

Beijing Digital Telecom Co., Ltd.
RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS

Chapter 1 General Provisions

- Article 1** In order to ensure the operation of Beijing Digital Telecom Co., Ltd. (hereinafter referred to as the “Company”), improve the efficiency of the Board of Directors and the level of scientific decision-making in accordance with the law, regulate the composition, duties, authority and operating procedures of the Board of Directors, and to safeguard the interests of the Company and the lawful rights and interests of the shareholders, these Rules is hereby formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws and administrative regulations as well as the articles of association of Beijing Digital Telecom Co., Ltd. (hereinafter referred to as the “Articles of Association”).
- Article 2** The Board of Directors shall be accountable to the General Meeting on the principles of honesty, trustworthiness and acting in accordance with the law, ensure that the Company complies with the provisions of laws, administrative regulations and departmental rules, safeguard the interests of the Company and all shareholders, conscientiously fulfill the duties entrusted to it by the Articles of Association and the General Meeting, and deal with all shareholders in a fair manner with attention paid to the interests of other stakeholders.
- Article 3** The Board of Directors shall be accountable to the General Meeting. The Board of Directors consists of 9 directors, including 3 independent non-executive directors (directors who are independent of the Company’s shareholders and do not serve within the Company) and 1 employee representative Director. The Board of Directors shall have 1 chairman and 2 vice chairmen.
- Article 4** The Company shall have a Secretary of the Board of Directors, who shall be responsible for the daily affairs of the Board. The Company shall have a daily office of the Board of Directors to assist the Secretary of the Board of Directors and to keep the seal of the Board of Directors.
- Article 5** The Board of Directors may establish specialized committees such as the Nomination Committee, the Strategy Committee, the Remuneration and Assessment Committee, and the Audit Committee. The specialized committees conduct research on specialized matters and put forward opinions and recommendations for the Board’s decision-making. The rules of the specialized committees are separately formulated and become effective upon consideration and approval by the Board of Directors.

Chapter 2 Convening and notification of meetings

Article 6 Meetings of the Board of Directors

- (I) Meetings of the Board of Directors shall be divided into regular meetings and interim meetings.
- (ii) The Board of Directors shall meet at least four times a year.
- (iii) Shareholders representing one-tenth or more of the voting rights, one-third or more of the directors, the Audit Committee, and more than half of independent directors may propose to convene an interim meeting of the Board of Directors.

The chairman of the Board of Directors shall convene and preside over the meeting within ten days from the receipt of the proposal.

Article 7 Regular meeting of the Board of Directors include, but are not limited to:

- (I) The Board of Directors that approves the Company's performance:

1. Meeting of the Board of Directors for Annual Results

The meeting shall be held within three months after the end of the Company's fiscal year to consider the Company's annual report and to deal with other related matters. The annual meeting of the Board of Directors shall be held at a time that ensures that the Company's annual report can be distributed to the shareholders within the time prescribed by the relevant regulations and the Articles of Association, that the Company's preliminary annual financial results can be announced within the time prescribed by the relevant regulations and that the annual general meeting can be convened within six months after the end of the Company's fiscal year.

2. Meeting of the Board of Directors for the interim results

The meeting shall be held within two months after the end of the first six months of the Company's fiscal year to consider the Company's interim report and to deal with other related matters.

- (II) Year-end Work Summarization Meeting

The meeting is held at the end of each year or at the beginning of the following year to hear and consider the report of the General Manager on the completion of the expected work for the year and the organization of the work for the following year.

Article 8 A meeting of the Board of Directors shall be convened by the Chairman of the Board of Directors who shall issue a notice convening the meeting. Where the Chairman is unable to convene a meeting due to special reasons, the meeting shall be convened by the vice chairman of the Board of Directors or a director in accordance with the provisions of the Articles of Association, and the convener shall be responsible for issuing the notice of convening the meeting.

Article 9 Notification of the convening of meeting of the Board of Directors shall be made by telephone, facsimile or e-mail; the time limit for notification shall be fourteen days prior to the convening of the regular meeting of the Board of Directors and three days prior to the convening of the interim meeting of the Board of Directors. In the case of an urgent matter, it may be exempted from the aforesaid notification time limit.

The time and venue of the meeting of the Board of Directors may be set by the Board of Directors in advance and recorded in the minutes of the meeting. If such minutes have been circulated to all Directors at least fourteen days before the next meeting, no separate notice to the Directors shall be required for the convening of such meeting.

Notice of a meeting shall be deemed to be given to a Director if he/she is present at the meeting and does not object before or at the time of the meeting that notice of the meeting has not been received.

