

HARMONY ASSET LIMITED
ANNUAL INFORMATION FORM

For the Financial Year Ended December 31, 2008

Dated as of March 30, 2009

TABLE OF CONTENTS

1.	FORWARD LOOKING STATEMENTS	3
2.	CORPORATE STRUCTURE	4
2.1	Corporate Overview	4
2.2	Inter-corporate Relationships.....	5
3.	GENERAL DEVELOPMENT OF THE BUSINESS	7
4.	NARRATIVE DESCRIPTION OF THE BUSINESS	8
4.1	Summary of the Business.....	8
4.2	Employees.....	8
4.3	Investment Objective	9
4.4	Investment Strategy.....	9
4.5	Investment Evaluation Process	10
4.6	Investment Valuation Policy	10
4.7	Principal Portfolio Holdings	11
4.8	Industry Overview and Competitive Conditions	12
5.	RISK FACTORS	13
5.1	Risks of Investing in China	13
5.2	Risk of Limited Number of Investments.....	13
5.3	Marketability of the Company's Investments	14
5.4	Due Diligence	14
5.5	Reliance upon the Directors and Management	15
5.6	Currency and Foreign Exchange Rate Risks.....	15
5.7	Liquidity Risk	15
5.8	Interest Rate Risk	15
5.9	Speculative Nature of Ordinary Shares.....	16
5.10	Trading Price of Shares relative to Net Asset Value	16
6.	DIVIDENDS	16
7.	DESCRIPTION OF CAPITAL STRUCTURE	16
8.	MARKET FOR SECURITIES	17
9.	DIRECTORS AND OFFICERS	18
9.1	Name, Occupation and Security Holdings	18
9.2	Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions	20
9.3	Personal Bankruptcies.....	20
9.4	Conflict of Interests.....	20
10.	LEGAL PROCEEDINGS	21
11.	REGULATORY ACTIONS	21

12.	AUDIT COMMITTEE	21
	12.1 Audit Committee Charter	21
	12.2 Composition of the Audit Committee	21
	12.3 Relevant Education and Experience	22
	12.4 External Auditor Service Fees	23
13.	MATERIAL CONTRACTS	23
14.	INTEREST OF MANAGEMENT IN MATERIAL TRANSACTIONS	24
15.	TRANSFER AGENT	24
16.	ADDITIONAL INFORMATION	25

In this Annual Information Form for the financial year ended December 31, 2008 (the “**Annual Information Form**”), the “Company” refers to Harmony Asset Limited and its wholly-owned subsidiaries, where applicable. All information contained herein is as at the date of this Annual Information Form, unless otherwise indicated.

All references to “dollars” or the use of the symbol “CDN\$” are to Canadian dollars and all references to “HK\$” are to Hong Kong dollars.

The following table sets forth for the periods indicated certain information concerning the exchange rate for translating CDN\$ into HK\$ based on rates quoted by the Bank of Canada website. No representation is made that CDN\$ could be converted into HK\$ at that rate or any other rate.

Year Ended December 31	Average During Period CDN\$ expressed in HK\$
2005	6.4196
2006	6.8498
2007	7.2598
2008	7.3460
January 1 to March 30, 2009	6.2279

1. FORWARD LOOKING STATEMENTS

This Annual Information Form may include or incorporate by reference certain statements that are “forward looking statements”. All statements, other than statements of historical fact, included or incorporated by reference in this Annual Information Form that address activities, events or developments that the Company or its management expects or anticipates will or may occur in the future, including such things as future capital expenditures (including the amounts and nature thereof), business strategies and measures to implement strategies, goals, expansion and growth of its business and operations, plans and references to the future success of the Company, and other such matters, are forward-looking statements. These forward-looking statements are based on certain assumptions and analyses made by the Company and its management in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. However, whether actual results and developments will conform to the expectations and predictions of the Company and its management is subject to a number of risks and uncertainties, including those risk factors discussed under the heading of “Risk Factors” and elsewhere in this Annual Information Form and the documents incorporated by reference. Consequently, all of the forward-looking statements made in this Annual Information Form and the documents incorporated herein by reference are qualified by these

cautionary statements and other cautionary statements or factors contained herein or in documents incorporated by reference herein, and there can be no assurance that the actual results or developments anticipated by the Company and its management will be realized or, even if substantially realized, that they will have the expected consequences for, or effects on, the Company.

2. CORPORATE STRUCTURE

2.1 Corporate Overview

The Company was incorporated in the Cayman Islands on September 28, 1993 pursuant to the *Companies Laws* of Cayman Islands under the name "SHK Convertibles Limited". On February 12, 1998, the Company changed its name from "SHK Convertibles Limited" to "Harmony Asset Limited".

On May 20, 1998, the Company increased its authorized share capital from HK\$1,000,000 to HK\$14,000,000 by issue of 1,300,000,000 ordinary shares in the capital of the Company (the "**Ordinary Shares**") at a price of HK\$0.01 per ordinary share. On May 22, 2000, the Company further increased its authorized share capital from HK\$14,000,000 to HK\$100,000,000 by issue of additional 8,600,000,000 Ordinary Shares at a price of HK\$0.01 per ordinary share. On January 24, 2003, the Ordinary Shares of the Company were consolidated on a 20 for 1 basis. On December 13, 2006, the Ordinary Shares of the Company were further consolidated on a 5 for 1 basis. As a result of the aforementioned increases of share capital and share consolidations, the authorized share capital of the Company as of the date hereof is HK\$100,000,000 consisting of 100,000,000 Ordinary Shares with a nominal value of HK\$1.00 per share.

On March, 28, 2008 and December 10, 2008, the Company passed board resolutions to amend its Audit Committee Terms of Reference. The Audit Committee's duties were amended as follows: (1) the requirement that the Audit Committee liaise with the person appointed as the Company's qualified accountant was removed; (2) the Audit Committee shall give due consideration to any matters that have been raised by the Company's staff responsible for accounting and financial reporting was inserted; and (3) the Audit Committee shall discuss with management the system of internal control and ensure that management has discharged its duty to have an effective internal control system including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting functions, training programs and budget was inserted.

