

growing your business



Company Background

BMI Appraisals Limited ("BMIA") was established in 2001, providing a wide spectrum of professional valuation and consultancy services relating to initial public offering (IPO), public documentation, financial reporting, mergers and acquisitions, corporate financing, taxation, liquidation and litigation to both local and overseas clients. The integrated service team of BMIA has solid experience principally in areas of real estate valuations, plant & machinery valuations, business valuations and intangible assets valuations.

In October 2005, Zhong He Appraisal Company ("Zhong He Appraisal") and BMIA merged together. Zhong He Appraisal is one of the first batch appraisal companies approved by the State-owned Asset Management Bureau and the China Securities and Regulatory Commission ("CSRC") to conduct valuation business on the state level.

After the merger, our service team contains over 160 professionals consisting of Chartered Surveyors, professional accountants, Certified Public Valuers, Charterholders of Chartered Financial Analyst, actuaries, mechanical engineers and arbitrators in China and so on. They possess in-depth knowledge and professional skills enabling them to provide comprehensive services to our clients.

At present, our headquarters office is based in Hong Kong, with several branch offices in China (Beijing, Shanghai, Shenzhen, Guangzhou & Xiamen), Singapore, Malaysia, Indonesia and Australia (Melbourne). BMI Appraisals also has successfully brought its businesses to a new era by establishing strategic alliances with several globally recognized valuation consulting firms in the UK, USA, Russia, Turkey, South Africa, India, Japan, Taiwan, Maldives, Malaysia, New Zealand and Mongolia respectively, covering more than 10 cities, and has become one of the leading valuation companies in Hong Kong and China. Our company has been engaged by more than 1,200 companies, of which more than one-half are reputable listed companies in Hong Kong, China and overseas for services relating to the following matters:

- Real Estate Valuation
- Business Valuation
- Plant & Machinery Valuation
- Intangible Assets Valuation
- Assets & Liabilities Valuation
- Financial Instruments Valuation
- Resources Valuation & Consultancy Services
- Biological Assets Valuation & Consultancy Services
- Share Option Consultancy Services
- Financial Risk Management
- Financial & Investment Due Diligence
- Internal Control & Enterprise Risk Management
- Employee Benefit Consultancy Services
- Financial Projections & Business Plan
- Market Research Services
- Tax Services
- Rating & Statutory Valuation Services
- Technical Certification
- Forensic Consultancy Services
- Building Consultancy Services



Professional Recognition

- The Hong Kong Stock Exchange
- Securities & Future Commission
- China Securities and Regulatory Commission
- Singapore Stock Exchange
- Korean Stock Exchange
- Taiwan Stock Exchange
- Australian Stock Exchange
- London Stock Exchange
- New York Stock Exchange
- Canadian Stock Exchange
- Deutsche Borse
- NASDAQ
- OTCBB
- AIM

Our Company has

- "A" Grade Land and Resources Appraisal Qualifications
- "A" Grade Real Estate Appraisal Qualifications
- Engineering Cost Qualifications
- Assets Appraisal Qualifications
- Securities Related Assets Appraisal Qualifications
- Resources Appraisal Qualifications
- Biological Assets Appraisal Qualifications

Scope of Services



Real Estate Valuation

For private or publicly held companies which have heavily invested in real estate properties for investment or development purposes, real estate assets may represent a significant proportion of the company's assets. It is, therefore, particularly important to revalue those real estate properties so that the real worth of the company can be reflected.

Our valuation experience covers the valuations of:

- All types of real estate properties like residential, commercial, office and industrial properties
- Agricultural lots / rural holdings
- Specialized properties like hotels, golf-courses, resorts establishments, cold stores, clubhouses, ferry piers, petrol-filling stations, church and schools
- Purpose-built production plants
- Sites with development potential

Business Valuation

Our seasoned valuation analysts provide you with a comprehensive analysis of your business and we can reliably determine the market value of your company in the changing market environment. We are experienced in providing independent valuation opinion and fairness opinion to the Stock Exchanges, financial advisors, lawyers and accountants in the case of mergers and acquisitions, private placements and year-end financial reviews.

