



The Institute of Financial Planners
of Hong Kong Limited
Annual Report 2006

The Institute of Financial Planners of Hong Kong Limited

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Turn a new page

2006

Mission and Background

Our Vision is

To be recognized in the region as the premier professional body representing financial planners that uphold the highest standards to benefit the public.

Our Mission is

- To maintain majority representation of practitioners in the financial planning industry;
- To increase public awareness of the value of the financial planning process;
- To promote the CFP^{CM} certification as the gold standard and other financial services qualifications for professional development of financial planners;
- To establish and uphold professional standards in financial planning.

Background

The Institute of Financial Planners of Hong Kong, “IFPHK”, is a non-profit self-regulatory organization set up in June 2000. IFPHK is the sole licensing body in Hong Kong authorized by the Financial Planning Standards Board to grant the CFP^{CM} certification to qualified financial planning professionals in Hong Kong.

It is committed to promote the CFP^{CM} Certification as the highest level of competence in the financial planning profession in Hong Kong.

IFPHK represents the financial planning practitioners in Hong Kong. It has over 4,800 members from such diverse professional backgrounds as banking, insurance, investment, stockbroking, independent financial advisory, accounting and legal services. To ensure IFPHK draws on the strengths, experience and expertise of all members in its decision-making processes, the Executive Committee is represented by members from different sectors in the industry.

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2005-2006 Annual Report

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President’s Message

Snapshot

- *The past five years: What IFPHK achieved*
- *Industry outlook: What has changed the last five years*
- *The next five years and beyond: IFPHK’s strategy for continued leadership in industry development*

“The Big Picture”

How things have changed since we first began five years ago.

Back then, financial planning was in its infancy; the industry was unknown and standards could hardly compare with international ones.

Against this backdrop, the Institute of Financial Planners of Hong Kong was founded by a group of volunteers coming from different financial services industries.

Our vision was simple but yet ambitious one: To be recognised as the premier professional body representing financial planners that uphold the highest standards to benefit the public here in Hong Kong.

And as can be seen in the pages within, we have successfully surpassed our initial expectations and have built a strong presence.

We managed to do this, using a three-pronged strategy targeted at forging strong ties with the industry, regulators and members of the public.

Today, IFPHK’s importance is duly recognised by regulators and the industry alike, and can be seen in their continued support of our initiatives, invitations to closed door sessions with the Mandatory Provident Fund Schemes Authority (MPFA) and quarterly meetings with the Securities and Futures Commission (SFC).

The root of our success can be traced to our successful introduction of the internationally-recognized CFP^{CM} Certification marks that embodies the best practices, ethics and knowledge of financial planners worldwide and the introduction of the Financial Advisers International Qualification as the foundation level qualification for financial planners in October 2004.

Today, CFP^{CM} Certification is regarded as the highest standard for financial planners, thanks to countless marketing efforts, awareness campaigns and the establishment of an independent Examination Board by IFPHK.

One of the major advantages of the certification, besides its global recognition and renowned knowledge base, is that our financial planners will join a growing international body of highly-reputed financial planners from over 19 major countries, and who number around 98,943, as of the 1st quarter of 2006 — a major advantage in an increasingly globalised world.

All these efforts and more have established IFPHK as a premier institute for financial planning professionals, swelling our membership numbers from 1,710 in September 2002, to 4,876 in June 2006.

So where do we go from here? And how will our next five years shape our institute?

These are pertinent questions in the light of what has been achieved and how fast the industry has grown from infancy to adolescence.

Through our numerous programs and publications, as well as joint-marketing efforts with regulators and the industry, the public awareness about the virtues of financial planning has grown.

As a result, the public is demanding for more sophisticated service, better knowledge from their financial planners and increased accountability from them. This, in turn, has led to a surging demand for better certification programs like our CFP^{CM} Certification Program.

President’s Message

A growing industry has also introduced new demands. Practitioners now want better accreditation, membership privileges and a better platform to communicate, network, discuss and grow with their peers within Hong Kong and globally.

Regulators are also taking a more active role in the development of the industry, and recent studies by the SFC and joint-marketing efforts by MPFA point to a growing interest among regulators to see how financial planners are adhering to professional and ethical practices and how the public interests are protected.

To ensure IFPHK’s continued key role in the development of the financial planning industry, we have identified five key future directions.

1. *Raising IFPHK’s profile locally and regionally.*

IFPHK is committed to increasing its public and professional images through increased local liaisons with the regulators, corporate members, professional bodies and trade organisations. We will look to develop closer relationships with the media and have more representations in advisory and government bodies.

We are also looking to go beyond Hong Kong’s borders and establish an Asian Forum to discuss, examine and learn about the development of financial planning in the region.

2. *Continue raising industry standards through certification and qualification*

We will continue to provide certification and qualification programs that are relevant to the financial services industry. At the same time we are looking to improve education support and customer support, and modernise our database and management information system (MIS).

We are also looking to bolster our robust test bank and examination policies and arrangements, which have been pivotal to our certification’s success.

3. *Increase membership base*

No institute can be an island. In that light, we are looking to increase our membership base through more value-added activities, corporate support and improve membership services.

At the same time, we are looking to increase representations of our members’ interest, while increasing the number of our membership categories so that more professionals from the industry can participate in driving financial planning excellence in the industry.

4. *Boost overall efforts for consumer education*

We are also looking to increase our consumer education efforts by establishing key signature events to draw consumers together. We are also setting the stage for more industry collaboration by establishing working relationships with regulators and consumer groups through joint-initiatives.

5. *Maintain established standards at par with international ones*

All these efforts will not veer away from our central mission: to uphold standards in the financial planning industry. As such, we are looking to further develop support for financial planning practitioners and organise more conferences and events to enhance professional development. The about to be introduced Best Practice Guide will further serve this purpose.

In the end, the winners, I believe, will be the members of IFPHK and also the public. As IFPHK builds a strong foundation to anchor the inevitable growth of the financial planning industry, it will be ultimately the public and Hong Kong who will reap the dividends, as the SAR takes a central role in the regional development of financial services.

And IFPHK aims to be play key role in that development for the next five years and beyond.

Juliana Lam
President

July 2006



CEO's Message

Snapshot

- Boosting financial planner numbers and quality
- Promoting consumer awareness
- Increasing collaborative efforts with regulators and industry

“Five years strong”

We have come a long way since our humble beginning five years ago.

When we first began, our first concern was quantity. We needed the right numbers of the right professionals to meet the diverse financial planning needs of the public.

It is for this reason that IFPHK first introduced the CFP^{CM} Certification program. It met both building a base of aptly qualified professionals whose standards are equivalent to their international peers.

Today, 2,005 CFP^{CM} Certificants, as of June 2006, serve the diverse financial planning needs of the public and continue to improve Hong Kong's profile as a hub for financial services. At the same time, the number of candidates enrolling into the CFP^{CM} Certification Education Program and sitting for the rigorous examination has increased, underscoring the high-regard for this certification.

At the foundation level, the Financial Advisers' International Qualification (FAIQ), introduced in 2004, continues to attract an increasing number of examination candidates. This year, its scope has also expanded past our borders to include Macau. We now have 1,445 financial planning practitioners holding the FAIQ designation.

We are also supplementing this growth in numbers with more quality knowledge.

We published three new textbooks for the CFP^{CM} Certification Education Program that provides a valuable source of study materials and an invaluable resource for practicing CFP^{CM} certificants; published the first-ever Intermediaries Practice Survey that examined the characteristics of the practitioners and the industry; and released the first-ever IFPHK Practice Guide for Financial Planners that assists practitioners to incorporate sound practices and conduct in their business activities.

We also saw a need to identify the rising champions and future leaders of the growing industry. So we debuted the first-ever SCMP/IFPHK Financial Planner Awards, co-organised with the South China Morning Post (SCMP), last year. It attracted 112 entries and concluded on a celebrative note at a high-profile Awards Dinner.

And we have strengthened our own operations to meet international standards as well. This financial year saw IFPHK meeting all the requirements of an audit by the US-based Financial Planning Standards Board Ltd in September 2005.

All these efforts provide a sound framework for the industry and IFPHK to grow upon.

To build a successful financial planning industry, however, we saw the need for raising public awareness. This had two purposes: besides creating a need for aptly certified financial planning professionals, public awareness can also help raise demand for better industry standards, which IFPHK was perfectly poised to meet.

So, for the last five years, we have been raising public awareness through numerous efforts.

CEO's Message

Our biggest public awareness effort is the Financial World Expo, which remains the only industry event of its kind that in 2005 broke new ground with record attendance numbers. We have also increased the number of seminars, our participation in major Expos and the number of media exposures during the last year. All these efforts are aimed to raise public awareness of IFPHK's role in financial planning excellence.

We are also not doing this alone, and have embarked with collaborative efforts with regulators, and other industry players and organisations.

One of most important collaborative effort last year was the MPFA & IFPHK Student Case Study Competition. Jointly co-organised with the MPFA, the competition, open to all local universities and, recently, secondary schools, introduced the benefits of retirement planning to the young in a competitive atmosphere. Judging by the high numbers, I would say that the competition has garnered a huge following.

All these efforts together with our unwavering focus on our primary vision have made IFPHK a 4,876-strong organisation, as of June 2006, that is also financially sound. This provides an excellent opportunity to invest in building up the value of our pillar strength, the CFP^{CM} Certification, while building strong links between the community, the regulators and the public.

But we must not forget that the strong commitment and tireless efforts by both the institute's members and staff. Special kudos must also be given to our patrons and the executive committee whose spirit of volunteerism and insightful steering has led us to achieve monumental results and surpass expectations.

And their support will continue to be instrumental as IFPHK turns a new page for the future.

