

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE OF THE BOARD OF DIRECTORS OF E-KONG GROUP LIMITED

The Board of Directors (the “**Board**”) of e-Kong Group Limited (the “**Company**”) has established a remuneration committee (the “**Remuneration Committee**”) with the authority, responsibility, and specific duties as provided in the Corporate Policies of the Company (the “**Corporate Policies**”) from time to time, the text thereof is recited, with necessary amendments, hereinbelow, and hereby constitutes the Terms of Reference for the Remuneration Committee.

1. Organisation

The Remuneration Committee was established by the Board at its meeting convened on 18 December 2001.

The Remuneration Committee comprises one executive director of the Company (“**Director**”) and two independent non-executive Directors.

2. Responsibility

The Remuneration Committee is responsible for determining a mechanism for setting the Group’s remuneration structure with reference to fair and objective standards, reviewing the remuneration of the Directors and to address and deal with such other matters relating to remuneration as directed by the Board from time to time.

Specific duties of the Remuneration Committee are as follows: -

- (a) To make recommendations to the Board on the Company’s policies and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration.
- (b) To approve the annual compensation and incentive plan of the Group, in particular,
 - (i) to determine the specific remuneration packages of all executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board on the remuneration of non-executive Directors, taking into account factors including salaries paid by comparable companies, time commitment and responsibilities of directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration;
 - (ii) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
 - (iii) to review and approve the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;

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- (iv) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate; and
 - (v) to ensure that no Director or any of his associates is involved in deciding his own remuneration.
- (c) To review such other matters relating to remuneration as directed by the Board from time to time.

3. Authority

The Remuneration Committee is granted the authority to investigate any activity within the Corporate Policies and all employees are directed to cooperate with any request made by the Remuneration Committee.

The Remuneration Committee is authorised to conduct all such acts and things necessary for or desirable or incidental to the discharge of its duties and responsibilities.

The Remuneration Committee is authorised by the Board to obtain outside legal or other independent professional advice as necessary to assist the Remuneration Committee, and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

4. Proceedings

- (a) The Remuneration Committee shall meet at least once every year.
- (b) The quorum for meetings of the Remuneration Committee shall be one executive Director and two independent non-executive Directors.
- (c) No Committee member is entitled to vote in respect of his remuneration or any other matter that he may be deemed interested, or any matter arising therefrom, but it shall not affect the counting of the quorum of the relevant meeting.
- (d) Minutes of Remuneration Committee meetings will be kept by a duly appointed secretary of the meeting and such minutes will be open for inspection at any reasonable time on reasonable notice by any Director.
- (e) Minutes will be drafted by a duly appointed secretary of the meeting and such draft minutes will be circulated to all Committee members for their comments, and the final version thereof will also be sent to all Committee members for their records, in both cases within a reasonable time after each Remuneration Committee meeting held.

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- (f) Save as above, other provisions regarding the proceedings of the Remuneration Committee shall be governed by the provisions contained in the Bye-laws and these Policies for regulating the meetings and proceedings of the Board so far as the same are applicable and are not inconsistent with the terms of appointment of the Remuneration Committee as approved and adopted by the Board and/or this Policy.

Dated this 14th day of December, 2004.