

**STATEMENT FROM THE CHAIRMAN
FOR THE YEAR ENDED 31 DECEMBER 2007**

ACHIEVEMENTS AND SIGNIFICANT DEVELOPMENTS

Our Association has had a good year. The following highlights some of the major achievements.

2007 Highlights

- HKRSA organized 15 events last year including luncheons, seminars and conferences.
- Over 250 members and guests attended the Gala Dinner held on 1st February 2007 to celebrate the Association's 10th Anniversary.
- The result of the Reputex report (commissioned by the HKRSA to identify current performance standards of MPF providers in Hong Kong and compared them to international best practice) was released at the 10th Anniversary Gala Dinner.
- A 5-day Pensions Training was organized in August for 85 provincial officials from China.
- The fourth study tour to Beijing with a record number of 30 delegates was arranged in September. The delegation was honoured to have been invited by the Ministry of Labour and Social Security, Republic of China (MoLSS) to attend the China Social Security Forum 2007 and stay at the Diaoyutai State Guest House.
- The Professional Diploma/Certificate in Retirement Schemes Management (RSM) jointly organized with the HKU SPACE continued in its fifth year and the Foundation Certificate co-organised with the Hong Kong Institute of Human Resource Management (IHRM) went into its third year. Both programmes received continued support from the industry.
- A Professional Certificate in RSM was introduced. Students attending the Professional Diploma Programme in RSM will receive a Professional Certificate by completing 4 modules.
- Our Association launched its first training seminar on Alternative Investments in early November.
- Led by Mr Liu Yongfu, Vice Minister of MoLSS, a delegation of senior officials and department heads of the Ministry and provincial ministries made a special trip to Hong Kong to attend and participate actively in the China Pension and Social Security Conference held by the HKRSA on 10 December 2007.
- Our Association continued to develop relationship with related organizations and pension bodies in China, UK, Australia and other parts of the World.

Education Programme in Retirement Schemes Management

The Professional Diploma in Retirement Schemes Management (RSM) Programme jointly organized by the HKRSA and HKU SPACE aims to provide a comprehensive training in enhancing the knowledge and skills of practitioners in the industry. Although the programme

has served the need of over 250 students since its inception in 2003, with satisfactory appraisals from the students and graduates on the course material and tutors, it is increasingly under pressure to secure more support and commitment from the industry.

HKRSA and HKU SPACE introduced a new programme structure for this Professional Diploma Programme by incorporating the Professional Certificate in RSM. Students who would like to gain a comprehensive understanding of the RSM profession in a shorter period can now receive a Professional Certificate by completing 4 modules. They can also earn the Professional Diploma by completing the remaining 2 modules.

Our members are urged to provide full support to this Professional Diploma/Certificate in RSM Programme and to encourage staff and other practitioners in the industry to attend. This Programme is established for the benefit of employers, employees and all concerned with retirement protection and professionalism of the industry in Hong Kong.

Other Education and Training Developments

HKRSA continues to run an introductory level course, the Foundation Certificate in RSM together with IHRM for the HR professionals and those who are entering or working in the retirement schemes industry and would like to learn more about the subject. The course, held in April, was in its third year.

Following the success of the Hedge Funds Training Seminar in the past years, our Association organized its first Alternative Investments Training Seminar on 6 November 2007. We invited leading experts in their respective fields, with some of them making a special trip to Hong Kong for this seminar. The full day training seminar was well attended and covered topics including an introduction to alternative investments, 130/30 strategies, global listed infrastructure, new alternatives (commodities and environment investing), Asia real estate and risk management.

China Developments

Mainland China has been a focus for us and we have achieved a number of successful collaborations in 2007. In August, for the first time, we organized a Pensions Training Course in Hong Kong for 85 Chinese officials from different provinces in China. The content of the training course was structured to cover the fundamentals of pensions, trusteeship, investment management, regulation and supervision with the intention of sharing information on best practice and experience outside Mainland China. The course was well received.