The addresses of the Company's head office and its principal place of business are set out below:

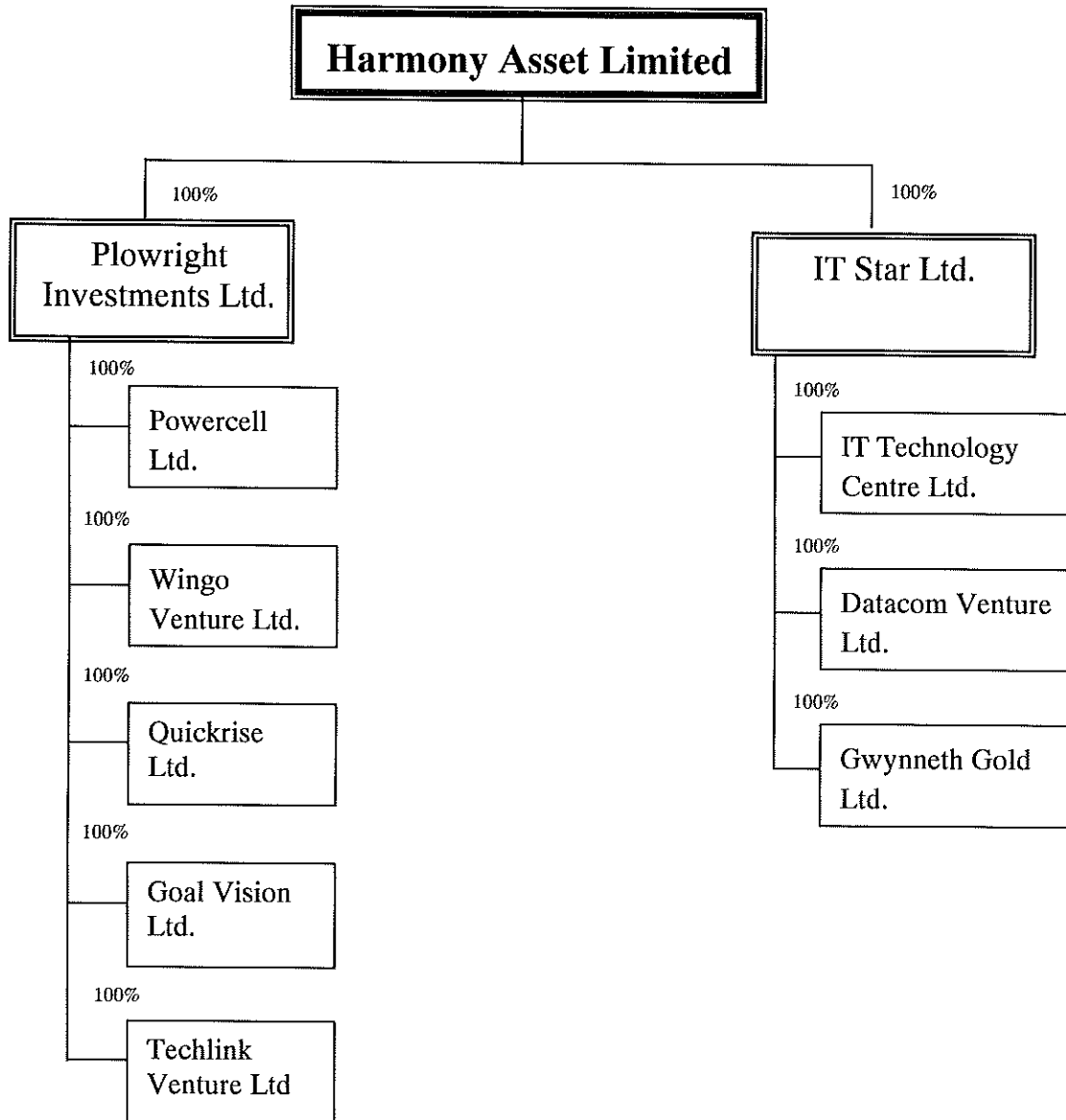
Head Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong

Room 1101, St. George's Building
2 Ice House Street
Central
Hong Kong

2.2 Inter-corporate Relationships



The following list sets out the jurisdiction of incorporation, the ownership and the business operation of each of the Company's subsidiaries:

Name and head office address	Jurisdiction of incorporation or organization	Percentage of voting securities owned	Percentage owned	Nature of business
Datacom Venture Limited	British Virgin Islands	100%	100%	Investment holding in Hong Kong
Goal Vision Limited	British Virgin Islands	100%	100%	Investment holding in Hong Kong
Gwynneth Gold Limited	British Virgin Islands	100%	100%	Investment holding in Hong Kong
IT Star Limited	British Virgin Islands	100%	100%	Investment holding in Hong Kong
IT Technology Centre Limited	Hong Kong	100%	100%	Operation of an incubation centre in Hong Kong
Plowright Investments Limited	British Virgin Islands	100%	100%	Investment holding in Hong Kong
Powercell Limited	British Virgin Islands	100%	100%	Investment holding in Hong Kong
Quickrise Limited	British Virgin Islands	100%	100%	Investment holding in Hong Kong
Techlink Venture Limited	British Virgin Islands	100%	100%	Investment holding in Hong Kong
Wingo Venture Limited	British Virgin Islands	100%	100%	Investment holding in Hong Kong

3. GENERAL DEVELOPMENT OF THE BUSINESS

Below is a summary of the Company's general business development in the last three completed financial years.

During the financial year ended December 31, 2006, investment holding remained the core business of the Company, with an emphasis on investments in Chinese private companies with high potential for earning growth and capital appreciation. In the resource sector, the Company invested in a gold mining business and subscribed for shares in a company that trades in cement, iron ores, logs and other resource related products. In the industrial sector, the Company continued to hold investments in businesses ranging from office furniture, energy-saving technologies to biodegradable products.

On December 13, 2006, in connection with the Company's application for the listing of its Ordinary Shares on the Toronto Stock Exchange (the "TSX"), the shareholders of the Company approved a consolidation of the Ordinary Shares of the Company on a 5 for 1 basis to ensure compliance with the TSX's minimum share price requirement.

During the financial year ended December 31, 2007, the Company continued to focus its investment on private companies in China with an emphasis on the resource, manufacturing technology, and food and retail sectors. During the year, the Company invested HK\$7,500,000 in the largest manufacturer of amino acid products in China, capturing over 70% of the relevant Chinese market. The Company also expanded its mining investment by HK\$10,000,000 through a loan with a right to convert to equity. Subsequently, the loan was repaid by the borrower and the Company did not exercise its option.

