

BMI APPRAISALS

中和邦盟評估有限公司

growing your business



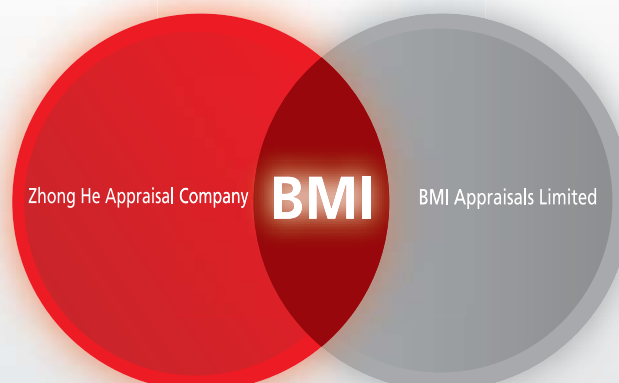
Company Background

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.

Zhong He Appraisal Company ("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. It also possesses A-grade Land Appraisal Qualification and Real Estate Appraisal Qualification granted by the Land Resources Bureau as well as A-grade Construction Price Qualification granted by the Construction Bureau. Zhong He Appraisal has established a strong team of appraisal professionals to provide appraisal services in connection with listing, joint-venture, merger & acquisition, mortgage, asset transfer, liquidation, asset management, legal purposes and so on.

Zhong He Appraisal and BMIA merged together in October 2005, named BMI Appraisals. 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. BMI Appraisals has become one of the leading valuation companies in Hong Kong and China. Our company has been engaged by more than 1,000 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
- Financial Risk Management
- Internal Control & Enterprise Risk Appraisal
- Intangible Assets Valuation
- Assets and Liabilities Valuation
- Financial Derivatives & Non-performing Assets Valuation
- Other Financial Derivatives Valuation
- Valuation-related Consulting Services
- Portfolio Valuation Advisory
- Human Resources Advisory
- Financial Projections and Business Plans
- Financial and Investment Due Diligence
- Tax 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

Worldwide Strategic Partners

UK • USA • Taiwan • Japan

BMI Appraisals has successfully brought its businesses to a new era by establishing strategic alliances with several globally recognized valuation consulting firms in the UK, USA, Taiwan and Japan respectively, covering more than 10 cities.



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 reports are well-accepted by the Stock Exchanges in Hong Kong, Taiwan, Singapore and various international financial institutions.

Our valuation experience covers the valuations of :

- All types of real estate properties like residential, commercial, office, retail and industrial properties
- Agricultural lots / rural holdings
- Village-type houses
- 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 production
- Automobile/Vehicle
- Biotechnology
- Casino/Lottery
- Chemical production
- Electrical and electronics products
- Entertainment/On-line games
- Environmental products
- Exhibition/Trade fair
- Food processing
- Forestry/Timber production
- Forex brokerage
- Infrastructure/Toll roads
- Logistics
- Marine trading/Production
- Natural gas/oil/coal/ various metals
- Pharmaceutical/Medical service
- Publication
- Software application
- Telecommunication
- TV episode production/ TV advertisement

Plant & Machinery Valuation

Plant and machinery valuation is closely associated with companies engaging in manufacturing industries like Printed Circuit Board (PCB) factories and steel pipe production factories which normally involve huge capital commitments in installing, maintaining and improving their production facilities and capabilities. Value of such plant & machinery assets is also one of the major concerns in the course of making investment decisions upon merger and acquisition transactions.

Our valuation experience covers the valuations of :

- Antiques
- Computer hardware/software
- Furniture and fixtures
- Gems
- Mechanical/Electrical equipment
- Office equipment
- Moulds
- Motor vehicles/Tractors/Trailers
- Power plant facilities
- Production facilities
- Production plants
- Tankers
- Vessels/Ships

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 :

- Copyrights
- Customer relationships
- Distribution networks
- Distribution rights
- Franchises
- License rights
- Patents
- Proprietary technologies
- Rights of publicity
- Securities trading rights
- Software applications
- Trademarks/Brand names
- Websites

Assets and Liabilities Valuation

According to HKFRS 3 – Business Combinations, as at the acquisition completion date, the fair values of all 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 Risk Management

Companies are increasingly using different financial derivatives, such as equity-linked investments, accumulators / decumulators, interest rate swaps, commodity swaps, foreign 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”.

Internal Control and Enterprise Risk Appraisal

Our internal control and enterprise risk appraisal 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.

