
RISK FACTORS

Potential investors should carefully consider all of the information set out in this prospectus and, in particular, should consider and evaluate the following risks associated with an investment in our Company before making any investment decision in relation to our Company.

RISKS RELATING TO OUR BUSINESS

We recorded a decreasing revenue during the Track Record Period and decreases in net profit and net profit margin in 2008 and 2009 as compared to 2007

We have been experiencing a decrease in our revenue during the Track Record Period and decreases in net profit and net profit margin in 2008 and 2009 as compared to 2007. Our revenue dropped by 13% from the year ended 31 December 2007 to the year ended 31 December 2008, and further dropped by 18% from the year ended 31 December 2008 to the year ended 31 December 2009. Our net profit and net profit margin decreased by 69% and 10% respectively from the year ended 31 December 2007 to the year ended 31 December 2008, and increased by 21% and 2% respectively from the year ended 31 December 2008 to the year ended 31 December 2009. Accordingly, our revenue, net profit and net profit margin fluctuate significantly as a result of the change in the global economic environment and customer preference. There is no assurance that we will be able to improve or maintain our revenue and net profit margin in the future. If we continue to have a decrease in the revenue and net profit margin in the future, our operating cash flow may be subject to constraint and it could have a material adverse effect on our business, financial condition, results of operations and prospects. For further details of our revenue and net profit margin, please refer to the section headed “Financial information” in this prospectus.

We are highly concentrating on limited types of insurance products

A significant portion of our Group’s revenue is generated from the sale of ILAS. For each of the three years ended 31 December 2007, 2008 and 2009, income from the sale of ILAS accounted for approximately 99.7%, 99.8% and 99.1% of our Group’s revenue respectively. The nature of ILAS involves high risk and does not necessarily lead to high return due to the uncertainty of return, and therefore, there is no assurance that ILAS will be continuously accepted in the Hong Kong market and we will be able to maintain our revenue through arranging ILAS. Any significant deterioration in our Group’s ability to generate sufficient sustainable revenue from the sale of ILAS and any significant fluctuation in the market demand for ILAS may adversely affect the sale of such products and hence our Group’s profitability.

A large portion of our revenue is originated from one-off commission income and the recurrence of sale from our existing customers is not guaranteed

Our revenue is derived from the commission in relation to our sale of ILAS, general and conventional insurance products and MPF schemes for the Product Issuers, which commission is, to a significant extent, one-off in nature and is not dependent on the length of the relevant product schemes that the customers have committed with the Product Issuers. One-off brokerage commission income constituted approximately 96% of the revenue for the year ended 31 December 2009. In addition, although we have been maintaining business relationship with the customers and have successfully developed different marketing channels to generate business from referrals, recurring business from existing customers and direct marketing, only 34.3% of our revenue for the year ended 31 December 2009 is generated by recurring business from our existing customers, which represents existing

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customers purchasing new products through our Group. As such, there is no assurance that we are able to generate increasing commission, or at all, from the recurring customers, or successfully arranged insurance and/or MPF schemes with new customers. Given the one-off nature of a large portion of our commission, if we are not able to maintain or enable a growth in our commission income, our operations and financial positions may be adversely affected and we may not be able to carry out our future plans as scheduled.

The investment-linked business, which our Group's business belongs to, is volatile

A majority of our revenue is derived from the business referral and introduction of ILAS. Our operating results therefore are very dependent on the demand for ILAS in Hong Kong. Our Directors believe that the fundamental factor which affects the demand for ILAS in Hong Kong is the gain in prominence of the financial planning concept in Hong Kong influenced by the launch of the MPF system in Hong Kong since December 2000. Other major underlying factors that may affect the demand for ILAS include investment market sentiment, economic conditions, consumer confidence and change in disposable income of individuals. Whereas, supply of ILAS is mainly driven by its demand and by the profitability of issuing ILAS by the Product Issuers. According to the Hong Kong Insurance Business Statistics published by the OCI, for the four years ended 31 December 2006, 2007, 2008 and 2009, the annual growth rates in terms of office premiums for investment-linked business were 42.7%, 73.7%, -22.8% and 15.7% respectively, as compared with 5.0%, 7.4%, 9.2% and 10.7% for non-investment-linked business during the corresponding years in respect of individual life in-force business. Accordingly, the investment-linked business, which our Group's business belongs to, is volatile. There is no assurance that our Group will substantiate a growth in revenue from operating in the investment-linked business regime.

