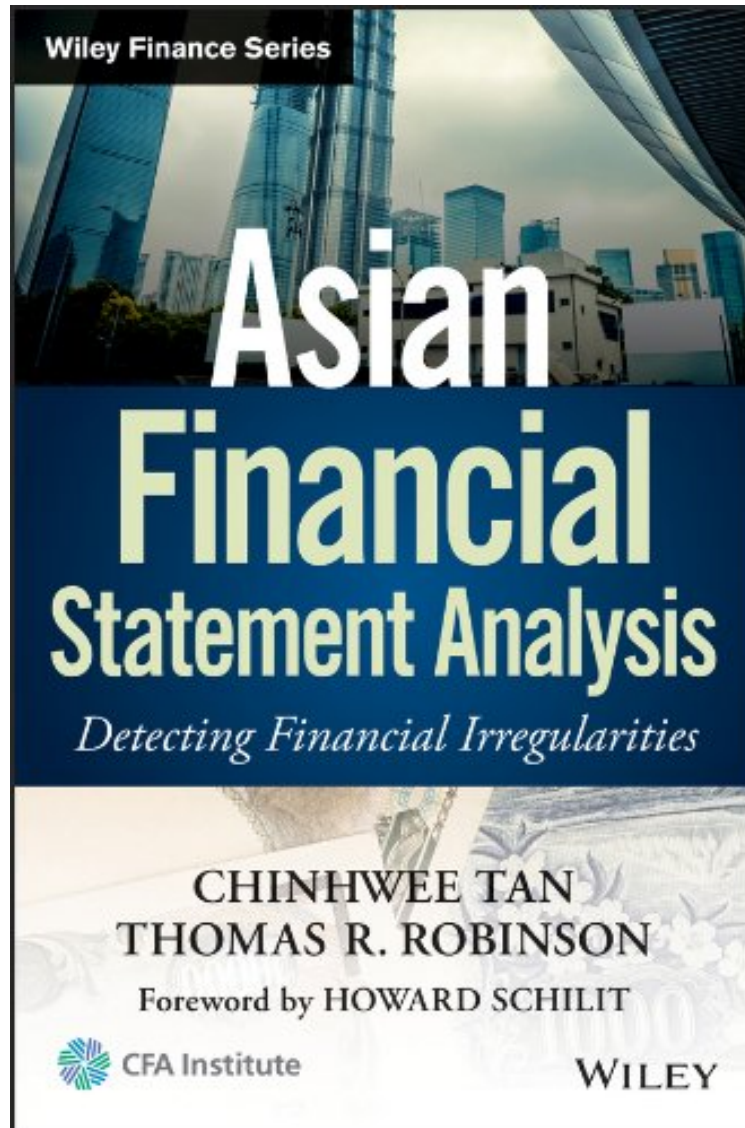


Asian Financial Statement Analysis: Detecting Financial Irregularities (Wiley Finance)

ChinHwee Tan, Thomas R. Robinson

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ChinHwee Tan, Thomas R. Robinson : Asian Financial Statement Analysis: Detecting Financial Irregularities (Wiley Finance) before purchasing it in order to gauge whether or not it would be worth my time, and all praised Asian Financial Statement Analysis: Detecting Financial Irregularities (Wiley Finance):

3 of 3 people found the following review helpful. All that glitters is not gold. This is a great guide to avoiding investment mistakes in Asia By Lim Jit Soon Analysts and investors tend to focus on income statements and modeling future earnings in their investment analysis. Not enough attention is given to balance sheets and cashflows. Indeed

when a stock becomes the darling of the market, analysts often forget to investigate if indeed "all the glitter is really gold". Tan and Robinson's timely book — Asian Financial Statement Analysis: Detecting Financial Irregularities — provides a useful reference and guide for analysts and investors who want to dig deeper into financial statements with the view to avoiding investment mistakes. Providing a systematic framework and using numerous Asian case studies (including Satyam and Olympus), the authors show readers how to systematically look out for warning signs. Spanning seven chapters and written in a user friendly format, the book covers topics like Detecting Earnings Management and Detecting Overstated Financial Position with relevant case studies embedded in each of the chapters to drive home key lessons. For those who need a refresher on cashflows, Chapter Five which is entitled "Detecting Overstated Operating Cashflows", explains how cash flows are constructed and how they can be manipulated to magnify a company's prospects. The chapter on Evaluating Corporate Governance and Related party issues provides an excellent framework for identifying potential conflicts of interest. Towards the end of the book, Tan and Robinson thoughtfully puts everything together and offers a "Recipe for Detecting Cooked Books" which outlines the steps required for a thorough analysis of company financial statements. Asian Financial Statement Analysis is a must read for analysts and investors wanting to hone their skills in investment analysis.

