30 June after more than 20 years working on some of the firm's most important accounts, including Cathay Pacific. Sheila was the first female partner in Hong Kong and also a founding member of Audit Group 1, specialising in the transportation sector. From 2000 to 2004, Sheila also took up the role of the Human Resources partner for Hong Kong and China.

Speaking at the firm's annual dinner in May 2008, Sheila expressed her thanks to all the staff she had worked with during her time in Hong Kong and revealed that her next challenge will be going back to school in the UK to study Russian.



John Zabriskie

Janet Orr, who has been an audit partner in Hong Kong for the last seven years, is also leaving the firm and moving to Ireland while John Zabriskie, who has been based in KPMG's Shanghai office since 2005, retired from the firm in September.

News from KPMG China

KPMG best among the Big Four in Universum IDEAL™ employer rankings

KPMG has been ranked best among the Big Four by university students across mainland China and Hong Kong, according to the Universum Graduate Survey 2008.

With over 19,000 students from mainland China and Hong Kong responding to the survey, the accolade is evidence that the firm's Employer of Choice agenda has been recognised and valued by students. The detailed responses suggest that students see KPMG as fast-growing and entrepreneurial, with supportive leaders, strong professional development opportunities, and competitive pay.

KPMG leads Big Four in M&A deals

In 2007, KPMG ranked fourth and fifth in mergers and acquisitions deals completed in Hong Kong and mainland China, as well as in Greater China. KPMG was the only Big Four firm to enter the Top 10, according to rankings compiled by mergermarket and Thomson Financial.

KPMG ready on bank compliance

Simon Topping has joined KPMG China as a partner for Financial Risk Management. Simon was previously executive director for banking policy at the Hong Kong Monetary Authority and will now lead the firm's engagements with Chinese financial institutions on issues relating to Basel II compliance and anti-money laundering.

Phil Mickelson: Did you know

American golfer Phil Mickelson started his 2008 season with two significant milestones: his thirty-third career win at the Los Angeles Open, and his decision to sign a new three-year sponsorship contract with KPMG.

As one of the most highly regarded sportsmen in the world, Phil Mickelson, or "Lefty" due to this left-handed swing, will give new visibility to the KPMG brand on a global stage.

Mickelson said that he was proud to join with KPMG, adding, "KPMG is passionately focused on 'being the best,' through building a culture based on professionalism and integrity. It's that culture and the shared passion to be the best that drew me to this relationship." Phil will be joining us in Shanghai in November for a KPMG golf day.



Phil Mickelson

- Age: 37
- Turned pro: 1992
- Current World Ranking: 2
- PGA Tour victories: 33
- Major victories: US Masters (2004 and 2006), USPGA Championship (2005)
- Career earnings: USD 47.3 million (third in all-time earnings after Tiger Woods and Vijay Singh)



Phil will be joining us in Shanghai in November for a KPMG golf day.

Upcoming events

- KPMG is participating as a sponsor of the Private Equity & Venture Capital forum, being held on 12–14 November in Hong Kong.

Gold Bauhinia Star for ex-KPMG chairman Marvin Cheung

Dr. Marvin Cheung was awarded the Gold Bauhinia Star for his service to the Hong Kong community at an award ceremony held in July 2008.

Marvin joined KPMG in Hong Kong in 1969 and was made partner in 1974. As chairman of KPMG China until 2003, Marvin oversaw a critical phase in the development of KPMG's business in China. Since his retirement, Marvin has sat on several regulatory and advisory bodies in the legal, business, education, charitable and cultural sectors.

The 2008 honours list recognises Marvin's long-term dedication to public and community service in Hong Kong. As well as his significant

contribution as a member of the Executive Council, the award acknowledges Marvin's commitment to the development of tertiary education as the chairman of the council of the Hong Kong University of Science and Technology. During his tenure, he led a number of important initiatives, including preparatory work for the implementation of reforms to the academic structure. Marvin was also recognised for his considerable contribution on the board of the Airport Authority.



Marvin Cheung and David Smith at the December 2007 alumni cocktail evening.