Our operating results may fluctuate due to market acceptance for our Group's services

Although various companies listed on the Stock Exchange may provide ILAS as an ancillary services and the business model of such companies may or may not be similar to the business model of our Group, our Directors are not aware that there are any companies listed on the Stock Exchange whose current principal business is acting as an independent insurance broker. The future of our Group's business will depend on the continuing success in achieving market acceptance for our existing services and the introduction of new services in the markets. Although our Directors believe that our Group can continue to achieve market acceptance for our Group's services, if our Group fails to achieve such market acceptance for our Group's services, our Group's operations and financial performance may be adversely affected.

We rely on business relationships with ILAS Issuers

Our Directors believe that establishment of business relationships between our Group and major ILAS Issuers such as Friends Provident International Limited and Zurich International Life Limited which facilitates our Group to provide a wide variety of products to satisfy customers' needs and enables our Group to bargain with such ILAS Issuers for more favourable terms to benefit our customers, is one of the factors contributing to our current success. Our Group has established business relationships with major ILAS Issuers ranging from five to nine years. Currently, our Group's business relationships with various ILAS Issuers are formed on the basis of the terms of business and/or conditions issued by the ILAS Issuer(s) to our Group setting out the terms and conditions upon which ILAS Issuer(s) are prepared to accept business referred or introduced to them by our Group.

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In general, the major terms of the broker agreements entered into between CFS and the Product Issuers (such as ILAS Issuers) include, inter alia, the following:

- (i) Our Group shall, in the capacity of an independent contractor, introduce business to the Product Issuers and in return the Product Issuers shall pay commission to our Group at a specified rate on a regular basis.
- (ii) The Product Issuers reserve the rights not to accept the business introduced by our Group.
- (iii) In the event of a Regular-savings ILAS being terminated by the relevant customer during the indemnified period for commission clawback which generally ranges from 6 months to 24 months from the date of execution of the ILAS, our Group shall refund to the Product Issuers the relevant commission which we have received on a pro-rata basis, i.e., if a customer terminates his/her Regular-savings ILAS a number of months after the date of execution of his/her insurance policy and such termination falls within the indemnified period, our Group is entitled to retain the commission for a portion of such number of months over the relevant indemnified period and shall refund any excess commission already received to the Product Issuers. For details of risks on commission clawback, please refer to the paragraph headed “We may be exposed to risks on probable commission clawback” in this section.
- (iv) The agreements have no expiry date and can be terminated subject to one month’s advance notice and/or under certain circumstances, for example:
 - (a) winding up proceedings being instituted against our Group;
 - (b) our Group ceases trading;
 - (c) our Group committing any act of misconduct which, in the opinion of the Product Issuer, is or likely to be prejudicial to its interest; or
 - (d) any breach of conditions under the broker agreements.

There is no assurance that our Group will succeed in maintaining existing and/or establishing new, strategic relationships with the Product Issuers. If our Group cannot maintain and/or establish such relationships, our Group’s business, operations and financial position may be adversely affected.