0 of 0 people found the following review helpful. Ground breaking material, real-world value By Alex H It is exceptionally rare to come across a book in the investment space that has significant real-world value in implementation. The topic itself is not anywhere nearly as understood as it should be by the industry, in my opinion. The book does 3 things simultaneously: (i) Provide a significant amount of depth and real world examples (ii) Distil everything into a 100% practical, implementable framework for easy application (iii) Delivers fantastic value and insight from one of the world's top hedge fund managers. With no reservations, as a hedge fund professional, I highly recommend the book to investors of any level.

5 of 6 people found the following review helpful. The definitive book for Financial Shenanigans in Asia By Nguyen Dang Trung As a sell-side credit analyst with a focus on high-yield (junk) bonds in Asia, I took a particular interest in the book because the high-yield bonds and equity markets in Asia have plenty of financial irregularities. I was not disappointed. The book is a wonderful read for any investors and analysts who want to invest in Asia companies, both in bonds or equity. What I like are: - Simple to understand: As mentioned in the introduction, the author writes with the non-technical readers in mind so he explains the concepts in simple, layman language. - Well-structured book and well-structured framework to look for fraud: I particularly like how he explained and stressed the interrelationship between income statements, balance sheet and cash flows. He gave various examples of ways to "cook the book" and how to detect such activities. In my humble experience of talking to various investors and analysts in Asia, many people overlook this linkage concept and tend to focus on perhaps the income statements or only the balance sheets. The author pointed out that financial irregularities tend to leave tell-tale signs in other parts of the financial statements and rightly so. - Plenty of great case studies with lessons at the end: Many of those case studies are well-known if you have followed the due-diligence based research firms and short-sellers such as Muddy Water, Glaucus Research, and Citron Research. If you have not, the case studies will be really eye-opening. The author has summarised them nicely without getting bogged down with details. Many case studies are still new to me. As a professional habit, I tend to look for peer comparison. The closest peer for this book may be the classic Financial Shenanigans by Howard Schilit and Jeremy Perler, which I have with me too. I found the Tan ChinHwee's book a lot more in-depth and enjoyed it a lot more than the latter. It is also Asia-focused and more relevant to my work. The Financial Shenanigans did not touch on the manipulation of balance sheet and the interrelationship between the three financial statements, for example. While it explains more ways to manipulate incomes statements and cash flows, Tan ChinHwee's book gets deeper to the fundamental of what happens to the balance sheet and cash flows when various items in the income statements get manipulated or vice versa. In addition, Tan's book has a unique and valuable chapter on Corporate Governance and Related-party Issues which are rampant in Asia. Few other books have touched on it as most investment books so far are written by Westerners. Asian analysts and investors discuss about them but few has written a structured report to analyse it. I highly recommend the book to any investors in Asia companies.

Gain a deeper understanding of Asian financial reporting and how to detect irregularities The Asian region, and particularly China, is becoming a hotbed of investment activity. There have been quite a few accounting scandals in Asia in the recent years — now rivaling those we have seen in the Americas and Europe. Assessing potential or active overseas investments requires reliance on financial statements, the full parameters of which may vary from region to region. To effectively analyze statements, it is necessary to first understand the framework underlying these financial statements and then lay out a protocol for detecting irregularities. It's impossible to create and implement a practical plan without a deeper knowledge of the various factors at play. Asian Statement Analysis: Detecting Financial Irregularities provides a framework for analysis that makes irregularities stand out. Authors Chin Hwee Tan and Thomas R. Robinson discuss international financial reporting standards, including characteristics particular to the Asian region. Tan and Robinson's combined background in academia and Asian finance give them a multi-modal perspective and position them as top authorities on the topic. In the book, they address issues such as: Detection of

irregularities independent of particular accounting rules The most common irregularities in the Asian market Similarities and differences between U.S. and Asian accounting techniques An overarching framework for irregularity detection The book uses real-world examples to illustrate the concepts presented, with the focus on Asian companies. As the first ever in-depth study on manipulation and irregularities in the Asian market, Asian Financial Statement Analysis: Detecting Financial Irregularities is uniquely positioned to be a valuable resource in the move toward the next phase of global reporting standards.