In January 2008, British Prime Minister Gordon Brown visited Beijing and Shanghai to develop trade and diplomatic relations between China and the United Kingdom. Traveling with the Prime Minister were a number of prominent UK business leaders, including the heads of Barclays Bank, Virgin Airways, Standard Chartered Bank, JCB, Shell, Prudential and AstraZeneca, as well as the Chairman of KPMG Europe, John Griffith-Jones.

The British Chamber of Commerce in Shanghai hosted a dinner for the visitors on 19 January, as well as two lively debates discussing current global business issues. Through our close links with the Shanghai British Chamber, over 20 KPMG managers and partners were invited to attend the debates. In the first discussion, panelists debated the question, "How business can help to create a sustainable world?"

The theme of the debate resonated well with the CSR initiatives that we have launched within KPMG China recently. In the evening, nine partners from KPMG's Shanghai office had the opportunity to network with executives from other leading companies in Shanghai, and talk with Prime Minister Brown, his wife and John Hutton, Secretary of State for Business, Enterprise and Regulatory Reform.

Corporate Social Responsibility

Our firm commits to reducing carbon footprint

KPMG China, along with member firms around the world, has pledged its commitment to "KPMG's Global Green Initiative," which aims to reduce KPMG's combined carbon footprint by 25 percent by the year 2010.

KPMG's Global Green Initiative is a three-tiered global approach created in order to address the challenges of climate change. The three commitments are: measuring, reducing and reporting KPMG's carbon footprint; supporting environmental projects to help address the challenges of climate change within our wider commitment to our communities; and working with our employees, suppliers and clients to help them improve their climate change impacts.

As Lord Michael Hastings, KPMG International's global head of citizenship and diversity, recently stated, "We are committed to addressing climate change by acting as good corporate citizens, and KPMG's Global Green Initiative is a vital part of KPMG's global corporate citizenship, sustainability and social responsibility programmes."

The environment has always been an important part of KPMG China's agenda, and is named in our 3E approach: Education, Empowerment and Environment. The firm is concerned with supporting innovative programmes that provide sustainable solutions to climate change,

environmental protection, and natural resource management. Environmental tips to follow at home, in the office and on business trips, such as using public transport and reducing our use of electricity, have already been introduced to staff throughout China.

This is a subject that is also becoming increasingly important on our client's agendas, as they become aware that climate change has strategic and financial implications for their businesses, presenting both risks and opportunities. KPMG China's CSR objectives and involvement in KPMG's Global Green Initiative demonstrates our commitment to the environment, our clients, and our recognition that business can, and should, be part of the solution.





Gold for KPMG in run up to 2010 Asian Games

In October, KPMG signed an exclusive agreement with the Guangzhou Asian Games Organizing Committee (GAGOC) to be the sole provider of all audit, tax, financial and risk advisory services in the run up to the 2010 Asian Games.

Mr. Liu Jiangnan, Deputy Secretary General of the GAGOC, congratulated KPMG on its sponsorship. He said that with KPMG's professional assistance, he hopes the GAGOC will be able to host the upcoming Asian Games successfully.

"KPMG China will establish a team of experienced professionals to work closely with the GAGOC over the next three years, from the preparation stage until the end of the 2010 Asian Games," said KPMG China co-chairman Carlson Tong at the ceremony. "We will make use of our international experience and service network to contribute to the success of the Asian Games."



Carlson Tong speaking at the ceremony held in Guangzhou in October.



Jack Chow

New HKICPA Council Member

Audit Partner Jack Chow was elected as an HKICPA Council Member from 1 April, replacing Carlson Tong, who has departed from the role to balance the demands of running the firm. Carlson also stood down recently from his post as chairman of the Listing Committee, having served in the role for six years.

Jack Chow's encouragement to up-and-coming accountants to "participate in various interest groups' activities to broaden networks and horizons, and help your communities," is clearly advice that he has followed throughout his career at KPMG.

Having joined KPMG in Hong Kong in July 1983, Jack's professionalism and commitment over the years has ensured his position not only as partner in charge of Audit Group 1, but as a significant player in several professional groups. In addition to his recently elected role as a HKICPA Council Member, he is currently the head of the Local IPO Advisory Group as well as acting Advisor of the Financial Reporting Advisory Panel of the Hong Kong Stock Exchange.

