

VALUATION IN IFRS / IAS

Fair Market Value: What does it mean for you?

*How CB Richard Ellis Korea can assist
you of a smooth transition to K-IFRS*



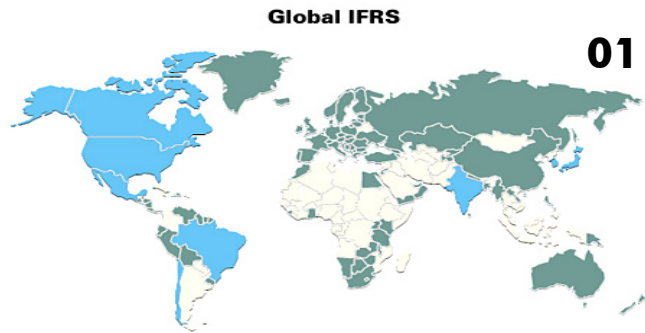
“2011 is fast approaching, it is no longer a matter of if, but when and how.”

“It has been a slow and arduous journey with many Korean firms struggling to adopt the International Financial Report Standards (‘K-IFRS’), which all listed companies are required to use by 2011. With the deadline fast approaching, we have seen the ratio of Korean companies who have started the transition process to K-IFRS significantly increase from 26.5% in 2009 to 75.1% as of today. Samsung Electronics and LG Electronics are also expected to start in 2010. A survey conducted by the Financial Supervisory Service shows that of those who haven’t initiated the transition process, 93.9% of all listed companies, are planning to take steps early half of this year.

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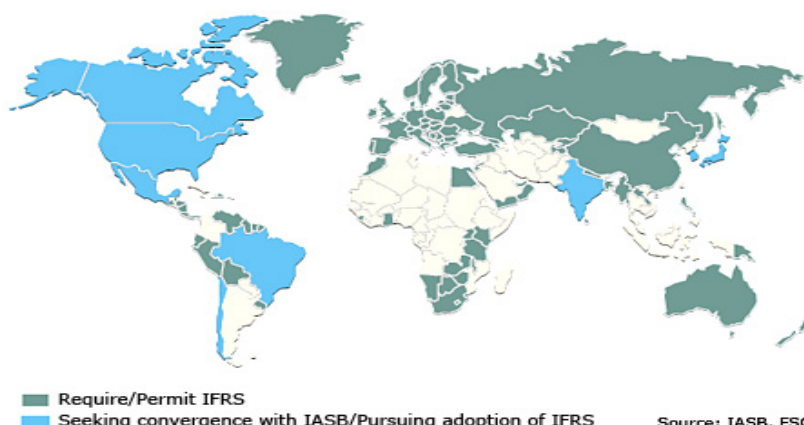
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Because you deserves the best

What is IFRS / IAS?

And how does it affect you?

Global IFRS



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Historically, different views of the role of financial reporting had made it difficult to encourage convergence on a unified accounting standard. Now, however, with the turbulent surge in globalisation in the last couple of decades, global investors are now requiring a comparable, consistent and transparent single set of high-quality global accounting standards.

Pursuit towards this goal has been steady and since 2001, more than 100 countries have required or permitted the use of the International Financial Reporting Standards ('IFRS') notably the European Union members, Asia, Asia-pacific and parts of the South Americas. Remaining major economies, most notably the United States, Korea, Japan and India have all established time lines or road map for convergence with, or adoption of IFRS.

It is envisaged that once a high quality comprehensive set of accounting standard

is established, it would greatly facilitate international financing activities and more importantly act as a catalyst to attract foreign capital.

KOREA'S ROADMAP

On 15th March 2007, the Korean Financial Service Commission (formerly the Financial Supervisory Commission) together with the Korean Accounting Standards Board officially announced the implementation roadmap for converging to International Financial Reporting System to Korea. By the end of 2007, the Korean International Financial Reporting Standards ('K-IFRS') were released. The implementation was planned in two phases. In 2009, listed companies except for financial institutions can voluntarily adopt the new IFRS and the basis of implementation becomes mandatory by 1 January 2011.



ROLE OF THE VALUER

"You are in good hands."

To ensure the financial statements can serve their purpose, IFRS has promoted the concept of Fair Value Assessment, which is considered as one of the reliable measures of the value of the components on the financial statements. However, there is currently a lack of clarity in IFRS as to the valuation methodology and thus, it is common that an Independent Valuer is appointed to give advice on the methodology required and provide appropriate valuations for the subject portfolio of assets.

ROLE OF THE VALUER

The role of valuers during the financial statement preparation is to provide the client with all relevant information and to provide a Fair Value on the subject assets (or liabilities), which enables the client to make decisions on the most appropriate accounting treatment and to account for the different assets (or liabilities) employed in the enterprise in a compatible fashion.