We help addressing issues affecting the conditions of your business, from the quality of your assets to the effectiveness of your internal reporting. We take a holistic approach to risk management, encompassing all elements of risk and collaboratively guide you through each phase of the business risk cycle.

Our service team offers :

- Experienced professionals with extensive expertise in the areas of strategic, operational process and project risk management;
- An integrated Internal Audit, Enterprise Risk Management and Governance approach supported by best practices, tools and methodologies; and
- A risk-focused service that provides advice on controls and practical solutions to issues identified.

Our services include :

- Application Security
- Capital Markets/Risk Management Services
- Control Assurance
- Enterprise Risk Management
- Internal Audit
- IT Security Services
- Sarbanes-Oxley Consulting

Financial Derivatives & Non-performing Assets 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

The dilution effect of share options granted will have significant impacts on companies’ financial position. Our actuaries have applied both the “Binomial Model” and the “Black-Scholes-Merton Model” with actuarial assumptions to provide a fair value of various share options. We have been engaged by over 100 HK listed companies for this assessment and are widely adopted by the top ten auditing firms in Hong Kong.

● Non-performing Assets (NPAs)

Companies with substantial receivable accounts are volatile to interest rates fluctuations. To assist our clients with such uncertainties, we are specialized in non-performing assets (NPAs) valuation. Major financial institutions in China have used our findings as their references before they implement methods like securitization to manage the associated risks.

Others Financial Derivatives Valuation

- Commodity / Interest Swaps
- Convertible preference shares
- Warrants
- Financial assets
- Financial contracts
- Financial guarantees
- Structured deposit contracts
- Accumulators / Decumulators
- Equity-linked investments/notes

Valuation-related Consulting Services

● Value Enhancement of Your Business

If you want to sell your business, regardless of whether it is profitable or making a loss, at a higher price, or if you want to get more financing easier from a lender or an investor, come talk to us. Our professional team can advise you of how to enhance the value of your business with minimal input.

● Avoiding Pitfalls of Issuing Financial Instruments

Companies are increasingly using different financial instruments, such as convertible bonds, convertible preference shares and restricted shares, as considerations for acquisition purposes. However, many of those companies were not aware of some potential issues associated with the relevant accounting standards. As a result the actual consideration paid for the acquisition was much larger than the originally agreed one. Not only did the company have to book an unexpectedly huge amount of goodwill, but also incur significant amount of losses due to goodwill impairments on their income statements afterwards.

With our professional expertise and experience, we have successfully helped our clients in avoiding the pitfalls or minimize the impact.

Portfolio Valuation Advisory

Our service group specializes in assisting clients in the valuation of alternative investments, specifically for securities and positions for which there are no “active market” quotations available. Given the dramatic rise in the number and value of illiquid securities held by hedge funds, private equity funds, pension funds, endowments and venture capitals, the scrutiny and attention by investors and regulators to fair value reporting standards has sharpened dramatically. BMI Appraisals brings extensive and unparalleled experience covering:

- Debt-senior and subordinated, secured and unsecured, performing and distressed
- Preferred and common equity
- Derivatives of all types including:
 - ~ convertible securities
 - ~ warrants and options
 - ~ equity, energy and credit swaps
 - ~ structured products including CDOs and CLOs

Human Resources Advisory

To remain competitive in today's changing global environment, companies' success depends on continued growth and creation of a competitive advantage through their people. Creating the right reward plans for your employees entails for attracting and retaining key staffs, achieving business and human resources objectives, as well as optimizing related costs. Our professionals provide integrated human resources solutions to meet your strategic business needs.

Financial Projections and Business Plans

To maximize return on product development and marketing investments, we provide accurate sales projections, models and forecasting processes that allow for a variety of "what-if" future competitive scenarios. These financial projections can help clients select winning projects, designs, positioning, prices and target markets. Our services include:

- Developing financial projections
- Reviewing and enhancing existing financial projections
- Writing up professional business plans

Financial and 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.

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.

Geographical Area Covered

We have wide experience to conduct valuations for assets located in Hong Kong, Macau, China, Taiwan, Singapore, Japan, Malaysia, Indonesia, Vietnam, Thailand as well as western countries like Australia, Canada, USA and some European countries. In China, our valuations cover all the major cities such as Beijing, Shanghai, Chongqing, Tianjin, Shenzhen, Guangzhou, Chengdu, Wuhan, Shenyang, Harbin, Changchun, Xinjiang and so on.



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