Angeline Chin
Chief Executive Officer

July 2006

Executive Committee, Examination Board and List of Sub-committees



Ms. Juliana L.H. Lam
President



Mr. Tony W.K. Mak
Vice-President



Dr. Keith P.C. Lam
Honorary Secretary



Mr. Wilson C.S. Kwok
Honorary Treasurer



Mr. Alexander H.S. Chan



Mr. Eddie Y.F. Chan



Mrs. Francine W.T. Fu



Mr. Henry K.C. Lam



Mr. Paul P.L. Pong



Ms. Regina Y.K. Wai



Ms. Cherie L.S. Wong

Executive Committee Members for 2005-2006

Ms. Lam Lai Ha, Juliana — *President*
Mr. Mak Wing Kwong, Tony — *Vice-President*
Dr. Lam Pui Chaun, Keith — *Honorary Secretary*
Mr. Kwok Chi Shing, Wilson — *Honorary Treasurer*
Mr. Chan Hing Sang, Alexander
Mr. Chan Yip Fai, Eddie
Mrs. Fu Kwong Wing Ting, Francine
Mr. Lam Kin Cheung, Henry
Mr. Pong Po Lam, Paul
Ms. Wai Yui Kwan, Regina
Ms. Wong Lai Sheung, Cherie

Examination Board 2005-2006

Dr. Cheng Tsz Wan, Louis — *Chair*
Dr. Chan Ka Lok
Mr. Henry Lam
Dr. Lynn Pi
Dr. Yu Zi You

Assessment and Compliance Sub-committee 2005-2006

Mr. Eddie Chan — *Chair*
Mr. Francis Leung
Mr. Frank Fong
Ms. Vivian Tong

Communications Sub-committee 2005-2006

Mr. Paul Pong — *Chair*
Mr. Alan Tsang
Ms. Brandy Tsang
Ms. Priscilla Wong

Education Development Sub-committee 2005-2006

Mr. Alexander Chan — *Chair*
Dr. Yu Hon Lui
Mr. Wilson Kwok
Mr. Ronald Li
Ms. Phyllis Wong
Mr. Eugene Yiu

International Affairs Sub-committee 2005-2006

Mr. Tony Mak — *Chair*
Mr. Wilson Kwok
Mr. Francis Leung
Mr. Paul Pong

Local Affairs Sub-committee 2005-2006

Mrs. Francine Fu — *Chair*
Ms. Angelina Kwan
Mr. Thomas Wong
Mr. Derek Young

Member Services Sub-committee 2005-2006

Ms. Cherie Wong — *Chair*
Mr. Steve Chiu
Mr. Henry Lam
Mr. Phil Neilson
Mr. James Wong

Program Development Sub-committee 2005-2006

Dr. Keith Lam — *Chair*
Mr. Gollum Shau
Mr. Henry Chang
Mr. Ernest Leung
Mr. Raymond Chan

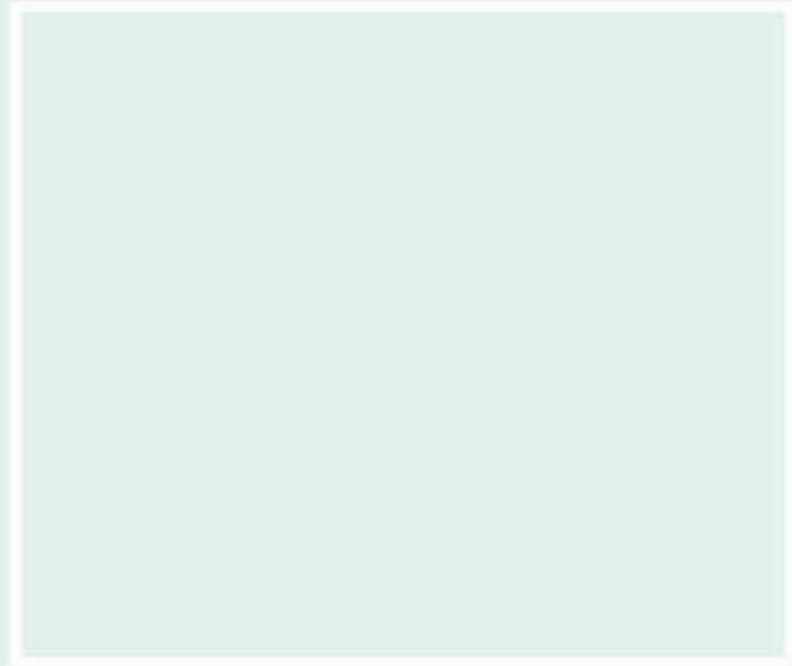
Professional Development Sub-committee 2005-2006

Ms. Regina Wai — *Chair*
Mr. Ernest Choi
Ms. Linda Luk
Ms. Elsa Pau

IFPHK planted the first milestones to raise Hong Kong's financial planning standards to international levels in with the administration of the first CFP^{CM} Certification Examination in 2001 and the organisation of the first CFP^{CM} Graduation Ceremony in 2002.



2001-02



Education – Concrete Foundation

Snapshot

- Significantly increased enrolments for Registered CFP^{CM} Certification Education Program
- Published three new textbooks for Registered CFP^{CM} Certification Education Program
- Number of education providers increased to six
- 5-year perspective: Increased enrolments for all six modules

“This increase in enrolment numbers augments IFPHK’s choice of the certification program and efforts to improve financial planning standards in Hong Kong.”

Achievements

● Increased enrolment numbers

There was a significant jump in the number of candidates enrolling into the CFP^{CM} Certification Education Program.

For the period of July 2005 to May 2006, a total of 11,228 candidates joined the program. This is a sharp increase compared to the 8,000 enrolments over the same period last year, underscoring the successful uptake of CFP^{CM} Certification Education Program by the industry.

● Launch of three new textbooks

In our effort to improve the quality and consistency of the study materials for students, IFPHK undertook the monumental task of preparing six textbooks. Three of these were launched in this year and are entitled:

- Fundamentals of Financial Planning
- Fundamentals of Risk and Insurance
- Essentials of Investments

Together these textbooks provide a valuable source of study materials for students studying the CFP^{CM} Certification Education Program and an invaluable resource for practising CFP^{CM} Certificants.

● 2 New approved education providers added

A total of six education providers now offer the CFP^{CM} Certification Education Program, introducing two new providers: School of Continuing and Professional Education (SCOPE) of City University of Hong Kong and Lingnan Institute of Further Education (LIFE) of Lingnan University.

They join Asia-Pacific Institute of Business (APIB) of The Chinese University of Hong Kong, Li Ka Shing Institute of Professional and Continuing Education (LiPACE) of The Open University of Hong Kong, Management and Executive Development Centre (MEDC) of The Hong Kong Polytechnic University and School of Professional and Continuing Education (SPACE) of The University of Hong Kong to provide the registered courses from 1 March 2005 to 31 March 2007.

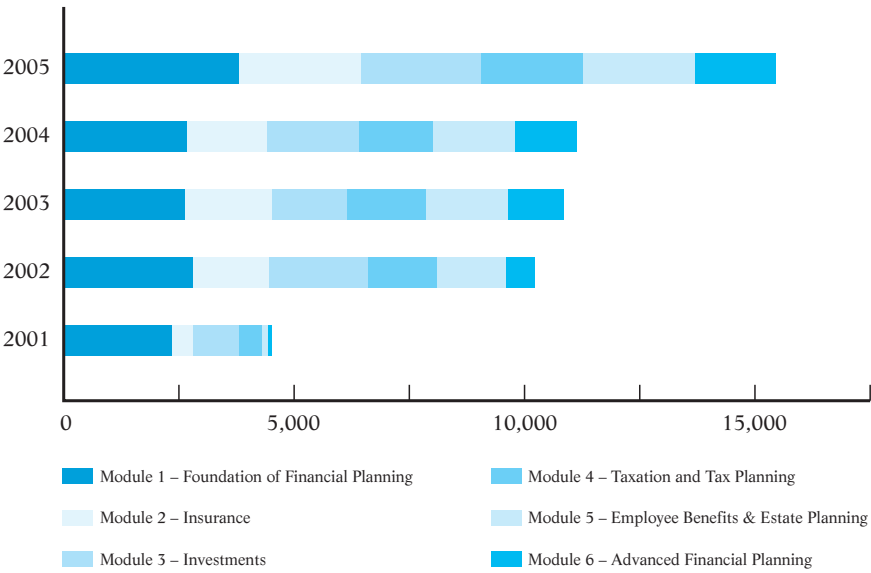
This welcome addition boosts our capabilities to attract more students while reaching out to more professional practitioners at the same time.

5-year perspective

The overall enrolment numbers for the education program has increased significantly over the last five years, as seen below.

Enrolment of Registered CFP^{CM} Certification Education Program

| Year | Module 1 | Module 2 | Module 3 | Module 4 | Module 5 | Module 6 | Total |
|------|----------|----------|----------|----------|----------|----------|--------|
| 2001 | 2,352 | 451 | 1,002 | 486 | 143 | 67 | 4,501 |
| 2002 | 2,793 | 1,667 | 2,135 | 1,512 | 1,484 | 637 | 10,228 |
| 2003 | 2,631 | 1,878 | 1,642 | 1,701 | 1,798 | 1,212 | 10,862 |
| 2004 | 2,670 | 1,741 | 1,977 | 1,612 | 1,786 | 1,358 | 11,144 |
| 2005 | 3,788 | 2,665 | 2,592 | 2,219 | 2,425 | 1,764 | 15,453 |



This increase in enrolment numbers augments IFPHK’s choice of the certification program and efforts to improve financial planning standards in Hong Kong.

IFPHK Approved Education Providers

| Year | No. of Approved Education Providers | | | | | |
|------|-------------------------------------|------|--------|------|-------|------|
| 2001 | SPACE | MEDC | LiPACE | | | |
| 2003 | SPACE | MEDC | LiPACE | APIB | | |
| 2005 | SPACE | MEDC | LiPACE | APIB | SCOPE | LIFE |

Outlook

We see the significant increase in new students as a strong indicator of CFP^{CM} Certification’s rising value in the industry.

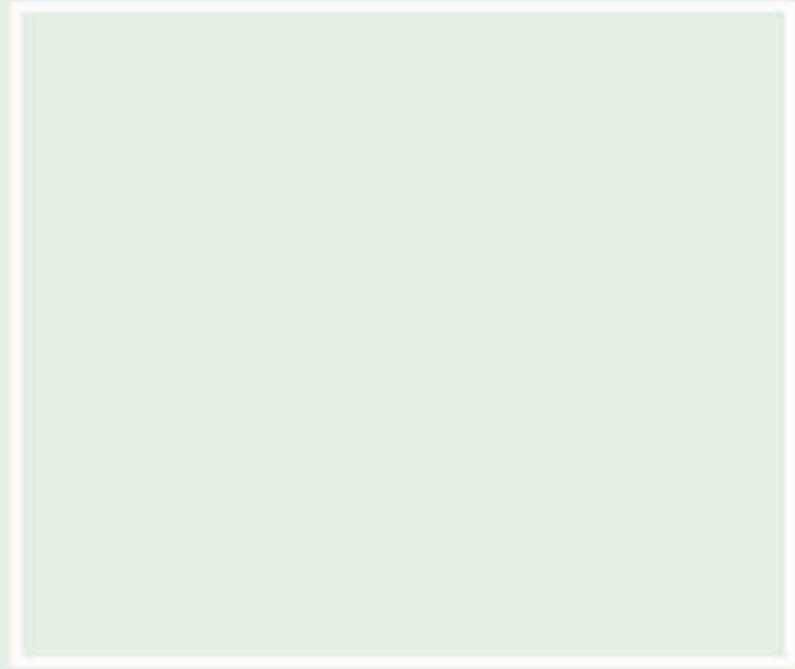
As the industry grows in stature, the CFP^{CM} Certification will undoubtedly play an instrumental role in providing a strong and internationally-recognized foundation for the industry build upon.