We rely on our top five ILAS Issuers for a significant portion of our revenue, and we anticipate such dependence to continue in the near future

We provide independent advisory services to our customers who then enter into insurance policies with the Product Issuers. In return, we receive brokerage commission income and recurring fee income from various Product Issuers whom our customers purchase insurance policies from. We rely on a few international ILAS Issuers, who are independent of us, for a substantial portion of our total revenue. During the three years ended 31 December 2007, 2008 and 2009, the top five ILAS Issuers of our Group, in terms of commission income and recurring fee income, accounted for approximately 98.5%, 96.9% and 97.1% of our Group’s revenue respectively. The largest ILAS Issuer of our Group, in terms of commission income and recurring fee income, accounted for approximately 50.9%, 48.2% and 43.7% respectively of our Group’s revenue for the three years ended 31 December 2007, 2008 and 2009. There is no assurance that our Group will secure continuing commission income and recurring fee income from these ILAS Issuers in the future, or secure comparable levels of commission income and recurring fee income, or at all, from other ILAS Issuers to offset any loss of revenue from losing

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any of these ILAS Issuers. If any of these ILAS Issuers materially reduces or delays payments, or terminates its business relationship with us, our cash flow and profitability may be adversely impacted.

We rely on our management team and teams of Consultants and their team leaders for carrying on our operations

Our Group's success is, to a large extent, attributable to the continued commitment of our Directors and senior management and teams of Consultants. Our Directors and senior management have extensive experience in the insurance and MPF brokerage industry. They have been playing a significant role in the development and daily operations of our Group. The loss of services of the executive Directors and the key personnel in the absence of any suitable replacements may have a material adverse effect on our Group's operation and future profitability. As such, each of the executive Directors has signed a service contract with our Group for an initial fixed term of three years commencing from 13 July 2010. However, there can be no assurance that our Group will be able to retain the services of our executive Directors after the expiration of the initial fixed term or the services of our other key personnel. The loss of service of any of our Directors or senior management could have a material adverse effect on our Group's management and operations.

Our Group has significantly relied on the Consultants to generate income by providing advisory services to our customers. The team leaders of the Consultants take part in the management, supervision and training of their team members and play an important role in controlling and managing the Consultants to generate business and income for our Group. CFS has entered into contracts for services with the Consultants on the basis that they are providing exclusive insurance and MPF brokerage services to our Group in Hong Kong as opposed to employer-employee relationships. Each party under the contract for services is required to give the other party one month's written notice to terminate such contract. Furthermore, the Consultants are prohibited by the contracts for services entered into between CFS and the Consultants to engage or be interested either directly or indirectly as principal, agent or employee in promoting any business similar to those of our Group without obtaining prior consent of our Group in writing during the continuance in force of the contracts for services and are prohibited to engage in or undertake the business similar to those of our Group in Hong Kong, including but not limited to the business of the provision of insurance and MPF schemes brokerage services during the three months immediately following the termination of the contracts for services.

Competition for Consultants is intense and there can be no assurance that our Group will be able to attract, assimilate or retain such personnel. Accordingly, there is no assurance that our Group will succeed in maintaining continuous services of our quality team leaders and/or their team members. If our Group cannot maintain the relationship with team leaders and/or team members of Consultants and our Group is unable to secure other team leaders and/or team members to replace them, our Group's business, operations and financial position may be adversely affected.

The Consultants may not have sufficient financial resources to provide indemnity to our Group against actions which may be brought against our Group by any customer and potential customer in respect of services provided by the Consultants

The Consultants act as representatives for our Group so that they are responsible for soliciting insurance and MPF schemes business in Hong Kong in the scope of independent insurance and MPF brokerage in accordance with all applicable codes, rules, laws and regulations of the relevant regulatory bodies and Government authorities in Hong Kong. The Consultants will indemnify our

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Group from and against actions, claims, proceedings, costs, damages and expenses which may be levied, brought, incurred or made against our Group by any customer and/or potential customer in respect of or arising out of the provision of the services by the Consultants. There is no assurance that the Consultants will have sufficient financial resource, or at all, to provide such indemnity to our Group. In the event that the Consultants fall short of financial resources, our Group may not be able to be indemnified by the Consultants for any compensation paid to the customers and/or potential customers, and it may have an adverse effect on the operation and financial conditions of our Group.

We may be exposed to risks on potential computer system failure and disruptions

Our Group's success depends on an efficient and effective computer information system to provide accurate and timely information to facilitate our provision of personalised advisory services to the customers. To prevent the failure of the computer system, our Group continuously monitors, maintains and updates the computer system. However there is no assurance that there will not be any disruptions to our Group's computer system and, in such event, the delivery of our Group's services may be adversely affected.

