

The Proposal of Risk Management Competition for CHATS

(China, Hong-Kong, Macau, Taiwan, Singapore)

[Objective]

Our mission is to develop the best talents of Risk Management professionals and to educate the customers in the Greater China market. We all know the university education is the foundation of advanced business and technical solutions. Therefore, under the call of industry leaders and academic gurus, we would host the first **Risk Management Competition for CHATS** (China, Hong-Kong, Macau, Taiwan, Singapore—**Greater China**). The event would serve as a new initiative to joint the corporate Greater China and the research/academic institutions. All committed partners are regional leaders or world renowned experts who pursue the long-term growth and excellence. Through the most challenging intellectual competition and synergy of practices and theories, we want to facilitate the grand new era of the prosperous Greater China.

[Stakeholder]

1. Planning and Execution companies:

Risk Advance Inc. (U.S. firm: www.riskadvance.com) and

APEX International (Taiwan firm: www.apex.com.tw, Polaris Financial Group).

(APEX will support IT platforms for on-line transaction games.)

2. Corporate Sponsors:

Platinum Sponsor (1): NT\$ 300,000. Get the full list of the competition participants and full package of the submitted proposals.

Gold Sponsor (3-5): NT\$ 200,000. Get the full list of the competition participants and half package of the submitted proposals.

Sponsor (3-5): NT\$ 100,000. Get the half list of the competition participants.

Major advantages for the corporate sponsor:

- a. Marketing/branding effects in the whole Greater China area with low expenses.
- b. Getting access to the rarest talent pool in financial planning, risk management, investment, derivatives, and new financial services/products.
- c. Getting the great business development proposal for the booming personal financial management and enterprise risk management businesses.
- d. Corporate tax deduction. Since we work with the academic institutes, the sponsorship will have a certain percentage tax deduction amount.

In general, a corporate sponsor should represent its sector in banking, securities, insurance, IT integration, financial engineering, and risk management. All sponsors would be announced through the media with its corresponding support. (In talks now: Yuanta Securities Group, Polaris Securities, Mega Financial Holding, Cosmos Bank, Taipei-Fubon Bank, Deutsche Bank, HSBC, Citigroup, ING, etc. The sponsors would be **confirmed around mid August—08/20.**)

3. IT Cooperation:

The company which supports the overall IT operations can get the full list of the competition participants regardless the sponsorship amount. The planning/execution company would share the data base and construct Internet connection with help from the Financial Risk Management Center at the National Tsing Hua University (NTHU).

4. Academic Advisors:

The academic advisors are all the leading authorities in corresponding professional fields. They all come from the best universities or research institutes in Greater China, and highly motivated for improving constant growth in the Risk Management practices with most advanced theories. To joint the Greater China market and leading financial markets in New York City, London, etc., the academic partners also possess extensive experiences and networks with the most complicated capital markets and world class experts.

Confirmed: **Professor Jerry T. Yang**¹ from NTHU (also host the event web site and the Data Base for the future activities), **Professor TJ Chen**² from NCCU, **Professor Shang-Wu Yu**³ from NTUST, **Dr. Yang**⁴ from Chung Hua Institution for Economic Research. In talks with: Taiwan Academy of Banking and Finance, ITRI, Peking University and other top academic institutes in Greater China. There will be more contacts later.

5. Media Partners: To be decided around **mid August**. (Select from **Common Wealth**, **Global Vision**, **Business Weekly** in Taiwan magazine segnebtaion.)

[Rule and Schedule]

1. Award: The champion will get the treasure **Western Han Dragons Jade Pei** (market value \geq **\$USD 20,000**)^{5 6}. The top-3 teams and finals list would be announced through the public media. Each participant will have chance to submit her/his resume and develop the long-term career when the corporate sponsors find good match. We'll also act as the facilitator for the corporate sponsors to work with the participants who present the best feasible solutions. (That means your best ideas might achieve real commercialization and reap the decent ROI.)

