

RAGA 2007/2008

Annual Regional General Assembly
SwissCham Beijing
Swiss Chinese Chamber of
Commerce
28 February 2008

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Welcome Address and Introduction by the President of SwissCham Beijing

Dear Members:

I am inviting you to participate to the 2007/2008 Regional Annual General Assembly of SwissCham Beijing (RAGA). Please find an invitation attached (Appendix "A").

The Assembly will take place on **Thursday 28 February 2008 at 6:30 p.m. sharp** at [Swissôtel](#) in Beijing (registration from 6 p.m.)

The Rules of SwissCham China foresee that each Regional Organization, such as SwissCham Beijing, shall convene a General Assembly at least once a year for discussing and deciding on regional affairs.¹

For this purpose, the Board of Directors must send to the members an invitation together with documents related to the Assembly and in advance of this meeting.² Here it is. Please consult the table of contents on the preceding page.

This year we thought that it was most practical to e-mail it to you since e-mail is safer and the e-version in .pdf of the Package user-friendly. However as promised we also send you this paperback edition for your convenience though.

During the Assembly, we will:

- report on the activity of SwissCham Beijing in 2007/2008
- present and approve the tentative program for 2008/2009
- review and approve the 2007 accounts
- present and approve the 2008 budget
- discharge the current 2007/2008 Regional Board of Directors
- elect the new Board for 2008/2009
- elect the new President of SwissCham Beijing for 2008/2009
- elect three new National Board Representatives for 2008/2009 among the newly elected Directors of the Board of SwissCham Beijing

The Regional Annual General Assembly of SwissCham Beijing will be followed by the National Annual General Assembly of SwissCham China (NAGA), which will take place in Shanghai on 14 March 2008.³ A separate program will be sent to you shortly.

¹ National Bylaws, Art. VII(1). The Rules are reproduced as annex to this bundle.

² Beijing Bylaws, Art. 6.

³ The NAGA takes place each year in the other Regional Organization. Since the 2006/2007 NAGA took place in Beijing, it is set in Shanghai this year. National Bylaws, Art. VIII(1).

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Your participation is strongly encouraged. Please fill in and e-mail or fax us the **participation form** attached. If you cannot attend or are not sure to, you are urged to return the **proxy form** attached in order to enable us to reach the quorum⁴ (Appendix "B"). If you want to apply for the BOD elections, please e-mail or fax us your resume.

Upon arrival, do not forget to validate your votes and get your **vote validation form** at the Voting Bureau desk (Appendix "M"). You will also be remitted two **election ballots** for the election of the SwissCham Beijing BOD, then of the SwissCham Beijing President and National Representatives (Appendix "N", Appendix "O").

Thank you for supporting SwissCham Beijing. We are looking forward to seeing you on 28 February 2008.

I take this opportunity for wishing you a happy new year 2008 and a happy Chinese new year of the rat.

John Liebeskind
President, SwissCham Beijing

⁴ See p. 9 and note 8.

Agenda⁵

6:00-	Welcome Cocktail Reception	
6:30pm	Proxies validation at the Voting Bureau	All/ED ^{*)}
	Opening	
6:30pm	Closing of the Voting Bureau (late arrivals will not be considered in the vote count)	SG
	Opening of the RAGA	
	Review of quorum, including proxies	SG
	Welcome address by the President of SwissCham Beijing	P
	Administrative matters	
	Approval of Vote Counting Officer(s) and Minutes Taking Officer	SG
	Approval of the agenda	P
	Approval of the Minutes of the 2006/2007 RAGA	P
	Reports	
	Report of the President	P
	2007/2008 activity report	
	2008/2009 tentative program	
	Bylaws amendments	
	Report of the Treasurer	T
	2007 accounts	
	2008 budget	
	Membership fees	
	Report of the Auditor	SJ Grand
	Report of the Honorary Auditor	T. Keel, Swiss Re
	Approvals	SG/Voting Members
	Approval of the President's reports	
	Approval of the Treasurer's reports	
	Approval of the membership fees	
	Approval of the 2008 budget	
	Approval of proposed Bylaws amendments	

⁵ Art. 6(b)(i) Beijing Bylaws.

^{*)} BOD = Board of Directors; P = President; SG = Secretary-General; T = Treasurer; ED = Executive Director.

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Appointments and discharge	SG/Voting Members
Appointment of the 2008 Auditor	
Appointment of the 2008 Honorary Auditor (if any)	
Discharge of the 2007/2008 BOD	
Elections	
BOD candidates presentations	Candidates/P
Election of the 2008/2009 BOD	Voting Members/SG
Election of the 2008/2009 SwissCham Beijing President	Voting Members/SG
Election of three 2008/2009 SwissCham Beijing National BOD Representatives	Voting Members/SG
Closing	
Appreciation of Directors	P/Directors
Appreciation of sponsors	P
Forthcoming events	ED
Miscellaneous	P
Closing of the RAGA	P

7:45pm Cocktail party

Late arrivals after the closing of the Voting Bureau at 6:30pm will not be considered in the vote count.

Any member of the Chamber may submit written request to the Board for additional item to the agenda provided such request are made at least forty eight (48) hours prior to the GA.⁶ Please send such request by e-mail to michaela.scarpatetti@bei.swisscham.org or by fax to No. (10) 6432 3030 with the reference "2007/2008 RAGA: ADDITIONAL AGENDA ITEM".

⁶ National Articles, Art. 5(C)(3).

Organization and Rules

SwissCham China is the only Swiss chamber of commerce officially registered in China with the Ministry of Civil Affairs under the Provisional Regulations for the Administration of Foreign Chambers of Commerce in China.⁷ It is a federative organization. Local branches such as **SwissCham Beijing** are statutory known as **Regional Organizations**. Other Regional Organizations include SwissCham Shanghai and, since 2006, SwissCham Guangzhou. The **Swiss Chamber of Commerce in Hong Kong (SCHK)** is independent, but maintains close ties with SwissCham China with which it shares certain projects and institutions.

SwissCham China has no operational activities and mostly a representative and coordination role. Regional Organizations are represented by a **Board of Directors** which may delegate the Chamber's management to an **Executive Director** in charge of the Chamber's office, as is the case in Beijing. SwissCham Beijing's organization chart is attached (Appendix G").

SwissCham is governed by three sets of **Rules**: two at the national level and one at the regional level. National rules include the **National Articles of Association** and the **National Bylaws**. The latter detail the former. Regional rules include the Regional Bylaws, in Beijing, the **Beijing Bylaws**. It is accepted that in case of silence of the Regional Rules, the National Rules apply. Finally, the decisions by which the Regional BOD implement the Rules are recorded in Minutes of the BOD Meetings. They also form part of the Rules at large. The National Articles, the National Bylaws and the Beijing Bylaws are attached (Appendices "D", "E", "F").

In order to sit, SwissCham Beijing's RAGA needs a quorum of 50% of SwissCham Beijing's members with voting rights.⁸ Members enjoy such rights upon approval of the BOD following the Rules. In any case, a member shall not enjoy voting rights if he has not paid his membership fees.⁹

⁷ Of 14 June 1989.

⁸ Beijing Bylaws, Art. 6(c).

⁹ Beijing Bylaws, Art. 6(d).

2007/2008 Activity Report¹⁰ by the President of SwissCham Beijing

Introduction

At the 2006/2007 RAGA we outlined the necessity of consolidating the Chamber's organization in order to ensure a healthy growth. In 2007/2008 we have been furthering this consolidation to the effect of being ready to address the demand which will inevitably boost with the Beijing 2008 Olympics.

This implied to make clear strategic choices including whenever necessary "reculer pour mieux sauter".¹¹

Membership

Census

There are currently 118 members.^{12,13} The membership has decreased since the last RAGA.

The reason is not so much that we lost more members than in the past years, but rather we decided not to sign up more members this year.

This was a deliberate strategic choice. Indeed as announced at last year RAGA, we decided to focus our limited resources on the improvement of our members benefits in a first phase, and to sign up new members in a second phase, i.e., this year.

The first phase has been mostly achieved now. The plan for this year is to now rely on these new benefits as a marketing tool to sign up new members by taking advantage of the Olympic year.

Categories

As mentioned at the last RAGA, an audit of the members categories had revealed several abuses of membership downgrade for the only sake of saving membership fees.

¹⁰ Beijing Bylaws, Art. 6(b)(ii).

¹¹ "Stepping back for jumping better", French moto.