On May 31, 2007, the Company completed a private placement (the "**Private Placement**") in certain provinces of Canada in which 8,766,140 Ordinary Shares (representing approximately 30% of the Company's existing share capital at the time) were issued at CDN\$0.70 per Ordinary Share with a gross aggregate proceed of CDN\$6,136,298 (HK\$44,794,976). The net proceeds of approximately HK\$39,793,695 were used to invest in public and private companies with earnings growth and capital appreciation potential in accordance with the Company's investment policy. In connection with the Private Placement, the Company granted to the placing agent 290,000 options pursuant to the Option Scheme at an exercise price of HK\$6.03 per ordinary share.

On June 29, 2007, the Company completed the listing of its Ordinary Shares on the TSX. The Company has been listed on the Hong Kong Stock Exchange (the "**HKSE**") since December 14, 1993. Seeking a dual listing on the TSX was a strategic move by the Company for the purpose of expanding its investor base to North America. The Company does not intend to change its investment policy or objectives as a result of the listing.

During the financial year ended December 31, 2008, the Company continued to focus its investment on private companies in China with an emphasis on the resource, manufacturing technology, and food and retail sectors.

On March 31, 2008, the Company invested HK\$19,020,796 to acquire a 30% interest in Mainco Limited, a private company that manufactures high quality wire and electrical accessory products.

On August 14, 2008, the Company filed a press release reporting two of its investments, Chigo Holding Limited and Ruinian International Limited, where the Company made original investments in the aggregate amount of HK\$9.5 million, were submitted for listing on the HKSE. Subsequently, the listing applications for these two companies were cancelled due to the global economic downturn.

On August 18, 2008, the Company granted 522,047 and 50,000 share options to three employees and a corporate development advisor respectively at the exercise price of HK\$5.10 per Ordinary Share representing approximately 1.5% of the outstanding share capital of the Company as at December 31, 2008.

On November 20, 2008, the Company dissolved two of its wholly-owned subsidiaries, Marrick Investments Ltd. and Wayfairer Investments Ltd. to reduce corporate expenses as both subsidiaries had no business activities for five years.

On November 25, 2008, the Company added health science as another business sector with profit potential when the Company acquired 700,000 shares in the capital of Medifocus Inc. (“**Medifocus**”), through a private placement at a subscription price of C\$0.50 per share. Medifocus is listed on the TSX-V and is principally engaged in the business of development and commercialization of cancer treatment devices and systems.

In December 2008, due to the impact of the global economic downturn, the Company discontinued new investment projects. In 2009, the Company will continue to focus on its current investment strategy and plans to review new investment projects in six months.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 Summary of the Business

The Company is an investment company which principally invests in securities listed on the HKSE with an emphasis on undervalued and discounted securities. The Company also invests in privately held companies which have potential for earning growth and capital appreciation. The Company takes on a principled negotiation role and often retains a strategic interest in the companies in which it has invested. The Company also provides specialist advice to debt stricken companies and advises medium-sized companies seeking financing and strategic partners. As at the date of this Annual Information Form, the Company’s investment portfolio (including loans to its investee companies) was valued at approximated HK\$161 million.

4.2 Employees

As at the date of this Annual Information Form, the Company employed a total of 9 full-time employees, including the directors of the Company.

4.3 Investment Objective

The Company's primary investment objective is to achieve superior earnings by investing in transactions that have potentially high returns. The Company's investments are carried out according to a disciplined process that has been developed to maximize returns while minimizing risk and taking advantage of investment opportunities.

4.4 Investment Strategy

To achieve the aforementioned objective and to limit overall portfolio risk, the Company continues to adopt a defensive investment philosophy and chooses investments only in selected fields. The three major investment focuses of the Company are resource and material, manufacturing technology, and food and retail.

In the resource and material sector, the Company has invested in a gold mining business and subscribed for shares in a company that trades in cements, iron ores, logs and miscellaneous products. One of the Company's investments, Prosperity International Holdings (H.K.) Limited ("**Prosperity**"), is principally engaged in the business of clinker and cement trading as well as investment in granite mining. During the year, Prosperity completed an acquisition of 60% equity interest in a producing granite mine. The total estimated mineral resources of the site are approximately 4,000,000 m³ which includes crude dimension stone of approximately 800,000 m³. The estimated annual production volume of feldspar powder and crude dimension stone from the site is 80,000 tonnes.

In the area of manufacturing technology, all of the companies that have received investments from the Company are based in China. During the financial year ended December 31, 2008, the Company invested HK\$19,020,796 in Mainco Limited, a manufacturer of high quality wire and electrical accessory products, which had an unaudited profit before taxation of HK\$15 million during the past nine months.

As a result of the global economic downturn, the Company did not make further investment in the food and beverage business in 2008. Currently, the Company owns the Hong Kong International Airport outlet and the New World Center (Hong Kong) outlet of Hang Heung Kitchen ("**HHK**") which represent, respectively, 20% and 10% of the ownership of HHK. In the beginning of 2004, the Company also teamed up with several partners and participated in a business venture featuring a wedding and food and beverage services in Cyberport, Hong Kong. These businesses include restaurant outlets, spa retreats, portrait studios, wedding gowns and fashion shops, a wedding chapel, and a wedding banquet restaurant.

In 2008, the Company also identified health science as another business sector with profit potential. Therefore, the Company started investing in medical device and genetic therapy related projects. During the financial year ended December 31, 2008, the Company acquired 700,000 shares in the capital Medifocus, through a private placement at a subscription price of C\$0.50 per share. Medifocus is principally engaged in the business of development and commercialization cancer treatment devices and systems.

The Company has been impacted by the global financial downturn and expects that the next twelve months will be challenging. The Company expects that world financial markets will create difficult investment conditions, especially in the Hong Kong and China markets. As such, the Company will examine its direct investments with caution. The Company does not plan on making further investments in new projects within the next six months. The Company's goal is to focus on maintaining a quality portfolio.

