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**The International Valuation Standards Council (IVSC)**  
1 King Street  
London  
EC2V 8AU  
United Kingdom

永利行評值顧問有限公司  
**RHL Appraisal Limited**  
Corporate Valuation & Advisory

T +852 3408 3188  
F +852 2736 9284

Room 1010, 10/F, Star House,  
Tsimshatsui, Hong Kong

Dear Sirs,

**RE: Response to consultation paper**

RHL Appraisal Limited is pleased to participate and respond to the invitation from IVSC in commenting the IVS 2017 Proposed Revisions Exposure Draft dated July 2018.

As a practitioner in the valuation market, we welcome IVSC in actively updating respective standards to be in par with the current market in different countries with their own distinctive laws and regulations.

Since the majority of valuation work is derive and in support of commercial transactions which have become quite complicated in recent decades, we appreciate that clear guideline or practice note are provide from IVS . Below are some of points of interest we observe:

- Q1. We consider that the term "Valuation" and "Fair Value" are required to be define.
- Q2. Need to define the term "Calculation" and "Calculation Engagement", so that a comparison and line can be drawn between Valuation.
- Q3. Calculation is not a Valuation, so it is not require to compliant to IVS.
- Q4. No comment.
- Q5. For 50.39 2) (b), for valuer, it is difficult to obtain document of circumstances that did not permit adjustments to cash flow forecast. On the other hand as refer to 50.39 2), valuer may consider to adjust a more appropriate discount rate to reflect the certain risk related to forecast cash flow. For 50.33, we agree that IRR and WARA could include when assessing purchase price allocation.
- Q6. We agree that it is more relevant to business valuation, related to combination of various debt and equity class. We consider the OPM method is more appropriate and less subjective possible outcomes compare to PWERM.
- Q7. No comment.



Q8. We observe that startups and business with limited track record but unique concepts have managed to draw significant funding from both institutional and/or common investors through platforms such as crowdfunding or P2P networks. We are also aware of the risk involve in the general public base on subsequent events of business failure. Therefore it is better for IVSC to provide additional topics for early stage company valuation, including but not limited to, methodology or variants to traditional approaches such as i) market approach if appropriate, ii) income approach and the factors to be consider, how to consider the cash flow forecast in a market participate for a unique business.

Should you have any questions on the above suggestion, please do not hesitate to contact us.

Yours faithfully,  
**RHL Appraisal Limited**