¹² There were 148 members at the 2006 RAGA, see 2006 RAGA Package, p. 11.

¹³ Active membership for 2007 includes former 2006 members who have timely paid their 2007 membership dues and new applicants approved in 2007 who have paid their membership dues. Former 2006 members lost their membership status if they did not pay their dues within six months after the 2006/2007 RAGA (16 March 2007). Approved applicants become member only after they have paid their dues. National Articles, Art. 3(B)(3); National Bylaws, Art. V(7); Beijing Bylaws, Art. 5(2).

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Therefore the BOD now formally clarified the definition of categories in the form of guidelines and is proposing you at this RAGA to amend the Bylaws accordingly.¹⁴

Following the proposal approved by the last RAGA, the management undertook to upgrade those members who were in an inappropriate category. This upgrade was offered for free for 2007/2008. However these members will be invited to pay the fees corresponding to their new category in 2008/2009.

The composition of our members is well balanced and covers most industries. The table below shows the relative importance of each category.¹⁵

Consulting/Research	13	6.10%
Transportation/Logistics	11	5.16%
Food/Beverages	9 each	4.23% each
Legal Services		
Travel/Tourism Services		
Hotels/Hotel Equipment/Supplies	8	3.76%
Banking/Financial Services	7 each	3.29% each
Education/Training		
Electronic Components/Linkage Industries		
Insurance Services		
Measurement/Precision/Optical Instruments	6 each	2.82% each
Arts/Cultural Services		
Business Management Consultants		
Engineering		
Machining/Machinery Parts		
Manufacturing		
Power Generation		
Trading	5 each	2.35% each
Construction		
Information Technology		
Medical and Diagnostic Equipment/Supplies	4 each	1.88% each
Accountants/CPAs/Auditors		
Advertising Services		
Consumer Products		
Government Organizations		
Human Resources		
Metals/Metal Products		
Pharmaceuticals		
Public Relations/Public Affairs		
Services		

¹⁴ See below p. 31, Art. 4(2) ("Membership").

¹⁵ The first column indicate the industry following a preset list (one industry per line). The second column indicates the number of members for each industry listed in the box. The third column indicates the percentage of each category compared to the total of the members listed for all industries. Since members are listed in up to three industries, the total of the members per industry exceeds the total of the members.

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Printing/Publishing Sales/Marketing Services Telecommunications Services/Equipment	3 each	1.41% each
Airlines/Airlines Services/Supplies Automation Broadcast Media/TV Fibers/Textiles Management	2 each	0.94% each
Aerospace/Aviation Architects/Building Design Consultants Automobile Manufacturing/Auto Products/Supplie... Business Centers Chemicals Jewelry/Watch Quality Control/Standards/Testing	1 each	0.47% each

Events

This statutory year SwissCham Beijing has been organizing, co-organizing, supporting or attending not less than 42 events in 11 months. As such it represented the Chamber at most Swiss-Chinese events.

The list of events reflects our new alliance strategy with other chambers and partners which we intend to further develop this year.

It is also worth noting that the Chamber has been invited, and represented its members, at all the events organized by the Embassy of Switzerland.

Events organized, supported or attended by SwissCham Beijing in 2007/2008 included:¹⁶

16 March 2007

Across-Borders Networking

Browns Bar

Co-organized with various foreign chambers of commerce

268 participants (total) plus walk in

19 March 2007

Business Lunch at the Embassy of Switzerland

Organized by the Embassy of Switzerland

¹⁶ Events which SwissCham Beijing attended but which have not been organized or co-organized by the Chamber are mentioned in italic.

31 March 2007

Swiss Raclette Evening

Swissôtel

148 participants

18 April 2007

New SwissCham Beijing Office Opening

Canadian International School (CIS)

50 participants

18 April 2007

Inter-Chambers Networking

Centro Bar

Co-organized with the Benelux and the French Chamber

115/56 participants (total/ SwissCham)

23 April 2007

Leonhard Euler 300th Anniversary

Library of Chinese Academy of Sciences

Organized by the Embassy of Switzerland

17 May 2007

Working Capital (SJ Grand International Business Solutions)

Raffles Beijing Hotel

Co-organized with the Benelux and the French Chamber

50/19 participants (total/ SwissCham)

23 May 2007

Inter-Chambers Networking

Centro Bar

Co-organized with the German and the Italian Chamber

191/72 participants (total/ SwissCham)

24-29 May 2007

China Beijing International High-tech Expo(CHITEC)

SwissCham boot at the fair.

30 May 2007

Co-ordination Meeting for the House of Switzerland 2008

(Presence Switzerland)

Embassy of Switzerland

Organized by the Embassy of Switzerland

20 June 2007

Inter-Chambers Networking

Centro Bar

Co-organized with the Singaporean, Malaysian and Australian Chambers

126/42 participants (total/SwissCham)

25 June 2007

Risk Management (Zurich Insurance)

Capital Club

27 participants

Sponsored by Zurich Insurance

29 June 2007

House of Switzerland 2008 (Presence Switzerland)

Swissôtel

17 participants

9-14 July 2007

Business Networking Diner on the Occasion of the Visit of Federal Councillor Doris Leuthard

Organized by the Embassy of Switzerland

Kempinski Hotel

18 July 2007

Networking 33

Centro Bar

34 participants

1 August 2007

Swiss National Day

Swiss Gastro Bakery

Co-organized with Swiss Society Beijing (SSB)

10 August 2007

Visit of Werner Augsburger, Chef de Mission of the Swiss Team for the 2008 Olympics (Swiss Olympic)

Embassy of Switzerland

Organized by the Embassy of Switzerland

12 September 2007

Improving the Enforcement of Intellectual Property Rights: Switzerland's Activities against Counterfeiting and Piracy (Felix Addor, Deputy DG of the Swiss Federal Institute of Intellectual Property)

Capital Club

Co-organized with the Embassy of Switzerland

23 participants

19 September 2007

Inter-Chambers Networking

Centro Bar

Co-organized with the German and the Italian Chamber

140/27 participants (total/SwissCham)

28 September 2007

Night of Nestlé, 10th Beijing Music Festival

Poly Theatre

Organized and sponsored by Nestlé

9 October 2007

Swiss Luxury Day

Organized by OSEC Swiss Business Hub China

24 October 2007

Inter-Chambers Networking

Centro Bar

Co-organized with the Singaporean and the Malaysian Chamber

62/22 participants

25 October 2007

Working Lunch with the Directors of European Chambers and Business Associations

Organized by the European Chamber (EUCCC)

1 November 2007

EUCCC & AmCham Networking

Block 8

Organized by the European Chamber and AmCham and supported by SwissCham

3 November 2007

Working Breakfast with Federal Councillor Christoph Blocher

Embassy of Switzerland

Organized by the Embassy of Switzerland

6 November 2007

Visit of Peter Steiner, Steiner Group

Embassy of Switzerland

Organized by the Embassy of Switzerland

15 November 2007

The Alps, Giants of Nature

China National Film Museum

Organized and sponsored by Holcim

17 November 2007

Swiss Ball

Kempinski Hotel

Co-organized with Swiss Society Beijing (SSB)

237 participants

Total sponsorship: CNY160'000

21 November 2007

Meeting of the Sounding Board for Switzerland's Image Campaign in China

Embassy of Switzerland

Organized by the Embassy of Switzerland and Presence Switzerland

21 November 2007

Inter-Chambers Networking

Centro Bar

Co-organized with the Canadian, Benelux and Australian Chamber
169/32 participants

22 November 2007

Switzerland's Presence in China at the Olympics and Beyond (Presence Switzerland)

Swissôtel

Organized by Presence Switzerland and supported by SwissCham
109 participants (total)

10 December 2007

Annual Foreign Chambers Chairmen Diner

Capital Club

Organized by SwissCham
18 chambers represented

11 December 2007

Hutong School Interns Event

Co-organized with Hutong School, Obiwan and BenCham and supported by SwissCham

2 January 2008

Rolex Kiri Te Kanawa Recital

National Theater

Sponsored by Rolex

15 January 2008

Enterprise Risk Management (Deloitte)

Capital Club

Co-organized with the Benelux Chamber
31 participants (total)
Sponsored by Deloitte

18 January 2008

Business Luncheon with the Swiss Office of Commercial Expansion (OSEC)

Embassy of Switzerland

Organized by the Embassy of Switzerland

22 January 2008

**Source Code China: The New Global Hub for IT Outsourcing
(Cyrill Eltschinger)**

Capital Club

Organized by the author and supported by SwissCham

23 January 2008

Inter-Chambers Networking

Centro Bar

Co-organized with AmCham and the Italian Chamber

182/31 participants (total/ SwissCham)

24 January 2008

**Business Dinner with the Swiss Office of Commercial Expansion
(OSEC)**

Capital Club

Co-organized with the OSEC Swiss Business Hub China and
sponsored by OSEC.