In 2009, the Company will continue to take advantage of the opportunities of the changing economy in China by participating in the restructuring of inefficient companies, investing prudently and using management and financial skills to create value. The company is financially sound, with no borrowings and a net current asset of approximately HK\$98 million. The Company remains well positioned to take advantage of investment opportunities when the global economy recovers.

4.5 Investment Evaluation Process

The Company evaluates securities of a public issuer or a privately-held company using an evaluation method consistent with the method used to evaluate securities of other public issuers or private companies in the same industry. In selecting securities for the Company's portfolio, the board of directors and management consider various factors, including, but not limited to the following:

- the inherent value of its assets or intellectual property (in the case of a technology or biotechnology company);
- proven management, clearly-defined management objectives and strong technical and professional support;
- future capital requirements to develop the full potential of its business and the expected ability to raise the necessary capital;
- anticipated rate of return and the level of risk;
- financial performance; and
- exit strategies and other criteria.

4.6 Investment Valuation Policy

For each financial reporting period, management estimates the fair value of investments based on the criteria below and reflects such valuations in the consolidated financial statements:

Publicly traded investments – the fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price.

Privately held investments – Fair value of financial assets which are not traded in an active market is estimated based on an analysis of:

- financial position and results of the investee,
- risk profile of the investee,
- nature of business of the investee,
- prospects of the investee,
- other factors and assumptions not supported by observable market prices or rate,
- reference to recent market valuations for similar entities quoted in an active market, and
- current fair value of comparable investments that is substantially the same or applicable price/earning ratios for similar listed companies adjusted to reflect the circumstances of the investee.

Based on the directors' analysis on each of the privately-held investments, the directors consider that it is appropriate to estimate the fair values of majority of these investments based on their net asset value attributable to the Company or recent transaction prices. The carrying amounts of these privately-held investments may be materially different from their fair values estimated by more complex or sophisticated valuation techniques.

4.7 Principal Portfolio Holdings

The following is a list of the Company's portfolio holdings as at the date of this Annual Information Form:

Name of Company	Type and number of securities owned	Investment cost	Fair value	If publicly traded, the market(s) where traded
Waltin (HK) Limited	5,000 ordinary shares	HK\$5,000	Nil ⁽¹⁾	unlisted
Win Direct Investments Limited	75 ordinary shares	HK\$7,500,000	HK\$7,500,000	unlisted
Chief Finance Limited	2,600,000 ordinary shares	HK\$2,600,000	Nil ⁽¹⁾	unlisted

Name of Company	Type and number of securities owned	Investment cost	Fair value	If publicly traded, the market(s) where traded
Fullpower Holdings Limited	950,000 ordinary shares	HK\$950,000	Nil ⁽¹⁾	unlisted
One Tel Holdings Limited	4,000,000 ordinary shares	HK\$4,000,000	HK\$8,520,000	unlisted
Green Centre Limited	3,000 ordinary shares	HK\$3,000	Nil ⁽¹⁾	unlisted
Prosperity Material International Limited	5,728,289 ordinary shares	HK\$14,000,000	HK\$23,879,000	unlisted
Mainco Limited	300 ordinary shares	HK\$19,021,000	HK\$11,530,000	unlisted
Challenger Group Holdings Limited (formerly known as Ultra Group Holdings Limited)	80,000,000 ordinary shares	HK\$9,627,000	HK\$30,800,000	listed on HKEX
Prosperity International Holdings Limited	233,000,000 ordinary shares	HK\$19,787,000	HK\$32,853,000	listed on HKEX
Medifocus Inc.	950,000 common shares	C\$400,000	C\$475,000	listed on TSX-V

Note:

1. There are no fair values listed for Waltin (HK) Limited, Chief Finance Limited, Fullpower Holdings Limited and Green Centre Limited because these companies reported significant accumulated losses and net liabilities in their financial statements. As a result, no fair value can be attributed to the shares of these companies.

4.8 Industry Overview and Competitive Conditions

Hong Kong is widely recognised as the leading fund management centre in Asia with the largest concentration of international fund managers. According to a survey conducted by the Securities and Futures Commission (the "SFC"), there were 1980 authorized funds in Hong Kong as of March 2007.

The Chinese mainland has opened up its fund management industry since it joined the World Trade Organisation. Hong Kong is expected to play a key role in sharing its skills and experiences in fostering the development of the China's fund management industry.

To strengthen Hong Kong's position as an international asset management centre in the region, the Hong Kong government has eliminated estate tax and exempted offshore funds from profit tax.

The fund management industry comprises asset management, advisory business and other private banking businesses. According to a survey conducted by the SFC, the total asset under management of Hong Kong's fund companies amounted to HK\$6,154 billion by the end of 2006, representing an annual growth rate of 24% as compared to 2005.

Hong Kong's fund management industry is characterised by its international and offshore nature. According to a survey by the SFC, around 60-70% of the investment funds came from sources outside of Hong Kong and the majority of the assets were invested outside of Hong Kong.

Hong Kong's fund management industry has developed a strong expertise of investing in Asia, particularly in the Chinese mainland. Such expertise is vital to Hong Kong's ability to attract funds for management.

The Company is a small boutique investment company with HK\$184 million of shareholders' fund under management. It plays a small role in competing for the investment potential China offers.

5. RISK FACTORS

The following is a summary of certain risk factors inherent in the Company's businesses and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Annual Information Form. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently considers immaterial, may also impair the business of the Company. If any such risks actually occur, the business, financial condition, liquidity and results of operations of the Company could be materially adversely affected.

5.1 Risks of Investing in China

The Company holds investments in China. China's economy and legal system differ from those of most developed countries in many respects, including the level of development and transparency. The Company will be affected by any political or economic instability in China. Changes in investment policies or shifts in political attitude in China may adversely affect the Company's businesses. Operations will also be adversely affected in varying degrees by government regulations including but not limited to restrictions on production, price controls, income taxes, and expropriation of property. The introduction of new policies, legislation or amendments to existing policies or legislation by various levels of government in China or the interpretation of those laws in China or elsewhere could impact adversely on the financial performance of the Company.

5.2 Risk of Limited Number of Investments

The Company intends to participate in a limited number of investments and, as a result, the aggregate return of the Company may be substantially adversely affected by the unfavourable performance of even a single investment. In addition, as the Company's

investments are concentrated in certain sectors, the Company's performance will be disproportionately subject to adverse developments in those sectors.

