

Valuation Notes 评估短讯

Summer Issue | 夏季刊

Words from Managing Director

董事总经理之言

Dear Readers,

Within a relatively short space of time, the global economy experienced, among others, sub-prime induced credit squeeze, inflation concern from soaring energy, labour and raw material costs, falling corporate profits and stock market decline. Amidst future uncertainties, what seems certain is a slowdown in growth resulting in the need for all businesses to find new strategies to cope.

Fair valuation for financial reporting purpose continues to be a major demand for our services. We have in recent months opened new offices in Turkey, India and Australia.

Earlier this year, the China Securities Regulatory Commission set up a new audit committee for enhancing the transparency and examination and approval quality of M&As and restructuring of state sector listed companies. It is hoped such additional governance will serve towards healthier industry consolidation and more efficient resources allocation. In this connection, we feature in this issue a write-up on the "Valuation Standards System in China". It also lists the latest and expected Chinese Valuation Standards which I hope you will find useful.

The market believes that energy, mining and infrastructure will become the main focus areas for M&A activities in the mainland - these also fit in well with the various sector valuation expertise of American Appraisal. In May, our Global Practice Leader for Metals & Mining Valuation, Alexander Lopatnikov, presented at Beijing's Steel Raw Materials & Finished Products Conference, to show the industries how American Appraisal can help their businesses.

In June, William Epstein, our National Director of Opinion Services, toured Hong Kong, Beijing and Shanghai to introduce our Fairness Opinion Services to our clients and intermediaries.

A cash donation was made to Red Cross in respect of the Sichuan Earthquake. Have a good summer and enjoy the Olympics.

Patrick Wu
Managing Director & President

亲爱的读者：

在过去数月，全球经济经历了许多重要事件：次按引发的信贷紧缩、能源/劳工及原材料成本飙升带来通货膨胀、企业利润减少及股市下滑。在难以预测的未来，却可以预期这些因素都会引致增长放缓，任何一个业务均需要寻求新的策略去应付转变。

美评客户对以财务报告为目的之公允价值评估需求持续；在过去数月我们再于土耳其、印度及澳大利亚成立了新办事处。

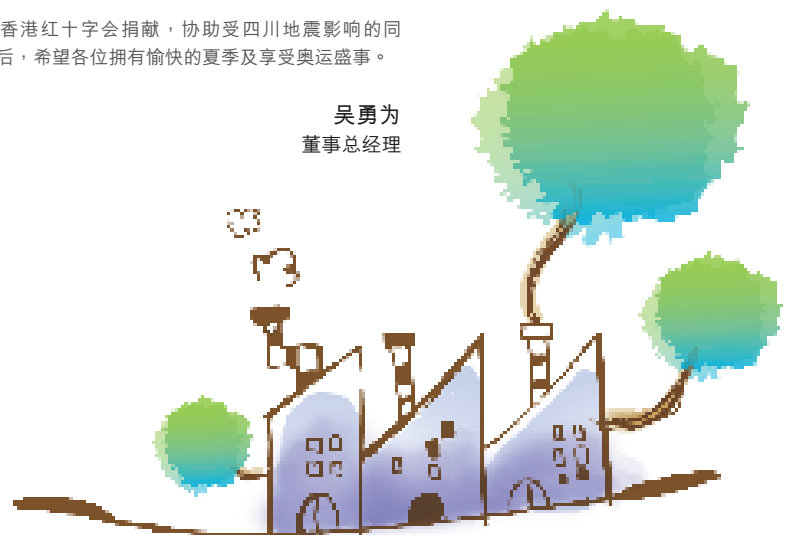
今年初，中国证券监督管理委员会成立了新一届上市公司并购重组审核委员会去提高中国上市公司并购及企业重组的透明度、审查和审批素质。预期这新增管治措施会带来更健康的行业合并和更有效率的资源分配。故此我们在本期刊登一篇名为「中国资产评估准则体系」的文章，内容包括最新及可预期的中国评估准则，希望对您加深有关方面的认识。