28 January 2008

CCPIT 2008 Spring Festival Reception

Organized by the Chinese Council for the Promotion of International
Trade (CCPIT)

18 February 2008 (forthcoming)

Fraud Risk Management (Wenfei)

Swissôtel

20 February 2008 (forthcoming)

Inter-Chambers Networking

Centro Bar

In total, 42 events in 11 months, of which 22 (incl. 2 forthcoming events)
organized or co-organized by SwissCham Beijing and 20 supported or
attended by the Chamber.

Committees

As announced at the last RAGA, we have set up Committees in order to
improve the representation of our members.

There are currently six Committees reflecting and grouping our members' various industries:

- Bank/Finance/Insurance
- Legal/Tax/Consulting
- Construction/Engineering/Manufacturing
- Food/Beverages/Tourism
- Trade/ Retail/ Services
- Transports/Logistics

Committee members are consulted by, and may voice their concerns through, the Committee Panels. The Panels turn themselves to the Board of Directors of the Chamber, namely for lobbying and government relations matters. SwissCham then represents Committees towards the appropriate counterparts, among others the Swiss Embassy, the European Chamber of Commerce in China and CCPIT.

In principle there are three Committee representatives per Committee Panel, including one Chairman and two Vice-Chairmen. Representatives mostly act as interface for the Committee they represent. Upon request, they act in consultation with the Board of Directors. They enjoy the support of the Chamber's management if necessary.

Our website is currently dedicating one page per Committee. Each page will contain a list of industries covered by that Committee, the Committee Panel including contact details, a list of Committee members, a list of links to Sino-Swiss Committees partners, a list of Committee-related SwissCham and supported events, Committee-related Sino-Swiss media news and Committee-related Sino-Swiss publications.

The BOD and the management of SwissCham Beijing trust that Committees will add a genuine added-value to the Chamber. Indeed by supporting them, our members are really supporting themselves.

Services

Following the Swiss visa application support set up successfully with the efficient support of the Visa Section of the Embassy, we have been developing further services which we believe should be offered by a chamber of commerce.

These include

- Swiss visa application support
- Chinese visa renewal/transformation support
- Translation and interpretation
- Delegations organization
- Health Insurance
- Householding insurance

With the exception of Swiss visa application support (and delegations organization as the case may be), services are outsourced to professionals.

When services are outsourced, we negotiated a discount for our members. The Chamber does not charge overheads. In counterpart we do not assume liability; our outsourcing partners do. The services are also available to non-members, but they do not enjoy discount.

Goods

Most goods (Atlas, ashtrays, T-shirts, etc.) have been sold. We do not plan to renew them as they prompt little interest, generate no revenue and pose inventory problems. Limited editions may be considered though.

Special Projects

Directory

We successfully published the third edition of the **Directory** under the leadership of SwissCham Beijing. It was released and distributed on 30 November 2007.

This publication is a partnership between SwissCham Beijing, Shanghai and Guangzhou, the Swiss Chamber of Commerce in Hong Kong¹⁷ and the OSEC Swiss Business Hub (Business Network Switzerland) in China. It has been 100% financed by SwissCham China's sponsors, at no cost neither to SwissCham China members, nor to the Swiss government. One free copy was sent to each member of SwissCham China and of the Swiss Chamber of Commerce in Hong Kong. In addition, one hundred copies were remitted at no charge to the OSEC Swiss Business Hub in Beijing.

The implementation of this project has been generally smooth and as such considerably improved since the two last editions.

¹⁷ Formerly Swiss Business Council in Hong Kong.

A 2008 "Olympic" edition is planned.

The database available on our website has also been entirely updated to match the paperback edition and will be available very shortly.

The Bridge Magazine

Issued quarterly, official periodical publication of SwissCham China, **The Bridge Magazine** keeps being successfully published under the leadership of SwissCham Shanghai with our participation. Launched on 1 August 2004, it has a quarterly circulation of 5'800 copies including 1'200 copies to Swiss Airlines. It is also 100% financed by SwissCham China.

PR

Media keep spontaneously featuring or interviewing us in 2007. They included:

- Aktuell Asia
- Beijing High-tech Expo Daily
- Beijing This Month
- Business Chaoyang
- China Trade News
- International Business Daily
- NZZ Neue Zürcher Zeitung
- Revue Suisse/Schweizer Revue/Swiss Review
- Shanghai Daily
- That's Beijing

It is worth noting that China Trade Daily is published by CCPIT and has a circulation of 150'000, mainly to administrations, embassies and foreign chambers. Revue Suisse, the magazine of overseas Swiss, has 400'000.

Management

Staff

Two-thousand-five had revealed both management and financial concerns. In 2006, the Chamber under the energetic Executive Directorship of Evelyn Kislig was able to overcome its financial difficulties. Two-thousand seven has seen considerable improvement of the management.

Evelyn did not wish to renew her contract after the last RAGA as she decided to resume her studies. She was replaced by Michaela Scarpatetti as of 1 July 2007. The interim was secured with Andrea Jacomelli who acted as ED Ad

Interim from 1 April to 30 June 2007, then as Deputy ED. Andrea left on 23 November 2007 for joining Nespresso¹⁸ and was replaced by Batiste Pilet, who had also joined the Chamber on 1 April 2007.

Payroll staff also include Anna Dong-Ruf (Office Manager) and Peter Scholze (Events Manager). In addition we have three interns: CHEN Jun (Membership Manager), Ivana Pinna (Webmaster) and WANG Kunming (Receptionist). We also have an external IT Manager on a project basis.

Our organization chart (Appendix "G") has been regularly updated for meeting the Chamber's need. The management is aptly supervised by our Secretary-General, Denis Schmid.

Performance assessments introduced in 2006 are now an established practice.

IT

The Chamber's IT equipment which was archaic until last year has dramatically improved since then thanks to the generous support of Swiss Re and Novartis.

Office Room

Since 7 September 2006 SwissCham Beijing enjoys new office room at the Canadian International School (CIS) at Liangmaqiao Lu (east of Kempinski Hotel/21st Century Hotel). The room is graciously made available for free by the school, to which we express our deep appreciation. The Chamber would be financially challenged if it had to pay a rent.

Our expanding staff hardly fits in our current offices however. Therefore any offer to use premises free-of-charge will be gratefully considered.¹⁹

Partners

Embassy

The Embassy and Ambassador Martinelli have supported the Chamber in several occasions throughout the year including invitations to business lunches at the Embassy, various consultations and participation to official visits.²⁰

Namely, the Chamber had been invited by the Ambassador to be part of the Sounding Board of Switzerland's Image Campaign lead by Presence Suisse

¹⁸ Nespresso is Corporate Member.

¹⁹ Call our ED, Michaela Scarpatici, at (10) 85310015 or e-mail her at michaela.scarpatetti@bei.swisscham.org.

²⁰ See above p. 13, "Events".

under mandate of the Department of Foreign Affairs. The Board is an advisory body to the Steering Committee and is chaired by the Ambassador. Among others, official sponsor such as Nestlé and ABB sit on the Steering Committee. The Campaign will mainly bear on the Swiss House for the 2008 Beijing Games and a Swiss pavilion for the 2010 Shanghai World Expo.

Edgar Doerig who represented the Embassy on the BOD left China and was replaced by Krystyna Marty as of 6 August 2007.

The BOD believes that there is still room for improvement of its collaboration with the Embassy and trusts that it will achieve it with the support of Krystyna.

CCPIT

The China Council for the Promotion of International Trade (CCPIT) sits as Honorary Member at the BOD and is consistently supportive.

European Chamber

SwissCham Beijing has sought to tighten its otherwise excellent relationship with the European Chamber of Commerce in China (EUCCC). In order to become member of EUCCC, companies must be a member of the national chamber of one country being a Member of the EU. Since Switzerland is not, our members are not eligible, despite the Bilateral Agreements. Yet given the close ties between us it makes sense to collaborate closely with EUCCC. Therefore SwissCham Beijing is currently discussing with EUCCC ways to achieve mutual benefits to our members.