5.3 Marketability of the Company's Investments

The Company often makes direct investments in publicly-traded securities. The value of these investments may be affected by factors such as investor demand, resale restrictions, general market trends and regulatory restrictions. Fluctuation in the market value of such investments may occur for a number of reasons beyond the control of the board of directors of the Company, and there is no assurance that an adequate market will exist for investments made by the Company. Many of the investments made by the Company may be relatively illiquid and may decline in price if a significant number of such investments are offered for sale by the Company or other investors.

The Company also invests in securities of privately held companies. Investments in privately held companies may be relatively illiquid. As a result, it may impair the Company's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in privately held companies may offer relatively high potential returns, but will also be subject to a relatively high degree of risk. There can be no assurance that a public market will develop for any of the Company's private company investments or that the Company will otherwise be able to realize a return on such investments.

The value attributed to securities of privately held companies will be the cost or net asset value thereof, subject to adjustment in limited circumstances, and therefore may not reflect the amount for which they can actually be sold. Since valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and may be based on estimates, determinations of fair value may differ materially from the values that would have resulted if a ready market had existed for the investments.

5.4 Due Diligence

The due diligence process that the Company undertakes in connection with investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, the Company conducts due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Company relies on the resources available to us, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that is carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation may not necessarily result in the investment being successful.

5.5 Reliance upon the Directors and Management

Shareholders must rely upon the expertise and discretion of the board of directors and management of the Company in selecting and investing in securities, the composition of the portfolio of such securities owned or acquired by the Company and in determining whether to dispose of any securities held by the Company. The success of the Company will be dependent upon the board of directors and management of the Company successfully identifying and managing the Company's investments. Accordingly, the Company's continued success will depend upon the continued services of these individuals who are not obligated to remain employed with the Company. The loss of the services of any of these individuals could have a material adverse effect on the Company's revenues, net income and cash flows and could harm the Company's ability to maintain or grow its existing assets and raise additional funds in the future.

5.6 Currency and Foreign Exchange Rate Risks

A substantial proportion of the Company's investments are made in Hong Kong dollars and Chinese Renminbi and the Company may also invest in securities denominated or quoted in other foreign currencies. Therefore, changes in currency exchange rates as well as associated transaction costs could adversely affect the value of the Ordinary Shares during any period. In addition, the Company could also make investments in jurisdictions which may place restrictions on the repatriation of funds. The Company does not enter into hedging or derivative arrangements to manage its foreign exchange risk.

5.7 Liquidity Risk

Should the Company be unable to dispose of any portion of the Company's portfolio, the Company may experience delays in receiving the proceeds of disposition of any security within the portfolio until such time as the Company is able to dispose of such securities. Further, should the Company wish to acquire particular securities for the Company's portfolio, the Company may be unable to acquire the desired quantity of such securities at a price acceptable to the Company should the market for such security prove illiquid.

Further, investments in small capitalization companies or privately held companies tend to be less liquid than other types of investments. Due to the Company's investment in particular small or unlisted companies that can be affected by political and economic events, the securities within the Company's portfolio may be difficult to value or sell. As a result, these securities may trade at values significantly lower than their true value. This may result in the Company's difficulty in converting these securities into cash in a timely and cost effective manner.

5.8 Interest Rate Risk

Due to the Company's investment strategy and portfolio composition, the value of the securities within the Company's portfolio may fluctuate with changes in interest rates. These changes mean that the market price for the securities held in the Company's portfolio will be affected by prevailing interest rates.

5.9 Speculative Nature of Ordinary Shares

The investment in the Ordinary Shares of the Company is speculative in nature and suitable only for investors able to sustain a substantial loss of their investment. Shareholders should not rely upon realizing any significant returns from the Ordinary Shares and should be aware that the value of the Ordinary Shares and the income from them could, in common with other shares and bonds, fluctuate. There is no assurance that the investment objectives of the Company will actually be achieved.

5.10 Trading Price of Shares relative to Net Asset Value

The Company is neither a mutual fund nor an investment fund and due to the nature of the Company's business and investment strategy and the composition of its investment portfolio, the market price of the Ordinary Shares, at any time, may vary significantly from its net asset value per share. This risk is separate and distinct from the risk that the market price of the Ordinary Shares may decrease.

6. DIVIDENDS

The Company pays dividends to the holders of its Ordinary Shares on an annual basis, in amounts determined by the board of directors on the basis of the Company's earnings, financial requirements and other conditions. The Company's declaration of dividends is subject to the applicable rules under the *Companies Law* of Cayman Islands. No dividend may be declared or paid other than from funds lawfully available for distribution including share premium. The cash dividends declared per share for the Ordinary Shares of the Company for each of the three most recently completed financial years are as follows:

Class of Security	Date of distribution	Payment per security	Total cash payment	Total non-cash payment
Ordinary shares	May 29, 2008	HK\$0.17	HK\$6,630,444	Nil
Ordinary shares	June 29, 2007	HK\$0.15	HK\$4,383,071	Nil
Ordinary shares	June 14, 2006	HK\$0.15	HK\$4,383,071	Nil
Ordinary shares	July 5, 2005	HK\$0.10	HK\$2,922,047	Nil

7. DESCRIPTION OF CAPITAL STRUCTURE

As at the date of this Annual Information Form, there were no shares held in escrow, and 39,002,614 Ordinary Shares and no preferred shares were issued and outstanding. The Company is authorized to issue an unlimited number of Ordinary Shares with a nominal value of HK\$1.00 per share. The holders of the Ordinary Shares are entitled to vote at all shareholder meetings and to receive such dividends as the board of directors, in their discretion, shall declare. The Company did not hold any securities in escrow and did not hold any securities that were subject to contractual restrictions in 2008.