At the same time, the strong enrolment numbers also indicate an increase in public awareness of financial planning and demand for better credentials from their financial planners.

IFPHK enriched Hong Kong’s financial planning industry in 2003 with the successful introduction of the first Financial Planning Practicum that featured international insights from two of U.S.’s top US financial planners and trainers.



2003



2003

Examination – Certifying Excellence

Snapshot

- *Changed CFP^{CM} Certification Examination mode to better reflect market needs*
- *Examination available in Chinese and English*
- *Number of examination candidates increases*
- *5-year perspective: 14-fold increase in number of candidates since launch*

“By ensuring the independence of the Examination Board and constantly improving the examination syllabus and framework, we have maintained the high standards and relevancy that the CFP^{CM} Certification Examination is known for.”

Achievements

● *Introduction of New Examination Mode*

After an intensive study and survey of our past candidates, the Examination Board introduced a new examination mode that improved the traditional format of a 2-day, 10 hour paper.

In the new mode, candidates are required to sit for four papers, each with a shorter duration. The first three papers (Paper 1 to 3) also take a topical approach to examining the candidates, with Paper 4 examining the entire syllabus in cases application.

The new mode better reflects the time constraints of candidates, while offering a more structured approach for study. It also allows candidates ample time to boost those areas which they are weak.

Details of the new examination papers are as below:

| Paper | Title | Duration (hrs) | Prerequisite Education Modules |
|-------|-----------------------------------|----------------|--------------------------------|
| 1 | Insurance and Retirement Planning | 2.5 | M1 + M2 + M5 |
| 2 | Tax and Estate Planning | 2.5 | M1 + M4 + M5 |
| 3 | Investment Planning | 2.5 | M1 + M3 |
| 4 | Financial Planning Practice | 3 | Passed ALL six modules |

The CFP^{CM} Certification Examination held in December 2005 represented a pivotal point for the introduction to the new examination mode. It allowed candidates to choose between the two modes. Overall, more candidates chose to complete the examination in the new mode than the traditional mode, highlighting the success of this new examination structure.

● *CFP^{CM} Certification Examination available in Chinese and English*

In a bid to expand the market reach of the examination, IFPHK introduced the Chinese version of the examination. This allowed professionals to choose the language of preference for the examination.

This move has contributed to an increase in the number of examination candidates, while making the examination more accessible to professional practitioners in Hong Kong.

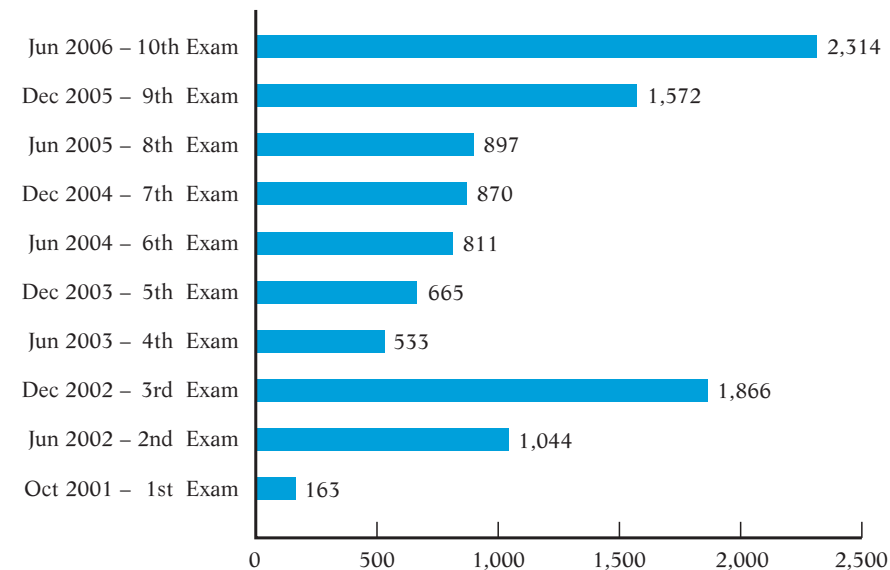
● *CFP^{CM} Certification Examination attracts more examination candidates*

The total number of applications for the CFP^{CM} Certification Examination increased more than two- fold from 894 in June 2005 to 2,310 in June 2006. This reflects the rising awareness of the virtues of CFP^{CM} Certification and the success in the introduction of the new examination mode.

● 5-year perspective

Since its introduction in 2001, CFP^{CM} Certification Examination has grown in strength and stature. It remains the institute's pillar of strength and embodies our commitment to raising the financial planning standards in Hong Kong. By ensuring the independence of the Examination Board and constantly improving the examination syllabus and framework, we have maintained the high standards and relevancy that the Examination is known for.

No. of Candidates of CFP^{CM} Certification Examination



Outlook

IFPHK sees the increase in the number of candidates as a reflection of industry's drive for financial planning excellence through globally-recognised certification, and public demand for better accreditation. This rise came despite the strict policies to ensure that the examination process remains unbiased.

The increase also supports IFPHK's moves to change the examination structure to better reflect the needs of the individual candidates and the industry, and endorses the institute's vision to improve financial planning standards in Hong Kong.

IFPHK raised public awareness of financial planning to new heights in 2004 by organising the first Financial World Expo, the only regional industry event dedicated to financial planning, and co-organising the first MPFA & IFPHK Case Study Competition that introduced financial planning concepts in a competitive atmosphere.



2004

IFP&H raised public awareness of financial planning to new heights in 2004 by organising the first Financial World Expo, the only regional industry event dedicated to financial planning and co-ordinating the first MPFA & IFP&H Case Study Competition that introduced financial



2004

CFP^{CM} Certification – Strong Roots

Snapshot

- Stable increase in CFP^{CM} certificants and APFP numbers
- Retail Banking and Insurance industry sectors continue strong showing in CFP^{CM} certificant numbers
- Passed Financial Planning Standards Board (FPSB) audit
- 5-year perspective: Strong growth in CFP^{CM} certificant numbers to meet increasing demand for accredited practitioners

“The rise in CFP^{CM} certificant numbers underscores the rising importance of the CFP^{CM} Certification among practitioners and the public, and acknowledges the surge in public demand for accredited financial planners.”

Achievements

● Number of CFP^{CM} certificants and APFP holders continues to increase

The number of active CFP^{CM} certificants and APFP holders continued to increase during the period from 1 June 2005 to 8 June 2006. At the end of the period, the number of active CFP^{CM} certificants stood at 2,005, while that of APFP was 380. During the same period, 395 CFP^{CM} Certification applications and 62 APFP applications were approved.

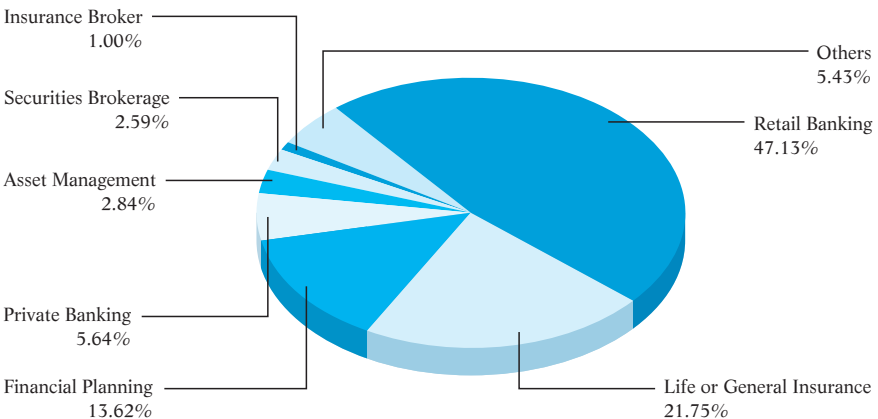
Underscoring the value of these qualifications, 1,895 CFP^{CM} certificants and 331 APFP holders renewed their status for 2006. At the same time, the number of transcript review applications approved for those who already have undergone similar education program, was 215 for the period from 1 June 2005 to 31 May 2006.

● Retail Banking and Insurance sectors feature prominently in CFP^{CM} certificant numbers

Retail Banking retained its helm position for having the most number of CFP^{CM} certificants, with around 47.13% as of June 2006. This was followed by Life or General Insurance sector that had 21.75% of CFP^{CM} certificants.

CFP^{CM} Certificants in different industry sectors

| Industry Sector | Percentage |
|---------------------------|------------|
| Retail Banking | 47.13% |
| Life or General Insurance | 21.75% |
| Financial Planning | 13.62% |
| Private Banking | 5.64% |
| Asset Management | 2.84% |
| Securities Brokerage | 2.59% |
| Insurance Broker | 1.00% |
| Others | 5.43% |





2005 The CFP^{CM} Certification Presentation Ceremony

● Passed FPSB audit

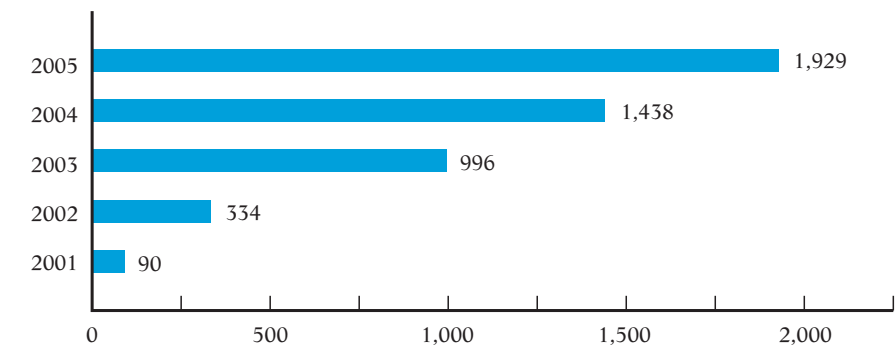
IFPHK went through an extensive and stringent audit exercise conducted by the CFP^{CM} Certification authorisation body Financial Planning Standards Board Ltd (FPSB), based in the U.S. The exercise was conducted in IFPHK’s premises from 8 to 9 September 2005, with the institute passing all the audit requirements.

● 5-year perspective

Over the last 5 years, the number of certificants in Hong Kong has increased. This underscores the rising importance of the CFP^{CM} Certification among practitioners and the public, and acknowledges the surge in public demand for accredited financial planners.

As of 2005, there were 1,929 CFP^{CM} certificants serving the needs of the public.

No. of CFP^{CM} Certificants in Hong Kong



Outlook

The stable growth in CFP^{CM} certificants and APFP holders will undoubtedly prove to be instrumental in the growth of the financial planning industry. It also augments IFPHK’s efforts to provide a stable bevy of financial planners that are educated in practices and ethics that are globally accepted. This is especially important as Hong Kong is continuous rise in prominence as a financial services hub in the region.