"...lack of clarity in IFRS as to the valuation methodology and thus, it is common that an Independent Valuer is appointed to give advice on the methodologies required and provide appropriate expert valuations..."

Why CB Richard Ellis?

When you are converting K-IFRS, going means going with the Market Leader in Valuation. Because you deserves the best.

ACCURACY ASSURED

As the financial markets continued to be challenging, valuation assumptions became and will most likely in the short- to medium-term scrutinized by the users of the financial statements. With a combined valuation value in excess of 3 Trillion*, 200,000 sq m** of combined leasing transactions and property managing over 600,000* sq m of office space in Seoul, CBRE can not only perform accurate valuation abreast of the market, but are able to substantiate and provide disclosures surrounding our valuation due to our market leading databases obtained from market operations. Although judgment is involved in the fair valuation process, CBRE not only have an internal control process but a regional "best practice" which ensures that our valuations are reasonable and consistent.

"Fair Value is the price at which a willing buyer and seller agree to trade, finding the right price is the key to valuation."

GLOBAL KNOWLEDGE | LOCAL EXPERTISE

IAS 40 encourages "the fair value of investment property to be determined by an independent valuer who holds recognised and relevant professional qualification." Our professionals have the right credentials and experience to develop superior solutions. Valuation & Advisory is committed to supporting each of our professionals with the education and tools necessary to meet our clients' needs. CBRE Korea Valuation & Advisory has created the only education curriculum in the industry dedicated to setting a national standard of service to conduct business. The need for CBRE Korea Valuation & Advisory Services occurs as a result of various circumstances. Whatever the circumstances, it is important for valuation professionals to have a strong understanding of valuation techniques and local market understanding. CBRE Korea Valuation & Advisory practice has the expertise to identify and assist our clients with these complex issues.

- **Unparalleled Quality -**
CBRE Korea hires the most talented people in the industry who ensure that our clients receive a consistently high level of service.
- **Superior Market Research -**
CBRE Korea has access to the most comprehensive market data available and equipped with the most powerful analytical tools in the market.
- **Knowledge for Today's Marketplace -**
At CBRE Korea, we apply our insight, experience, intelligence, and resources to help you make the most informed real estate decisions.



#1

IN COMMERCIAL REAL ESTATE WORLDWIDE

- **A S&P 500 Company**
The Only Commercial Real Estate Services Firm included in S&P 500 Index
- **A FORTUNE 500 Company**
The First Commercial Real Estate Services Firm included on the FORTUNE 500
- **No. 1 Brand in Commercial Real Estate**
CBRE Tops 2008 Lipsey Brand Survey for Seventh Consecutive Year
- **Rank 1st on "Top 25 Brokerages"**
(NREI's Top Brokerage Survey in April 2006. Total Amount of Investment Sales & Leasing Transactions: US\$ 150.4 Billion)
- **Rank 1st on "Top 25 Property Managers"**
(NREI's Top Property Managers Survey in July 2006. Total Space Managed : 1.06 billion sq.ft.)

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The 'race' to converge to K-IFRS has started...

...Don't be stranded at the starting blocks

The mandatory date for conversion from Korean GAAP to K-IFRS is imminent. Entities should be in the process of the conversion or at least assessing the overall implications for beginning to develop an IFRS implementation strategy. The conversion is not just a technical exercise and the amount of planning and work should not be underestimated.

At CBRE Korea, we are ready to assist you and/or your financial consultants to provide accurate, reliable and justified appraisals to eliminate any volatility of results. The 'race' is now, before the mandatory K-IFRS compliance outpaces you.

www.cbrekorea.com

About CB Richard Ellis

CB Richard Ellis Group Inc. (NYSE:CBG), a Fortune 500 and S&P500 company headquartered in Los Angeles, is the world's largest commercial real estate services firm (according to 2008 revenue). The Company has more than 30,000 employees (excluding affiliates), and serves real estate owners, investors, and occupiers through more than 300 offices (excluding affiliates) worldwide. CB Richard Ellis offers strategic advice and execution for property sales and leasing; corporate services; property, facilities, and project management; mortgage banking; valuation & appraisals; development services; investment management; as well as research and consulting. CB Richard Ellis has been named a Business Week 50 "best in class" company and Fortune 100 fastest growing company two years in a row.

For more information, please visit
www.cbre.com

About CBRE Korea Valuation & Advisory Services:

CBRE VAS holds the leading market position in Korea and on a daily basis provides accurate and reliable valuations that are critical to the success of every real estate investment. VAS delivers high-quality valuations that help clients make the right real estate decisions. CBRE Korea Valuation & Advisory focuses on your needs with a commitment to providing a high quality product produced in a timely manner at a reasonable cost.

VAS provides the best client service in the industry. We invest time and money to educate our staff and improve our technologies to better serve our clients. No other valuation company in the industry has dedicated this level of resources to this basic yet crucial business concept.