8. MARKET FOR SECURITIES

The Company's Ordinary Shares trade on the TSX under the trading symbol "HAR". The following table provides the historical monthly trading price ranges and trading volumes during the financial year ended December 31, 2008:

<u>Price Range (CDN\$)</u>			
<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Monthly Volume</u>
January	0.80	0.50	637,200
February	0.77	0.68	92,868
March	0.76	0.64	99,280
April	0.76	0.72	69,801
May	0.94	0.70	153,100
June	0.75	0.70	105,150
July	0.82	0.74	74,700
August	0.80	0.73	89,300
September	0.79	0.68	41,000
October	0.68	0.435	34,800
November	0.63	0.30	49,200
December	0.55	0.46	7,000

As noted above, the Company's shares are also traded on the HKSE under the trading symbol "00428". The following table provides the historical monthly trading price ranges and trading volumes during the financial year ended December 31, 2008:

<u>Price Range (HK\$)</u>			
<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Monthly Volume</u>
January	5.72	5.12	824,300
February	5.70	5.06	346,200
March	5.30	4.80	341,600
April	5.70	5.02	660,300
May	5.48	5.00	143,800
June	5.35	5.00	156,000

<u>Price Range (HK\$)</u>			
<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Monthly Volume</u>
July	5.40	4.97	51,200
August	5.13	5.05	36,000
September	5.03	4.70	12,000
October	4.85	4.80	6,500
November	4.80	4.75	12,000
December	4.80	4.80	2,400

9. DIRECTORS AND OFFICERS

9.1 Name, Occupation and Security Holdings

The following table outlines the names and municipalities of residence of all the directors and executive officers of the Company together with their respective principal occupations in the past five years. The term of office of each director of the Company expires at each annual meeting of the shareholders of the Company unless such director resigns prior thereto. The officers of the Company are appointed by the board of directors of the Company.

<u>Name and Place of Residence</u>	<u>Position/ Office Held</u>	<u>Date of appointment</u>	<u>Expiry of Term⁽¹⁾</u>	<u>Principal Occupation or Employment</u>
Mr. Lee Fong Lit David, Hong Kong	Executive Director and Chairman of the Board of Directors	February 11, 1998	The 2010 AGM date	<ul style="list-style-type: none"> • Director of Harmony Asset Management Limited, an asset management and consulting company based in Hong Kong. • Director of Sino Path Consultants Limited, a consulting company based in Hong Kong.
Dr. Chow Pok Yu Augustine, Hong Kong	Executive Director, Chief Executive Officer and member of the Remuneration Committee	June 11, 1996	The 2010 AGM date	<ul style="list-style-type: none"> • Director of Harmony Asset Management Limited, an asset management and consulting company based in Hong Kong. • Director of Sino Path Consultants Limited, a consulting company based in Hong Kong.
Dr. Lam Andy Siu Wing, JP, Hong Kong	Executive Director and Chief Financial Officer	March 23, 2004	The 2010 AGM date	<ul style="list-style-type: none"> • Chief Financial Officer of Harmony Asset Limited.

Name and Place of Residence	Position/ Office Held	Date of appointment	Expiry of Term ⁽¹⁾	Principal Occupation or Employment
Mr. Chan Shuen Chuen Joseph, Markham, Ontario	Executive Director and Qualified Accountant	December 29, 2006	May 27, 2009 ⁽³⁾	<ul style="list-style-type: none"> Qualified Accountant of Harmony Asset Limited
Mr. Ho Man Kai Anthony ⁽²⁾ , Hong Kong	Independent Non-Executive Director and Chairman of the Audit Committee and Remuneration Committee.	September 3, 2004	The 2010 AGM date	<ul style="list-style-type: none"> Financial director of Keenmax Development Limited, a manufacturer of wooden molding and wooden picture frames based in Hong Kong, from January 1, 2000 to February 1, 2009.
Mr. Tong Kim Weng Kelly ⁽²⁾ , Hong Kong	Independent Non-Executive Director and member of the Audit Committee	November 9, 1998	May 27, 2009 ⁽³⁾	<ul style="list-style-type: none"> Director of Colinton Investment Limited, a management service company based in Hong Kong.
Dr. Wong Yun Kuen ⁽²⁾ , Hong Kong	Independent Non-Executive Director and member of the Audit Committee and Remuneration Committee.	September 3, 2004	May 27, 2009 ⁽³⁾	<ul style="list-style-type: none"> Executive Director of UBA Investment Limited, a HKSE listed investment company based in Hong Kong.

Notes:

- Article 98 of the Company's Articles of Association provides that at each annual general meeting one-third of the directors of the Company shall retire from office by rotation and be eligible for re-election at the annual general meeting.
- These directors are considered "independent" pursuant to Multilateral Instrument 52-110 – *Audit Committees*.
- The Company's next annual general meeting ("AGM") is scheduled for May 27, 2009. The Company anticipates that these directors will be re-elected at the AGM.

As at the date of this Annual Information Form, the directors and executive officers of the Company, as a group, beneficially own, directly or indirectly, 7,232,315 Ordinary Shares representing 18.54% of the issued and outstanding share capital of the Company.

9.2 Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the directors or executive officers of the Company are, as at the date hereof, or have been, within the ten years prior to the date hereof, a director or executive officer, of any company that, while that person was acting in the capacity:

- was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the Company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

None of the directors or executive officers of the Company, or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to:

- any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

9.3 Personal Bankruptcies

None of the directors or executive officers of the Company, or any shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company, or a personal holding company of any such persons has, within the ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

9.4 Conflict of Interests

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the

extent of such participation. In the event that such conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms.

The directors and executive officers of the Company are aware of the existence of laws governing the accountability of directors and executive officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and executive officers' conflicts of interest or in respect of any breaches of duty by any of its directors and executive officers. All such conflicts will be disclosed by such directors or executive officers in accordance with applicable law, and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. The directors and executive officers of the Company are not aware of any such conflicts of interests.

10. LEGAL PROCEEDINGS

As at the date of this Annual Information Form, the Company is not a party to, nor is any of its property the subject of, any legal proceedings and has no knowledge of any legal proceedings that are contemplated.

11. REGULATORY ACTIONS

As at the date of this Annual Information Form, the Company is not a party to, nor is any of its property the subject of, any regulatory actions. The Company has not received any penalties or sanctions, or entered into any settlement agreements, and has no knowledge of any regulatory actions that are contemplated.

12. AUDIT COMMITTEE

National Instrument 52-110 – *Audit Committee* (“**NI 52-110**”) requires the Company to disclose annually in its annual information form certain information concerning the constitution of its audit committee and its relationship with its audit committee auditor. Information relating to the Company's audit committee (the “**Audit Committee**”), as required by NI 52-110, is set out below.