We may be exposed to risks on probable commission clawback

Our Group receives brokerage commission income from various Product Issuers for business referral and introduction. The commission is calculated based on the regular contributions by the customers to the Product Issuers. Pursuant to the terms of the agreements entered into between our Group and the Product Issuers, the commission paid by the Product Issuers to our Group is subject to commission clawback, which applies solely to Regular-savings ILAS, by the Product Issuers on a pro-rata basis over an indemnified period. The indemnified period generally ranges from 6 months to 24 months. Our Directors believe that the customers are reluctant to terminate the Regular-savings ILAS during the indemnified period because they will suffer significant charges or penalty by doing so. The amount of commission clawback occurred in 2009 for the business preceding to the year ended 31 December 2009 borne by our Group was approximately HK\$6.7 million and the estimated commission clawback for the year ended 31 December 2009 was approximately HK\$5.9 million. The table below sets forth our historical trend and actual commission clawback of Regular-savings ILAS:

	Year ended 31 December		
	2007	2008	2009
Actual commission clawback borne by our Group in relation to the revenue from Regular-savings ILAS during the year (HK\$' million) ⁽¹⁾	3.3	4.3	6.7

Note:

(1) The actual commission clawback represents the actual commission clawback charged by the Product Issuers and borne by our Group during the year which relates to revenue generated from previous years.

There is no assurance that there will not be any difference between the estimated commission clawback and the actual amount of commission clawback and such estimated commission clawback may not be accurate and precise. As the actual amount of commission clawback may be in excess of the estimated commission clawback and accordingly, this would have a direct and adverse effect on the performance of our Group in future. Also, our Group has requested the Consultants to acquire a good understanding of customers' financial positions and to explain clearly the terms, nature and characteristics of the products to the customers. This will help the customers to plan their ILAS as well as to minimise the risks of commission clawback for our Group. In the event that there is a huge number of customers who pre-maturely terminate the Regular-savings ILAS in the indemnified period,

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it may cause losses to our Group and have a material adverse effect on our Group's business and financial conditions.

We may be exposed to risks in relation to compliance standards

Insurance and MPF schemes brokerage services to be provided by our Group are characterised by and subject to regulations and regulatory approvals of government and regulatory bodies such as PIBA and MPFA. Compliance standards in relation to approvals or regulatory requirements may also change from time to time. New laws and regulations and/or changes in the interpretation of existing laws and regulations may escalate the compliance costs for our Group or limit our Group's ability to provide these services such that our Group's profitability in the provisions of insurance and MPF schemes brokerage services may be affected.

Failure to obtain registrations and/or licences from the relevant authorities could adversely affect our operations

Our Group and the Consultants are required to obtain registrations and/or licences from the relevant authorities (including IA or one of the two approved bodies of insurance brokers, namely PIBA and HKCIB) to provide services to customers. These registration(s) and approval(s) are required to be renewed upon expiry. Details of the regulation regime of the relevant authorities are set out in the section headed "Regulatory framework" in this prospectus. Since the incorporation of CFS, there has been no occasion where the relevant authorities refuse to renew the registrations and/or licences of our Group and the Consultants upon expiry. However, if these registration(s) and/or approval(s) are not renewed upon expiry, our Group may not be able to continue to provide services to the customers and our Group's financial performance and business operation may be adversely affected. Further, if the relevant authorities enact additional regulations or make changes to the existing laws or regulations, our Group may be required to incur additional compliance costs, which could have an adverse impact on our Group's financial condition.

