

Chris Thorne

From: Comment Letters
Sent: 05 April 2011 10:36
To: Chris Thorne
Subject: FW: Comments - IVSC Exposure Draft Technical Information Paper 1

From: bennykwok@hotmail.co.uk [bennykwok@hotmail.co.uk] On Behalf Of Benny K B Kwok - PA
[expert@forensic.hk]
Sent: 04 April 2011 07:16
To: Comment Letters
Cc: expert@forensic.hk; Benny K B Kwok
Subject: Comments - IVSC Exposure Draft Technical Information Paper 1

Dear Sir or Madam,

I refer to the IVSC Exposure Draft Technical Information Paper 1 "The DCF Method – Real Property and Business Valuations" and have the following comments for your consideration.

- (1) General – This paper should have correlated with GN4 as they both deal with business valuation.
- (2) General – This paper should have addressed how a single discount rate could be applied to reflect the risk profiles of various kinds of cash flows, i.e. the uncertainty and risk for rental income are different from those for repair & maintenance expenses.
- (3) Para 4 – The term "minority interest" should be replaced by "non-controlling interest" in accordance with the new terminology introduced by the IFRS.

Thank you.

Regards,

Benny K B Kwok

Chartered Accountant; CPA; Chartered Surveyor; MHKIS

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