Between 2003 and 2007, the HKRSA organized four successful delegation to Beijing. The recent delegation in September comprised a record number of 30 delegates. Apart from having meetings with senior officials/representatives of MoLSS, China Insurance Regulatory Commission, China Securities Regulatory Commission and ICBC Enterprise Annuity Centre, the delegation was also invited by MoLSS to attend the 2007 China Social Security Forum and stay at the Diaoyutai State Guesthouse during the visit. The theme of the Forum was “Establishing an Integrated Urban-Rural Social Security System”. We had the opportunity to learn about the latest development and conduct meaningful exchanges with senior Chinese officials and representatives of leading education institutes.

HKRSA was honoured to have invited Mr Liu Yongfu, Vice Minister of MoLSS, and a delegation of department heads and senior officials from the Ministry and other provincial ministries to come to Hong Kong to attend the China Pension and Social Security Conference

on 10 December 2007. More than 150 executives from the local industry attended the Conference and obtained first hand information on the latest news and developments of the China pensions reform, enterprise annuity market, pension fund investment and cross border labour and pension issues.

A full day seminar, High Level Pension Experience Sharing Seminar : Building a Sound Pension System, was organized on 11 December 2007. The participation of this event was by invitation only. It served as a platform for in-depth discussion and experience sharing between the senior delegation from China and top executives/senior management of the industry.

All of the above demonstrate that the HKRSA is gaining increasing recognition in Mainland China. Such involvement and exposure is obviously of good benefit to Hong Kong and to our members who have an interest in Mainland China.

Newsletter Service

E-newsletters and e-mail shots were produced to keep our members updated of what the Association is doing and the recent events/activities while informing them of the latest training and developments in the retirement schemes industry and other related matters.

Website

Presentation materials from our luncheons, seminars and conferences were made available for downloading in the member's area of the HKRSA website.

Links with other Associations

We continue to forge links and maintain contact with other relevant bodies and associations, both domestically and internationally, including the MPFA and Bills Committee of Legislative Council in Hong Kong, NAPF in the UK and ASFA in Australia.

Membership Status

Membership status (Voting and Associate) during the year 2007 was:

- 195 members as at 1 January 2007
- 192 members as at 31 December 2007

We represent approximately 800,000 members of both ORSO and MPF schemes.

Financial Position

As shown by the audited accounts, the financial position of the HKRSA is sound and healthy. Our income has increased over the previous year as a result of the success of some major events and activities. The Association recorded a net surplus of HK\$412,457 for the year.

Looking Ahead

We will continue to strive for providing excellent services to our members and promoting best practices as well as professional education and training in the retirement schemes industry. As we recognize the need to ensure continuing education and training in order to maintain professional standards and to keep the intermediaries and other practitioners updated on the latest developments, we are planning to organize a series of 2-hour Core CPD (Continuing Professional Development) training courses in 2008. More details will be available in due course. We will also continue to organize luncheon talks to provide a forum for discussion of issues of current and topical interests. A couple of which for you to diarize are as below :

26 March 2008 Ms Sandra Lee, Permanent Secretary of Health, will give a luncheon talk on “Healthcare Reform and Supplementary Financing Options”.

18 April 2008 A luncheon talk on “Global Best Practice in Fund Governance and how Hong Kong Funds Measure Up?” by Ms Naomi Denning, Head of Investment Consulting, Asia Pacific, Watson Wyatt.

Also, the HKRSA 11th Anniversary Gala Dinner will be held on 11 April 2008 at the Hong Kong Football Club. The Hon Henry Fan Hung-ling, SBS, JP, Chairman, MPFA, will be the guest of honor at this event and will deliver a speech on issues of topical interests. Please come and join us in this important and enjoyable industry event.

I would like to express my appreciation to the Secretariat and to my fellow Executive Committee members and also to all members of our sub-committees whose efforts are the foundation of the success of the Association. Special thanks go to our honorary legal adviser, Deacons, for their professional work during the year.