Our valuation experience covers the valuations of companies engaging in the following industries:

- Agricultural and forestry
- Automobile, railway, vessels and heavy equipment
- Banking, asset management and financial services
- Catering, gaming and entertainment
- Chemicals including coatings, fibers and plastics
- Coal mining and power plants
- Consumer goods including apparel and jewelry
- Crude oil, natural gas and coalbed methane
- Electrical and electronic products
- Environmental control and waste treatments
- Food and beverage
- Mineral assets including copper, gold, iron and nickel
- Multimedia, broadcasting and publishing
- Information technology and networking services
- Logistics and infrastructures
- Pharmaceutical and biotechnology
- Telecommunication equipment and services
- Trading and e-commerce

Plant & Machinery Valuation

Plant and machinery valuation is closely associated with the companies engaging in manufacturing industries. We perform valuations for a diverse range of the plant and machinery of different industries from a single machine to the entire contents of hundreds of manufacturing facilities. Our professional advices are used for a wide variety of purposes including merger and acquisition (M&A), joint venture transactions, accounting reference, impairment testing, Purchase Price Allocation (PPA), insurance, taxation, disposal, leasing and financing.

Our valuation experience covers the valuations of:

- Aircraft and airport
- Chemical industry
- Electronic and electrical industry
- Energy and water industry
- Food and beverage industry
- Inventories
- Marine vessels and container port
- Mines and quarries
- Petroleum industry
- Pharmaceutical industry
- Public utilities
- Textile industry

Intangible Assets Valuation

Intellectual properties are the central resources for creating wealth in almost all industries in the 21st century. Our experts have been engaged to value various types of intangible assets and intellectual properties in different industries such as fashion, biotechnology, entertainment and information technology. Meanwhile, our valuation reports are prepared in accordance with the relevant Hong Kong Accounting Standards as well as the International Accounting Standards for financial reporting purposes.

Examples of identifiable intangible assets are:

- Computer software
- Copyrights
- Customer lists
- Customer relationships
- Franchise agreements
- Internet domain names
- Licensing and royalty agreements
- Non-compete agreements
- Patents
- Service contracts
- Technologies
- Trademarks

Assets & Liabilities Valuation

According to HKFRS 3 / IFRS 3 – Business Combinations, as at the acquisition completion date, the fair values of the assets and liabilities of the acquired company are required to be determined (also known as "Purchase Price Allocation" (PPA) exercise) in order to calculate the goodwill (if any) generated. Our valuation team has extensive experience in undertaking the PPA exercise to help you to complete your acquisition successfully and smoothly.

Financial Instruments Valuation

In response to the ever-changing business and regulatory environment, our professionals provide consulting services relating to the following areas:

- Share options
- Convertible bonds
- Commodity / Currency / Interest rate swaps
- Convertible preference shares
- Warrants
- Futures / Forward contracts
- Call / Put options
- Financial guarantees
- Structured deposit contracts
- Accumulators / Decumulators
- Equity-linked Instruments

Resources Valuation & Consultancy Services

We aim at providing professional and extensive valuation and consulting services to our clients worldwide in aspects of coal, aggregates, industrial minerals, metals, crude oil and natural gas bringing the vision and the experience required to implement comprehensive solutions.

Our services include:

- Valuation of natural resources
- Due diligence
- Environmental assessments
- Geotechnical assessments
- Independent technical review
- Resource and reserve estimation
- Advice on resource / reserve classification systems

Biological Assets Valuation & Consultancy Services

In an agricultural environment, biological assets are produced, sold or transformed into agricultural produce, which came from controlled processes that manage their growth and maturation. In contrast to conventional fixed assets such as machineries, the values of biological assets constantly change over time as dictated by their own growth cycle that includes growth, degeneration, production and procreation.

Our services include:

- Valuation of biological assets in accordance with HKAS 41 / IAS 41
- Valuation of the intangible asset such as concession rights related to agricultural activity
- Valuation of land / property related to agricultural activity
- Agriculture / forest investment or financial due diligence
- Evaluation of the growing conditions of agricultural assets or forests
- Agriculture / forest ecological management
- Geographical Information System (GIS) data collection, analysis and modeling

Share Option Consultancy Services

Issuing share options or using other equity incentive plans will likely to put a cost on a company's income statement. Therefore, a cost efficient and target reaching share option plan is necessary for a sustainable and effective human resource plan.