Meetings of the Board of Directors may be held by means of a conference telephone or similar communications equipment and, in event of such meeting, all participating Directors shall be deemed to be present in person at the relevant meeting provided that they are able to hear and communicate with each other.

Article 10 The Board of Directors shall give prior notice of the meeting to all directors and other attendees before the meeting is held. The content of the meeting notice generally includes:

- (i) Date and venue of the meeting;
- (ii) The duration of the meeting;
- (iii) Agenda, issues, proposals and relevant information; and
- (iv) The date of giving the notice.

Chapter 3 Proposals for the Meeting

Article 11 The proposal of the Board of Directors shall be based on the following circumstances:

- (i) Matters proposed by the directors;
- (ii) Proposals of specialized committees of the Board of Directors;
- (iii) Matters proposed by the President; and
- (iv) Matters to be decided by the Board of Directors in accordance with the Articles of Association.

Article 12 The Secretary of the Board of Directors is responsible for soliciting drafts of the items to be discussed at the meeting, and the proposer of each relevant proposal shall submit the proposal and its relevant explanatory materials twenty days before the meeting is convened. The Secretary of the Board of Directors shall organize the relevant materials, set out the date, venue and agenda of the meeting of the Board of Directors, and submit them to the Chairman of the Board of Directors.

Article 13 The meeting proposals submitted to the Board of Directors shall comply with the following conditions:

- (i) The contents do not conflict with the laws, administrative regulations, departmental rules and the provisions of the Articles of Association, and they fall within the terms of reference of the Board of Directors as set forth in the Articles of Association;
- (ii) There are clear contents of the proposal and specific matters for resolution, and the submitter makes an explanation of the relevant contents of the proposal at the same time of submitting the proposal; and
- (iii) Submitted in written form.

Material connected transactions and the engagement or dismissal of accounting firms shall be submitted to the Board of Directors for discussion only with the consent of more than one-half of the independent non-executive directors of the Company.

Upon receipt of the above written proposals and relevant materials, the Board of Directors shall submit them to the Chairman of the Board of Directors on the same day. If the Chairman of the Board considers that the content of the proposal is not clear or specific, or that the relevant materials are not sufficient, he may request the proposer to revise or supplement the proposal.

Article 14 From the issuance of the notice of meeting to the convening of the meeting, the Secretary of the Board of Directors shall be responsible for or organize the communication and liaison with all the directors, especially the independent non-executive directors, in order to obtain the opinions or suggestions of the directors on the relevant proposals, and convey such opinions or suggestions to the proposers of the proposals in a timely manner, so as to improve the relevant proposals.

Chapter 4 Convening of the Meeting

Article 15 Meetings of the Board of Directors shall, in principle, be held at the legal address of the Company; however, they may be held at other places within or outside of China by resolution of the Board of Directors.

Article 16 The meetings of the Board of Directors are divided into on-site meetings, tele-meetings and meetings by way of written proposals. The meetings of the Board of Directors shall be held on-site as a rule.

Article 17 Meetings of the Board of Directors may be held by means of tele-meeting, provided that the participating directors are able to hear and communicate with the other directors and that all participating directors shall be deemed to be physically present at the meeting in question. The meeting so held shall be recorded, and if the directors are unable to sign the resolutions of the meeting immediately at such meeting, they shall vote orally. The oral vote of a Director shall have the same effect as a written signature, provided that the written vote shall be supplemented by a subsequent signature.

Article 18 Except for the Board of Directors' consideration of connected transaction matters as provided for in these Rules, a meeting of the Board of Directors shall be held with the attendance of more than one-half of the Directors (including those who have been delegated to attend in accordance with the provisions).

Board meetings shall be attended by the directors in person, and if a director is unable to attend for any reason, he/she may appoint another director in writing to attend on his/her behalf. The power of attorney shall contain the name of the proxy, the matters to be represented, the scope of authorization and the period of validity, and shall be signed or sealed by the proxy. The director attending the meeting on behalf of the proxy shall exercise the rights of a director within the scope of authorization.

A director who fails to attend two consecutive meetings of the Board of Directors in person and does not delegate other directors to attend the meetings of the Board of Directors shall be deemed to be incapable of fulfilling his or her duties, and the Board of Directors shall recommend to the general meeting for removal.