12.1 Audit Committee Charter

The text of the Audit Committee's Charter is attached to this Annual Information Form as Schedule “A”.

12.2 Composition of the Audit Committee

The Audit Committee is presently composed of three directors, being Mr. Ho Man Kai Anthony (Chair), Mr. Tong Kim Weng Kelly and Dr. Wong Yun Kuen. All three members of the Audit Committee are “independent” in accordance with NI 52-110.

12.3 Relevant Education and Experience

All members of the Audit Committee are “financially literate” in accordance with NI 52-110. Each of the members has the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements. The following sets out the education and experience of the members of the Audit Committee:

- **Dr. Wong Yun Kuen** – Dr. Wong received a PhD from Harvard University, was a “Distinguished Visiting Scholar” at Wharton Business School, and a consultant at AIG Financial Products Corporation of the United States. Dr. Wong has worked in the financial industries in the U.S. and Hong Kong for more than 10 years and has considerable experience in corporate finance, investment and derivative products. He is a member of the Hong Kong Securities Institute and a Master Financial Professional, a fellow of the American Academy of Financial Management, and a Certified E-Commerce Consultant of the Institute of E-Commerce Consultant, USA.
- **Mr. Ho Man Kai Anthony** – Mr. Ho graduated from The Chinese University of Hong Kong with a BBA degree, an MBA degree from the University of East Asia, Macau and a Master of Professional Accounting Degree from The Hong Kong Polytechnic University. Mr. Ho has over 30 years of experience in management accounting, corporate administration and financial management. He has held management positions with Gammon-Swire Joint Venture, Drageges et Travaux Publics, Mass Transit Railway Corporation and The Hong Kong Jockey Club. He is a Fellow Professional National Accountant of the National Institute of Accountants in Australia and a Fellow Member of The Hong Kong Taxation Institute.
- **Mr. Tong Kim Weng Kelly** – Mr. Tong holds degrees in Political Science BA (Hons) and Public Policy (Master of Public Policy (MPP) from Victoria University, New Zealand. He began his career as an officer of the New Zealand Trade Department and was involved in trade promotion and negotiations for the Government of New Zealand. After leaving the public sector, he served in various capacities as a private consultant for the financial and IT industries and was principally involved in business development, sourcing and marketing for a variety of services and investments.

12.4 External Auditor Service Fees

Below is a summary of the external auditor service fees relating to the Company's two most recently completed financial years:

	Financial Year Ended 2007 (HK\$)	Financial Year Ended 2008 (HK\$)
Audit fees	790,000	830,000
Audit-related fees ⁽¹⁾	0	50,000
Tax compliance fees ⁽²⁾	100,400	76,300
All other fees ⁽³⁾	20,000	20,000
Total	910,400	976,300

Notes:

1. Aggregate fees billed for audit services rendered in connection with assurance and related services by the Company's external auditor.
2. Aggregate fees billed for professional services rendered by the Company's external auditor for tax compliance, tax advice, and tax computation.
3. Aggregate fees billed for services provided by the Company's external auditor for non-assurance service.

The Company anticipates that the aggregate audit fees for the financial year ended December 31, 2009 will not be materially different from those provided above.

13. MATERIAL CONTRACTS

On May 17, 2007, the Company entered into a supplemental agreement (the "Supplemental Agreement") with Harmony Asset Management Limited (the "Management Company"), a company wholly-owned by Dr. Chow Pok Yu, Augustine, the Chief Executive Officer and an executive director of the Company, amending the terms of a management agreement (the "Management Agreement") between the Company and the Management Company dated June 1, 1998, as amended on April 5, 2000. Under the Management Agreement, the Management Company agreed to assist the board of the directors of the Company with the day-to-day management of the Company and to provide the Company with investment management services including identifying and analyzing investment opportunities, and structuring and monitoring investments. The Supplemental Agreement was entered into by the parties to extend the term of the Management Agreement from June 1, 2007 to May 31, 2010 and to amend the remuneration term of the Management Agreement in order to reflect market standard. In accordance with the Management Agreement, as amended by the Supplemental Agreement, the Management Company is entitled to a monthly fee calculated at 1.5% per annum on the net asset value of the Company of the preceding month and an incentive fee is calculated at 10% of the audited net profit of a financial year (before accrual of the incentive fee).

With the exception of the Supplemental Agreement, there are no other contracts other than those entered into in the ordinary course of the Company's business that are material

to the Company and which were entered into in the most recently completed financial year or before the most recently completed financial year but still in effect as of the date of this Annual Information Form.

14. INTEREST OF MANAGEMENT IN MATERIAL TRANSACTIONS

As mentioned above, on June 1, 1998 the Company entered into the Management Agreement with the Management Company, a company wholly owned by Dr. Chow Pok Yu Augustine. The terms of the Management Agreement were extended to May 31, 2010 pursuant to the Supplemental Agreement dated May 17, 2007 between the parties.

Management is unaware of any other material interest of any executive officer or director of the Company, or of any person or any associate or affiliate of any such person, in any transaction within the three most recently completed financial years of the Company or any proposed transaction that has materially affected or would materially affect the Company or any of its affiliates.

15. TRANSFER AGENT

The Company's registrars and transfer agents for its Ordinary Shares are as follows:

PRINCIPAL REGISTRARS

Bank of Bermuda (Cayman) Limited
P.O. Box 513 GT
Strathvale House
North Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

HONG KONG BRANCH REGISTRARS

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

TORONTO TRANSFER AGENT AND REGISTRANT

Computershare Trust Company of Canada
100 University Ave.
8th Floor, North Tower
Toronto, Ontario
M5J 2Y1

16. ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com, the HKSE website at www.hkex.com.hk or the Company's website at www.harmonyasset.com.hk. Financial information is provided in the Company's Annual Report for the financial year ended December 31, 2008, which includes the audited consolidated financial statements as at December 31, 2008, the notes thereto and the report of the Company's auditors thereon, as well as the Management's Discussion and Analysis for the financial year ended December 31, 2008. Copies of these documents, together with copies of the Annual Information Form and copies of any documents or the pertinent pages of any documents incorporated by reference in this Annual Information Form, are available upon request to the Company, provided that the Company may require payment of a reasonable charge if the request is made by a person who is not a security holder of the Company.