Misconduct of the Consultants is difficult to detect and deter

Misconduct of the Consultants could result in violations of law by us, regulatory sanctions, litigation or serious reputational or financial harm. Misconduct could include:

- (i) the use of methods of solicitation and advertising that are not compatible with the integrity and dignity of the profession of insurance broking;
- (ii) the use of any illustration, circular or memorandum that misrepresents or is incomplete as regards the terms, benefits or advantages of any contract of insurance issued or to be issued to a prospective purchaser of insurance;
- (iii) the use of any incomplete comparison of any policy or contract of insurance for the purpose of inducing an insured to forfeit or replace a policy or contract of insurance;
- (iv) the offer of any payment, allowance or gift as an inducement to any prospective insured to insure through the offerer; and
- (v) holding out to the public or advertising by means of advertisements, cards, circulars, letters, signs or other methods in an irresponsible or untruthful manner.

We cannot always deter misconduct of the Consultants, and the precautions we take to prevent and detect these activities may not be effective in all cases. We cannot assure you that misconduct of

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the Consultants will not lead to a material adverse effect on our business, results of operations or financial condition.

Possible mis-selling by the Consultants

Under our business model, the Product Issuers, which have developed the insurance products and the MPF schemes that our Group promotes, will remunerate our Group on a commission and recurring fee basis for services provided by our Group to the customers, and we would in turn pay commission to the Consultants for the insurance products developed by the Product Issuers and the MPF schemes offered by the MPF Providers which they have successfully arranged. The commission offered by the Product Issuers on different types of insurance products and/or MPF schemes varies. As such, there may be inherent conflict of interests as the Consultants may be tempted to sell products with higher commission rather than those actually required by or suitable to the policyholders and/or potential policyholders in the event those products required by the policyholders are of lower commission rate. We cannot assure you that, under our current business model, the Consultants will always promote those products that are actually required by or suitable to the policyholders and/or potential policyholders, or at all.

In addition, apart from the contractual relationship with CFS, most of the Consultants are also contracted with CAM to conduct type 1 (dealing in securities) and/or type 4 (advising on securities) activities regulated by the SFC. Our Group has no direct control over the Consultants' conduct while they carry on business on behalf of CAM. Our Group has entered into a non-exclusive licensing agreement for insurance and MPF schemes brokerage business in Hong Kong dated 21 June 2010 with CTL to use the Trademarks registered by CTL in Hong Kong. Such Trademarks are also used by CAM in carrying on CAM's business as well as by the Consultants when they represent CAM. Given the close relationship between our Group and CAM and the use of the Trademarks in carrying on the respective businesses, in the event there is any misconduct or mis-selling by the Consultants when they are representing CAM, or any Consultant's breaches of relevant rules and regulations in their capacity as representatives of CAM or using the Trademarks which are also used by our Group resulting in any sanction against the Consultants and/or CAM by the relevant regulatory authorities, our Group may be exposed to reputation risk for their misconduct, mis-selling and/or breaches of relevant rules and regulations. As a consequence, the corporate reputation and image of our Group, which are important in the promotion of our Group and our products to the public, may be adversely affected.

We had been involved in litigation, examination and investigation regarding misconduct or mis-selling of the Consultants. For details of the claims or litigation against our Group, please refer to the paragraph headed "Summary of investigation and compliance issues" in the section headed "Business" in this prospectus. Although no judgment, verdict nor any form of sanction has been adversely entered or made against our Group by the relevant regulatory authorities, including PIBA, and courts regarding mis-selling of products or any other regulatory matters since CFS becoming a corporate member of the PIBA in 1995, we cannot predict the outcome of any future litigation, examination or investigation. Given the unpredictability nature of future litigation, examination and investigation, it is possible that an adverse outcome could have a material adverse effect on our operating results or cash flows.

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We may not be able to implement our future plans successfully

Further expansion of our teams of the Consultants and our business operations is a key to our success. Our planned expansion requires us to identify suitable personnel and markets. However, even if we successfully identify the aforesaid, we may be unable to expand our business if we cannot compete effectively in the market.

Our historical dividends may not be indicative of our future dividends

Dividends may be paid out of our distributable profits as permitted under the relevant laws. Our ability to pay dividends will therefore depend on our ability to generate sufficient distributable profits.