Article 19 Directors' delegated and entrusted attendance at meetings of the Board of Directors shall be governed by the following principles:

- (i) When considering matters of connected transaction, a non-connected director may not delegate a connected director to attend on his/her behalf; nor may a connected director accept a delegation from a non-connected director;
- (ii) Independent non-executive directors may not delegate non-independent directors to attend on their behalf; nor may non-independent directors accept delegations from independent directors;
- (iii) A director may not appoint another director to attend on his/her behalf without stating his/her own intention to vote on the proposal, nor may the director concerned accept a discretionary proxy or other proxy with unclear authorization; and
- (iv) A director may not accept proxies from more than two directors, nor may a director appoint a director who has already accepted proxies from two other directors to attend on his or her behalf.

Article 20 The General Manager and the Secretary of the Board of Directors, who are not also directors, shall attend the meetings of the Board of Directors. If the presiding officer of the meeting considers it necessary, he/she may notify other relevant persons to attend the meeting of the Board of Directors.

The persons attending the meeting of the Board of Directors must attend the meeting of the Board of Directors in person and may not delegate others to attend the meeting.

Article 21 Meetings of the Board of Directors shall be presided over by the Chairman of the Board of Directors. If the Chairman of the Board of Directors is unable to preside over the meeting, the Vice Chairman or a director shall preside over the meeting in accordance with the provisions of the Articles of Association. After the general meeting conducts a general election of the Board of Directors, the director who obtains the highest number of affirmative votes at the general meeting (if there are more than one, one of them shall be elected) shall preside over the meeting and elect the chairman of the current Board of Directors.

Chapter 5 Voting at meetings

Article 22 The presiding officer shall declare the meeting open at the scheduled time. The meeting shall consider each proposal one by one under the chairmanship of the presiding officer. If there is a need to change the order of the proposals specified in the notice of the meeting, it shall be agreed by more than one half of the Directors present at the meeting.

Unless unanimous consent is obtained from all Directors present before the meeting, no vote may be taken at a meeting of the Board of Directors on a proposal that is not included in the notice of the meeting. If a director accepts a proxy from another director to attend a meeting of the Board of Directors on his/her behalf, he/she shall not vote on behalf of the other director on a proposal not included in the notice of the meeting.

Article 23 When the Board of Directors deliberates on the relevant programs, proposals and reports, in order to have an exhaustive understanding of their main points and processes, it may request the head of the contracting department to be present at the meeting to listen to and inquire about the relevant explanations of the situation, so as to facilitate the correct making of resolutions.

Article 24 The independent non-executive directors shall express objective and impartial independent opinions on matters discussed by the Board of Directors.

Article 25 When the Board of Directors considers the proposals submitted, all directors attending the meeting shall express their opinions in favor of, against or abstain from voting.

A director attending a meeting on behalf of a proxy shall exercise his/her rights on behalf of the proxy within the scope of authorization.

A director who fails to attend a meeting of the Board of Directors and fails to appoint a proxy to attend the meeting shall be deemed to have waived his or her right to vote at that meeting.

Article 26 Voting at meetings of the Board of Directors may be by show of hands or by signature. Each director shall have one vote.

If a director is related to the enterprise involved in the proposal resolved at the meeting (i.e., serving as a director or senior manager of the counterparty, or directly or indirectly controlling the legal entity of the counterparty, or serving as a director or senior manager of the legal entity directly or indirectly controlling the counterparty), he/she shall not exercise his/her right to vote on the resolution, nor shall he/she act as a proxy for the other directors in exercising the right to vote. Resolutions made at a meeting of the Board of Directors shall be passed by a majority of the unconnected directors. If the number of unconnected directors attending the Board meeting is less than three, it shall be submitted to the general meeting for consideration.

Article 27 Upon completion of the voting by the directors present at the meeting, the relevant staff of the Board of Directors shall collect the votes of the directors in a timely manner and hand them over to the Secretary of the Board of Directors for tallying under the supervision of an independent non-executive director.

Where a meeting is held on-site, the presiding officer shall announce the results of the counting on the spot; in other cases, the presiding officer shall request the Secretary of the Board of Directors to notify the directors of the voting results by the next business day after the end of the specified voting time limit.

If a director votes after the presiding officer of the meeting has announced the voting results or after the end of the prescribed time limit for voting, his/her vote shall not be counted.

Chapter 6 Resolutions of the Conference

Article 28 Resolutions shall be made on the proceedings of the meetings of the Board of Directors.

Article 29 The Board of Directors shall make resolutions, which may be agreed upon by the votes of more than a half of all the directors, except for those matters required by the Articles of Association to be agreed upon by the votes of more than two-thirds of all the directors.

For proposals requiring a vote at an interim meeting of the Board of Directors, if the Board of Directors has distributed the contents of the proposals to be voted on in writing (including facsimile and e-mail) to all Directors and ensured that the Directors are able to adequately express their opinions, a resolution may be made by means of a communication vote without the need to convene a meeting of the Board of Directors. However, the number of directors who have signed the agreement must have reached the number of directors required to make a decision as stipulated in these Rules in order to form a valid resolution.