The strong number of CFP^{CM} certificants in Retail Banking and Life and General Insurance sectors continues the trend established five years ago. It is also not surprising due to the strong influence in public wealth management by both sectors. Although we believe this status quo will not drastically change, the emergence of independent financial advisory sector and the increase awareness for financial planning expertise in legal and accounting sectors will contribute to the overall growth.

The passing of the FPSB audit adds added assurance to our members and the public about IFPHK’s commitment to high standards within the institute.

IFPHK identified and awarded the rising stars of Hong Kong’s financial planning industry for the first time in 2005 with the launch of the first SCMP / IFPHK Financial Planner Awards that set new benchmarks of financial planning excellence for the growing industry.



2005

IFPHK identified and awarded the rising stars of Hong Kong's financial planning industry for the first time in 2005 with the launch of the first SCMP \IFPHK Financial Planner Awards that set new benchmarks of financial planning excellence for the growing industry.



2005

Membership – Industry Voice

Snapshot

- Membership continues to grow
- The first-ever Intermediaries Survey was commissioned
- The first-ever IFPHK Practice Guide for Financial Planners was published to assist practitioners in their practice
- More membership benefits were introduced
- Number of seminars for members increases
- 5-year perspective: membership numbers swell while number of seminars for members increase

“Together, the increase in membership numbers and the seminars, positions us well to become a premier professional body representing the interests and needs of financial planners.”

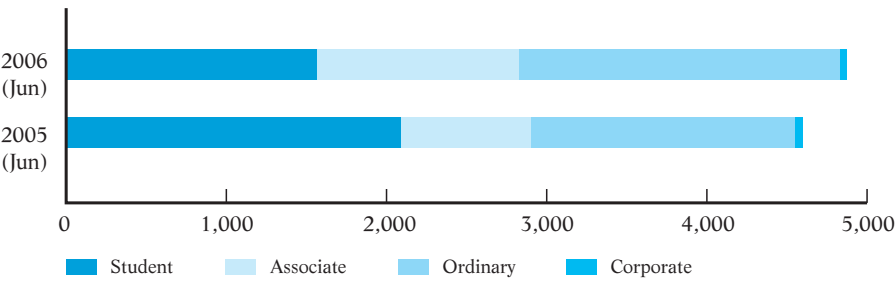
Achievements

● Membership number grows

The number of members grew by 6.1% from 4,595 in June 2005 to 4,876 in June 2006. Most of the growth came from Ordinary Members and Associate Members.

No. of Members

| | June 2005 | June 2006 |
|--------------|--------------|--------------|
| Student | 2,091 | 1,565 |
| Associate | 811 | 1,260 |
| Ordinary | 1,642 | 2,004 |
| Corporate | 51 | 47 |
| Total | 4,595 | 4,876 |



● Intermediaries Practice Survey

To understand the financial planning industry and the characteristics of the practitioners, IFPHK commissioned Synovate to conduct an Intermediaries Practice survey. The survey examined the guidelines from the corporate, customer and financial planning practitioner's perspectives and found that all views were generally consistent. The results was made available to IFPHK members in July 2006.

Notably, results from the survey illustrated that IFPHK members performed better in most categories in the survey and that members of IFPHK across different types of financial planning companies appear to be more conscientious throughout the entire client engagement process.

● IFPHK Practice Guide for Financial Planners

This initiative was conceived following the theme inspection report of the SFC on the selling practices of licensed investment advisers in February 2005. The SFC, in its report, identified a number of unsatisfactory practices by some licensed investment advisers, particularly in the areas of integrity and professionalism, appropriateness of advice, and compliance matters.

This Guide, which builds upon the IFPHK's Code of Ethics and Professional Responsibility aims to assist practitioners in the financial planning industry to incorporate sound practices and conduct in their business activities.



The first CFP™ Certificants Reunion Cocktail held at Conrad Hotel

More membership benefits introduced

CFP™ Certificants (Year 2001 – 2003) Reunion Cocktail

The Institute organized its first reunion cocktail on 27 June 2006. It was a good opportunity for members to meet each other and spent a splendid evening together. A few lucky members also walked home with exciting prizes. The Institute will organize its second reunion cocktail for CFP™ Certificants (Year 2004 – 2006) in late November 2006.

CFP Recognition Cards

To recognize the achievements of CFP™ certification, the Institute has printed recognition cards for each Ordinary Member.

Journal & Newsletter

IFPHK launched Advisors Today and AT Bulletin in September 2005 in a bid to keep its members furnished with the latest news, the latest professional practices and new trends in financial planning. The Advisors Today represents the official journal of the Institute that discuss pertinent issues of the financial planning industry. The AT Bulletin is the official newsletter of the Institute and delivered to members via email and can be downloaded from the IFPHK website. The topics of the newsletter involved the latest market issues/events and promotion of IFPHK events.

Discounts and special offers

IFPHK members received discounts from selected bookstores and special offers for magazines and PDA phones.

More Seminars organised

IFPHK delivered more activities and services to our members during this year, with 21 member-related events. Since September last year, we have arranged monthly seminars to our members with topics ranging from practice management to investment tools and tax advice. The list of events is detailed in Appendix 1.



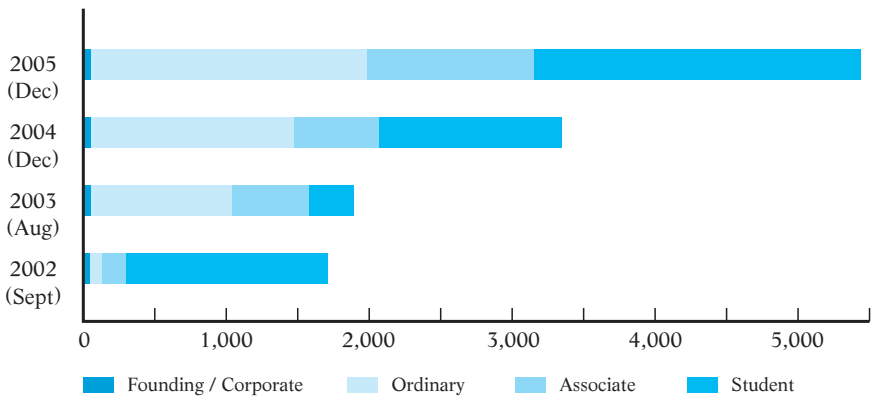
Wealth Management Conference 2006

5-year perspective

Overall, membership numbers have had a steady increase from 1,710 in September 2002 to 5,438 in Dec 2005. This increment points to a healthy growth of the institute and its increasing value to professional practitioners.

No. of Members

| | 2002 (Sept) | 2003 (Aug) | 2004 (Dec) | 2005 (Dec) |
|----------------------|----------------|---------------|---------------|---------------|
| Founding / Corporate | 42 | 49 | 52 | 52 |
| Ordinary | 89 | 990 | 1,421 | 1,929 |
| Associate | 165 | 536 | 594 | 1,170 |
| Student | 1,414 | 317 | 1,280 | 2,287 |
| Total | 1,710 | 1,892 | 3,347 | 5,438 |



The number of seminars for members has also seen a steady increase since 2003. Organizing such events is pivotal in the institute’s attempts to improve financial planning knowledge and standards.

No. of Seminars organised for members

| | Total no. of seminars | Total no. of attendees |
|------|-----------------------|------------------------|
| 2003 | 3 | 218 |
| 2004 | 12 | 507 |
| 2005 | 32 | 1,203 |

Together, the increase in membership numbers and the seminars, positions us well to become a premier professional body representing the interests and needs of financial planners.

Outlook

The increase in membership number is encouraging and bolsters our efforts to become the voice of the financial planning industry. The number also indicates that our membership efforts have resonated well with the needs of the members, especially in terms of the seminars and publications published for them.

This momentum in membership services will undoubtedly continue in the years to come, as IFPHK looking to consolidate its membership base and build a stronger foundation for financial planning in Hong Kong.

Appendix 1: List of IFPHK seminars organized for its members

| Date | Seminar | Speakers | No. of Attendees |
|------------|---|---|------------------|
| 7 July 05 | New Trading Instruments on Red Chips and H shares | Mr. Anthony Wong <i>Executive of Hong Kong Exchanges and Clearing Limited (HKEx)</i> | 19 |
| 26 July 05 | Are You Opening Accounts and Selling Insurance or Building a Business | Anthony Morris <i>International Financial Services Sales Coach</i> | 85 |
| 9 Aug 05 | PRC Individual Income Tax Issues | Mr. Leo Chiu <i>Manager – China Tax & Business Advisory of Ernst & Young, Hong Kong</i> | 49 |
| 23 Aug 05 | Keys in Investing Equity Link Notes | Ms. Kathy Li <i>CFA, Associate Director, Structured Products, KBC Financial Products</i> | 33 |
| 6 Oct 05 | 2005 Financial Planning Conference | Mrs. Doris Lau <i>Director & Advisor, Trust Relationship Management, Global Wealth Solutions, HSBC International Trustees Ltd</i> Mr. Elex Chan <i>Executive Director, Financial Solutions Ltd</i> Mr. Alvin Lam <i>Training Manager, Sun Life Financial</i> Mr. To Kok Ying <i>Vice President & General Manager, Transamerica Occidental Life Insurance Company</i> Ms. Candy Yuen <i>Chief Executive Officer, Metropolitan Life Insurance Company of Hong Kong Limited</i> | 278 |