"Written by Tan Chin Hwee, the founding partner in Asia for Apollo Global Management, a leading US\$162 billion global alternative investor, among the top three largest in the world; and Tom Robinson, professor of accounting and head of education at the CFA Institute, the book offers a practical framework for performing forensic financial analysis and detecting accounting irregularities." - Daniel Yu, The Asset "But what if investors were armed with practical tips on what to look for in assessing companies--especially avoiding the dodgy ones (and maybe even profiting by taking a short sale position)? Here is where Asian Financial Statement Analysis: Detecting Financial Irregularities may become the seminal book that equips investors with what to look out for when assessing investment opportunities in Asia." - Daniel Yu, The Asset "Tan and Robinson write that corporate governance has been the Achilles' heel for minority equity shareholders in Asia. Despite being publicly traded, they say that many companies are still effectively controlled by the founder or his family; there is nothing inherently wrong with this, but the real winners in many companies are not the minority shareholders. Investors in this region, therefore, will need to be extra vigilant and this book goes a long way in helping strengthen their position." - Daniel Yu, The Asset From the Inside Flap Financial scandals and irregularities can occur globally, but most recently have begun a steady climb in Asia. Until now not much had been documented about these incidents, and there remains a significant lack of corporate governance in these markets. Asian Financial Statement Analysis: Detecting Financial Irregularities was created to address this knowledge gap while keeping the global investor in mind. Coauthored by two leading authorities in the field, it is the first ever in-depth study into detecting financial irregularities specifically in the international financial reporting of Asia-Pacific companies. ChinHwee Tan is highly acclaimed by The Hedge Fund Journal and World Economic Forum and is the founding partner in Asia for a leading global alternative investor, among the largest in the world. Dr. Thomas R. Robinson is Managing Director of the Americas at the CFA Institute and has written and spoken extensively on the subject of financial statement analysis. Together they have created a practical guide for anyone looking to perform effective forensic analysis on the financial statements of Asian companies, generally for the purpose of making solid investment choices. The first section of the book lays out a proven framework for detecting irregularities in profits, financial position, or cash flow. Its subsequent chapters illustrate the most common irregularities in the Asia-Pacific region and some of the warning signs to look for. Each chapter also includes a useful checklist of different analysis techniques, an overview of the most common games that companies play, and a full case study of an Asia-based company to help illustrate the concepts in a holistic manner. The authors' personal experiences in both global and Asian financial markets enrich the text and offer readers a firsthand look at real world scenarios, helping them further scrutinize companies within that same space. Asian Financial Statement Analysis: Detecting Financial Irregularities helps professionals navigate the intricacies of investing in Asian business ventures as they look to expand their investment portfolio. It not only offers a comprehensive look at detecting irregularities regardless of accounting rules, but also helps transition professionals into the next phase of global reporting standards. The book is the only resource financial professionals need to better guarantee wise investments and avoid corrupt business practices in the unique Asia-Pacific region. From the Back Cover Praise for Asian Financial Statement Analysis "Asian Financial Statement Analysis is a timely and useful treatment of an extremely important topic: the growth of global companies from China and Asia and their further integration into global capital markets. It studies actual cases and problems and also puts those in a larger context. I know of no other book of its kind." - Merit E. Janow, Dean, School of International and Public Affairs, Columbia University "During the many years that we have been investing we have found that one of the biggest risks investing in capital markets around the world revolves around corporate governance and accounting fraud. ChinHwee's 20 years of investing in Asia as one of the pioneers in private/mezzanine credit investments is a testimony of his depth of wisdom and experience in understanding the real Asia on the ground." - Mark Mobius, PhD, Executive Chairman, Templeton Emerging Markets Group "It is not often that one comes across a book on the subject of forensic accounting and evaluating financial statements written by a true expert. I whole-heartedly recommend this book to all my fellow investors. The book is both learned and practical." - Dato Cheah Cheng Hye, Chairman and Co Investment Officer, Value Partners Group Limited "As Asia becomes more competitive and strict regulatory institutions and corporate governance slowly emerge, there is a tremendous need for education in forensic accounting and financial statement analysis. The authors' approach is holistic and they make it come alive with excellent case studies concerning real companies in Asia." - Dr. K. Ravi Kumar, Shaw Chair Professor and Dean, Nanyang Technological University "This work is an essential tool for anyone seriously considering investing in Asia and will help avoid many of the obvious, and less obvious, pitfalls." - Hugh Young, Managing Director and Head of Global Equities, Aberdeen Asset Management Asia Limited "As

a financial market practitioner, one of my primary concerns is recommending clients to invest in a company that turns out to be a fraud. ChinHwee Tan's insightful and thoroughly researched Asian Financial Statement Analysis is an excellent resource and goes a long way to make people like myself sleep soundly at night. Only someone such as himself, with the wealth of knowledge and experience in some of the most treacherous parts of the world, could have written a book as relevant as this." mdash;David Cui, Head of China Strategy, Bank of America Merrill Lynch "Tan Robinson deftly blend bedrock-solid accounting lessons with real-life examples of their application to Asian companies. The book's lessons are written in an accessible style, and should benefit investors who heed the authors' basic message: exercise intelligent skepticism in investing." mdash;Jack Ciesielski, publisher of The Analyst's Accounting Observer and owner of R.G. Associates, Inc. "Professor ChinHwee Tan is a foremost expert in the practice of forensic accounting, and his skills and insights are much appreciated from the halls of government agencies to the classrooms of MBA lectures, including those at Shanghai Advanced Institute of Finance (SAIF). This book is a valuable contribution to the investment community and should be an indispensable addition to your library." mdash;Hong Yan, PhD, Professor of Finance, Shanghai Advanced Institute of Finance (SAIF) Associate Director, China Academy of Financial Research (CAFR), Shanghai Jiao Tong University "This book introduces useful tools for serious Asia investors from authors with exceptional credentials in the field." mdash;John Rogers, CFA, CEO of CFA Institute