During the three years ended 31 December 2007, 2008 and 2009, CFS declared an interim dividend of a total sum of approximately HK\$100.0 million, HK\$7.5 million and HK\$72.0 million, respectively, to its then sole shareholder, namely, CFG. There can be no assurance that in the future we will pay dividends at a similar level to the past or at all, and potential investors should be aware that the amount of dividends we paid in the past should not be used as a reference or basis which future dividends are determined. The payment and the amount of dividends in the future will depend on various factors, including but not limited to, the results of operations, cash flows, financial position, statutory and regulatory restrictions on the payment of dividends by us and future prospects.

In addition, to the extent profits are distributed as dividends, such portion of profits will not be available to be reinvested in our operations and may therefore limit our future development. Therefore, there can be no assurance that we will declare dividends at all in the future. Future dividends, if any, will be at the discretion of our Board and will depend upon our future results of operations, capital requirements, general financial position, legal and contractual restrictions and other factors our Board may deem relevant.

RISKS RELATING TO OUR INDUSTRY

Our business depends on the macro-economic situation of Hong Kong

Currently, all of our Group's earnings are derived from Hong Kong. Our business and results of operations will be affected by the overall performance of the Hong Kong economy, which may in turn be affected by many unpredictable factors including, inter alia, local and international economic and political conditions, general market sentiment, changes in the regulatory environment and fluctuations in the interest rates. Moreover, the future prospect of Hong Kong is linked to the economic, social and political development of the PRC and any unfavourable disruption to such development could have a corresponding effect on the Hong Kong economy.

We operate in a highly competitive industry

Our Group faces competition from existing competitors, including banks and insurance and insurance brokerage companies, which have developed and provided advisory services similar to those offered by our Group. Competition in this industry is based on the quality and the scope of services, market reputation, business network and pricing.

Although there existed certain entry barriers in the independent brokerage industry that our Group is currently engaged in, the details of which are set out under the paragraph headed "Competition" in the section headed "Business" in this prospectus, there is no assurance that our

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Group will be able to maintain our competitive edge over our competitors, or to capture the perceived or new market opportunities. Any increase in competition may result in price reduction, which erodes our Group's market share and has an adverse impact on our Group's operation and profitability.

RISKS RELATING TO THE GLOBAL ECONOMIC DOWNTURN

Recent financial difficulties and economic conditions in the United States, Europe and other regions may materially and adversely impact our business, financial condition, results of operations and prospects in a number of ways, including:

- (i) economic difficulties in the United States, Europe and other regions may lead to an economic slowdown or recession in the Hong Kong market in which we operate;
- (ii) an economic slowdown or recession, or even the risk of a potential economic slowdown or recession may cause our customers to delay, defer or cancel their purchases through us, including decisions previously made;
- (iii) under difficult economic conditions, consumers may seek to reduce discretionary spending by forgoing purchases of ILAS and other insurance products;
- (iv) financing and other sources of liquidity may not be available on reasonable terms or at all; and
- (v) the trading price of our Shares may experience increased volatility.

These risks may be exacerbated in the event of a prolonged economic downturn or financial crisis. Our revenue was adversely affected after the economic downturn.

RISKS RELATING TO THE SHARE OFFER

There has been no prior public market for our Shares, and the liquidity, market price and trading volume of our Shares may be volatile

Prior to the Share Offer, there was no public market for our Shares. The initial Offer Price range for our Shares was the result of negotiations among our Company and the Joint Lead Managers on behalf of the Underwriters, and the Offer Price may differ significantly from the market price for the Shares following the Share Offer. We have applied to list and deal in our Shares on the Stock Exchange. However, even if approved, being listed on the Stock Exchange does not guarantee that an active trading market for our Shares will develop following the Share Offer or that our Shares will always be listed and traded on the Stock Exchange. We cannot assure you that an active trading market will develop or be maintained following the completion of the Share Offer, or that the market price of our Shares will not decline below the Offer Price.