AmCham

Likewise we have been successfully collaborating with the American Chamber of Commerce in Beijing (AmCham). Even though unlike with the EU Switzerland has no close geographic ties with the U.S., we regard a sound partnership with AmCham as equally important given its preeminence. Discussion purporting at figuring out mutual benefits are also under way.

Website

Following a 2nd development phase in 2005, our website is now completing its 3rd phase. We mean it to become the spearhead of our marketing and communication in 2008.

The purpose of these changes is to turn this website into the information platform on Swiss-Chinese trade and economic relations it is supposed to be.

These changes have been mostly achieved with the help of a full-time intern with online-marketing experience and acting as Webmaster.²¹ They will hopefully be completed by the time of the RAGA.

It is our firm belief that this new website will bring a dramatic added-value to our members and to the Chamber overall.

Assessment

The strategic goals which we had set for 2007 included the following:²²

- White Paper
- revenue
- management
- membership
- website
- services
- external partners

Out of these, all have been reached or are in the course of being reached, except the White Paper. Indeed it appeared that since the website it set to be the core of the Chamber's communication strategy, it was making sense to wait until the new website would be completed, or perhaps even to replace the White Paper by the website. We will reconsider this year.

Conclusion

Whereas 2006 has been a year of damage mitigation, 2007 has been a year of consolidation. I am now confident that 2008 will be a year of development.

We have been focusing on enlarging the participation of our members and other users, for example through the website, the Committees, the Board, etc. This year will prove whether we have been right.

I believe that considering its limited means the Chamber has done its best this statutory year for returning value to its members and do what it is supposed to do: promote Sino-Swiss trade and economic relations.

²¹ See above p. 21, "Staff".

²² 2006 RAGA Package, p. 23.

SWISSCHAM BEIJING RAGA 2007/2008

Therefore I am recommending you to approve my report and the discharge of the 2007 BOD.

John Liebeskind
President, SwissCham Beijing

2008 Tentative Program²³ by the President of SwissCham Beijing

The strategic goals we propose to set for 2008 are:

- website
- BOD restructuration
- Committees
- inter-chambers alliances
- new members
- advertising revenue

Website

As mentioned in my Yearly Report,²⁴ our new website is meant to become the spearhead of our marketing and communication in 2008. The website shall serve two purposes: information, and communication platform.

Information wise, the website will consolidate and structure all the information related to the Chamber, as well as to Sino-Swiss trade and economic relations generally. As such it is believed that it will be the most exhaustive website on this topic.

Communication wise, it will offer extensive contact possibilities, thus enabling all its users to communicate easily with the Chamber, including not only the management, but also the BOD and the Committees. Indeed as explained it was perceived that we had to enhance the role of the Chamber as an exchange platform. As such a lot of emphasis is put on the Committees, see below.

BOD Restructuring

At this RAGA the BOD is proposing to increase the number of Directors of the Board from currently seven to eleven (not including Honorary Directors). This proposal is meant to improve the efficiency of the BOD as the Chamber expands. It has been explained in the call for BOD applications e-mailed in January this year (Appendix "C").

In addition, it also proposes to extend the 2/3 attendance rule to BOD meeting, which is now limited to Office Holders,²⁵ to all the Directors of the Board. Indeed it is necessary and legitimate that BOD members stand by the expectations of the members who elected them by dedicating enough time to

²³ Beijing Bylaws, Art. 6(b)(iv).

²⁴ See above p. 23.

²⁵ See below p. 49, "Introduction".

the Chamber. This amendment will hopefully provide an incentive for attendance, and ensure that those Directors who are not available enough are replaced.

Provided this proposal is approved, one of this year's goal will be to expand the BOD's supervision and support capabilities towards the management and its communication with members and other external parties.

Committees

As already noted in several occasions, the BOD places much hopes in the Committees as an effective communication channel for conveying our members' concerns or requests within their industry. The BOD proposes to develop this year the structures which it sets up in 2007. A call for Committees representatives has been launched in January (see Appendix "C").

An important part of this development will consist in setting up some kind of collaboration with the Working Groups of the European Chamber of Commerce in China (EUCCC) and, to some extent, AmCham, since these two organizations are heavyweight lobbyists.²⁶

Inter-chambers Alliances

Since 2006 the Chamber successfully refocused its events on business topics. In the meantime the BOD considered that events are time-consuming and little profitable whereas the Chamber has limited HR. In addition as the Chamber's activities develop the BOD has been revising the Chamber's priorities.

Therefore the BOD believes that it is the Chamber's best interest to partner with other chambers, namely those larger chambers which extensive larger capabilities, by advertising their events in order to be able to focus primarily on Swiss-related events rather than on events of general interest which others can organize better than we do.

Whenever possible we will negotiate discounts for our members. Our purported collaboration with other chambers industry committees or working groups has been noted above.²⁷

New Members

We believe that the foregoing dramatically adds value to membership benefits and feel now confident to resume new members acquisition, all the more since in the meantime we have been cleaning up the existing membership and redefined clear basis for members categories.

We thus are ready for taking full advantage of the influx of Swiss companies and individuals which the Games will inevitably bring.

²⁶ See above p. 23.

²⁷ See above, p. 28, "Committees".

Advertising Revenue

As a natural consequence of the above, we plan to combine our media and a stronger membership for pushing the sale of advertisement to both members and non-members. In particular, we believe that our new website will generate considerable potential.

On this occasion, we will redefine a sound, comprehensive, competitive advertising offer and pricing. We thus believe that advertisement will become a major source of revenue, thus enabling the Chamber to feel more comfortable financially and to focus on the benefits of our members rather than striving for breaking even.

I believe that this program corresponds to both the Chamber's mission and its means and recommend that you approve it.

John Liebeskind
President, SwissCham Beijing

Amendment Proposals to the Bylaws

Amendment proposals to the Bylaws must be submitted to the members with the Package in advance of the RAGA²⁸ and approved by simple majority.

The full text of the Rules is appended to this Package for your reference. The Beijing Bylaws are appended as Appendix "F".

Art. 4(2) ("Membership")

As explained above there was a need to redefine members category.²⁹ Following the proposal submitted to and approved by the RAGA last year, we now invite you to approve the following change of the Beijing Bylaws:

"SwissCham Beijing Regional Membership Constitution:

"Applicants may apply for Corporate Membership unless the Board of Directors is satisfied that special circumstances exist that justify another category."³⁰

"(i) Members With Voting Rights:

"(aa) Corporate Membership: members with Swiss investment or offices in Switzerland. Members with Swiss investment or offices in Switzerland and in the process of setting-up up in China.

"(bb) Individual Members: ~~all Swiss citizens or all others employed by Swiss based or Swiss invested enterprise~~self-employed or unemployed Swiss citizens.

"(ii) Members Without Voting Rights:

"(aa) Corporate Membership: members without Swiss investment or offices in Switzerland.

"(bb) Individuals: other citizens who are ~~not employed by Swiss based or Swiss invested enterprise~~self-employed or unemployed.

²⁸ Beijing Bylaws, Art. 6(b)(vi).

²⁹ See above p. 11, "Categories".

³⁰ The power to approve applications and category changes rests with the BOD, National Articles, Art. 6(A)(e).

"(cc) Associate Membership: ~~any person or institutions that likes to be affiliated with SwissCham.~~ Non-profit organizations or students.

"(dd) Honorary Membership: person(s) with great contribution for Swiss-China trade or for SwissCham.

"(ee) Corporate Affiliates Membership: additional employees of Corporate Members."

Art. 7(3)(b) ("Regional Board of Directors & Executive Staff")

As explained above we propose to increase the number of Directors of the Board from seven to eleven.³¹ Therefore we now invite you to approve the following change of the Beijing Bylaws:

"(b) The Board is constituted of a maximum of ~~7~~11 Members, which does not include Honorary Board Members, as relevant."

Art. 7(3)(c) ("Regional Board of Directors & Executive Staff")

As also explained above we propose to extend the 2/3 attendance to BOD Meetings rule to all the Directors of the Board.³² Therefore we now invite you to approve the following change of the Beijing Bylaws:

"(c) Typically, Board Members are expected to attend 2/3rd of scheduled Board Meetings. Attendance of Board Members to past year Board Meetings will be announced within the election process. The ~~Office Holders (President, Vice-President(s), Treasurer and Secretary)~~ Board Members may not stand for re-election if they did not attend 2/3rd of scheduled Board Meetings."

