

董事局報告書

REPORT OF THE DIRECTORS

董事局欣然提呈董事局報告書及本公司及其附屬公司（就本報告而言，包括用以發行按揭證券的特設公司）（統稱「本集團」）截至二零零八年十二月三十一日止年度經審核財務報表。

主要業務

本公司的主要業務包括：

- (1) 向有關批授人、發行人、擁有人或賣方購買在香港或其他地區的以物業或其他抵押品作抵押的按揭或貸款組合，或收購汽車及其他資產租購或租賃安排下的權利、權益及利益，或其他債權證、應收款項、金融資產及任何類別的據法權產；
- (2) 透過購買或以其他方式向政府當局與機構及相關組織、法定團體及公營機構收購任何資產，並持有、出售、轉讓、處置及處理任何該等購買或收購回來的資產；
- (3) 透過特設公司向投資者發行按揭證券，將按揭組合證券化；及
- (4) 就認可機構所批出以住宅物業作抵押的按揭貸款，提供按揭保險。

本公司全資附屬公司、共同控制實體及用以發行按揭證券的特設公司的公司資料及主要業務分別載於財務報表附註22、23及34。

業績及分配

本集團截至二零零八年十二月三十一日止年度的業績連同擬派股息詳情載於第91頁的綜合收益表。

儲備

本集團於年內的儲備變動詳情載於第94頁的綜合權益變動表。

The Directors have pleasure in presenting their report together with the audited financial statements of the Company and its subsidiaries (for the purpose of this report, including the special purpose entities used for issuing mortgage-backed securities) (together the "Group") for the year ended 31 December 2008.

Principal Activities

The principal activities of the Company are:

- (1) to purchase portfolios of mortgages or loans secured on properties or other collateral situated in Hong Kong or elsewhere, to acquire rights, interest and benefits under hire purchase or leasing arrangements made in respect of motor vehicles and other assets, or other debentures, receivables, financial assets and choses in action of all kinds from their originators, issuers, owners or vendors;
- (2) to acquire, by purchase or otherwise, any assets from government bodies and agencies and related organisations, statutory bodies and public bodies and to hold, sell, transfer, dispose of and deal in any such assets so purchased or acquired;
- (3) to securitise mortgage portfolios through special purpose entities by way of issuing mortgage-backed securities to investors; and
- (4) to provide mortgage insurance cover to Authorized Institutions in respect of mortgage loans originated by such Authorized Institutions and secured by residential properties.

The corporate information and principal activities of the wholly-owned subsidiary and jointly controlled entity of the Company and the special purpose entities used for issuing mortgage-backed securities are shown in Notes 22, 23 and 34 respectively to the financial statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2008 are set out in the consolidated income statement on page 91 together with particulars of the proposed dividend.

Reserves

Movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 94.

固定資產

本年度本集團及本公司的固定資產變動詳情載於財務報表附註24。

債券發行

截至二零零八年十二月三十一日止年度，本公司根據其總額400億港元債務工具發行計劃及總額30億美元中期債券發行計劃向銀行及機構投資者發行債券，並按照零售債券發行計劃透過各配售銀行向零售投資者招售債券的金額合共24,405,704,000港元，以提供一般營運資金及再融資，發行價合共為24,377,642,000港元。債券發行及贖回業務的概要載於財務報表附註29。

按揭證券發行

特設公司於二零零八年概無根據有擔保按揭通遞證券化計劃或30億美元 Bauhinia 按揭證券化計劃發行任何按揭證券。按揭證券發行及贖回業務的概要載於附註30。

董事

於年內出任董事的本公司董事局成員名單如下：

曾俊華先生，太平紳士
主席兼執行董事

任志剛先生，GBS，太平紳士
副主席兼執行董事

彭醒棠先生，太平紳士
執行董事

余偉文先生，太平紳士
執行董事

夏佳理先生，CVO，GBS，OBE，太平紳士
董事

陳家強教授，SBS，太平紳士
董事

陳鑑林先生，SBS，太平紳士
董事

陳健波先生，太平紳士
董事

Fixed Assets

Details of the movements in fixed assets of the Group and of the Company during the year are set out in Note 24 to the financial statements.

Debt Securities Issued

The Company issued notes to banks and institutional investors under its HK\$40 Billion Debt Issuance Programme, US\$ 3 billion Medium Term Note Programme and also offered notes to retail investors through various placing banks under its Retail Bond Issuance Programme during the year ended 31 December 2008, totalling HK\$24,405,704,000 for the purposes of providing general working capital and refinancing, at the total consideration of HK\$24,377,642,000. A summary of the debt securities issuance and redemption activities is set out in Note 29 to the financial statements.

Mortgage-backed Securities Issued

The special purpose entities did not issue any mortgage-backed securities under the Guaranteed Mortgage-backed Pass-through Securitisation Programme or the US\$3 Billion Bauhinia Mortgage-backed Securitisation Programme in 2008. A summary of the mortgage-backed securities redemption activities is set out in Note 30.

