



## CORPORATE GOVERNANCE

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None of the directors of the Company is aware of any information which would reasonably indicate that the Company is not, or was not in compliance with the Code of Best Practice, as set out in Appendix 14 to the Listing Rules on the Stock Exchange, at any time during the six months ended 30 September 2004, save that the non-executive directors were not appointed for a specific term but are subject to retirement by rotation in annual general meetings of the Company in accordance with the Bye-laws of the Company.

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules regarding directors' securities transaction. All directors have confirmed that they are in full compliance with the Model Code for the six months ended 30 September 2004.

## AUDIT COMMITTEE OF THE BOARD

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The audit committee of the Board comprises of independent non-executive directors, Messrs. Chang Wing Seng, Victor, Liu Kwok Fai, Alvan and Fok Wai Ming, Eddie. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group and to provide advice and comments to the Board. The audit committee has reviewed and approved this report.

The Board has further resolved that a director fee of HK\$15,000 be payable to Mr. Fok Wai Ming, Eddie for the period from 27 September 2004, his date of appointment, to 31 December 2004 and thereafter at HK\$60,000 per annum.

By Order of the Board  
**Fortune Telecom Holdings Limited**  
**Lau Siu Ying**  
*Chairman and Chief Executive Officer*

Hong Kong, 14 December 2004