



恒生管理學院
HANG SENG
MANAGEMENT COLLEGE

Communications and Public Affairs Office

23 November 2015

For Immediate Release

To: Assignment Editor / Editor of Business, Finance and Economics, Education, Local News and Feature Article sections

Father of Z-score Predicts Timing of Market Burst at HSMC

Dr Edward Altman, father of Altman Z-Score for bankruptcy prediction and the Max Heine Professor at the New York University, together with the Hon Kenneth Leung Kai Cheong, legislative councillor and senior consultant of Clifford Chance LLP, spoke at the “Market Outlook – Is it a Bubble?” Conference on 14 November 2015, organised by the Executive Development Centre (EDC) & the School of Business (SBUS) of Hang Seng Management College (HSMC), together with CFA Institute, and supported by 7 professional bodies and units.

Dr Altman, conference keynote speaker, believed the US central bank would raise the interest rate by 25-basis point by end of the year. He predicted that the default rate would go above the historical average, which is 3.5% on average annually. He expected no financial crisis would happen as long as there is no recession particularly in US or China. However, he forecasted, “The bubble is now growing and will not burst unless a major economic downturn happens, probably US maybe within 3 years and China maybe 1 or 2 years, which might eventually lead to issues regarding credit crisis and global security.” He recommended investors not to hold off too much leverage on financial portfolio.

The Hon Kenneth Leung evaluated different government’s policies on tackling the private and public housing supply issue in Hong Kong, and suggested 5 strategies to increase land supply, including increasing the developable land development intensity, change of use of existing land, converting idling reserved sites, redevelopment on existing land, and taking forward major land development projects. Leung added, “The government should have a review

on the 'New Territories Small House Policy', carry out researches on other solutions and develop housing strategies favourable for the 'sandwich class' in Hong Kong".

The event was held at the Alice Lam Lecture Theatre of HSMC and supported by Friends of LSE in Hong Kong, The Hong Kong Institute of Bankers, The Hong Kong Securities and Investment Institute, HSMC/HSSC Alumni Association, The Institute of Certified Management Accountants (Hong Kong Branch), The Institute of Financial Accountants in Hong Kong (IFA HK), and Institute of Public Accountants (Hong Kong Branch), with over 100 finance professionals, academia, senior executives, investors and students attending.

EDC will organise another seminar on "Global Trend for Islamic Finance" by seasoned speakers from Malaysia, on 30 November at HSMC, another important event of the HSMC Finance Month.

Biography of Dr Edward Altman

Dr Edward Altman is the Max L Heine Professor of Finance at the Stern School of Business, New York University, and Director of the Credit and Fixed Income Research Program at the NYU Salomon Center. Dr Altman has an international reputation as an expert on corporate bankruptcy, high yield bonds, distressed debt and credit risk analysis. He is the father of the Altman Z Score bankruptcy prediction formula. He was named Laureate 1984 by the Hautes Études Commerciales Foundation in Paris and awarded the Graham & Dodd Scroll for 1985 by the Financial Analysts Federation for his work on Default Rates and High Yield Corporate Debt. In 2005, Dr Altman was named one of the "100 Most Influential People in Finance" by Treasury & Risk Management magazine.

Biography of The Hon Kenneth Leung

Kenneth is a member of the Legislative Council representing the accountancy functional constituency. He currently sits on the Economic Development Panel, Financial Affairs Panel, Environmental Panel and Security Panel. He is also a member of the Public Accounts Committee. Kenneth is the founding member and vice-chairman of the think tank, the Professional Commons. He is a leading tax adviser in Hong Kong and has been voted the world's 250 top tax advisers since 2008.

About Hang Seng Management College

Hang Seng Management College (HSMC) was restructured from the former Hang Seng School of Commerce and established in 2010 as a non-profit-making private university-level institution with five Schools (Business, Communication, Decision Sciences, Humanities & Social Science, and Translation). Adopting the unique “Liberal + Professional” education model, HSMC is a residential college which puts quality teaching and students’ all-round development as its highest priorities. Aspiring to be a leading private university in Hong Kong, HSMC features top-quality faculty members, award-winning green campus facilities, innovative degree programmes, impactful research on corporate sustainability, and excellent student support services, with the aim of nurturing young talents with independent thinking, innovative minds, human caring and social responsibilities.

About Executive Development Centre of HSMC

Executive Development Center (EDC) is established to offer top notch executive development programmes to assist executives to pursue continuous education for advancement of their careers. EDC programmes are conducted by experienced professionals and partners from global reputable institutes. EDC provides corporate training and management consultancy services on a wide range of areas, including but not limited to leadership, management, negotiation, marketing, brand building, accounts and finance, compliance, corporate governance, communications, crisis management, social media, data analysis, supply chain management, English & Putonghua language proficiency, translation, interpretation etc.

(Visit EDC.hsmc.edu.hk for more information)

Media Enquiries:

Ms Hester Yip

Manager, Communications and Public Affairs Office

Tel: 3963 5455

Email: hesteryip@hsmc.edu.hk

Ms Winki Chan

Executive Assistant, Executive Development Centre

Tel: 3963 5098

Email: chanwinki@hsmc.edu.hk

Event photos:



President Simon S M Ho (5th from left), Dr Edward Altman (5th from right) and the Hon Kenneth Leung (centre) took a memorable photo together with the representatives of co-organiser and supporting units



Dr Edward Altman shared his view on the “Outlook of Global Credit Market”



President Simon S M Ho presented a souvenir to the Hon Kenneth Leung

Please CLICK [here](#) for original photos.