Art. 6(2) ("Regional General Assembly")

This provision contains a typo as it should refer to Article 5 ("General Meeting of the Chamber"), and not 6 ("Board of Directors of the Chamber") of the National Articles.³³ Therefore we invite you to approve the following change of the Beijing Bylaws:

³¹ See above p. 27, "BOD Restructuring".

³² Id.

³³ Appendix "D".

"The Regional General Assembly shall function according to the rules outlined in Article ~~6~~5 of the Articles of Association of the Chamber."

Article 7(2) ("Regional Board Of Directors & Executive Staff")

This provision also contains a typo as it should refer to Article VI ("Board of Directors"), and not "7" ("Regional General Assembly and Regional BOD") of the National Articles.³⁴ Therefore we invite you to approve the following change of the Beijing Bylaws:

It shall be convened and function according to the rules outlined in Article ~~7~~VI of the Articles of Association of the Chamber."

³⁴ Id.

2007 Accounts³⁵

Introduction

The accounts are subject to a three-layers control. The Treasurer shall report at the RAGA.³⁶ The accounts have to be audited by the statutory Auditor, which shall also issue a report.³⁷ Finally the Honorary Auditor shall deliver his own report on the Treasurer's and the Auditor's reports.³⁸

The Auditor³⁹ and the Honorary Auditor⁴⁰ are appointed at the RAGA for the next statutory year. The Auditor which performed the 2006 audit is SJ Grand.⁴¹ The Honorary Auditor appointed at the 2005 RAGA is Martin Wagner of Swiss Re.⁴²

The audited accounts, the Auditor's notes and the Auditor's statement are reproduced in the appendices (Appendices "H", "J", "K").

³⁵ Beijing Bylaws, Art. 6(b)(iii).

³⁶ National Articles, Art. 6(C)(4)(b).

³⁷ Beijing Bylaws, Art. 9(1) and (2).

³⁸ National Articles, Art. 5(B)(a).

³⁹ Beijing Bylaws, Art. 9(1).

⁴⁰ National Articles, Art. 5(B)(c).

⁴¹ By omission no Auditor was appointed at the 2005 RAGA. Therefore the appointment of SJ Grand shall be confirmed retroactively with the approval of its report.

⁴² Minutes of the 2005 RAGA, item 11 ("Honorary" is inadvertently missing).

2007 Accounts

Report by the Treasurer of SwissCham Beijing

2007 was a **positive year** regarding our financial situation. Our cash balance at the beginning of the year was CNY353,247 and by the end of the year under review, we had liquid funds of CNY512,269, i.e., an increase of 45%.

The **profit and loss** statement shows a slight loss of CNY31,099 (previous year 2006: profit of 59,281). This loss represents about 3% of the annual income, and 10% of the Chamber's equity.

Regarding the Chamber's **balance sheet**, the liquidity increased as mentioned initially. The only liabilities are accounts payable of CNY104,000 and unpaid taxes of CNY124,491. The Chamber has no other debt. Almost all fixed assets are now fully written down, as their depreciation period is almost over.

Membership fees generated an income of CNY367,322. This is 25% under expectations. Due to management reasons, the reminders were sent out late. Regrettably, approximately twenty percent of the members did not pay their fees despite relentless reminders. According to the Rules, they lost their membership.⁴³ We urge you to pay your fees and to do so timely, as they represent about 35% of the Chamber's annual revenues.

SwissCham secured profit from **events** and the Membership Directory. Furthermore we sold all the Atlas left (more than 200 copies).

The income from **products and services** (CNY285,758) are below budget. This is mainly because we didn't achieve expected advertising for The Bridge magazine and the Directory. The sale of the Atlas resulted not only in a positive cash flow but was also reflected in the costs of event, promotion and goods. This change in the inventory increased the costs by CNY85,348⁴⁴.

Another cost factor which was not accounted for in the budget is the **business tax** of CNY26,280 for the year 2007.

These two factors explain that our accounts result in an loss of CNY31,099 despite sound revenues and a careful treasury management.

The business tax for 2005 and 2006 was applied retroactively in 2007. Therefore these amounts (CNY47,460 and CNY50,751) were subtracted from the undistributed profits in the 2006 balance sheet (restatement of equity).

⁴³ See above note 13.

⁴⁴ All of the Atlases left in the inventory were sold in 2007. However as it was sold at a unit price of CNY300 only it reflected negatively in our P&L statement. (The change of inventory costs had to be booked in the costs, i.e., CNY87,456 on the beginning of the inventory minus CNY2,108 at the end.) Thus it increased the expenses in the P&L statement.

Considering the financial situation, the management focused on cutting costs and generating revenue, which is reflected in the positive cashflow generated during the statutory year.

The executive staff changed and was replaced by new staff during the course of 2007. As it was not possible to replace all staff at the same time, the Chamber's **personal costs** were very low until all staff was replaced. Currently there are seven employees, including three unpaid interns.⁴⁵

To conclude, I can assure our members that the current financial situation is stable. I praise our Executive Director, Michaela Scarpatetti, and her team for having strived at achieving a positive result.

However, the Chamber must pursue its efforts for strengthening its treasury in order to be able to pursue its development.

Therefore I am recommending you to approve the 2007 accounts.

Christina ZHANG
Treasurer, SwissCham Beijing

⁴⁵ See above p. 21, "Staff".

2007 Accounts
Report by the Auditor of SwissCham Beijing

The Auditor of SwissCham Beijing is SJ Grand.⁴⁶ SJ Grand's audit was certified by Beijing Deyuanxinheng Certified Public Accountants. See the audited accounts, the Auditor's notes and the Auditor's statement in the appendices (Appendices "H", "J", "K").

⁴⁶ SJ Grand is a Corporate Member.

2007 Accounts

Report by the Honorary Auditor of SwissCham Beijing

On 21 January 2008, I reviewed SwissCham Beijing's accounting at the Chamber's offices.

I checked the internal accounting documents of the Chamber (in the form of on-screen MS Excel spreadsheets) together with Anna Dong-Ruf, SwissCham Beijing's Office Manager, and Michaela Scarpatici, Executive Director.

Together with the Office Manager and the Executive Director, I went in particular through the following items:

- calculation of profit for the year
- depreciation of fixed assets
- inventory of membership articles
- accounting for taxation owed (the Chamber decided to adjust the undistributed profit at the start of the year to allow for the tax owed in respect of past years)

I can confirm that the accounting followed proper procedures. Overall the Chamber roughly broke even for the year.

Martin Keel
Director, Swiss Re⁴⁷
Honorary Auditor, SwissCham Beijing

⁴⁷ Swiss Re is a Corporate Member.

2008 Budget⁴⁸
Report by the Treasurer of SwissCham Beijing

See the budget in the appendices (Appendix "O").

SwissCham anticipates a growth in membership revenue to CNY 421,750 (plus 15%). The expected profit in 2008 is CNY 40,026

In 2008, the number of events and related revenues is targeted to reach CNY 434,000. It is planned that once a month there will be a seminar and a networking event, and every second month a luncheon. Besides these regular events, we will organize other events such as the Swiss Ball. The costs of the events are budgeted under "Costs of Events, Promotion and Goods".

We also included the revenue from projects such as The Bridge magazine and the Directory in "Products and Services".

As noted above, in order to provide better services to our members, we are currently developing our website extensively.⁴⁹ This website is targeted to generate a revenue of CNY110,000 through advertising, with low maintenance cost. The website revenue is budgeted in "Products and Services".

SwissCham Beijing has committed to contribute CNY16'000 for each issue of The Bridge Magazine (four issues per year), which is budgeted in the costs of promotions and goods. The magazine is prepared by SwissCham Shanghai. SwissCham Beijing aims at receiving more advertisement revenue than the contribution amount.

Two-thousand-eight being the Olympic year, SwissCham Beijing plans to possibly publish the Directory in the form of a Special Olympic Issue. In addition, we will publish our Directory in any event in late autumn.

In order to continuously improve its management as committed during the last RAGA, SwissCham Beijing hired four permanent staff on the payroll and three unpaid interns. This results in personel cost of CYN 615,400 in 2008.

Following a sponsoring call, the Chamber received donations in cash with which it could buy a new server⁵⁰ and five used computers in good condition.

⁵¹ There are no plans to purchase additional computer equipment in 2008.

⁴⁸ Beijing Bylaws, Art. 6(b)(iv).

⁴⁹ See above p. 27.

⁵⁰ Swiss Re donated CNY20,000.