As a HKICPA Council Member, Jack will be involved in decisions made within the committees and working groups across a range of areas including professional development, ensuring professional quality and ethical compliance. He will be involved with activities to foster cooperation, exchange and development between Hong Kong and the mainland Chinese accounting professions.

KPMG China continues to work closely with the HKICPA and supports its many initiatives in developing the profession within Hong Kong and the mainland.

A professional voice

Sonia Khao, ACCA Hong Kong

After more than 10 years working at KPMG, Sonia Khao became the first professional accountant to work full time for ACCA (the Association of Chartered Certified Accountants) Hong Kong.

Sonia Khao joined KPMG in 1990, when the firm was much smaller than it is today. "The audit groups were less specialised in those days," she says. "That meant I got to work in a lot of sectors and with different partners, including Albert Li, Paul Brough, Ian O'Brien, Paul Tsang and Francis Ching. It gave me the chance to get used to people with different styles and personalities."

In 2001 Sonia decided to leave for another challenging position: Head of Technical Services (Hong Kong) of ACCA HK, the global body for professional accountants with 122,000 members.

The position was created with Sonia in mind and she is responsible for dealing with training and technical issues. "I was the first accountant to work full time in the association. Before then, all professional and technical issues were handled solely by the committee," she says.

Sonia has helped the ACCA HK liaise with the government, the local community and industry bodies to develop the accountancy profession and to advance the public's interest. "We might give feedback on consultation document affecting the profession or affecting business in Hong Kong," she says, adding "We focus on our own market, but we can draw on ACCA's global perspective. I can consult my colleagues in the UK or another country to get views and understand what works or does not work in different markets. As such, I hope to help make more progressive suggestions."

Taking up the role of Head of Technical Services, Sonia enjoys many things about her role. "It is very different from my old role, particularly in terms of the scale of the organisation. If we are organising an event we will all involved all the way through the process and help one another out."

Sonia sees a growing number of accountants, including many of her old colleagues, going into the commercial field. As part of that trend, she sees a growing need for ACCA to provide continuing professional development for these professionals and to support them as they provide training to their own teams — some of whom may not be professionally qualified. Sonia has also helped to maintain a good relationship with her former employer by organising joint events. "I am pleased to say we have more and more contact with KPMG and have worked together on a very successful seminar recently," she concludes.

Publications update

Below is a selection of our recent thought leadership publications, many of which are focused on China and Asia Pacific markets. For more details visit our Web site or contact Mike Hurle on +852 2826 7292.



**Destination Digital:
Opportunities in China's
media and advertising
market**



**Challenges in PRC GAAP
conversion***



**Restore: The turnaround
magazine**



**Beyond the credit crisis:
The impact and lessons
learnt for investment
managers**



**Global corporate cash
flows, 2008/9**



**China's luxury consumers:
Moving up the curve***



**Clawing back cash:
developing a total cash
management strategy**



**State of the Investment
Management Industry in
Asia Pacific**



**China's Trust Sector:
A new chapter***



**Risk management
priorities for Asia Pacific
financial institutions:
Basel II and beyond***

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* Chinese language version available

Switched on

Any young, innovative company needs a committed and enthusiastic finance team to support its growth. This is something Kenneth Lam has helped to create at Varitronix, the Hong Kong-based producer of LCD panels.

"I want to set up a good reporting and communication system. It is important to think of the legacy you are creating."

After commencing his career at KPMG Hong Kong in Audit Department 1, Kenneth Lam moved to Department 13 and progressed to the position of Manager. Faced with an exciting opportunity, he left the firm in 2005 to become Financial Controller at Varitronix, where he has taken on an increasingly wide range of responsibilities.

As producers of quality small-to-medium-sized LCDs for the automotive, home electrical appliance, industrial equipment and mobile handset market in Europe, Asia and North America, Varitronix advertise themselves as one of Asia's pioneers and leading manufacturers. Indeed, in 2007, the company reported a 40 percent increase in turnover as compared to the previous year, with strong demand from customers in Europe and mainland China.