| Date | Seminar | Speakers | No. of Attendees |
|----------------|--|---|------------------|
| | | Mr. John Lui <i>Director, Noble Apex Advisers Ltd</i> | |
| | | Ms. Mabel Chan <i>Director and Head of Retail Sales, INVESCO</i> | |
| | | Ms. Linda Luk <i>Head of Sales – Hong Kong & Taiwan Henderson Global Investors (HK) Ltd</i> | |
| | | Mr. Eric Tang <i>Senior Manager – Sales, Credit Agricole Asset Management</i> | |
| | | Mr. Norman Chan <i>Director – Investment Services, Altruist Financial Group Limited</i> | |
| | | Ms. Mabel Chan <i>Senior Business Manager, Aberdeen International Fund Managers Ltd</i> | |
| | | Mr. Calvin Lam <i>Tax Partner, Deloitte Touche Tohmatsu – China National Practice</i> | |
| | | Ms. Elsa Pau <i>Chief Executive, Rockwills Hong Kong Ltd</i> | |
| | | Ms. Vivian Chan <i>Head of Products & Marketing, Dah Sing Bank</i> | |
| | | Ms. Rosetta Fong <i>Sales & Marketing Director, Convoy Financial Group</i> | |
| | | Mr. Alan Leung <i>Vice President, ING Financial Planning</i> | |
| | | Mr. Kenny Wu <i>Assistant Vice President – Agency Sales, New York Life Insurance Worldwide Ltd</i> | |
| | | Ms. Dorothy Wong <i>Principal Trainer, Power Coaching Asia Ltd</i> | |
| 24 & 28 Nov 05 | Time Value of Money: Concepts and Applications | Mr. Alvin Lam <i>Principal Adviser, SKYLAR Financial Services</i> | 42 |
| 9 Dec 05 | A Magical Touch on Creative Presentation Workshop | Mr. Wilson Wan <i>J & W Consultants Group Ltd</i> | 10 |
| 12 & 19 Jan 06 | Scenario Learning Series – Fundamentals of Life Cycles | Mr. Lam Yat Ming, Eddie <i>Vice President, Wealth Management and Strategic Planning, CITIC Ka Wah Bank</i> | 64 |
| 9 Feb 06 | PRC Individual Income Tax Issues | Mr. Leo Chiu <i>Senior Manager – Transaction Tax, China/HK of Ernst & Young, Hong Kong</i> | 46 |
| 23 Feb 06 | Real Client Cases Sharing | Mrs. Francine Fu <i>SCMP/IFPHK Financial Planners Awards Advisory Task Force</i> | 94 |
| | | Mr. Enoch Lo <i>2005 Overall Winner & Independent Financial Advisory Industry Winner</i> | |
| | | Mr. Albert Ma <i>Banking Industry Winner</i> | |
| | | Mr. Michael Ho <i>Insurance Industry Winner</i> | |
| 9 Mar 06 | Introduction to Property Securities & REITs Investment | Ms. Linda Luk <i>Head of Sales (Hong Kong and Taiwan), Henderson Global Investors</i> | 37 |
| 27 Mar 06 | Time Value of Money: Concepts and Applications Elementary Workshop | Mr. Alvin Lam <i>Principal Adviser, SKYLAR Financial Services</i> | 17 |
| 28 Mar 06 | Time Value of Money: Concepts and Applications Advanced Workshop | Mr. Alvin Lam <i>Principal Adviser, SKYLAR Financial Services</i> | 17 |

| Date | Seminar | Speakers | No. of Attendees |
|---------------|---|---|------------------|
| 6 Apr 06 | Hong Kong Employee Benefits | Ms. Cynthia Chung <i>Partner, Head of Human Resources and Pensions Group, Deacons</i> | 68 |
| 11 Apr 06 | Impact of Abolition of Estate Duty and the Current Inheritance System | Mr. Raymond Tong <i>Chief Legal Officer, Rockwills Hong Kong Limited</i> | 45 |
| 20 & 27Apr 06 | Financial Planning for Children | Dr. Eddie Lam <i>Vice President, Wealth Management & Strategic Planning, Citic Ka Wah Bank</i> | 79 |
| 11 May 06 | Data Privacy Ordinance | Ms. Rebecca Lee <i>Training Officer, The Office of the Privacy Commissioner for Personal Data</i> | 26 |
| 15 May 06 | The Use of Unit-Linked Saving Plans – A Practitioner’s Perspective | Mr. Steve Lo <i>Vice President, ING Financial Planning Limited</i> | 30 |
| 18 May 06 | Fund Rating Series: MorningStar | Jessy Yang | 29 |
| 23 May 06 | Impact of Abolition of Estate Duty and the Current Inheritance System | Mr. Raymond Tong <i>Chief Legal Officer, Rockwills Hong Kong Limited</i> | 24 |
| 26 May 06 | Wealth Management Conference | Mr. Stewart Aldcroft <i>Regional Director, Asia, Noble Investments Hong Kong Limited</i> | 103 |
| | | Mr. Norman Chan <i>Director of Investment Services, Altruist Financial Group</i> | |
| | | Mr. Han Kong <i>Vice Manager, Greatwall Fund Management Co. Limited</i> | |
| | | Mr. Michael Huddart <i>Executive Vice President and General Manager, Manulife (International) Limited</i> | |
| | | Mr. Kenneth Koh <i>Head of Research, Asia ex Japan, Lipper, A Reuters Company</i> | |
| | | Mr. Jorg Konopatzki <i>Head of EAM Desk International, External Asset Manager, Credit Suisse</i> | |
| | | Mr. Louis Lau <i>Partner, Portfolio Manager, Penjing Asset Management Limited</i> | |
| | | Mr. Alan Laubsch <i>Founding Member, RiskMetrics Group</i> | |
| | | Mr. Alan Leung <i>Assistant General Manager, Consultancy Sales, Swiss Privilege</i> | |
| | | Mr. Philip Neilson <i>CEO, The Henley Group</i> | |
| | | Mr. Gerry Ng <i>Managing Director, Baring Asset Management Asia</i> | |
| | | Mr. Henry Pang <i>Managing Director and Head of Equities and Derivatives, BNP Paribas Hong Kong Branch</i> | |
| | | Ms. Elsa Pau <i>Executive Publisher and Editor, Advisor Today</i> | |
| | | Mr. Chris Reilly <i>Director of Property, Asia, Henderson Global Investors</i> | |
| | | Ms. Regina Wai <i>Assistant Vice President, Financial Intermediaries, Sun Life Financial (Hong Kong) Limited</i> | |
| | | Mr. V-Nee Yeh <i>Chairman, Argyle Street Management Limited</i> | |
| | | Mr. Derek Young <i>CEO, ipac Asia</i> | |

Marketing & Communications – Reaching Further

Snapshot

- Successfully launched the MPFA & IFPHK Student Case Study Competition for Universities and Secondary Schools that teaches the virtues of financial planning to the very young
- The first SCMP/IFPHK Financial Planner Awards was given a rousing start to success. The 2nd SCMP/IFPHK Financial Planner Awards, dedicated to awarding financial planning excellence in Hong Kong
- Broke record attendance and improved public awareness about the financial planning industry with Financial World Expo 2005
- Ushered 2006 with the prestigious IFPHK CEO lunch that invited regulators, industry leaders and members to discuss developments in financial planning in Hong Kong
- Formed the Financial Planning Industry Zone with 8 corporate members at the Education and Careers Expo 2006
- Published IFPHK and You for raising public/industry awareness about the institute
- Increased media awareness through strategic interview opportunities with targeted media
- 5-year perspective: Media interviews increases and embraced online media

“We have embarked on an expansive media campaign that has gained momentum as each year passed by.”

Achievements

● MPFA & IFPHK Financial Planning Competition

The Mandatory Provident Fund Schemes Authority (MPFA) and IFPHK jointly organized the MPFA & IFPHK Financial Planning Competition in 2004, and has grown in strength in terms of response ever since.

This year the competition was expanded to include secondary school students in an effort to introduce financial planning concepts to the young. A total of 69 teams from 8 universities, represented by 288 students entered. The new Secondary Schools Group attracted over 132 teams from 62 secondary schools, represented by 564 students.

The winners were celebrated at the Award Ceremony for the MPFA & Financial Planning Competition was held at the Hong Kong Polytechnic University on 17 June 2006.

● SCMP/IFPHK Financial Planner Awards

Jointly organised by the South China Morning Post and the Institute of Financial Planners of Hong Kong, the competition pits financial planners against their peers to determine those with the best skills. The award attracted 112 entries and the award ceremony was held on 20 October 2005. Forty-seven individuals were recognized in this first-such competition, while the judges commented that the standards exhibited were commendably high.



SCMP/IFPHK Financial Planner Awards 2005

Building on its successful debut in 2005, the second SCMP / IFPHK Financial Planner Awards was launched in 2006. The Award, jointly organized with SCMP, aims to acknowledge the top performing financial planners from the banking, insurance, and the independent financial advisory industry sectors and has already garnered favourable response from both the industry and media.

Marketing & Communications – Reaching Further

● Financial World Expo 2005

The 2nd Financial World Expo 2005 broke all previous records and surpassed expectations. Held from 7 to 9 October 2005, the Expo, which remains the only regional event dedicated to educating consumers about financial planning, attracted a massive turnout of over 24,000 visitors, and saw a doubling of exhibition area and a 49%-increase in exhibitors. Feedback from exhibitors surveyed said the Expo generated business results, while visitors commented that they found the Expo met their needs.

Comparison between Financial World Expo 2005 and 2004

| | Year 2005 | Year 2004 | Remarks |
|-----------------|-----------|-----------|--------------|
| Visitors | 24,000 | 12,000 | Doubled |
| Exhibition Area | 4,218 sqm | 2,000 sqm | Doubled |
| Exhibitors | 73 | 49 | 49% increase |
| Booths | 150 | 86 | 74% increase |
| Seminars | 73 | 44 | 66% increase |



Financial World Expo 2005

● IFPHK CEO Lunch

The IFPHK CEO lunch brought industry regulators, financial experts, members of the media and financial planning practitioners together to discuss about the financial services industry of Hong Kong. Held on January 18, 2006, the annual event treated participants to insightful presentations and stimulating discussions as they ushered in the Year of the Dog.

● Education and Careers Expo

IFPHK continued to participate in the annual Education and Careers Expo. Eight of IFPHK corporate members joined the Institute to form a Financial Planning Industry Zone at the Education and Careers Expo, held from 23 to 26 February 2006. The expo provided a one-stop destination for job-seekers, students and those looking for the right certification programs and attracted over 198,997 visitors.

● Publication

In a bid to raise awareness about the institute, its missions, its membership benefits and its role in raising financial planning standards in Hong Kong, a new publication, IFPHK and You was published and launched by IFPHK.



2006 CEO Lunch



Education and Careers Expo 2006

● **Media Exposure**

IFPHK continued to increase its public exposure through key media interviews. In 2005, this included a total of 105, representing 18 TV slots, 21 radio programs and 66 print-based advertorials and advertisements. In 2006, this exposure was significantly increased expanding its range of media to include the Internet. As of June 2006, IFPHK has had a total of 98 interviews slots, with 2 in TV, 3 on radio, 63 on print and 30 on the internet.