⁵¹ Novartis donated three laptops and two PCs.

SWISSCHAM BEIJING RAGA 2007/2008

I believe that this budget displays a healthy ambition on the revenues side and is conservative from the expenses point of view. Therefore I recommend its approval.

Christina ZHANG
Treasurer, SwissCham Beijing

Membership Fees
Report by the Treasurer of SwissCham Beijing

The fees are decided by the Regional Organizations such as SwissCham Beijing. According to the Rules, the membership fees have to be approved by the RAGA.⁵² The current fees are:

Corporate	CNY4,500
Corporate Affiliate	CNY500
Individual	CNY2,000
Associate	CNY1,000

The BOD propose to keep them unchanged for the time being.

⁵² Beijing Bylaws, Art. 5.

Appointments

As noted above, the RAGA has to appoint the **Auditor**. The Auditor is appointed upon recommendation of the BOD.⁵³

The BOD recommends to re-appoint **SJ Grand** for the 2008 statutory year. For voting, please raise your hand and show your vote validation form.

Until last RAGA, we also used to appoint an **Honorary Auditor**, who was appointed following a call for volunteering at the RAGA. This appointment is not a statutory requirement but a custom however.⁵⁴ It appears to the BOD that the appointment of an Honorary Auditor on top of the Auditor is both too complicated and not useful considering the relatively small size of our organization. Therefore the BOD will not call for an Honorary Auditor this year.

Be as it may we take this opportunity for expressing our gratitude to SJ Grand, Auditor, and Martin Keel of Swiss Re, Honorary Auditor, for their support for the 2007 statutory year.

⁵³ Beijing Bylaws, Art. 9(1).

⁵⁴ the Honorary Auditor is foreseen by the National Articles for reviewing the accounts of SwissCham China, not its Regional Organizations, see National Articles, Art. 11.

Elections

Regional Board of Directors of SwissCham Beijing

Introduction

The Regional Board of Directors is in charge of supervising the management and of the representation of SwissCham Beijing.⁵⁵ It constitutes of maximum seven members, not including the Honorary Members.⁵⁶ These comprise of five Office Holders and two more Directors of the Board. The Office Holders are:

- President
- 2 Vice-Presidents
- Secretary-General
- Treasurer

In addition, the Embassy of Switzerland in China⁵⁷ and CCPIT⁵⁸ are Honorary Members of SwissCham Beijing and sit on the BOD.

The Directors of the Board are elected at the RAGA⁵⁹ for one year.⁶⁰ The President is elected by the RAGA. The others functions are elected within the BOD.⁶¹

Typically, Directors of the Board are expected to attend 2/3rd of scheduled Board Meetings. Their attendance has to be announced before the election. The Office Holders may not stand for re-election if they did not attend 2/3rd of the Meetings.⁶²

In compliance with the Rules, the BOD had made in January this year repeated **open calls for candidacy to the BOD** to all the members, see Appendix "C".⁶³ Members interested are invited to send their resume to the Chamber's office. In order to allow time for copying your resume to the voting members, please submit your **candidacy until Tuesday 26 February 2008 12pm (midnight time) latest.**

⁵⁵ Beijing Bylaws, Art. 7(1). See also National Articles, Art. 6(A).

⁵⁶ Beijing Bylaws, Art. 7(2).

⁵⁷ Beijing Bylaws, Art. 6(a).

⁵⁸ China Council for the Promotion of International Trade. CCPIT is the largest government-approved foreign investment and international trade promotion agency in China, see <http://english.ccpit.org/>.

⁵⁹ National Bylaws, Art. VI(2).

⁶⁰ Beijing Bylaws, Art. 7(a).

⁶¹ Beijing Bylaws, Art. 6(e).

⁶² Beijing Bylaws, Art. 7(c).

⁶³ Beijing Bylaws, Art. 7(e).

Your application will be distributed to the participants on the beginning of the RAGA. You will be requested to shortly introduce yourself and explain your motivation before the assembly before the elections will be proceeded with.

The 2007 Board of Directors

The composition of the 2007 BOD was the following:

- President John Liebeskind⁶⁴
- Vice-President Simon Jin (UBS)
- Vice-President Max von Zedwitz (Tsinghua University School of Management)
- Secretary-General Denis Schmid (The Freight)
- Treasurer Christina ZHANG (Nokia Siemens)
- Director David Saudan (Nestlé)
- Director Cyrill Eltschinger (I.T. UNITED)

The Embassy was represented by Edgar Doerig, Head of the Commercial Section. He was replaced by Krystyna Marty on 6 August 2007.⁶⁵ CCPIT was represented by YU Jianlong.⁶⁶

David Saudan and Cyrill Eltschinger will not apply for re-election. The BOD takes this opportunity for expressing its gratitude. The other BOD members stand for re-election.

As noted above, typically, Directors of the Board are expected to attend 2/3rd of scheduled Board Meetings. Their attendance has to be announced before the election. The Office Holders may not stand for re-election if they did not attend 2/3rd of the Meetings.⁶⁷

⁶⁴ Individual Member.

⁶⁵ Krystyna Marty joined the BOD for the first time at its Meeting of 30 October 2007.

⁶⁶ Mr. YU Jianlong, who is Vice Chairman and Secretary General of China International Economic and Trade Arbitration Commission (CIETAC) since March 2006. Part of CCPIT, CIETAC is the largest arbitration institution in China and currently manages the largest number of international arbitrations worldwide, see http://www.cietac.org.cn/index_english.asp.

⁶⁷ Beijing Bylaws, Art. 7(c). See also above note 62.

SWISSCHAM BEIJING RAGA 2007/2008

The BOD members attendance during the 2007 statutory year is the following:

Name	F ⁶⁸	OH ⁶⁹	Invited ⁷⁰	Attended	Ratio	Threshold	Passed
John Liebeskind	P	Yes	7	7	100%	66.66%	YES
Simon Jin	VP	Yes	7	3	42.86%	66.66%	NO
Max von Zedtwitz	VP	Yes	7	4	57.14%	66.66%	NO ⁷¹
Denis Schmid	SG	Yes	7	5	71.43%	66.66%	YES
Christina Zhang	T	Yes	7	3	42.86%	66.66%	NO
David Saudan	D	No	7	1	14.29%	N/A	N/A
Cyrrill Eltschinger	D	No	7	7	100%	N/A	N/A
Edgar Doerig	H	No	3 ⁷²	2	66.66%	N/A	N/A
Krystyna Marty	H ⁷³	No	3 ⁷⁴	2	66.66%	N/A	N/A

However, since the BOD has scheduled its last Meeting for this statutory year after this Pacakge will be sent but before the RAGA, Max von Zedtwitz will pass too provided he attends.

Election of the 2008 Board of Directors

BOD members are elected by secret ballot by simple majority of the represented members at the RAGA.⁷⁵

If you have accepted to increase the number of Directors of the Board from seven to eleven,⁷⁶ you will have to elect up to **eleven Directors**, provided there are up to eleven candidates.

If not, you will have to elect **seven Directors** like in the past.

Please use the **Voting Ballot No. 1** attached (Appendix "N").

⁶⁸ F = Function; P = President; VP = Vice President; SG = Secretary-General; T = Treasurer; D = Director of the Board; H = Honorary Member of the Board.

⁶⁹ OH = Office Holder.

⁷⁰ From the 2005 RAGA of 18 January 2006 not included until the BOD meeting of 25 January 2007 included. BOD meetings have been hold monthly except for September and November 2006.

⁷¹ See next paragraph.

⁷² Edgar Doerig was replaced by Krystyna Marty as of 6 August 2007.

⁷³ CCPIT's (which is also Honorary Member of the Board) is not noted because CCPIT is generally not invited to attend the Board Meetings.

⁷⁴ Krystyna Marty joined the BOD for the first time at its Meeting of 30 October 2007.

⁷⁵ Beijing Bylaws, Art. 6(f).

⁷⁶ See above, p. 32, **Art. 4(2) ("Membership")**.

Elections

President of SwissCham Beijing

Once you will have elected the Directors of the Board, you will have to elect among them the **President of SwissCham Beijing**. The same rules apply.⁷⁷

You will be invited to do so at the same you will elect the National Representatives, see below. Please use the **Voting Ballot No. 2** attached (Appendix "O").

⁷⁷ See above note 75.

