

**From:** Benny K B Kwok [mailto:forensic@accountant.com]  
**Sent:** Wednesday, April 06, 2011 11:30 AM  
**To:** P.T. Comment Letter  
**Cc:** Expert@Forensic.HK  
**Subject:** Comments on the IVSC Exposure Draft Technical Information Paper 1 - The DCF Method - Real Property and Business Valuations

Dear Mr Steve Ong,

I refer to your letter dated 4 March 2011 in connection with the IVSC Exposure Draft Technical Information Paper 1 "The DCF Method – Real Property and Business Valuations". I 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**  
BENNY K B KWOK FORENSIC EXPERT  
Tel : +852 2111 1867  
Fax : +852 3690 2757  
Email : [Expert@Forensic.HK](mailto:Expert@Forensic.HK) ; [Forensic@Accountant.com](mailto:Forensic@Accountant.com)  
Web : [www.Forensic.HK](http://www.Forensic.HK)  
Address : Units 2003-04, 20/F, Hua Qin International Building, 340 Queen's Road Central, HONG KONG