

Table of Contents

	Page
About Wolters Kluwer Hong Kong Limited	iii
About CHFT Advisory and Appraisal Limited	v
About the Authors	vii
Preface	xi
Foreword	xiii
Chapter 1: Basic Valuation Theory	1
¶1-100 Fundamental Principles of Valuation	1
¶1-200 Valuation Analysis.....	5
¶1-300 Valuation Report.....	9
¶1-400 Income Approach	13
¶1-500 Market Approach	35
¶1-600 Asset Approach	53
¶1-700 Valuation Premium and Discount	64
¶1-800 Valuation Subject and Valuation Purposes.....	72
Chapter 2: Valuation Related Accounting Standards	75
¶2-100 IFRS 2 – Share-based Payment	75
¶2-200 IFRS 3 – Business Combinations	81
¶2-300 IFRS 13 – Fair Value Measurement	91
¶2-400 IAS 38 – Intangible Assets.....	96
¶2-500 IAS 40 – Investment Property	103
¶2-600 IAS 41 – Agriculture	107
¶2-700 IFRS 9 – Financial Instruments.....	112
Chapter 3: Valuation for Intangible Assets.....	119
¶3-100 Valuation for Intangible Assets – Introduction	119
¶3-200 Intangible Assets Valuation Approaches	122
¶3-300 Relief from Royalty Method	126
¶3-400 Multi Period Excess Earning Method (the “MPEEM”).....	134
Chapter 4: Valuation for Real Estate Holding Companies.....	147
¶4-100 Type of Real Estate held by a Company	147
¶4-200 Valuation Approaches for Real Estate	148
¶4-300 Balance Sheet Adjustments for a Company.....	161
Chapter 5: Valuation for Other Assets	165
¶5-100 Valuation for Mining Companies.....	165
¶5-200 Valuation for Share Options	169
¶5-300 Valuation for Convertible Bonds.....	180
¶5-400 Valuation for Biotechnology Companies	188

Chapter 6: New Challenges and Opportunities for Valuation	193
¶6-100 Expected Credit Loss Valuation Under COVID-19	193
¶6-200 Sharing Economy on Real Estate.....	206
¶6-300 Home Economy	216
Chapter 7: An Introduction and Valuation of Special Purpose Acquisition Companies ("SPACs")	223
¶7-100 What is SPAC and SPAC History	223
¶7-200 SPAC's Characteristics	224
¶7-300 SPAC Valuation Discussion	225
¶7-400 SPAC Trend	226
Glossary	231
Sample Employee Share Options Valuation Report	245
Sample Apartment Valuation Report.....	251
Sample Shop Valuation Report	259
Sample Purchase Price Allocation Valuation Report	271
Appendix I – Excel Shortcuts	297
Index	305