Directors

The Directors of the Company who served during the year were as follows:

The Honourable John TSANG Chun Wah, JP
Chairman and Executive Director

Mr. Joseph YAM Chi Kwong, GBS, JP
Deputy Chairman and Executive Director

Mr. Peter PANG Sing Tong, JP
Executive Director

Mr. Eddie YUE Wai Man, JP
Executive Director

The Honourable Ronald Joseph ARCULLI, CVO, GBS, OBE, JP
Director

Professor the Honourable K C CHAN, SBS, JP
Director

The Honourable CHAN Kam Lam, SBS, JP
Director

The Honourable CHAN Kin Por, JP
Director

鄭汝樺女士，太平紳士

董事

張炳良教授，BBS，太平紳士

董事

方正先生，GBS，太平紳士

董事

韓克強先生

董事 (於二零零八年四月十日辭任)

林炎南先生

董事 (於二零零八年四月十日獲委任)

梁君彥先生，SBS，太平紳士

董事

李國寶博士，GBM，GBS，LLD (Cantab)，太平紳士

董事

萬志輝先生

董事

石禮謙先生，SBS，太平紳士

董事

單仲偕先生，SBS，太平紳士

董事

陳清賜先生

董事

按照本公司的公司組織章程細則第109條，全體董事(執行董事除外)於下屆股東週年大會退任，惟可參選連任。

董事於交易及合約中的權益

本公司財務報表附註33載列本公司年內與有關人士訂立的重重大交易詳情。附註33所披露權益亦屬董事在本公司或其附屬公司的重大合約中所擁有的重大權益。除附註33所披露者外，本公司或其任何附屬公司概無參與訂立任何董事可能被視為直接或間接於其中擁有重大權益且於年底或年內任何時間維持有效的重大合約。

於本年度內本公司亦無作出任何安排，使任何董事或管理層成員能透過收購本公司或任何其他法人團體的股份或債券而獲取利益。

The Honourable Ms. Eva CHENG, JP

Director

Professor the Honourable Anthony CHEUNG Bing Leung, BBS, JP

Director

Mr. Eddy FONG Ching, GBS, JP

Director

Mr. Andy HON Hak Keung

Director (retired on 10 April 2008)

Mr. David LAM Yim Nam

Director (appointed on 10 April 2008)

The Honourable Andrew LEUNG Kwan Yuen, SBS, JP

Director

Dr. the Honourable David LI Kwok Po, GBM, GBS, LLD (Cantab), JP

Director

Mr. Geoffrey Jay MANSFIELD

Director

The Honourable Abraham SHEK Lai Him, SBS, JP

Director

The Honourable SIN Chung Kai, SBS, JP

Director

Mr. Eddie TAN Cheng Soo

Director

In accordance with Article 109 of the Company's Articles of Association, all those Directors who are not Executive Directors shall retire but shall be eligible for re-election at the next annual general meeting.

Directors' Interests in Transactions and Contracts

Note 33 to the financial statements of the Company sets out details of material related party transactions entered into by the Company during the year. The interests disclosed in Note 33 also constitute material interests of Directors in relation to contracts which were significant to the Company or its subsidiaries. Save as disclosed in Note 33, there was no contract of significance, to which the Company or any of its subsidiaries was a party and in which a Director could be deemed to have a material interest, either directly or indirectly, which subsisted at the end of the year or at any time during the year.

At no time during the year was the Company a party to any arrangement to enable any of its Directors or members of its Management to acquire benefits by means of the acquisition of shares in, or debt securities of, the Company or any body corporate.

遵照《保險公司條例》的條文額外作出的披露

年內，根據《保險公司條例》對控權人的定義，曾俊華先生及劉怡翔先生（本公司總裁）為本公司的控權人。截至二零零八年十二月三十一日止年度，劉先生於本公司所訂立的交易或合約中概無擁有任何權益。

年內，本公司經營的保險業務，並無涉及根據香港任何條例的規定須予投保的責任或風險。

本公司已與下列核准按揭再保險公司訂立再保險安排：亞洲保險有限公司、恒生財險（香港）有限公司、滙豐保險（亞洲）有限公司、柏偉（亞洲）按揭保險有限公司及美國國際集團聯合保險（亞洲）有限公司。年內，本公司以風險分攤方式經營按揭保險業務，根據本公司對各核准再保險公司信用評級及財務能力的評估，向各核准再保險公司就不超過按揭保險 50% 的風險購買再保險，其餘風險則由本公司承保。

核數師

財務報表已由羅兵咸永道會計師事務所審核，其任期屆滿，惟有資格並願參選連任。

承董事局命

曾俊華

主席

香港

二零零九年四月十六日

Additional Disclosures in Compliance with the Provisions of the Insurance Companies Ordinance (“ICO”)

During the year, the Controllers of the Company as defined in the ICO were the Hon. John Tsang and Mr. James H. Lau Jr. (Chief Executive Officer of the Company). Mr. Lau did not have any interests in the transactions or the contracts which the Company had entered into during the year ended 31 December 2008.

During the year, the Company did not carry on insurance business relating to liabilities or risks in respect of which persons were required by any Ordinance to be insured.

The Company had entered into reinsurance arrangements with the following approved reinsurers: Asia Insurance Company, Limited, Hang Seng General Insurance (Hong Kong) Company Limited, HSBC Insurance (Asia) Limited, PMI Mortgage Insurance Asia Limited and AIG United Guaranty Insurance (Asia) Limited. During the year, the Company operated its mortgage insurance business on a risk-sharing basis, and ceded up to 50% of the risk exposure under its mortgage insurance to each approved reinsurer, according to its credit rating and financial strength as assessed by the Company, with the remaining risk exposure being retained by the Company.

Auditors

The accounts have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board of Directors

John C Tsang

Chairman

Hong Kong,

16 April 2009.