市场普遍认为能源、矿业及基建均是大陆未来并购活动的焦点，这些都是美评所专注和专长的行业。在今年五月，美评环球金属及矿业评估首席顾问暨俄罗斯办事处董事总经理Alexander Lopatnikov于北京第二届中国制钢原料及钢材国际大会上演说，并介绍美评能如何协助有关企业。

在六月份，美评环球公允意见专家暨洛杉矶办事处总监William Epstein到访香港、北京以及上海，为客户及中介伙伴介绍我们的公允意见服务。

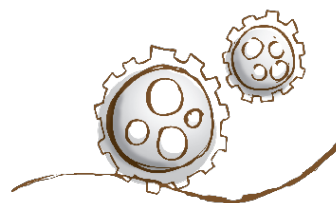
美评向香港红十字会捐献，协助受四川地震影响的同胞。最后，希望各位拥有愉快的夏季及享受奥运盛事。

吴勇为
董事总经理



Valuation Standards System in China

中国资产评估准则体系



Since 1998, the Ministry of Finance (“MoF”) and the Chinese Appraisal Society started contemplating the establishment of an asset appraisal standards system in China.

With contributions from and the support of various experts and professional sector representatives, significant progress has been made. In November 2007, MoF established the Asset Appraisal Standards Committee while the Chinese Appraisal Society (“CAS”) established the Asset Appraisal Standards Technical Committee and the Asset Appraisal Standards Advisory Committee. These Committees comprise members from relevant government authorities (e.g. MoF, National Tax Bureau), supervisory authorities (e.g. State-owned Assets Supervision & Administration Committee, China Securities Regulatory Commission), academics, valuation industry, enterprises, financial industry, securities industry, legal profession, the CAS and societies like the China Association of Chartered Professional Accountants.

Role of each of the Committees

The Asset Appraisal Standards Committee meet to:

- 1) discuss the asset valuation standards to be announced by the MoF;
- 2) review and comment on the asset valuation standards to be announced by the CAS;
- 3) advise on the valuation standard related system, structure and projects;
- 4) opine on the important and professional issues related to the valuation standards; and
- 5) advise on the detailed implementation of the valuation standards.

The Asset Appraisal Standards Technical Committee meet to:

- 1) review and comment on the asset valuation standards development plan;
- 2) review and comment on the draft or to be announced version of the valuation standards;
- 3) organize valuation standards related research topic;
- 4) promote view exchange of international asset valuation standard; and
- 5) execute the work of Asset Appraisal Standards Committee.

The Asset Appraisal Standards Advisory Committee meet to:

- 1) advise on the development work of the asset valuation standards;
- 2) participate in the research work related to the asset appraisal standards; and
- 3) take up valuation-standards related research work. Apart from the members discussed above, this committee also includes members from international societies like International Valuation Standards Committee, Society of the Chartered Business Valuation Appraisers of Canada, and international valuation firms like American Appraisal.

The Current Valuation Standards

In November 2007, MoF and CAS jointly announced the asset appraisal standards system, comprising 15 appraisal standards (the “Standards”), out of which 8 are new.

The standards system comprises 2 parts – Professional Ethics Standard and Business Standards.

The Business Standards are classified into 4 categories – Basic Standards, Detailed Standards, Valuation Guideline and Guiding Opinions, as shown below.

Basic Standards

1. Assets Appraisal Standard – Basic Standard (1 May 2004)
2. Assets Appraisal Profession Ethics Standard – Basic Standard (1 May 2004)

自一九九八年起，财政部（「财政部」）与中国资产评估协会开始研究探索建立中国资产评估准则体系。

经各方专家努力及多个机构的支持，有关工作已取得重大进展。二零零七年十一月，财政部成立资产评估准则委员会，而中国资产评估协会（「中评协」）成立资产评估准则技术委员会及资产评估准则咨询委员会。该等委员会成员包括相关政府部门（如财政部及国家税务局）、监管机构（如国有资产监督管理委员会及中国证券监督管理委员会）、学术界、执业界、企业界、金融界、证券界、法律界、中评协及诸如中国注册会计师协会等社团的成员。

各委员会的职责

资产评估准则委员会:

- 1) 讨论财政部拟发布的资产评估准则；
- 2) 审议中评协拟发布的资产评估准则；
- 3) 对资产评估准则的体系，体例，结构，立项等提供咨询意见；
- 4) 对资产评估准则涉及的重大及专业性问题提供咨询意见；及
- 5) 对资产评估准则的具体实施提供咨询意见。

资产评估准则技术委员会:

- 1) 审议资产评估准则制定计划；
- 2) 审议资产评估准则草稿或拟发稿并提出咨询意见；
- 3) 组织评估准则相关的专题研究；
- 4) 推动资产评估准则国际交流；及
- 5) 承担资产评估准则委员会办公室相关工作。

资产评估准则咨询委员会:

- 1) 就资产评估准则制订工作提供咨询意见；
- 2) 参与有关资产评估准则的研究工作；
- 3) 承担资产评估准则相关专项研究工作。

除上述成员外，资产评估准则咨询委员会成员亦包括国际评估准则委员会成员、加拿大特许企业价值评估师协会会员及美国评估等国际评估公司的代表。

评估准则

二零零七年十一月，财政部及中评协联合公布资产评估准则体系，包括15项评估准则（「准则」），其中8项为新订准则。

准则体系分为2部分 – 职业道德准则及业务准则。

业务准则分为4类 – 基本准则、具体准则、评估指南及指导意见，如下所示。

基本准则

1. 资产评估准则 – 基本准则 (二零零四年五月一日)
2. 资产评估职业道德准则 – 基本准则 (二零零四年五月一日)

具体准则

- a) 程序性具体准则（“程序准则”）
 3. 资产评估准则 – 评估报告 (二零零八年七月一日)
 4. 资产评估准则 – 评估程序 (二零零八年七月一日)
 5. 资产评估准则 – 业务约定书 (二零零八年七月一日)
 6. 资产评估准则 – 工作底稿 (二零零八年七月一日)
- b) 实体性具体准则（“实体准则”）
 7. 资产评估准则 – 无形资产 (二零零一年九月一日)
 8. 资产评估准则 – 机器设备 (二零零八年七月一日)
 9. 资产评估准则 – 不动产 (二零零八年七月一日)

评估指南

10. 以财务报告为目的的评估指南（试行） (二零零七年十二月三十一日)

Detailed Standards

a) Procedural Standards

- 3. Assets Appraisal Standard – Valuation Report (1 July 2008)
- 4. Assets Appraisal Standard – Valuation Procedures (1 July 2008)
- 5. Assets Appraisal Standard – Engagement Letter (1 July 2008)
- 6. Assets Appraisal Standard – Work-files (1 July 2008)

b) Application Standards

- 7. Assets Appraisal Standard – Intangible Assets (1 Sept 2001)
- 8. Assets Appraisal Standard – Machinery & Equipment (1 July 2008)
- 9. Assets Appraisal Standard – Immovable Assets (1 July 2008)

Valuation Guideline

- 10. Valuation Guideline for Financial Reporting (31 Dec 2007)

Guiding Opinions

- 11. Guiding Opinion for Certified Professional Valuer Regarding Legal Entitlement of Subject Under Appraisal (1 Mar 2003)
- 12. Guiding Opinion for Valuation of Jewelry (1 Mar 2003)
- 13. Guiding Opinion for Valuation of Business Enterprise (Trial) (1 Apr 2005)
- 14. Guiding Opinion for Valuation of Non-performing Financial Assets (Trial) (1 July 2005)
- 15. Guiding Opinion for Types of Value under Asset Appraisal (1 July 2008)

Forthcoming Standards

Apart from the standards listed above, there are also a number of standards currently under consideration and expected to be released in the future. Summarized below are the standards to be developed by CAS.