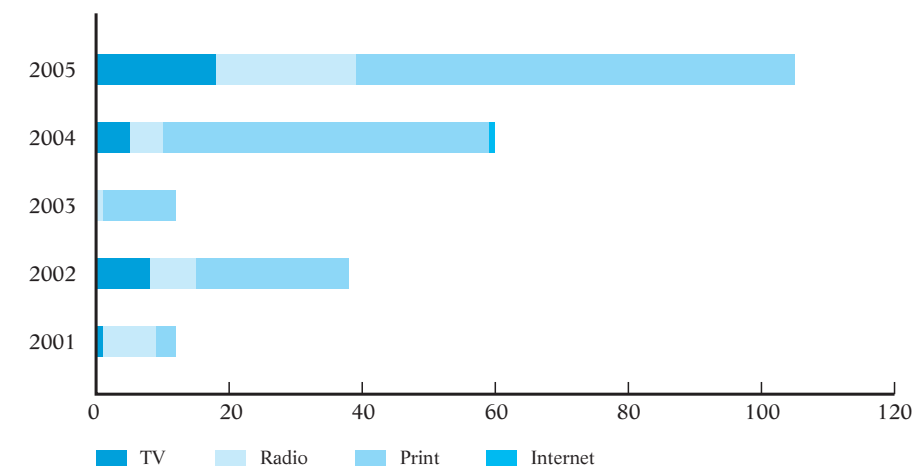
● **5-year perspective**

One of the key measurements of success for marketing and communications has been in media exposure. In order to build better awareness about IFPHK and to show the institute active involvement in promoting financial planning excellence, we have embarked on an expansive media campaign that has gained momentum as each year passed by.

The table below clearly illustrates the number of media interviews we have achieved over the last five years, and as we turn the page this year.

No. of Media Interviews

| Year | No. of Media Interviews | Details |
|------|-------------------------|-------------------------------------|
| 2001 | 12 | 1 TV, 8 Radio, 3 Print |
| 2002 | 38 | 8 TV, 7 Radio, 23 Print |
| 2003 | 12 | 1 Radio, 11 Print |
| 2004 | 60 | 5 TV, 5 Radio, 49 Print, 1 internet |
| 2005 | 105 | 18 TV, 21 Radio, 66 Print |



Outlook

It has been a hectic year for marketing events at IFPHK. The events held have been successful in raising IFPHK's profile as the voice of the financial planning industry while raising public awareness of CFP^{CM} certification and benefits of financial planning.

The past financial year has also seen the successful continuation of huge marketing efforts such as the Financial World Expo and the two major awards that target both the young public and the industry. These successes will undoubtedly build a solid foundation for more marketing events in the future, as IFPHK looks to continue the current momentum in awareness building.

IFPHK bolstered financial planning standards in 2006 with publication of the first textbooks covering three modules of the six-module CFP^{CM} Certification Education Program that were designed with Hong Kong Students in mind and reviewed by Hong Kong practitioners and program instructors.



2006



2006

FAIQ Development – Strong Fundamentals

Snapshot

- FAIQ is launched in Macau with 128% increase in enrolment for 2nd examination
- Candidates continue exhibit strong pass rate in both Hong Kong and Macau
- Syllabus revised to reflect the abolition of Estate Duty
- 3-year perspective: Candidate numbers increases more than two-fold

“The increase in candidates for FAIQ bodes well for the future of the examination, and will be further supported by the regional expansion of this course in mainland China.”

Achievements

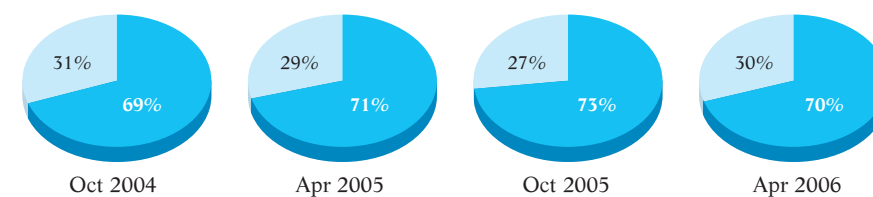
● FAIQ goes to Macau

FAIQ crossed borders and entered Macau in a big way. 43 candidates enrolled in the first-ever Macau FAIQ examination held on October 2005, bolstering IFPHK’s efforts to improve the financial planning standards in the region. Interest in FAIQ increased 128% in the April 2006 examination when 98 candidates registered for it. Overall, the pass rate was encouraging with 74.36% in October 2005 and 70.53% in April 2006.

● Strong Pass Rate in Hong Kong and Macau

The pass rate for candidates in both Hong Kong and Macau continues to be high, at around 70%. Since FAIQ is a self-study course, this demonstrates the amount of effort each candidate puts into preparing for the examination.

| Hong Kong Statistics | Oct 2004 | Apr 2005 | Oct 2005 | Apr 2006 |
|--------------------------|----------|----------|----------|----------|
| No. of Candidates Passed | 159 | 532 | 390 | 364 |
| No. of Candidates Failed | 70 | 221 | 144 | 157 |
| Total no. of Candidates | 229 | 753 | 534 | 521 |



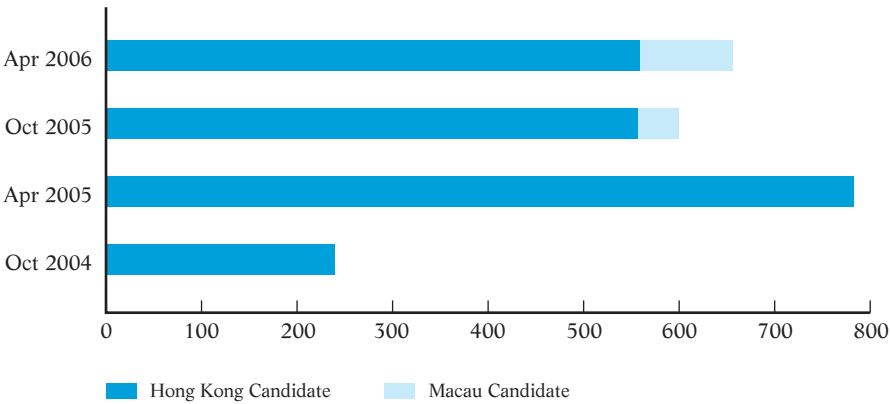
● Revision of FAIQ examination syllabus

Due to the abolishment of Estate Duty which took effect from 11 February 2006, section C2.8 “Hong Kong Estate Duty System” of the FAIQ examination syllabus was revised in January 2006. Chapter 8E “Other major taxes: stamp duty and estate duty” was also replaced by “Other major taxes: stamp duty and taxation aspects of investments and retirement plans”. Also, other parts concerning estate duty throughout Chapter 8 were amended accordingly.

FAIQ continues to grow in strength as a foundation-level course for financial planners. Since its introduction in October 2004, the number of candidates has increased more than two-fold. This bodes well for the future of the examination, and will be further supported by the regional expansion of this course in mainland China.

No. of Candidate for FAIQ Examination

| No. of Candidates | Oct 2004 | Apr 2005 | Oct 2005 | Apr 2006 |
|-------------------|----------|----------|----------|----------|
| HK | 239 | 783 | 556 | 558 |
| Macau | – | – | 43 | 98 |
| Total | 239 | 783 | 599 | 656 |



Outlook

The prospect for FAIQ looks bright. The foundation course was first introduced in Hong Kong to raise the level of standards in financial planning, especially for those switching careers into financial planning, financial planning practitioners who do not meet the criteria for CFP^{CM} Certification, and those who want to learn more about financial planning in a structure manner.

The rising number of candidates and the introduction in Macau widens FAIQ’s reach in the region.

Five Years Summary

| | 2005 HK\$ | 2004 HK\$ | 2003 HK\$ | 2002 HK\$ | 2001 HK\$ |
|--|--------------|--------------|--------------|--------------|--------------|
| INCOME AND EXPENDITURE | | | | | |
| Income | | | | | |
| Income from certification & member | 3,480,838 | 2,723,033 | 2,551,573 | 2,934,900 | 2,796,700 |
| Income from examination | 8,551,781 | 5,523,199 | 3,361,500 | 11,485,500 | 676,000 |
| Income from registered program | 7,229,250 | 5,381,500 | 6,148,500 | 4,760,000 | 2,548,050 |
| Income from expo and annual events | 4,010,506 | 2,343,555 | - | - | - |
| Income from workshops, seminars, conferences | 522,865 | 381,996 | 411,820 | 182,200 | 305,970 |
| Other income | 2,448,197 | 1,406,652 | 1,116,260 | 439,570 | 71,862 |
| | 26,243,437 | 17,759,935 | 13,589,653 | 19,802,170 | 6,398,582 |
| Expenditure | | | | | |
| Staff costs | 7,791,306 | 5,370,008 | 3,386,542 | 1,417,743 | 352,987 |
| Other operating expenses | 14,836,708 | 10,311,231 | 5,620,522 | 3,339,817 | 1,808,050 |
| | 22,628,014 | 15,681,239 | 9,007,064 | 4,777,560 | 2,161,037 |
| Surplus before taxation | 3,615,423 | 2,078,696 | 4,582,589 | 15,024,610 | 4,237,545 |
| Taxation | 196,554 | 30,166 | 430,880 | 3,056,452 | - |
| Surplus after taxation | 3,418,869 | 2,048,530 | 4,151,709 | 11,968,158 | 4,237,545 |

ASSETS AND LIABILITIES

| | | | | | |
|--------------------|------------|------------|------------|------------|-----------|
| Non-current assets | 648,706 | 943,039 | 1,041,577 | 316,603 | 77,103 |
| Net current asset | 26,628,249 | 22,430,030 | 20,268,313 | 16,520,600 | 4,791,942 |
| Net asset | 27,276,955 | 23,373,069 | 21,309,890 | 16,837,203 | 4,869,045 |

FUNDS

| | | | | | |
|---------------|------------|------------|------------|------------|-----------|
| Building fund | 1,198,644 | 713,627 | 320,978 | - | - |
| General fund | 26,078,311 | 22,659,442 | 20,988,912 | 16,837,203 | 4,869,045 |
| | 27,276,955 | 23,373,069 | 21,309,890 | 16,837,203 | 4,869,045 |

Notice of Annual General Meeting

NOTICE is hereby given that the 6th Annual General Meeting of The Institute of Financial Planners of Hong Kong Limited will be held at Suites 802-803, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong on 22 September 2006 at 6:30 p.m. to transact the following business.

AGENDA

1. To receive and approve the Report of the Executive Committee and Accounts for the year ended 31 December 2005 together with the report of the Auditors thereon.
2. To announce the election results of the Executive Committee.
3. To consider the re-appointment of the retiring Honorary Auditors, Moores Rowland Mazars.
4. To transact any other business.

By Order of the Executive Committee



Dr. Keith P. C. Lam
Honorary Secretary

Date : 15 July 2006

Note:

A member who is not available to attend the Annual General Meeting can appoint a proxy. Proxy Form must be duly completed, signed and received by the Honorary Secretary at Suites 802-803, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong no later than 20 September 2006.

Executive Committee’s Report

The Executive Committee has pleasure in submitting its report and audited financial statements for the year ended 31 December 2005.

Limitation of liabilities

The Institute is a company limited by guarantee of not exceeding HK\$50 per member of the Institute.

Principal activity

The principal activities of the Institute are the promotion of personal financial planning and the certification of the CERTIFIED FINANCIAL PLANNER^{CM} and CFP^{CM} marks in Hong Kong.

