

# Business Valuation in Hong Kong Independent Valuer

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Valtech Valuation

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## Business Valuation Services Overview

Every business has its unique challenges. Understanding your current situation and the target business is one of the key steps in our valuations and assessments. With accumulated knowledge in various industries from serving over 200 public companies, our in-depth insights can serve your all-round valuation needs. Our Business & Intangible Asset Valuation Services can serve a wide range of purposes along your capital agenda.



[Watch on YouTube](#)

## **Business Valuation Transaction, IPO & Fund Raising**

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- Business Valuation for Transaction Reference
- *Financial Modelling of Your High-growth Business for Funding Rounds*
- *Statutory Valuation of the Financial Statements Prior to an IPO*
- *Statutory Valuation for an IPO application and Ongoing Annual Compliance*

## **Financial Reporting (Business Valuation)**

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- *Purchase Price Allocation (“PPA”) – HKFRS 3*
- *Goodwill Impairment – HKAS 36*
- *Asset & Intangible Asset Impairment – HKAS 36*
- *Portfolio Investments – IFRS 9 in 2018*
- *Valuation Model Review and Validation*

## **Project Evaluation (Business Valuation)**

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- *Project Evaluation, Demand Forecasting, Financial Modelling and Portfolio Optimization*
- *Scenarios and Sensitivity Analyses, Real World Simulations and Strategies*

## Litigation and Tax Compliance

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- *Litigation and Dispute Resolution*
- *Tax and Transfer Pricing*

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### **Our Experience**

To perform a comprehensive valuation, thorough business, accounting and finance knowledge are indispensable. Our business valuation team is experienced in wide range of professional services and our experience covers various industries, including but not limited to:

- Valuation
- Auditing
- Financial Due Diligence
- Banking and Finance
- Risk Management – Internal Control Advisory
- Sustainability Advisory
- Tax and Transfer Pricing

### **Valuation Project Experience by Industry**

- Agriculture
- Chemicals
- Education
- Financial services
- Hotel & Tourism
- Logistics
- Multimedia
- Renewable Energy
- Utilities
- Automobile
- Consumer & Retail
- Entertainment
- Gaming & Mobile Apps

- Infrastructure
- Manufacturing
- Pharmaceutical
- Technology
- Waste Management
- Catering
- Cleaning & Environment Hygiene
- Electronic equipment
- Health Care
- Insurance
- Mining
- Printing & Packaging
- Property Development
- Telecommunications

**All our valuation reports are signed by senior member of our business valuation team who are well qualified and hold one or more of the following professional designations:**

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- Certified Public Accountant (CPA)
- Chartered Financial Analyst (CFA)
- Financial Risk Manager (FRM)
- Accredited in Business Valuation (ABV by AICPA)
- Certified Public Valuer (CPV China)
- Chartered Valuer & Appraiser (CVA Singapore)
- Member of Royal Institution of Chartered Surveyors (MRICS)

- Member of The Hong Kong Institute of Surveyor (HKIS)
- Registered Professional Surveyors (RPS) in the General Practice Section
- Master of Finance
- Master of Statistics

### **Purchase Price Allocation (“PPA”) – IFRS3 / HKFRS 3**

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- Identify the Intangible Assets with reference to the recognition criteria stated in HKAS 38
- Construct business models, assess the Internal Rate of Return and Weighted Average Return on Assets
- Perform Reasonableness Check on the recognized Goodwill or Gain from Bargaining Purchase via Business Valuation
- Valuation of Contingent Consideration – HKAS 37 & HKAS 39
- Valuation of Financial Asset and Financial Liabilities, e.g. Profit Guarantee – HKAS 39

### **Goodwill Impairment – IAS 36 / HKAS 36**

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- Identify the Cash Generating Unit (“CGU”). It is essential to match the coverage of the valuation model with the asset composition of the CGU under financial reporting. Our specialists, who are experienced in both auditing and valuation, provide comprehensive advice on how the CGU valuation can fulfill the HKAS and HKFRS requirements
- Identify the cash flow generated from the CGU. Our specialists assist the management to identify and isolate the cash flow stream relevant to the CGU for the valuation purpose.
- Measure the recoverable amount of the CGU, including 1) Fair Value assessment and 2) Value-in-Use assessment.

### **Portfolio Investments – IFRS 9 / HKFRS 9**

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- Historically, private fund general partners and limited partners might take the investment cost to form the Net Asset Value (“NAV”) basis of their illiquid positions, and no subsequent NAV re-measurements are conducted until investment exits or fund liquidations. However, from 1 January 2018 onwards under IFRS 9, the historical cost is no longer allowed as a prudent proxy for fair value determination. Fund managers and investors shall be aware of the critical impact of IFRS 9 on their books and fund performance.

### **Asset & Intangible Asset Impairment – IAS 36 / HKAS 36**

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- Inventories – HKAS 2. Our valuation is performed to assist the auditors in the determination of net realizable value.
- Biological Assets – HKAS 41. Our Valuation is supported by the advice from our Biological Asset Expert Team on the biological attributes including but not limited to Species, Specifications, Health Conditions, Quality, Age, Life Span, etc.

## Valuation Model Review and Validation

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- Our team provides flexible solutions to management and auditors. Our review services can be tailored and performed either under an agreed-upon procedure on components, such as valuation methodology, major assumption parameters, calculation flows, discount rate, or under an one-stop full package.

## Intangible Asset Valuation

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- Intangible Assets – HKAS 38. Our valuation experience covers various types of intangible assets including but not limited to:

Trademarks, Brand Name, Mining Right, Concession Right, Technical Know-how, Franchise Agreement, Copyright, Domains, Backlog Sale, Customer Relationships, Distribution Networks, Non-competition Agreement, Licenses, Patent, Software, Management Team etc

## Litigation and Dispute Resolution

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We have experience in acting as an expert witness for our client. Our expert witness report can assist you to measure your claim on damages and losses specific to your case context.

## Tax and Transfer Pricing

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Transactions, transfer of assets and equity interest between independent or related parties will oftentimes lead to immediate and prolonged tax impacts. Our specialist can provide valuation and pricing services in line with the local practices and OECD guidelines to support your specific tax scenarios.

Valtech provides all-round valuation services including business valuation advisory, expected credit loss valuation, property valuation, mining valuation and valuation for other assets with **ISO 9001 certified** quality management system. Our team is experienced in serving listed companies, private equity and companies working for IPO. We were formed by a team of professionals with diversity of expertise and experience. Besides, Valtech team has hand-on experience in valuing specialized assets such as biological assets and mineral assets.

**Business Valuation | Property Valuation | Expected Credit Loss (ECL) | Financial Instruments Valuation**

[Make Enquiry Now](#)





## Further Reading

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- [Litigation and Tax Compliance](#)
- [Purchase Price Allocation \(PPA\)](#)
- [Pre IPO Equity Instrument Valuation](#)
- [Valtech's Valuation/ECL Services for Financial Reporting Season of 2019/2020](#)
- [Market Watch Acquisition Deals](#)