1. Financial Reporting Related Guiding Opinions

- Investment Property
- Business Combinations
- Asset Impairment
- Financial Instruments

2. Intangible Assets Related Guiding Opinions

- Patent
- Trade-name
- Copyright
- Computer Software

3. Valuation Guidelines

- State-Owned Assets
- Assets Litigation
- Pledged Assets
- Assets as Capital Injection
- Valuation for Public Company
- Property Insurance
- Tax Payment

4. Procedural Standard – Basis of Value

5. Application Standards

- Business Enterprise Value
- Valuation for Jewelry
- Forest Resources

6. Currently a Guiding Opinion – to be Upgraded to Standards

- Types of Value
- Business Enterprise Value
- Valuation for Jewelry

指导意见

- 11. 注册资产评估师关注评估对象法律权属指导意见 (二零零三年三月一日)
- 12. 珠宝首饰评估指导意见 (二零零三年三月一日)
- 13. 企业价值评估指导意见 (试行) (二零零五年四月一日)
- 14. 金融不良资产评估指导意见 (试行) (二零零五年七月一日)
- 15. 资产评估价值类型指导意见 (二零零八年七月一日)

将订立准则

除上述准则外，也正在考虑一系列准则并预期于日后颁布。以下概述中评协将订立的准则。

1. 有关财务报告的指导意见

- 投资性房地产
- 企业合并
- 资产减值
- 金融工具

2. 有关无形资产的指导意见

- 专利
- 商标
- 版权
- 计算机软件

3. 评估指南

- 国有资产评估
- 资产诉讼
- 抵押
- 作价出资
- 上市公司评估
- 财产保险
- 税收

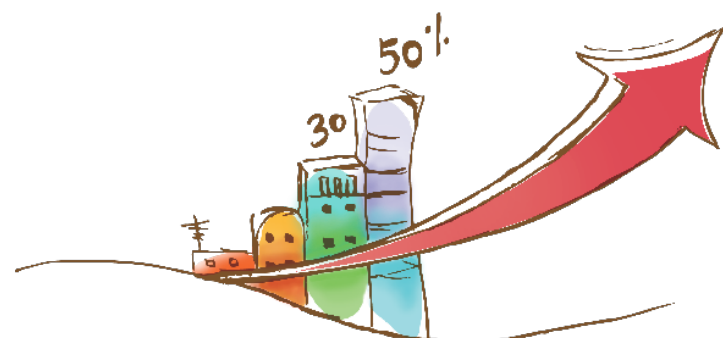
4. 程序准则 – 价值类型

5. 实体准则

- 企业价值
- 珠宝首饰
- 森林资源资产

6. 现时为指导意见 – 待提升为具体准则

- 价值类型
- 企业价值
- 珠宝首饰



International Financial Reporting Standards for Indian Companies

印度企业与国际财务报告准则

The movement toward International Financial Reporting Standards (“IFRS”) as a single set of globally accepted accounting standards is quickly gathering momentum. IFRS is now used for public reporting purposes in over 100 countries, ranging from Australia to the United Kingdom. Other countries are expected to follow in the next few years, including Israel (2008), Chile (2009), Korea (2009), Brazil (2010), and Canada (2011). With Indian capital markets becoming increasingly globalized, India cannot afford to stay far behind. Recent developments that have heightened interest in the valuation profession among Indian companies include the following:

- Ministry of Corporate Affairs (“MCA”) has recently notified the IFRS convergence/ adoption agenda for India. According to which, the Indian GAAP will be progressively realigned with IFRS over the next few years. This process will be continued by the Government with the intention of achieving full convergence with IFRS by 2011.
- Institute of Chartered Accountants of India (“ICAI”) has drafted a Valuation Professionals Bill which proposes to set up a council that would certify a “valuation professional”, besides issuing valuation standards, setting education guidelines, recognizing institutes and their course content, and framing ethical codes.
- The ICAI has also set up an IFRS convergence task force to look into various convergence issues and prepare a road map for full convergence.

Overview of the Valuation Professionals Bill

Valuation as a service is relatively unregulated in India. Currently multiple bodies are governing the valuation service, which includes Securities Exchange Board of India (the “SEC” of India), Reserve Bank of India (the Central Bank), Ministry of Company Affairs (the Federal ministry), Institute of Chartered Accountants of India (the “CA” Institute) and the Court. These bodies have overlapping jurisdictions, which leads to lack of clarity. The industry has also witnessed some unscrupulousness in the past.

The Valuation Professionals Bill attempts to overcome these issues by setting up a statutory body to certify and regulate a “valuation professional”. The bill defines a “valuation professional” as one who individually, or in partnership, or in limited liability partnership with other valuation professionals, offers services like valuation of business, shares, debt, assets, goodwill, brands and intellectual property.