Elections

National Board Representatives

The Rules request that Regional Organizations such as SwissCham Beijing nominate, among the members of their Regional BOD, candidates for the National Board of Directors, among whom one **Regional President** and additional **National Representatives**.⁷⁸ These candidates will then have to be elected by the National Annual General Assembly (NAGA), which this year will take place in Shanghai on 14 March 2008.⁷⁹ Thus this is a two-steps election: first regional, second national.

Therefore you will have to elect, among the SwissCham Beijing BOD member whom you just elected, **three National Representatives**. The President of SwissCham Beijing may also be a National Representative (and is usually the Regional President).⁸⁰

At the RAGA, or first-step level, the election shall follow the same rule as for the Regional BOD: National representatives are elected by secret ballot by simple majority of the represented members at the RAGA.⁸¹ Please use the **Voting Ballot No. 2** attached (Appendix "O").

⁷⁸ National Bylaws, Art. VII(3).

⁷⁹ National Bylaws, Art. VI(1).

⁸⁰ The Rules have been modified at the 2005 NAGA on 12 April 2006 for accommodating SwissCham Guangzhou which was created on this occasion following the opening of the Swiss Consulate in Guangzhou. They now foresee that SwissCham Beijing and SwissCham Shanghai shall each be represented by three Directors and SwissCham Guangzhou by one Director at the NBOD. National Bylaws, Art. VI(2).

⁸¹ Beijing Bylaws, Art. 6(f).

Directors Appreciation

The Board of Directors of SwissCham Beijing wishes to express its sincere appreciation to the following Directors who leave the Board at this RAGA.

Cyrill Eltschinger joined SwissCham Beijing in 1999 with his company, I.T. UNITED, as a Corporate Member. He was elected on the BOD in 1999. He was elected as President in 2003 and fulfilled this role during three years, from 2003 to 2005.

In 2006 he transferred his presidency to John Liebeskind and was elected Chairman of SwissCham China, position which he currently occupies in parallel with his seat of Director of the Board of SwissCham Beijing as requested by our Rules.

Cyrill's dedication and his influence on the development of SwissCham Beijing were profound, both internally and externally. We are grateful towards his support as past President of SwissCham Beijing, Director of the Board of SwissCham Beijing and Chairman of SwissCham China.

David Saudan has been representing Nestlé on the Board of SwissCham Beijing since 2005. SwissCham Beijing is indebted to Joseph Müller, ex-CEO of Nestlé China, who has always been a keen supporter of the Chamber including in difficult times. Joe rejoined Nestlé's HQs in Vevey, Switzerland at the end of last year. We welcome Joe's successor, Patrice Bula, and are looking forward for continuous partnership.

Sponsors Appreciation

SwissCham Beijing wishes to acknowledge and express its appreciation to the many companies, other organizations and individuals that supported the Chamber in 2006 with **financial donations** or donations in the form of **goods or services**. These sponsors are:

Financial Sponsors

ABB
Deloitte
Schindler
SGS
Swiss Re
UBS
Zurich Insurance

For goods and services sponsors, see next page.

Goods and Services Sponsors

Aktuell ASIA	KunLun Law Firm
ASC Fine Wines	Leica
Beau Rivage Lausanne	Lindt & Sprüngli
Beijing Ninth Space Ad	Lucerne Tourism
C de France	Nespresso
Canadian International School	Nestlé
Capital Club	Novartis
CH Cosmeceuticals	Panalpina
CHITEC	Park Hotel Weggis
Commune by the Great Wall	Peach International
Kempinski	Presence Switzerland
Crema	PricewaterhouseCoopers
DCT Wines	Principe Leopoldo
De Agostini	Raffles Beijing Hotel
Embassy of Switzerland	Santa Fe
Festival del Film Locarno	SJ Grand
Garden of Delights	SGS
Haifuman Events Management	Swatch Group
Agency	Swiss Coffeer
IKEA	Swiss Gastro Bakery
InterContinental Beijing Financial	Swiss International Air Line
Street	Swiss Road Hotel
Jura	Swiss Society Beijing
Kempinski Hotel Beijing Lufthansa	Swissôtel
Center	Ticino Turismo
Kerry Centre Hotel	

For sponsorship opportunities, please contact us.⁸²

⁸² See above note 19.

Invitation to the Regional Annual General Assembly of SwissCham Beijing 2007

Dear Member:

In compliance with Article VII(1) of **the** Bylaws of SwissCham China and Article 6(2)(b) of the Bylaws of SwissCham Beijing, the Board of Directors of SwissCham Beijing is pleased to invite you to the

2007 Regional Annual General Assembly of SwissCham Beijing.

The RAGA will take place on

Thursday 28 February 2008 at 6:30pm sharp at Swissôtel in Beijing.

Registration as from 6:00pm. You must register for being able to vote. The Voting Bureau will close at 6:30. Late arrivals can attend but not vote.

The details of the hotel are: 2 Chaoyangmen Beidajie, tel: (10) 6553 2288, <http://beijing.swissotel.com>. A detailed program is attached.

Please fill in and fax the participation form attached. In order to reach the quorum and enable the RAGA to sit, **please return the proxy attached if you cannot or are not sure to attend.**

Thank you for supporting SwissCham Beijing.

For the Board of Directors of SwissCham Beijing:

Denis Schmid
Secretary-General, SwissCham Beijing

APPENDIX "B"

Participation and Proxy Form
2007 Annual Regional General Assembly of SwissCham Beijing of 28
February 2008

Please detach, fill in and fax the following page to (10) 6432 3030. We appreciate your early confirmation.

1 Check "1a" or "1b" and fill in as appropriate:

1a I am an INDIVIDUAL MEMBER. My name is:

.....

1b I represent a CORPORATE MEMBER. The name of my company is:

.....

and my name is:

.....

2 Check "2a" or "2b":

2a I will attend in person. (Move to 4.)

2b I will not attend or I am not sure to attend and give my proxy vote to: (Move to 3.)

3 If you checked "2b", check "3a" or "3b" and fill in as appropriate:

3a another person whose name is:

.....

3b the Board of Directors of SwissCham Beijing.

4 Sign:

.....

5 Fax to (10) 6432 3030.

You have completed the registration. Thank you.

From: SwissCham BEI CHEN Jun [members@bei.swisscham.org]
Sent: 15 January 2008 10:09
To: SwissCham BEI CHEN Jun
Subject: SwissCham BEI > [Reminder] Call for application as Director of the Board or as Committee Chair/Vice-Chair

Dear Members:

I have the pleasure to inform you that the **next Regional Annual General Assembly (RAGA) of SwissCham Beijing** will take place on **Thursday 28 February 2008 at Swissotel Beijing**.

The Beijing RAGA will be followed by the **National Annual General Assembly (NAGA) of SwissCham China** on **Friday 14 March 2008 in Shanghai**. As you know, the location of the NAGA rotates every year among SwissCham China's branches. Since it took place in Beijing last year, it will be held in Shanghai this year.

A separate invitation will be sent to you shortly for both events.

As announced at Swiss Ball on 17 November 2007, the Board of Directors of SwissCham Beijing has decided to propose to the RAGA to create **four new positions of Directors of the Board**, thus increasing their number from currently seven to eleven.

Besides, SwissCham Beijing created six Committees purporting at grouping and representing the activity of our members per industry and is likewise opening up **three positions of representative per Committee**. We will send you a separate e-mail for introducing the Committees in more details.

The BOD thus hopes to strengthen the support of the growing activities and services of SwissCham Beijing as well as to improve the representativeness of our members. The applications of SMEs, of women and of young candidates are encouraged.

Please send your expression of interest to our Executive Director, Michaela Scarpatetti, at michaela.scarpatetti@bei.swisscham.org or call her on 8531 0015. Applications are treated confidentially.

Best regards,

John Liebeskind
President
SwissCham Beijing

Swisscham China National Articles of Association
Last modified by resolution of the National General Assembly of 12 April 2006.

ARTICLE 1 - NAME, SEAT, BUSINESS YEAR

- (1) This organization shall be called in Chinese "Chinese Swiss Chamber of Commerce" or "Zhong Guo Rui Shi Shang Hui" and shall be called in English "Swiss Chinese Chamber of Commerce" (hereinafter referred to as "the Chamber" or "SwissCham").
- (2) This Chamber is established in accordance with the relevant laws and regulations of People's Republic of China.
- (3) The Chamber has its registered office at 20th Floor, Star City Tower C, 10 Jiuxianqiao Road, Beijing 100016, China.
- (4) The business year of the Chamber is the calendar year, from January 1 to December 31.