2. Participant Qualification: **1-5 persons per team**. Each team should have **at least half currently registered undergraduate or graduate students** in the universities of Greater China. We strongly encourage the participants to compose a joint-function team (Risk Management, Accounting, Finance, Mathematics, IT, Business Development, Legal Service, etc.) which mixes the current students with the working professionals.

3. Schedule

(1) First round: From 09/01/2005 to 11/20/2005. 11/20 is the due day to submit the application and first round solution.

Solution evaluation: 11/21/2005 to 12/15/2005. The team list advancing to the second round would be announced immediately after 12/15. The review process is done by the academic authorities and field experts who cooperate with the competition planning and execution units.

(2) Second round: From 12/16/2005 to 2/15/2006. 2/15 is the due day to submit the second round solution.

Solution evaluation: 2/16/2006 to 3/31/2006. The team list advancing to the final round would be announced immediately after 03/31.

(3) Final round: From 4/01/2006 to 4/15/2006. The champion and top-3 teams would be decided after 04/15/2006. The award ceremony would be hosted in late April.

4. Competition Content

(1) First round:

Question 1: **Personal Investment and Financial Management**. It would include the best portfolio management for a specific target customer segment, and the topics may cover insurance, funds, securities, etc.

Question 2: **Enterprise Risk Management**. It may cover the funding management, securitization, hedge, derivatives and related process and technology integrations.

The solution for each question only needs to provide a summary framework **within 3 pages**. Please don't exceed 3 pages for each question. The detailed questions would be announced shortly earlier than the beginning date of round 1.

(2) Second round:

The two questions are same as those of the first round. Now the participants need to expand their solutions to a comprehensive report with **maximum 15-page** per question (excluding the appendix, tables, and computer simulation results).

(3) Final round:

It would be an **on-line/off-line transaction competition** game for the equities, futures, options, and other fixed-income products. The competition time would be 7 to 10 days.

All competition questions and answers would be in English to comply with international conventions. All the participant contacts, resumes, and the application form should be ready in the first round due date (application form would be announced in late Aug 2005). The submitted solution report should be in **MS Word or PDF format**. No indications or earmarks of the participants' identification are allowed in the solution report.

[Contact]

Contact in the Planning Stage: **Mr. Hung-da Lin**, CEO & Greater China President of Risk Advance Inc. hlin@riskadvance.com , (O)+886-2-8983-7800 (M)+886-910-365-904. (Preferred way is through emails.

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Contact in the Operation Stage:

Competition applications and issues: rmc.chats@gmail.com

General public relation: Ms. Teresa Wang, teresa@mail.apex.com.tw

[Notes]

This is the currently planning proposal for the event. We welcome your any comment and suggestion. If there's any change or modification, we'll notify the corresponding stakeholder and participant.

¹ Professor Jerry T. Yang teaches at the Department of Quantitative Finance at the National Tsing Hua University (NTHU) and co-directs the Financial Risk Management Center at NTHU. His areas of research include Risk Management, Asset Pricing, Executive Compensation, and Market Microstructure.

2. Professor TJ Chen is the ex-chairperson of the Risk Management and Insurance Department in NCCU. She is visiting Harvard for the advanced financial research and will cooperate with us at the United States in the coming months.

³ Professor Shang-Wu Yu is the current dean of the Information Management Dept. at NTUST. He's the leading professor in the Investment, Financial Engineering, and IT management.

⁴ Dr. Ya-Hwei Yang is the current director of the Financial and Economics Strategy Center at Chung Hua Institution for Economic Research, a leading think tank in Taiwan. She has published numerous papers and constantly advised the government for the financial and monetary policies.

⁵ The material is Ho-Tien white jade. Original make date is around Western Han Dynasty. Two dragons on the jade Pei are the traditionally glorious and prosperous symbols. Size: length—8.2 CM, width—5.8 CM. See Photos 1, 2 below.

⁶ Photos are below:

Photo 1



Photo 2