The proposed body will:

- Lay down policies and issue valuation standards
- Certify attainment of qualifications by the professionals
- Set education guidelines, recognize institutes and their course content, and train valuation professionals
- Frame ethical codes and discipline professional misconduct

Therefore, in concept the proposed institution would be a statutory umbrella organization, which would apply certification and accreditation to upgrade valuation standards in the country. According to media reports, this bill is expected to be tabled before Parliament in the coming monsoon session commencing on August 11.

Article written by Aviral Jain, Senior Consultant of American Appraisal India.

采用国际财务报告准则 (International Financial Reporting Standards “IFRS”) 作为全球统一公认会计准则的趋势持续, 现时已有一百多个国家的公开申报账目采用国际财务报告准则, 遍及澳大利亚及英国。预计其他国家会于未来数年陆续加入, 包括以色列 (2008年)、智利 (2009年)、韩国 (2009年)、巴西 (2010年) 及加拿大 (2011年)。随着印度资本市场日益全球化, 印度亦紧随国际步伐。最近以下发展趋势引起印度企业关注评估行业:

- 企业事务部 (Ministry of Corporate Affairs “MCA”) 近期颁布印度采用或与国际财务报告准则接轨的时间表。印度的公认会计原则会在未来数年逐步与国际财务报告准则接轨, 其后政府亦会转用, 计划至2011年与国际财务报告准则完全接轨。
- 印度特许会计师公会 (Institute of Chartered Accountants of India “ICAI”) 已起草专业评估人员法案, 计划成立审核注册「专业评估师」之理事会, 并颁布评估准则、设定教育指引、认可机构及其课程内容, 以及制定专业守则。
- 印度特许会计师公会亦已设立国际财务报告准则接轨专责小组, 负责处理各种接轨问题, 并制订全面接轨的进度计划。

专业评估人员法案概览

印度评估服务的规管程度较为宽松, 现时有多个机构负责规管评估服务, 包括印度证券交易管理委员会 (印度「证监会」)、印度储备银行 (中央银行)、企业事务部 (联邦部门)、印度特许会计师公会及法院。该等机构的司法权重迭, 透明度较低。行业在过去亦曾有草率而为的情况。

专业评估人员法案目的在于透过建立法定机构以认证及规管「专业评估人员」, 从而解决上述问题。该法案将「专业评估人员」定义为提供业务、股份、债务、资产、商誉、品牌及知识产权估值服务的个人、合伙机构、与其他专业评估人员组成的有限责任合伙机构。

建议设立的机构将会:

- 制订政策及颁布评估准则
- 认证专业人员之资格
- 设定教育指引、认可机构及其课程内容与培训专业评估人员
- 制定职业守则及处理不当的评估人员行为

因此, 建议设立的机构应为具法定地位的伞式组织, 采用注册及评级制度以提高该国的评估标准。据媒体报道, 该法案预期将于八月十一日开始的下一季国会会期提交立法。

本篇文章由美评印度办事处资深顾问 Aviral Jain 撰写。



AA China Activities 美评活动

Visiting Fairness Opinion Expert in Town June 2008

公允意见专家到访 2008年6月

American Appraisal's Fairness Opinion Expert and National Director from Los Angeles, William Epstein, visited Hong Kong, Beijing and Shanghai in June 2008, to share his global experience with clients and industry practitioners. American Appraisal China has conducted valuations for over 40 China and Hong Kong based US-listed companies.

美评环球公允意见专家暨洛杉矶办事处总监William Epstein于本年六月到访香港、北京以及上海，为客户及同业介绍环球公允意见服务及经验。美评为超过40家于美国上市的香港及中国公司提供评估咨询服务。

2nd China Steel Raw Materials & Finished Products Conference, Beijing May 2008

第二届中国制钢原料及钢材国际大会 2008年5月

American Appraisal's Global Practice Leader of Steel & Mining and Managing Director of American Appraisal Russia, Alexander Lopatnikov, spoke at the conference on valuation in steel and related industries. Over 200 delegates attended the conference.