Results

The results of the Institute for the year ended 31 December 2005 are set out in the income statement on page 28.

Funds

Movements in the funds of the Institute during the year are set out in the statement of changes in funds on page 30.

Executive Committee members

The Executive Committee members who held office during the year and up to the date of this report were:

| | |
|------------------------------|-----------------------------------|
| Lam Lai Ha, Juliana | President |
| Mak Wing Kwong, Tony | Vice President |
| Kwok Chi Shing, Wilson | Honorary Treasurer |
| Lam Pui Chaun, Keith | Honorary Secretary |
| Chan Yip Fai, Eddie | |
| Chan Hing Sang, Alexander | |
| Pong Po Lam, Paul | |
| Wai Yui Kwan, Regina | |
| Fu Kwong Wing Ting, Francine | (re-elected on 23 September 2005) |
| Lam Kin Cheung, Henry | (re-elected on 23 September 2005) |
| Wong Lai Sheung, Cherie | (appointed on 23 September 2005) |
| Cheng Tsz Wan, Louis | (retired on 23 September 2005) |

Executive Committee members’ interests

No contracts of significance to which the Institute was a party and in which an Executive Committee member of the Institute had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the Institute a party to any arrangements to enable the Executive Committee members of the Institute to acquire benefits by means of the acquisition of shares in, or debentures of, the Institute or any other body corporate.

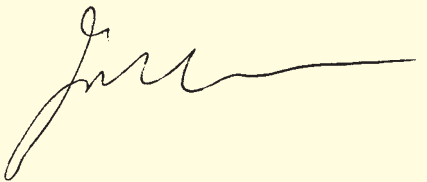
Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Institute were entered into or existed during the year.

Auditors

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Moores Rowland Mazars, Chartered Accountants, Certified Public Accountants, as auditors of the Institute.

On behalf of the Executive Committee



Lam Lai Ha, Juliana
President

Auditor’s Report

To the members of
The Institute of Financial Planners of Hong Kong Limited
(incorporated in Hong Kong with limited liability)

We have audited the financial statements on pages 28 to 37 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of Executive Committee and auditors

The Companies Ordinance requires the Executive Committee to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with section 141 of the Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

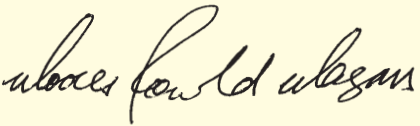
Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Executive Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Institute's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Institute as at 31 December 2005 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Ordinance.



Chartered Accountants
Certified Public Accountants
Hong Kong

Income Statement

Year ended 31 December 2005

| | Note | 2005 HK\$ | 2004 HK\$ |
|--|------|--------------|--------------|
| Income from certification & membership | | 3,480,838 | 2,723,033 |
| Income from examinations | | 8,551,781 | 5,523,199 |
| Income from expo and annual events | | 4,010,506 | 2,343,555 |
| Registered program fees | | 7,229,250 | 5,381,500 |
| Book royalty income | | 700,800 | 679,200 |
| Income from workshops, seminars & conferences | | 522,865 | 381,996 |
| Publication income | | 104,110 | 117,557 |
| Sales of souvenirs | | 128,530 | 56,140 |
| Sponsorship income | | 740,142 | 402,000 |
| Transcript review income | | 245,300 | 134,418 |
| Other income | | 529,315 | 17,337 |
| | | 26,243,437 | 17,759,935 |
| Depreciation | | (571,876) | (420,824) |
| Staff costs | | (7,791,306) | (5,370,008) |
| Other operating expenses | | (14,264,832) | (10,268,407) |
| Surplus before taxation | 2 | 3,615,423 | 1,700,696 |
| Taxation | 3 | (196,554) | (30,166) |
| Surplus for the year and transferred to General Fund | | 3,418,869 | 1,670,530 |

Balance Sheet

at 31 December 2005

| | Note | 2005 HK\$ | 2004 HK\$ |
|---|------|--------------|--------------|
| Non-current assets | | | |
| Property, plant and equipment | 5 | 648,706 | 943,039 |
| Current assets | | | |
| Inventories | | 77,126 | 17,430 |
| Registered program fees receivable | | 1,448,000 | 3,088,500 |
| Book royalty fees receivable | | 158,850 | 407,750 |
| Deposits, prepayments and other debtors | | 474,630 | 707,506 |
| Bank balances and cash | | 27,641,529 | 19,644,718 |
| Tax recoverable | | - | 487,734 |
| | | 29,800,135 | 24,353,638 |
| Current liabilities | | | |
| Certification and license fees payable | | 509,886 | 391,836 |
| Book royalty fees payable | | 1,115,442 | 414,642 |
| Examination invigilation fees payable | | 475,600 | 303,630 |
| Promotion and publication fees payable | | 184,450 | 381,050 |
| Accruals and other creditors | | 721,170 | 432,450 |
| Taxation | | 165,338 | - |
| | | 3,171,886 | 1,923,608 |
| Net current assets | | 26,628,249 | 22,430,030 |
| Total assets less current liabilities | | 27,276,955 | 23,373,069 |
| Funds | | | |
| Building Fund | | 1,198,644 | 713,627 |
| General Fund | | 26,078,311 | 22,659,442 |
| | | 27,276,955 | 23,373,069 |

Approved and authorised for issue by the Executive Committee on 26 June, 2006

Lam Lai Ha, Juliana
President

Kwok Chi Shing, Wilson
Honorary Treasurer

Statement
of Changes in
Funds

Year ended 31 December 2005

| | Building Fund | General Fund | Total |
|------------------------|---------------|--------------|------------|
| | HK\$ | HK\$ | HK\$ |
| | Note | | |
| At 1 January 2004 | 320,978 | 20,988,912 | 21,309,890 |
| Contributions received | 392,649 | - | 392,649 |
| Surplus for the year | - | 1,670,530 | 1,670,530 |
| At 31 December 2004 | 713,627 | 22,659,442 | 23,373,069 |
| At 1 January 2005 | 713,627 | 22,659,442 | 23,373,069 |
| Contributions received | 485,017 | - | 485,017 |
| Surplus for the year | - | 3,418,869 | 3,418,869 |
| At 31 December 2005 | 1,198,644 | 26,078,311 | 27,276,955 |

Note:

The Building Fund shall be used by the Institute for the sole purpose of purchase of real property for the use of the Institute and all incidental costs of fitting, equipping, renovating and improving the real property purchased.

Cash Flow
Statement

Year ended 31 December 2005

| | Note | 2005 HK\$ | 2004 HK\$ |
|---|------|--------------|--------------|
| OPERATING ACTIVITIES | | | |
| Cash generated from operations | 6 | 6,808,604 | 1,540,610 |
| Tax refund | | 456,518 | 854,836 |
| Net cash from operating activities | | 7,265,122 | 2,395,446 |
| INVESTING ACTIVITIES | | | |
| Interest received | | 524,215 | 15,387 |
| Purchase of property, plant and equipment | | (277,543) | (322,284) |
| Net cash from (used in) investing activities | | 246,672 | (306,897) |
| FINANCING ACTIVITIES | | | |
| Contribution to Capital Fund | | 485,017 | 392,649 |
| Net increase in cash and cash equivalents | | 7,996,811 | 2,481,198 |
| Cash and cash equivalents at beginning of year | | 19,644,718 | 17,163,520 |
| Cash and cash equivalents at end of year, represented by bank balances and cash | | 27,641,529 | 19,644,718 |

Notes to the
Financial
Statements

CORPORATE INFORMATION

The Institute of Financial Planners of Hong Kong Limited is a professional self-regulatory organization incorporated in Hong Kong. The Institute’s registered office is located at Suite 802-803, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong. The principal activities of the Institute are the promotion of personal financial planning and the certification of the CERTIFIED FINANCIAL PLANNER^{CM} and CFP^{CM} marks in Hong Kong.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the Companies Ordinance. In this year, the Institute adopted the new / revised HKFRS pertinent to its operations, the major change in accounting policies following the adoption of these HKFRS are summarised in note 4 to the financial statements. A summary of the principal accounting policies adopted by the Institute is set out below.

The measurement basis used in the preparation of the financial statements is historical cost.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the year in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives from the date on which they become fully operational and after taking into account of their estimated residual values, using the straight-line method, at the following rates per annum:

| | |
|------------------------|-------------------------------------|
| Office equipment | 33 1/3% |
| Computer equipment | 33 1/3% |
| Leasehold improvement | Over the existing office lease term |
| Furniture and fixtures | Over the existing office lease term |

Trade receivables and payables

Trade receivables and payables are recognised at cost which approximates to their fair values, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Institute will not be able to collect all the amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets’ carrying amount and the present value of estimated future cash flow, discounted at the effective interest rate. The amount of provision is recognised in the income statement.

Cash equivalents

For the purpose of cash flow statement, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Institute and when the revenue and costs, if applicable, can be measured reliably and on the following bases.

Income from certification, membership and examinations is recognised when received.

Registered program fees are recognised when the Institute’s rights to receive payment have been established.

Income from workshops, seminars, conferences, expo and annual events is recognised in the period when activities are held.

Income from sales is recognized when goods are delivered and title has passed.

Interest income is recognised as the interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected useful life of the financial instrument) to the net carrying amount of the financial asset.

Foreign currency translation

Items included in the Institute’s financial statements are measured using the currency of the primary economic environment in which the Institute operates (“Functional currency”).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Impairment loss

At each balance sheet date, the Institute reviews internal and external sources of information to determine whether the carrying amounts of its tangible assets have suffered an impairment loss or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its net selling price and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Institute estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment losses is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, cost of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the first in, first out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Lease incentives are recognised in the income statement as an integral part of the net consideration agreed for the use of the leased asset. Contingent rentals are recognised as expenses in the accounting period in which they are incurred.

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as an expense in the income statement as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The assets of the scheme are held separately from those of the Institute in an independently administered fund.

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss, it is not accounted for.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilized.

Future changes in HKFRS

At the date of authorisation of these financial statements, the HKICPA has issued a number of standards and interpretations that are not yet effective. The Executive Committee anticipates that the adoption of these new HKFRS in the further periods will have no material impact on the result of the Institute.