Much of Varitronix's success can be attributed to their recognition of a relative lack of suppliers in the market for high-end LCD products. Meeting the customer's specific high requirements for product functions and safety performance, particularly in the automotive sector, is a significant objective of the company, and is proving to be their distinctive selling point.

However, the economic environment is becoming more challenging for manufacturers and Kenneth realises that "cost-control is the crucial success factor for the future." He believes the company must continue to "build up", and consolidate their strong reputation for quality and reliability, as this will be the reason customers will continue to buy products in the future, even when the market matures. "Take our automotive clients," he says. "They will always pay a little bit more for quality and reliability. These are values that Varitronix stand by and they have helped us build solid business relationships."

In his current role, Kenneth is responsible for driving a number of big projects; particularly since 2007 when the CFO transferred to another division. Kenneth now finds himself reporting directly to the CEO and the board. His projects offer many challenges and range from restructuring property deals to formulating hedging strategies against the rising Yen and drafting control policies in response to the growing demand for corporate governance. "A financial controller's role is not easy. As well as regularly liaising with auditors, tax professionals and bankers, I have to keep up with the ever-changing accounting standards in Hong Kong, as well as be aware of all the risks, standards and taxation rules in all the other countries we operate in."

Another challenge has been to build up a proper hierarchy; something Kenneth understood from KPMG. "I want to set up a good reporting and communication system. It is important to think of the legacy you are creating."

Responsible for 12 staff in the Hong Kong office, and a further 25 in mainland China, Kenneth feels that he has established a division of roles, clearer lines of reporting and a stronger team spirit within the finance team. Recruiting gradually allows him to adopt a personable approach; he prefers to train new staff on an individual basis and spend time to talk to everyone in order to foster confidence and generate an knowledge-sharing environment.

Despite having had the opportunity to work with many professional firms, Kenneth still retains a great deal of appreciation for his former employer. "My impression of KPMG, in terms of reputation and professionalism, has not changed since I left," he says.

It was not only the professionalism of the firm that made an impact on Kenneth, but also the network and close personal relationships.



"I left KPMG three years ago, but when I was back in Prince's Building recently I was still recognised by the receptionists, Agnes and Althea. In fact, they wondered if I had been away for a particularly long engagement in China!"

He maintains strong connections with his ex-colleagues, particularly Nick Debnam and Sheila Pattie, asserting that Sheila "gave me the opportunity, as a graduate, to work at KPMG, and also supported me when I considered the opportunity to move."

Kenneth recalls that it took him a long time to make the decision to leave KPMG. "KPMG offers many advantages compared to the commercial world where you may not have such a clearly defined career path. However, as I had been involved with Varitronix since 1997 I understood a lot about the company and its healthy performance. In addition, I was convinced that the position offered would provide a good challenge."

The times spent delivering training to new joiners and sharing his professional insights at graduate fairs, are some of Kenneth's most memorable experiences. He reviews his time at the firm with warmth and appreciation and there is no doubt that he is now putting what he gleaned from his time at KPMG into action. "I always had a sense of the professionalism of KPMG and the knowledge that people at the firm are well-trained, kind and analytical. All these things KPMG gave to me."

Cash is king



Organisations have an opportunity to shield themselves from a tightening credit environment by unlocking cash from their business through more effective cash management.

A new research report by KPMG's Restructuring Services team suggests mid-sized organisations around Asia Pacific have yet to feel the full effect of the global credit crunch. Nevertheless, the negative sentiment spreading across the global environment makes it even more important than usual for finance executives to review their cash and working capital management strategies.

In early 2008, KPMG surveyed finance executives at 152 companies, mostly in the retail, consumer products and manufacturing sectors, around Asia Pacific. Among the respondents, 61 percent said they had run a working capital improvement programme over the past 12 months. Of those, a majority said they had achieved an improvement in working capital of 10 percent or more.

Interestingly, a high proportion (72 percent) said they had used the cash released from the programme to expand operations, while fewer had used the cash to repay debts (39 percent) or to pay shareholder dividends (38 percent). This suggests many mid-sized organisations remain bullish in their outlook and may have yet to feel the full implications of tightening credit.