美评环球金属及矿业评估首席顾问暨俄罗斯办事处董事总经理Alexander Lopatnikov于是次会议演说；会议吸引超过200位企业代表出席。



Alexander spoke at the event
Alexander 于会议演说

CFO's CheckList Pre-IPO Conference, Beijing Apr 2008

北京财务代表海外上市前事务会议 2008年4月

Sammy Lai, Vice President & Managing Principal of our Beijing Office, spoke at the event organized by Warburg Pincus and China Venture Capital Association which over 110 audiences from Private Equity, Venture Capital and CFOs attended.

美评财务估值部副总裁暨北京首席代表黎大汉于是次由美国华平投资集团及中华创业投资协会主办的会议演说，超过110位来自私募基金和创业投资的代表以及企业财务总监参与。

Seminar on Fair Value Measurements for International Financial Reporting

March 2008

国际财务报告之公允价值计量研讨会 2008年3月

American Appraisal China, in conjunction with the Association of International Accountants (AIA) Hong Kong Branch, Hong Kong Community College and the Hong Kong Polytechnic University, presented at a seminar on IFRS fair valuation. Ricky Lee, Vice President, Financial Valuation Group of AA China, spoke at the event. Over 100 AIA members participated.

美评与国际会计师公会香港分会、香港理工大学附属香港专上学院以及香港理工大学联合举办是次国际财务报告研讨会。美评财务估值部副总裁李成安讲解有关国际财务报告之公允价值计量。超过100名国际会计师公会香港分会会员参与。



American Appraisal's Global Developments 美评环球动向

Further Global Expansion – New Operations in Australia & India 美评业务扩展至澳大利亚及印度

American Appraisal added two new countries to our family of global offices in 2008: Australia and India.

The Australian component of the AA global network has opened in Australia's business capital, Sydney. Ian Douglas is the Managing Director of our Australian practice. Ian has had over 15 years experience in insolvency, corporate finance and valuation.

The Indian office was recently established in Mumbai and will initially concentrate on financial and business valuations. Varun Gupta is the Managing Director of our Indian practice. Varun has over 13 years experience in areas of project finance, insolvency and valuation.

美评于2008年初新增澳大利亚及印度办事处。

澳大利亚之全新办事处位于商业首府悉尼，Ian Douglas为新办事处之董事总经理及主管。Ian于企业无偿债能力、企业融资及评估等范围拥有超过15年经验。

美评之印度办事处位于孟买并初步专注于财务及企业评估等项目。Varun Gupta为新办事处之董事总经理及主管。Varun在项目融资、企业无偿债能力及评估等拥有超过13年经验。



Ian Douglas, MD of Australian Office



Varun Gupta, MD of Indian Office

New REAG operation in Turkey 于土耳其设立全新房地产咨询组办事处

The Turkish office officially opened in March 2008 as an expansion of the European practice of AA's Real Estate Advisory Group (REAG), Mrs. Cansel Turgut Yazici has been appointed General Manager.

土耳其办事处于2008年3月正式开始运作，标志美评房地产咨询组于欧洲继续迅速发展。Cansel Turgut Yazici女士为新办事处之总经理。



Leading Role in Thailand's Valuation Standard Setting 为泰国评估准则设定担当领导角色

AA Thailand's Machinery & Equipment Manager, Kittidej Prasitsa, chaired the committee for drafting Machinery & Equipment Valuation Guidelines for the Securities and Exchange Commission of Thailand.

美评泰国办事处机器设备估值部经理Kittidej Prasitsa担任有关委员会之主席。该委员会为泰国证券交易委员会草拟机器设备评估指引。



Harvard University Project 哈佛大学项目

American Appraisal has been retained by Harvard University in Cambridge Massachusetts to appraise all University-owned property in North America for insurance purposes. The inventory includes over 500 buildings and 2.1 million square meters of space. The program runs for nine months and will be completed in October of 2008.

美国麻州的哈佛大学聘任美评，为该校所拥有之北美物业进行评估以用作保险用途，当中包括超过500幢建筑物以及合共210万平方米之空间。是次项目需时九个月并将于本年10月完成。



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