Article 30 When the Board of Directors makes a resolution on a connected transaction of the Company, it must be signed by all independent non-executive directors before it can take effect.

The opinions expressed by the independent non-executive directors shall be set out in the resolution of the Board of Directors.

Article 31 Any written resolution of the Board of Directors that has not been formed in accordance with the statutory procedures shall not have the legal effect of a resolution of the Board of Directors, even if each Director has expressed his/her opinion in a different way.

Article 32 Directors shall be responsible for the resolutions of the meetings of the Board of Directors.

If the resolution of a meeting of the Board of Directors violates laws, administrative regulations or the Articles of Association and causes the Company to suffer serious losses, the directors who voted in favor of the resolution shall bear direct responsibility (including liability); the director who voted against the resolution, which is proved to have expressed his/her dissent at the time of the vote and is recorded in the minutes of the meeting, may be exempted from responsibility; the director who abstained from voting or who did not attend the meeting or delegate another person to attend the meeting may not be exempted from responsibility; the directors who expressly objected during the discussion but did not expressly vote against the vote shall not be excused.

The company may make appropriate insurance arrangements for the legal liabilities to which each director may be exposed.

Chapter 7 Minutes of Meetings

Article 33 The minutes of the meetings of the Board of Directors shall be the official proof of the resolutions of the Board of Directors in respect of its proceedings, and the meetings of the Board of Directors shall make detailed minutes of the proceedings. The minutes of the meetings of the Board of Directors shall include the following contents:

- (i) The date, venue, names of the convener and the presiding officer of the meeting;
- (ii) The names of the directors presenting, and the names of the proxy and agent for the procedure of proxy attendance;
- (iii) The agenda of the meeting;
- (iv) The main points of the directors' speeches, which shall include any concerns raised or objections expressed by the directors (where a meeting is held by way of written proposals, the written feedback from the directors shall prevail);
- (v) The manner and result of voting on each resolution (the voting result shall set out the number of votes in favor, against or abstaining from voting); and
- (vi) Signatures of the directors.

The Secretary of the Board of Directors shall carefully record and collate the proceedings of the meeting. The minutes of each meeting of the Board of Directors shall be provided to all attending directors for review as soon as possible. Directors who wish to make amendments and additions to the minutes shall report the amendments in writing to the Chairman of the Board of Directors within one week after receiving the minutes. After the minutes have been finalized, the directors present, the Secretary of the Board of Directors and the recorder shall sign the minutes.

Article 34 Meetings of the Board of Directors may be audio- and video-recorded throughout as necessary.

Article 35 The power of attorney, minutes, summary, resolutions, and other textual and audio-visual materials of the meetings of the Board of Directors shall be collected by the Secretary of the Board of Directors to be preserved as the Company's archives for a period of 10 years.

Chapter 8 Implementation and Feedback on the Resolutions of the Board of Directors

- Article 36** After the resolutions are passed at the meetings of the Board, those should be submitted to the General Meeting for consideration shall be submitted for approval in a timely manner; matters that fall within his/her functions and powers or which the Board authorizes the General Manager to do so should be organized and implemented by the General Manager.
- Article 37** The chairman of the Board of Directors has the right to delegate other directors to check and supervise the implementation of the resolutions of the meeting.
- Article 38** At each meeting of the Board of Directors, the management of the Company shall report to the meeting on the status of implementation of the matters to be implemented in the resolutions of the previous Board of Directors.
- Article 39** The Secretary of the Board of Directors, under the leadership of the Board of Directors and the Chairman of the Board of Directors, shall take the initiative to follow the progress of the implementation of the resolutions of the Board of Directors. For the important issues in the implementation, he should report to the Board of Directors and the Chairman of the Board of Directors on a regular (monthly) and timely basis, and make recommendations.

Chapter 9 Supplementary Provisions

- Article 40** For the purpose of these rules, “more than”, “within” include the present number.
- Article 41** The formulation and amendment of these Rules shall become effective after they are adopted by the General Meeting of the Company.
- Article 42** Where any matter not covered in these Rules or inconsistent with the provisions of laws, administrative regulations, other relevant regulatory documents and the Articles of Association, the provisions of laws, administrative regulations, other relevant regulatory documents and the Articles of Association shall prevail.
- Article 43** The right to interpret these rules is vested in the Board of Directors.
- Article 44** These rules shall come into force on the date of their adoption by the General Meeting.