Executive Committee (as at 31 December 2007)

Chairman

Ms Ka Shi Lau

Managing Director & CEO, Bank Consortium Trust Company Limited

Vice Chairman

Mr Stuart Leckie, OBE, JP

Chairman, Stirling Finance Limited

Honorary Secretary

Mr Jimmy Pun

Senior Vice President, Business Development, HSBC Institutional Trust Services (Asia) Limited

Honorary Treasurer

Ms Denise Kee

Head of Investors Relations & Retirement Benefits, MTR Corporation Limited

Honorary Legal Adviser

Ms Cynthia Chung

Partner, Deacons

Members

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General Manager, Human Resource Services, Group Human Resources, Jardine Matheson Limited

Ms Luzia Hung
General Manager and Head of Employee Benefits, HSBC Insurance (Asia-Pacific) Holdings Limited

Ms Rosemarie Kriesel
Vice President, The Bank of New York Mellon

Mr K T Lai
Group Human Resources Manager - Remuneration & Human Resources Information Systems, CLP Holdings Limited

Mr Allan Lam
Vice President & Regional Sales Director, AIG Global Pensions – Asia

Mr Paul Pong
Managing Director, Pegasus Fund Managers Limited

Mr Peter Wong, GBS, OBE, JP
Consultant, Deloitte Touche Tohmatsu

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Product Manager, Asian Multi-Asset, Schroder Investment Management (Hong Kong) Limited

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Director, Retirement Consulting, Mercer Hong Kong

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Dr Eddie Lam
Investment Director, Bank Consortium Trust Company Limited

Dr Daniel Mok
Programme Director, HKU SPACE

Mr Paul Pong
Managing Director, Pegasus Fund Managers Limited

Mr Jonathan Watkin
Managing Director, IPI Consulting Group Ltd

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Chairman

Ms Rosemarie Kriesel
Vice President, The Bank of New York Mellon

Members

Ms Luzia Hung
General Manager and Head of Employee Benefits HSBC Insurance (Asia-Pacific) Holdings Limited

Mr K T Lai
Group Human Resources Manager - Remuneration & Human Resources Information Systems, CLP Holdings Limited

Mr Adrian Overholser
CEO, Halo Associates (Asia) Ltd

Mr Jimmy Pun
Senior Vice President, Business Development, HSBC Institutional Trust Services (Asia) Limited

Mr Jonathan Quach
Senior Sales Manager, Head of Corporate Sales - Hong Kong, Zurich International Life

Mr Jonathan Watkin
Managing Director, IPI Consulting Group Ltd

Ms Veronica Wong
Chief Business Officer, Institutional Business & Corporate Alliance, AXA China Region Insurance Co Limited

Relations Committee (as at 31 December 2007)

Chairman

Mr Stuart Leckie, OBE, JP
Chairman, Stirling Finance Limited

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General Manager, Human Resource Services, Group Human Resources, Jardine Matheson Limited

Ms Cynthia Chung
Partner, Deacons

Mr Desmond Ng
Director – Head of Institutional Business, INVESCO Hong Kong Limited

Mr Peter Wong, GBS, OBE, JP
Consultant, Deloitte Touche Tohmatsu

China Committee (as at 31 December 2007)

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Mr Peter Wong, GBS, OBE, JP
Consultant, Deloitte Touche Tohmatsu

Members

Ms Josephine Hui
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Jardine Matheson Limited

Mr Taylor Hui
Partner, Deacons

Mr Allan Lam
Vice President & Regional Sales Director, AIG Global Pensions – Asia

Ms Ka Shi Lau
Managing Director & CEO, Bank Consortium Trust Company Limited

Ms Ellen Li
Director, Institutional Sales & Marketing, Franklin Templeton Investments (Asia) Limited

Mr Paul Pong
Managing Director, Pegasus Fund Managers Limited

Mr Jimmy Pun
Senior Vice President, Business Development, HSBC Institutional Trust Services (Asia)
Limited

Ms Yvonne Sin
Head of Investment Consulting, China & Director of China Market Development Employee
Benefits, Watson Wyatt

Ms Yuri Zhou
Consultant, Stirling Finance Limited

Ka Shi Lau

Chairman of the Association