2. SURPLUS BEFORE TAXATION

| This is stated after charging: | 2005 HK\$ | 2004 HK\$ |
|--|--------------|--------------|
| Auditors' remuneration | - | - |
| Contributions to a defined contribution plan | 205,197 | 143,777 |
| Cost of inventories | 110,827 | 174,218 |
| Executive members' emoluments | - | - |
| Operating lease charges on premises | 450,282 | 430,534 |

3. TAXATION

Hong Kong Profits Tax has been provided at the rate of 17.5% (2004: 17.5%) on the Institute's estimated assessable profits for the year.

| The charge comprises: | 2005 HK\$ | 2004 HK\$ |
|------------------------------|--------------|--------------|
| Current tax | | |
| Hong Kong Profits Tax: | | |
| Current year | 196,554 | 31,216 |
| Over-provision in prior year | - | (1,050) |
| | 196,554 | 30,166 |

| Reconciliation of tax expense | 2005 HK\$ | 2004 HK\$ |
|---|--------------|--------------|
| Surplus before taxation | 3,615,423 | 1,700,696 |
| Income tax at applicable tax rate of 17.5% (2004: 17.5%) | 632,699 | 297,623 |
| Non-deductible expenses | 6,650 | 11,257 |
| Tax exempt revenue | (492,994) | (290,606) |
| Unrecognised temporary differences | 50,199 | 12,942 |
| Over-provision in prior year | - | (1,050) |
| Tax expense for the year | 196,554 | 30,166 |

The applicable tax rate is the Hong Kong profits tax rate of 17.5% (2004: 17.5%).

4. CHANGES IN ACCOUNTING POLICIES / PRIOR YEAR ADJUSTMENTS

Changes in accounting policies

In this year, the Institute adopted the following new / revised HKFRS issued by the HKICPA, which are generally effective for accounting periods beginning on or after 1 January 2005. The comparatives have been amended as required, in accordance with the relevant requirements. The only major effect of the changes in accounting policies is on the cash flow statement. In prior year, the Institute was exempted from presenting a cash flow statement. The adoption of HKAS 7 has resulted in presenting a cash flow statement as an integral part of the financial statements for each period for which financial statements are presented.

5. PROPERTY, PLANT AND EQUIPMENT

| | Office equipment HK\$ | Computer equipment HK\$ | Leasehold improvement HK\$ | Furniture & fixtures HK\$ | Total HK\$ |
|--|-----------------------------|-------------------------------|----------------------------------|---------------------------------|----------------|
| <hr/> | | | | | |
| Reconciliation of carrying amount – year ended 31 December 2004 | | | | | |
| At beginning of year | 280,819 | 193,326 | 490,941 | 76,491 | 1,041,577 |
| Additions | 27,565 | 247,590 | 10,268 | 36,861 | 322,284 |
| Depreciation | (109,400) | (116,297) | (158,953) | (36,172) | (420,822) |
| | <hr/> | | | | |
| At balance sheet date | 198,984 | 324,619 | 542,256 | 77,180 | 943,039 |
| | <hr/> | | | | |
| Reconciliation of carrying amount – year ended 31 December 2005 | | | | | |
| At beginning of year | 198,984 | 324,619 | 342,256 | 77,180 | 943,039 |
| Additions | 72,544 | 164,600 | 12,145 | 28,254 | 277,543 |
| Depreciation | (115,797) | (200,230) | (196,745) | (59,104) | (571,876) |
| | <hr/> | | | | |
| At balance sheet date | 155,731 | 288,989 | 157,656 | 46,330 | 648,706 |
| | <hr/> | | | | |
| At 1 January 2005 | | | | | |
| Cost | 351,696 | 689,042 | 545,771 | 136,774 | 1,723,283 |
| Accumulated depreciation | (152,712) | (364,423) | (203,515) | (59,594) | (780,244) |
| | <hr/> | | | | |
| | 198,984 | 324,619 | 342,256 | 77,180 | 943,039 |
| | <hr/> | | | | |
| At 31 December 2005 | | | | | |
| Cost | 424,240 | 853,642 | 557,916 | 165,028 | 2,000,826 |
| Accumulated depreciation | (268,509) | (564,653) | (400,260) | (118,698) | (1,352,120) |
| | <hr/> | | | | |
| | 155,731 | 288,989 | 157,656 | 46,330 | 648,706 |
| | <hr/> | | | | |

6. CASH GENERATED FROM OPERATIONS

| | 2005 HK\$ | 2004 HK\$ |
|---|------------------|--------------|
| <hr/> | | |
| Surplus before taxation | 3,615,423 | 1,700,696 |
| Depreciation | 571,876 | 420,822 |
| Interest income | (524,215) | (15,387) |
| Changes in working capital: | | |
| Inventories | (59,696) | (17,430) |
| Registered program fees receivables | 1,640,500 | (641,000) |
| Book royalty fees receivables | 248,900 | (153,950) |
| Deposits, prepayments and other debtors | 232,876 | (329,934) |
| Certification and license fees payable | 118,050 | 101,153 |
| Book royalty fees payable | 700,800 | (18,403) |
| Examination invigilation fees payable | 171,970 | 58,960 |
| Promotion and publication fees receivable | (196,600) | 381,050 |
| Accruals and other creditors | 288,720 | 54,033 |
| | <hr/> | |
| Cash generated from operations | 6,808,604 | 1,540,610 |
| | <hr/> | |

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Institute’s principal financial instruments comprise fees receivables and payables, cash and bank deposits.

The Institute does not have any written risk management policies and guidelines. However, the executive committee generally adopts conservative strategies on its risk management and limit the Institute’s exposure to credit risk to a minimum. The Institute is not exposed to significant interest rate risk, foreign currency risk, liquidity risk or price risk.

8. COMMITMENTS UNDER OPERATING LEASES

At the balance sheet date, the Institute had total future minimum lease payments under non-cancellable operating leases, which are payable as follows:

| | 2005 HK\$ | 2004 HK\$ |
|--|--------------|--------------|
| <hr/> | | |
| Within one year | 336,873 | 424,155 |
| In the second to fifth years inclusive | 8,128 | 312,489 |
| | <hr/> | |
| | 345,001 | 736,644 |
| | <hr/> | |

Detailed Income Statement

Year ended 31 December 2005

| | Schedule | 2005 HK\$ | 2004 HK\$ |
|---|----------|--------------|--------------|
| Income from certification & membership | A | 3,480,838 | 2,723,033 |
| Income from examinations | B | 8,551,781 | 5,523,199 |
| Income from expo and annual events | C | 4,010,506 | 2,343,555 |
| Registered program fees | | 7,229,250 | 5,381,500 |
| Book royalty income | | 700,800 | 679,200 |
| Income from workshops, seminars & conferences | | 522,865 | 381,996 |
| Publication income | | 104,110 | 117,557 |
| Sales of souvenirs | | 128,530 | 56,140 |
| Sponsorship income | D | 740,142 | 402,000 |
| Transcript review income | | 245,300 | 134,418 |
| Other income | E | 529,315 | 17,337 |
| | | 26,243,437 | 17,759,935 |
| Depreciation charge | | (571,876) | (420,824) |
| Staff costs | F | (7,791,306) | (5,370,008) |
| Other operating expenses | G | (14,264,832) | (10,268,407) |
| | | | |
| Surplus before taxation | | 3,615,423 | 1,700,696 |

A. INCOME FROM CERTIFICATION & MEMBERSHIP

| | 2005 HK\$ | 2004 HK\$ |
|---------------------------------------|--------------|--------------|
| CFP Certification and Membership | 2,829,642 | 2,103,214 |
| APFP, Associates & Student Membership | 451,921 | 411,944 |
| Others | 199,275 | 207,875 |
| | 3,480,838 | 2,723,033 |

B. INCOME FROM EXAMINATIONS

| | 2005 HK\$ | 2004 HK\$ |
|---|--------------|--------------|
| Certified Financial Planners (CFP) Examinations | 6,550,200 | 5,159,746 |
| Financial Advisors' International Qualification (FAIQ) Examinations | 2,001,581 | 363,453 |
| | 8,551,781 | 5,523,199 |

Detailed Income Statement

Year ended 31 December 2005

C. INCOME FROM EXPO AND ANNUAL EVENTS

| | 2005 HK\$ | 2004 HK\$ |
|----------------------|--------------|--------------|
| Annual dinner | 205,850 | 131,450 |
| Financial World Expo | 3,804,656 | 2,212,105 |
| | 4,010,506 | 2,343,555 |

D. SPONSORSHIP INCOME

| | 2005 HK\$ | 2004 HK\$ |
|---|--------------|--------------|
| Financial Advisors' International Qualification (FAIQ) Examinations | 557,742 | 308,000 |
| Events | 182,400 | 94,000 |
| | 740,142 | 402,000 |

E. OTHER INCOME

| | 2005 HK\$ | 2004 HK\$ |
|----------------------|--------------|--------------|
| Bank interest income | 524,215 | 15,387 |
| Sundry income | 5,100 | 1,950 |
| | 529,315 | 17,337 |

F. STAFF COSTS

| | 2005 HK\$ | 2004 HK\$ |
|--------------------------|--------------|--------------|
| Salaries and allowance | 7,293,667 | 5,042,952 |
| Mandatory provident fund | 205,197 | 143,777 |
| Recruitments | 87,427 | 50,282 |
| Staff welfare | 172,422 | 97,568 |
| Staff development | 32,593 | 35,429 |
| | 7,791,306 | 5,370,008 |

G. OTHER OPERATING EXPENSES

| | 2005 | 2004 |
|--|------------|------------|
| | HK\$ | HK\$ |
| Accountancy fee | - | 62,950 |
| Bank and credit card charges | 259,648 | 177,072 |
| Book royalty charges | 715,713 | 495,555 |
| Business registration fees | 2,600 | 2,600 |
| Certification and license fees | 1,281,508 | 557,228 |
| Charitable donation | 46,983 | 50,000 |
| Examination expenses | 1,354,494 | 925,326 |
| Entertainment & hospitality | 79,716 | 185,097 |
| FPSB Assessment Fee | 112,938 | - |
| Function expenses | 3,037,047 | 1,614,169 |
| Insurance | 6,100 | 4,265 |
| Legal and professional fees | 104,976 | 47,416 |
| Meeting expenses | 11,644 | 71,967 |
| Newspaper & periodicals | 54,551 | 39,964 |
| Office removal expense | - | 7,400 |
| Promotional and marketing expenses | 1,836,127 | 1,922,975 |
| Programme development and consultancy fees | 814,938 | 853,683 |
| Postage and stamp | 247,494 | 271,790 |
| Printing, design and stationary | 187,406 | 135,678 |
| Publication | 1,746,604 | 1,228,982 |
| Rent, rates and building management fees | 787,857 | 746,520 |
| Repairs and maintenance | 39,251 | 19,868 |
| Royalty tax | - | 56,928 |
| Souvenirs | 283,360 | 114,584 |
| Subscription fee | 2,500 | 1,500 |
| Sundry expenses | 1,672 | 38,316 |
| Telecommunication | 420,663 | 297,115 |
| Translation and editorial expenses | 439,000 | 103,258 |
| Travelling | 352,678 | 206,389 |
| Utilities | 37,364 | 29,812 |
| | 14,264,832 | 10,268,407 |

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