APPENDIX A
AUDIT COMMITTEE CHARTER

HARMONY ASSET LIMITED

(Incorporated in the Cayman Islands with limited liability)

TERMS OF REFERENCE

(EQUIVALENT OF “AUDIT COMMITTEE CHARTER” UNDER CANADIAN SECURITIES LAWS)

(As adopted by board resolution passed on 16th December, 1998;
revised by board resolution passed on 31st December, 2004;
revised by board resolution passed on 28th March, 2008;
and revised by board resolution passed on 10th December, 2008)

Committee members : *Independent Non-Executive Directors*

Mr. Anthony HO Man Kai
Dr. WONG Yun Kuen
Mr. TONG Kim Weng, Kelly

Chairman of the Committee : Mr. Anthony HO Man Kai

Secretary of the Committee : Mr. LEE Yip Wah, Peter

AUDIT COMMITTEE CHARTER

Constitution

1. The board of directors (the “**Board**”) of Harmony Asset Limited (the “**Company**”, together with its subsidiaries, the “**Company**”) resolved to establish a committee of the Board to be known as the Audit Committee (the “**Committee**”).

Overall Purpose and Objectives

2. The Committee will assist the directors of the Company in fulfilling their responsibilities under applicable laws, rules, regulations and stock exchange requirements (“**Applicable Laws**”). To the extent considered appropriate by the Committee or as required by Applicable Laws, the Committee shall review the financial reporting process of the Company, the system of internal controls and management of the financial risks of the Company and the audit process of the financial information of the Company. In fulfilling its responsibilities, the Committee shall maintain an effective working relationship with the directors, the management and the external auditor of the Company as well as monitor the independence of the external auditor.

Membership

3. The Committee shall be appointed by the Board from amongst the independent non-executive directors of the Company. The Committee shall consist of not less than three members. A quorum for meeting of the Committee shall be two members.
4. Every member of the Committee shall be a director who is independent and financially literate to the extent required by (and subject to the exemptions and other provisions set out in) Applicable Laws. In this Charter, the terms “independent” and “financially literate” have the meaning ascribed to such terms by Applicable Laws, and include the meanings given to similar terms by Applicable Laws.
5. The chairman of the Committee shall be appointed by the Board and should be an independent non-executive director who has such accounting or related financial management expertise as the directors may determine in their business judgment.

Attendance at Meetings of Committee

6. Representative(s) of investment manger, and a representative of the external auditors shall normally attend meetings of the Committee. Other Board members shall also have the right of attendance. However, at least once a year the Committee shall meet with the external auditors without executive Board members present.
7. The company secretary (the “**Secretary**”) shall be the secretary of the Committee. In the absence of the Secretary in any meeting of the Committee, a member of the Committee or a representative of the Secretary shall act as the secretary of the meeting of the Committee.

Frequency of Meetings

8. Meetings shall be held not less than twice a year. The external auditors or any members of the Committee may request a meeting with or without the presence of executive directors if they consider that one is necessary.

Authority

9. The Committee is authorised by the Board to investigate any activity within the terms of this Charter. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
10. The Committee is authorised by the Board, subject to prior discussion concerning the cost, to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise as it considers necessary.

Duties

11. The Committee shall:
 - (a) be primarily responsible for making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor;
 - (b) review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard. The Committee shall discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences in order to ensure that no unjustifiable restriction or limitation have been placed on the scope of the proposed audit;
 - (c) be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report on the annual financial statements of the Company or performing other audit, review or attest services for the Company, including the resolution of disagreements between management of the Company and the external auditor of the Company regarding any financial reporting matter and review the performance of the external auditor of the Company;
 - (d) develop and implement policy on the engagement of an external auditor to supply non-audit services. For this purpose, external auditor shall include any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally. The Committee shall report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken;

- (e) monitor integrity of financial statements of the Company and the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and review significant financial reporting judgments contained in them. In this regard, in reviewing the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports before submission to the Board, the Committee shall focus particularly on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant adjustments resulting from audit;
 - (iv) going concern assumptions and qualifications;
 - (v) compliance with accounting standards; and
 - (vi) compliance with Applicable Laws in relation to financial reporting;
- (f) in regard to paragraph (e) above:-
 - (i) members of the Committee shall liaise with the Board, the Company's senior management and the Committee shall meet, at least once a year, with the Company's auditors; and
 - (ii) the Committee shall consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts and shall give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting, compliance officer or auditors;
- (g) review and be satisfied that adequate procedures are in place for the review of the public disclosure of the Company of financial information extracted or derived from the financial statements of the Company, other than the public disclosure referred to in paragraph (e) above, and periodically assess the adequacy of those procedures;
- (h) review the Company's financial controls, internal controls and risk management systems;
- (i) discuss with management the system of internal control and ensure that management has discharged its duty to have an effective internal control system including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget;
- (j) consider any findings of major investigations of internal control matters as delegated by the Board or on its own initiative and management's response;

- (k) discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of management where necessary);
- (l) review the external auditor's management letter, any material queries raised by the auditor to management in respect of the accounting records, financial accounts or systems of controls and management's response;
- (m) review the Company's statement on internal control systems (where one is included in the annual report) prior to endorsement by the Board;
- (n) where an internal audit function exists, review the internal audit programme, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and review and monitor the effectiveness of the internal audit function;
- (o) establish procedures for,
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters relating to the Company;
- (p) review and approve the hiring policies of the Company regarding partners, employees and former partners and employees of the present and any former external auditor of the Company;
- (q) ensure that the Board provide a timely response to the issues raised in the external auditor's management letter;
- (r) report to the Board on the matters set out in the provisions of this Charter;
- (s) review the Company's financial and accounting policies and practices; and
- (t) consider other topics, as requested by the Board;

Reporting procedures

12. The Secretary or his representative shall circulate the minutes of meetings of the Committee to all members of the Board.

Powers of the Board

13. The Board may, subject to compliance with the articles of association of the Company and Applicable Laws, amend, supplement and revoke the terms of this Charter and any resolution passed by the Committee provided that no amendments to and revocation of the terms of this Charter and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid had the terms of this Charter or resolution not been amended or revoked.