

**WELCOME ADDRESS BY MR LIE KOK KEONG, CHAIRMAN,
INSTITUTE OF VALUERS AND APPRAISERS, SINGAPORE AND
PARTNER, CO-HEAD OF MERGERS AND ACQUISITIONS AT PWC
SINGAPORE AT THE IVAS-IVSC BUSINESS VALUATION
CONFERENCE ON 6 AND 7 OCTOBER 2022**

A. Introduction

Mrs Lim Hwee Hua, Vice-Chair of the Board of Trustees of the
International Valuation Standards Council

Members of the SAC Board

Members of the IVAS Council and Working Groups

CVA Charter holders

Industry Partners

Ladies and Gentlemen:

1. Good morning! Welcome to the annual IVAS-IVSC Business Valuation Conference. I am pleased to see all of you in person and hope everyone is keeping well. I am also heartened to see a good number of virtual participation from Singapore and across the Region. Thank you for taking the time to join us.

B. Welcome Mrs Lim Hwee Hua and relationship with IVSC

2. I would like to start by acknowledging our partnership with the International Valuation Standards Council (IVSC). This conference is made possible in partnership with IVSC. We are delighted to have Mrs Lim Hwee Hua, Vice-Chair of the Board of Trustees of IVSC, with us today. Mrs Lim – thank you for taking the time to grace this event and for IVSC’s leadership in steering the valuation profession globally.
3. I would also like to extend a warm welcome to Mr Nick Talbot, CEO of IVSC, for flying in to join us in person in our panel discussion.
4. This is the 6th year that IVAS has partnered with IVSC to host this conference. With the setup of IVSC Asia, we will be able to bring the partnership to greater heights. At this point, I would also like to congratulate Mr Nicholas Konialidis (pronounce “Kon-nia-li-dis”), who is also here with us today, on his appointment as Director of IVSC Asia.
5. Nicolas, IVAS welcome and look forward to working and collaborating with you. As a start, we can collaborate in conducting masterclasses and webinars on valuation related topics targeted at Asian markets, as well as roundtables for industry practitioners and stakeholders to foster thought leadership.
6. Such activities will be useful in raising awareness of good valuation practices, building consensus around valuation approaches and methodologies, and uplifting the valuation profession, both locally and regionally.

C. Increasing Importance of ESG

7. Next, I would like to touch on the topic of Environmental, Governance and Social (ESG) which is the key theme of today's conference. ESG considerations have become 'top of mind'. Governments, investors and companies are seeking to making meaningful progress on their ESG commitments.
8. Investors are increasingly aware of the role they can play in advocating for more sustainable growth in their investee companies and have been asserting their rights as shareholders in demanding accountability on the ESG front. One such example is the replacement of 3 members of Exxon Mobil's board in June 2021 by activist shareholders due to concerns that the company was not moving fast enough to address climate change.
9. According to a Morningstar report, over US\$500 billion flowed into ESG-integrated funds in 2021, contributing to a 55% growth in assets under management in ESG-integrated products.¹ This shift to sustainable investing is being driven by demand from bullish investors in the equity capital markets who have increased their portfolio allocation towards sustainable strategies.

¹ Source: Morningstar, 31st December 2021.

10. Things are also looking similarly positive in the debt capital markets. Global sustainable-debt issuance exceeded \$700 billion in the 1st half of this year and could potentially exceed \$1 trillion for the full year.² Growth in ESG investing in both equity and debt capital markets is expected to continue through 2022 and beyond as companies and governments seek transition towards a net zero economy in the longer term.
11. As the business environment evolves, valuation professionals can, and should, step in to help businesses assess and consider the impact of ESG factors on the value of enterprises. ESG efforts and expenditures should not be seen as merely additional costs. Rather, they should be seen as important investments which may lead to the preservations of existing intangible value or the creation of new intangible value which will have an overall favorable impact on Enterprise Value.
12. These developments are accompanied by the demand for more accountability, greater regulatory scrutiny, and better disclosures. The IFRS Foundation announced the setting up of the International Sustainability Standards Board (ISSB), during the COP26 Summit, to develop a comprehensive global baseline for ESG disclosure standards consistent across jurisdictions.
13. We look forward to the insights that Ms Sue Lloyd, who is the Vice Chair of ISSB, will be sharing during her keynote speech and the panel discussion later this afternoon.

² Source: Bloomberg Intelligence, [Sustainable debt issuance could exceed \\$1 trillion in 2022](#), 19 July 2022

14. Supportive government policies and coherent regulations are vital to encourage companies to meet their ESG obligations and to convince investors of the viability of sustainable investing. I believe Minister Indranee Rajah who will join us this afternoon will be sharing insights on efforts by the Singapore government in her address later.