More than 80 percent of respondents said they had felt no impact or minimal impact on credit facilities from suppliers, with only 13 percent

seeing a significant impact in terms of reduced access to finance. Respondents were often far more concerned by the possibility of the credit crunch weakening consumer demand.

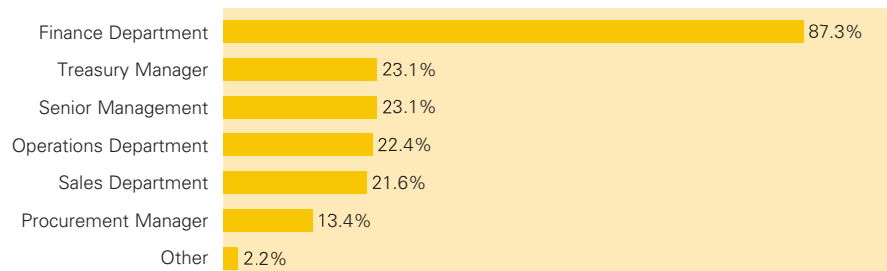
Accuracy of forecasting is a critical factor in achieving working capital improvements and ultimately raising profitability. Among the organisations surveyed, those the most accurate forecasts (defined as variance of less than +/- 5 percent), achieved an average net profit ratio of 10.1 percent. Among those with the weakest forecasts (defined as variance in excess of 20 percent in either direction), the average net profit ratio was 2.6 percent.

"These results are very instructive," says Eddie Middleton, partner in charge of Restructuring Services in Hong Kong. "They provide concrete evidence of the benefits that can accrue to businesses if proper attention is paid to this area."

The survey showed that organisations are typically more accurate in forecasting on the payments side compared to the revenue side. Among those with the most accurate forecasting of payments, a relatively high proportion involved their operations and procurement teams in the forecasting process.

"Many companies have an opportunity to unlock cash from their business and we believe the most effective way to do this is by creating a real cash culture throughout the organisation, meaning that cash management should be an organisation-wide responsibility, not just something that the finance department handles," says Fergal Power, director, Restructuring Services. "Other functions such as sales, procurement and operations can all make a meaningful contribution to the cash forecasting process," he adds.

Who contributes to preparation of cash flow forecasts in your organisation?



To view KPMG's recent report entitled *Clawing Back Cash: Developing a Total Cash Management Strategy*, visit www.kpmg.com.hk

A New Challenge:

John Harrison tells *Alumninews* about his new role as Deputy Chairman of KPMG International.

Could you tell us why this position has been created?

There are lots of opportunities and challenges facing KPMG worldwide, so the position of deputy chairman was created to help address and manage these issues, and I was nominated for the role.

What are your responsibilities in your new role at KPMG International?

Chairman Tim Flynn, I will also spend a lot of time supporting our member firms and clients, dealing with any major issues they may have, or large proposals they are involved in. I need to ensure that we communicate consistently, and on a global scale, to our people, our clients, regulators and the media whenever necessary.

What effect will your new position have on your current role as co-chairman of KPMG China?

JBH: I will be retiring as co-chairman of KPMG China at the end of March 2009. This is one reason why we have changed the governance of the China firm, appointing Paul Brough as head of the Hong Kong office and Ian O'Brian as COO. Carlson Tong will become the sole chairman of KPMG China and Asia Pacific. The new management committee for China will then reflect the Global Executive Team structure for KPMG International.

Which aspect of your career have you found most rewarding?

JBH: Accountancy is really a fantastic profession to be in; you never stop learning. You learn from your colleagues, from your clients, from challenges that you face everyday.

What will you miss most about KPMG China?

JBH: Actually, I hope to spend enough time in Asia not to miss anything. The things that I think are great about KPMG are the camaraderie, support and values we all share — most importantly, our belief in open, honest communication and integrity. I think we have built a fantastic firm here.

As the firm continues to expand, there will undoubtedly be new opportunities and challenges. But I am confident our new leaders will rise to these, and KPMG China will continue to be successful in all its endeavours.



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