Our services include:

- Advising the procedures for the establishment and exercise of employee share options
- Advising the fees, charges and taxes associated with exercising share options
- Structuring the terms of the share options
- Valuation of share options on various scenarios
- Providing accounting impact of share options on various scenarios
- Assisting our client to select the most suitable plan

Financial Risk Management

Companies are increasingly using different financial derivatives, such as equity-linked instruments, accumulators / decumulators, interest rate swaps, commodity swaps, currency swaps, futures / forward contracts, etc. Our risk management team offers professional advice to our clients on how to utilize their financial derivatives "effectively" and "safely".

Financial & Investment Due Diligence

Our service team advises buyers and sellers on the financial, tax, pension benefits, information technology and operational aspects of due diligence in the specific context of their transactions. We offer a flexible approach that recognizes client business needs and ensures seamless coordination with other advisors. Our services also include investigations of financial and operations history, business interests, corporate and management reputation and undisclosed liabilities.

Internal Control & Enterprise Risk Management

Our internal control and enterprise risk management services have gained market recognition by offering a comprehensive array of services designed to help our clients to understand business risks, determine acceptable levels of exposure, implement controls and provide ongoing measurement and monitoring of the risk environment.

Our services include:

- Application security
- Capital markets / Risk management services
- Control assurance
- Enterprise risk management
- Internal audit
- IT security services
- Sarbanes-oxley consulting

Employee Benefit Consultancy Services

HKAS19 / IAS 19 – Employee Benefits covers the obligation of a company in respect of its employee benefits. They are established to ensure that company accounts recognize such obligations in a rational and consistent way that enables fair comparison between different companies and to produce results that are consistent from year to year.

Our professional team has extensive experience in undertaking the valuation in assessing the defined benefit obligation and other related measures such as current service cost, interest cost as well as movement in the scheme asset.

Financial Projections & Business Plan

Entrepreneurs generate illustrious ideas, which eventually become a lucrative business. A business plan describes a set of goals, which creates a framework for a business and allocates the necessary resources to better prepare for problems and opportunities. A business plan may be used for capital raising and assessing the potential of a new business or setting new goals for an existing business.

Our services include:

- Analyzing the competitive environment
- Performing SWOT analysis
- Developing marketing strategies
- Conducting financial projections
- Crafting well-conceived and well-packaged business plans

Market Research Services

In a fast-moving business environment, conducting market research is crucial for entrepreneurs to understand the market expectation, industry prospect and competitive environment, market concentration as well as global integration of the market that they are participating or planning to get a slice of it. A comprehensive market research is also vital in forming the best strategic plan.

Our services include:

- Providing the size, growth and competitive environment of any particular industry
- Analyzing the competitive environment of a target industry
- Calculation of market share of major participants as well as a specific company
- Providing an industry overview and market share of the target company for incorporation in IPO prospectus

Tax Services

Tax issue is becoming increasingly complex and more highly scrutinized by the regulatory authorities. We provide extensive tax valuation and related consulting services when tax laws and regulations stipulate that a valuation is required or when assistance is needed to implement tax strategies. Our tax service covers tax valuation, transfer pricing and transaction tax advisory services.

Rating & Statutory Valuation Services

Our valuation team consists of a number of Chartered Surveyors and assistant surveyors as well as two senior consultant surveyors who have over 30 years' experience on rating / housing matters and valuations of properties of various kinds on General Practice sector.

Our services include:

- Rating services
- Land resumption and disturbance claims
- Premium assessment for the removal of non-assignment clause for "NTEH"
- Lease modification
- Section 16 Town Planning Applications
- Home Ownership Scheme (HOS) / Private Sector Participation Scheme (PSPS) premium assessments

Technical Certification

To deal with the fundamental effects and impacts on business performance and company valuation from the climate change, our professional team provides:

- Carbon credit assessment
- Carbon management
- Verification of greenhouse gas emissions

Forensic Consultancy Services

Our expert team in forensics covers a robust variety of work including giving evidence as expert witness and / or forensic accountant and financial analyst to investigate fraud and irregularities. With more than 20 forensic specialists across China and Asia, our significant forensic capabilities are:

- Preliminary fact finding and discovery
- Commercial litigation, arbitration and mediation
- Forensic accounting services
- Bankruptcy and reorganization services

Building Consultancy Services

Our building service team is headed by a Chartered Building Surveyor and Authorized Person who has over 20 years' experience on building consultancy services. A full range of professional building services are provided hereunder:

- Building condition and structural survey
- Authorized Person (AP) services
- Alteration and Addition works (A&A)
- Various licensing applications
- Preparation of assignment / DMC plans
- Building maintenance and renovations
- Project management

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