The price and trading volume of our Shares may be highly volatile. Factors such as variations in our revenue, earnings and cash flows and announcements of new investments, strategic alliances and/or acquisitions, fluctuations in market prices for our products and services or fluctuations in market prices for comparable companies could cause the market price of our Shares to change substantially. Any such developments may result in large and sudden changes in the volume and price at which our Shares will trade.

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The market price of our Shares may be volatile

The trading price of the Shares could be subject to significant volatility in response to, among other factors:

- (i) investor perceptions of our Group and our future plans;
- (ii) variations in our Group's operating results;
- (iii) changes in pricing made by us or our competitors;
- (iv) technological innovations;
- (v) changes to senior management;
- (vi) the depth and liquidity of the market for the Shares; and
- (vii) general economic and other factors.

Any material changes in the above factors could cause the market price of the Shares to change substantially.

Purchasers of our Shares will experience immediate dilution and may experience further dilution if we issue additional Shares in the future

The Offer Price is higher than the net tangible asset value per Share. Therefore, subscribers of the Offer Shares in the Share Offer will experience an immediate dilution in the pro forma net tangible asset value of HK32.7 cents per Share and HK37.7 cents per Share based on the Offer Price of HK\$1.00 per Share and HK\$1.20 per Share, respectively.

We may need to raise additional funds in the future to finance expansion of or new developments relating to our existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company other than on a pro-rata basis to the existing Shareholders, the percentage ownership of such Shareholders in our Company may be reduced or such new securities may confer rights and privileges that take priority over those conferred by the Offer Shares.

Future sales by our existing Shareholders of a substantial number of our Shares in the public market could materially and adversely affect the prevailing market price of our Shares

We cannot assure you that our Substantial Shareholders or Controlling Shareholders will not dispose of the Shares held by them. We cannot predict the effect, if any, that any future sales of Shares by any Substantial Shareholders or Controlling Shareholders, or the availability of Shares for sale by any Substantial Shareholders or Controlling Shareholders may have on the market price of our Shares. Sales or issuance of substantial amounts of Shares by any Substantial Shareholders or Controlling Shareholders, or the market perception that such sales or issuance may occur, could materially and adversely affect the prevailing market price of the Shares.

Impact of granting options under the Share Option Scheme

We have adopted the Share Option Scheme pursuant to which we will in the future grant to our employees and business partners options to subscribe for Shares. No options had been granted pursuant to the Share Option Scheme as at the Latest Practicable Date.

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The fair value of the options at the date on which they are granted with reference to the valuer's valuation will be charged as share-based compensation, which may materially and adversely affect our results of operations. Issuance of Shares for the purpose of satisfying any award made under the Share Option Scheme will also increase the number of Shares in issue after such issuance and thus may result in the dilution to the percentage of ownership of our Shareholders and the net asset value per Share.

Details of the Share Option Scheme are set out in the section headed "Share Option Scheme" in Appendix V to this prospectus.

RISKS RELATING TO STATEMENTS MADE IN THIS PROSPECTUS

Certain facts and other statistics in this prospectus are derived from various official government sources and may not be reliable

Certain facts, forecasts and other statistics in this prospectus including those relating to Hong Kong, the Hong Kong economy and the insurance and insurance brokerage industry have been derived from various official government publications. We believe that the sources of such facts, forecasts and other statistics are appropriate sources for such facts, forecasts and other statistics and have taken reasonable care in extracting and reproducing such facts, forecasts and other statistics. We have no reason to believe that such facts, forecasts and other statistics is false or misleading or that any fact has been omitted that would render such facts, forecasts and other statistics false or misleading. The facts, forecasts and other statistics have not been independently verified by us, the Sponsor, the Joint Lead Managers, the Underwriters or any of their respective affiliates or advisers or any other party involved in the Share Offer and no representation is given as to their accuracy and completeness.

Therefore our Company makes no representation as to the accuracy of such facts, forecasts and statistics, which may not be consistent with other information compiled within or outside Hong Kong. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics from official government publications referred to or contained in this prospectus may be inaccurate or may not be comparable to statistics produced for other economies and should not be relied upon. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such facts, forecasts or statistics.