D. Role of the Valuation Profession / IVAS

15. Given the developments in the ESG space, what is the role of the valuation profession? I think we can play a key role in assessing the potential impact of companies' ESG strategies on their Enterprise Value. For a start, Valuation Professional Organisations (VPOs), with their inherent missions and capabilities, can prepare their members in competency building and the issuance of valuation guidelines. This can proceed in unison with participation in consultation for the standard-setting process to address concerns raised by their members.

16. In this regard, IVAS together with other like-minded VPOs, the American Society of Appraisers, CBV Institute and the Royal Institution of Chartered Surveyors, have formed an ESG & Intangible Assets (IA) Valuation Working Group. The Working Group will study how ESG factors can impact intangible asset value and overall Enterprise Value. When ready, it will also issue valuation guidelines to aid valuers in incorporating ESG factors into the valuation of businesses.

E. Other Developments at IVAS

17. **Launch of new CVA curriculum in Jan 2022** - I will provide an update on some key achievements by IVAS in the past year. Last year, we reviewed and made updates to the CVA curriculum to align with the latest International Valuation Standards as well as to cover new areas of interest for the valuation profession. One such example is the inclusion of a topic on how ESG can impact valuations in our Capstone module. The modules for the new curriculum have been rolled out in January this year.

18. **Launch of new associate CVA designation in Mar 2022** – Through our engagement with CVA programme graduates, we learn that many of them have passed the CVA exams and are pending the qualifying experience to become CVA. IVAS launched the associate CVA designation in March 2022 to provide support and networking opportunities to these CVA graduates. IVAS is using the Associate CVA designation as a way to signal the technical competencies of these individuals to the marketplace. Hopefully, this will increase business and career opportunities for our CVA graduates and, over time, allow them to accumulate the relevant experience towards becoming CVA Charter holders. I am pleased to share that IVAS has since welcomed close to 300 Associate CVAs into the CVA Community.

19. **Issuance of Practice Guidance** – To support our CVA Charter holders, IVAS regularly look out for and solicit feedback on issues faced by our members in conducting their work. Last year, IVAS issued a Bulletin on “Impact of IBOR Transition on Valuation” and two Practice Notes on “Minimum Requirements for Performing Valuations and Issuing BV Reports” and “Minimum Requirements for Disclosure Reporting of Valuations by Listed Companies”.
20. These practice guides act as technical references on existing and potential upcoming issues that CVA Charter holders may face when undertaking a valuation exercise. IVAS will continue to support our members through the issuance of practice guides from time to time.
21. **Engagement with Key Stakeholders** – IVAS continue to actively engage the Singapore Academy of Law and the Singapore Institute of Directors to increase awareness of the CVA designation and the high levels of proficiency of CVA Charter holders. This is done through the conduct of seminars and webinars that allow both groups of stakeholders to address top-of-mind issues on valuation.
22. **Technical support for regulators** - IVAS continue to provide technical advice to ACRA and SGX RegCo on complex valuation issues as part of their regulatory reviews.

23. Due to the working relationship with the regulators, the CVA Charter is also getting increasing recognition from stakeholders in the marketplace. A case in point is the regulator's column issued by SGX Regco in March 2022 referencing IVAS Practice Note on "Minimum Disclosure Requirements for Summary Valuation Letters" for the Listco directors' attention.

24. As a result, we have seen an increase in the number of companies preferring to hire CVA Charter holders to undertake valuation exercises. This recognition of the standing of CVA Charter in the valuation space is a positive development. Over time, it will raise professional standards for valuation in Singapore and the region.

F. Concluding Remarks

25. Ladies and gentlemen, it has been a busy year for IVAS. These achievements are due to the dedication of IVAS Council members, past and present, who have been instrumental in growing IVAS's capabilities and standing in the marketplace. I want to express my sincere thanks and gratitude to all my Council Members in IVAS, a team that I am very privileged to Chair as I have always admired and appreciated their generosity in contributing their time that has enriched our journey massively. We are also thankful to the SAC Board for its guidance and the SAC team, who work tirelessly to keep us focused and our course on track.

26. We are tremendously blessed to have significant guidance and support from various stakeholders. Our journey would not have been possible without the unwavering support from our Strategic Partners; Industry Partners; Sponsors; and fellow CVA Charter holders who volunteer their time to make our initiatives a reality.

27. In particular, I would like to thank our Platinum Sponsors: ACCA, Deloitte, EY, KPMG Singapore, Nexia TS, PKF-CAP, PwC Singapore and UOB; for their generous contribution in making this conference a success.

28. To all of you, thank you for being part of this Conference. I hope that you will be energized by the sessions during the conference and join our overall efforts in building a successful and sustainable valuation profession in Singapore and the region. I wish you all a fruitful conference ahead. Thank you.