ARTICLE 2 - OBJECTIVES AND ACTIVITIES OF THE CHAMBER

The Chamber is a non-profit generating, non-governmental organization. The objectives and activities of the Chamber are conducted within the legal framework of the People's Republic of China and should not damage the public interests and safety of the society:

- (a) To promote business relations between companies in Switzerland and the People's Republic of China (hereinafter referred to as "China");
- (b) To cooperate with the authorities of both countries with the aim of furthering the common economic interests;
- (c) To represent, support and protect the interests of the members within the boundaries of the relevant laws and the present Articles of Association;
- (d) To provide services to members engaged in trade, industry and commerce;
- (e) To promote communication and discussion with the China's economic and cultural organizations based in other countries and areas;
- (f) To undertake cultural and recreational activities in the interest of and beneficial to the members.

ARTICLE 3 - MEMBERSHIP OF THE CHAMBER¹

SECTION A - CATEGORIES

(1) Membership comprise four (4) categories:

- (a) Corporate Membership;
- (b) Individual Membership;
- (c) National Associate Membership;
- (d) Honorary Membership.

(2) Corporate Membership:

- (a) Commercial establishments such as representative offices, joint ventures, branches or subsidiaries, set up in China in accordance with Chinese law by companies, institutes or associations located in Switzerland qualify as corporate members with voting rights;
- (b) Non-foreign invested commercial establishments, institutes or associations registered in China with a commercial presence and/or interests in Switzerland qualify as corporate members with voting rights.

(3) Individual Membership: All Swiss citizens without restrictions or citizens of other countries, who are employed by a commercial establishment as defined in Article 3 paragraph 1.1 of the present Articles of Associations, qualify as individual members with voting rights.

(4) National Associates Membership: Associate Members without voting rights shall comprise commercial establishments, institutes or associations or individual persons that do not qualify as Corporate or Individual Member as defined in Article 3 paragraph 1 and 2 of the present Articles of Associations but who still wish to be affiliated with SwissCham to promote Sino-Swiss Trade & Economic relations and Sino-Swiss Friendship.

(5) Honorary Membership: Personalities who have made great contribution to or earned lasting merits for either the trade relations between Switzerland and China or the Chamber qualify as honorary members without voting rights.

SECTION B - COMMENCEMENT OF MEMBERSHIP

(1) The Board of Directors of the Chamber shall decide on the admissibility of an applicant to membership or for a change in classification of membership by simple majority.

¹ Modified by the National General Assembly of 12 April 2006 but rejected by the Ministry of Civil Affairs.

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(2) The person who applies for membership shall submit an application in written form.

(3) If the Board of Directors approves an application for membership, the applicant shall become a member of the Chamber only upon payment of membership dues as stipulated in Article 5.

SECTION C - TRANSFER AND TERMINATION OF MEMBERSHIP

(1) Membership in the Chamber shall not be transferred.

(2) Membership in the Chamber terminates upon death, resignation or termination, dissolution and bankruptcy of business of that Member, or upon decision by simple majority made by the Board Directors of the Chamber. That member shall, within fourteen (14) days after the termination of membership, pay off membership dues and other obligations in arrear to the Chamber.

SECTION D - EXCLUSION OF MEMBERSHIP

Any member of the Chamber with voting right may bring motion to the Board of Directors for its decision by simple majority on the exclusion of a member who so conducted as:

(a) To aggrieve any other member of the Chamber purposely in the light of adequate evidence.

(b) To cease business in case of corporate membership, or its parent corporation or its Chinese representative office or affiliates cease business due to investigation and sanctions incurred under local laws; and in case of individual membership, to be prosecuted by jurisdiction and incur criminal liabilities due to his or her intention or fault.

(c) To impair the reputation or interest of the Chamber by other acts violating these Articles of Association.

ARTICLE 4 - RIGHTS AND OBLIGATIONS OF MEMBERS OF THE CHAMBER

(1) All members of the Chamber shall have the right to participate in General Meetings. Every member except honorary member has one vote in the General Meeting. Corporate members shall vote through representatives. However, members of the Chamber shall have no voting rights unless their membership dues are paid for the past years and for the current year in full.

(2) All members of the Chamber shall access to consultancy and other services provided by the Chamber in the field of Swiss-Chinese trade and commerce. Members may also obtain publications issued by of the Chamber, such as periodicals, instructions, etc. free of charge. However, where detailed

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and time consuming expert opinions are involved, appropriate compensation shall be paid to the Chamber to cover costs and expenditure.

(3) Every member of the Chamber except the honorary members shall pay membership dues. The sum thereof shall be proposed by the Board of Directors, approved by the General Meeting, and notified to members at beginning of every business year. The membership dues shall be paid within one (1) month after receipt of the notification.

(4) The members are required to assist the Chamber in achieving its objectives.

(5) The members shall observe the Articles of Association and the By-laws of the Chamber, and the decisions of the organs of that Chamber.

ARTICLE 5 - GENERAL MEETING OF THE CHAMBER

SECTION A - ORDINARY AND EXTRAORDINARY GENERAL MEETINGS

(1) The General Meeting shall be the principal organ of the Chamber. There are Ordinary General Meetings and Extraordinary General Meetings.

(2) An Ordinary General Meeting shall be held annually in the first quarter of the business year.

(3) Extraordinary General Meetings shall be convened:

(a) if the Board of Directors so decides, or

(b) if at least ten percent (10%) of the total number of Voting Members submit a written application to the Board stating the reasons to convene them.

SECTION B - THE ORDINARY GENERAL MEETING

Apart from its statutory functions, the Ordinary General Meeting:

(a) Adopts reports by the Chairman of the Chamber, the Presidents of each region, the Treasurer and the Honorary Auditor.

(b) Elects office holders to the Board of Directors;

(c) Elects an Honorary Auditor, who shall not be Member of the Board of Directors;

(d) Approves the annual membership fees of the Chamber, proposed by the Board of Directors;

(e) Decides on motions, with the exception of those concerning applications of admission.

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SECTION C - PROCEDURES OF THE GENERAL MEETING

- (1) The General Meeting shall be convened by the Board with notice to the members. The notice shall be dispatched at least twenty (20) days prior to the time of the General Meeting.
- (2) The Chairman or the Vice Chairman of the Chamber shall act as Chairman of the General Meeting.
- (3) The General Meeting shall proceed in accordance with the pre-determined agenda. Any member of the Chamber may submit written request to the Board for additional item to the agenda provided such request are made at least forty eight (48) hours prior to the General Meeting.
- (4) The General Meeting convened through due process with at least twenty percent (20%) of the members with voting right present or represented by proxies constitutes a quorum provided at least ten percent (10%) of members with voting right from each region as defined in Art. 7 Sec. E of this Articles of Association shall be present or represented. The Chairman of the General Meeting has the casting vote where a tie occurs.
- (5) The General Meeting may hold secret voting where need arises.
- (6) Any member may vote through proxy, provided a written authorization letter is presented.
- (7) The General Meeting shall be recorded in the form of minutes of meeting which shall be kept at the seat of the Chamber for members' consultation.

ARTICLE 6 - BOARD OF DIRECTORS OF THE CHAMBER

SECTION A - DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors is in charge of management and representation of the Chamber. The duties of the Board comprise in particular:

- (a) To promote the objectives of the Chamber and to ensure that it fulfils its duties;
- (b) To lay down by-laws and general guidelines for the management of the Chamber and submit them to the General Meeting for Approval;
- (c) To represent, to promote and to protect the interests of the Chamber's members;
- (d) To report to the General Meeting of the Chamber;
- (e) To admit new members to the Chamber or approve changes of in membership category;

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- (f) To exclude members from the Chamber whose behaviour is grossly detrimental to the interests and objectives of the Chamber or who intentionally violate the regulations of these Articles of Association;
- (g) To propose the membership fees schedule for the Chamber and have it approved by the Ordinary General Meeting;
- (h) To appoint persons as needed to assist in achieving the objectives of the Chamber;
- (j) To appoint committees or subcommittees as needed, and delegate duties or powers as needed;
- (k) To fulfil all the tasks of the Chamber which do not belong to the lawful or statutory rights or obligations of the General Meeting or the Chairman or President of each region.
- (l) To adopt the budget proposed by the Treasurer or President of each region.
- (m) To establish, if the necessity arises, an Advisory Board.

SECTION B - COMPOSITION OF THE BOARD

- (1) The Board of Directors of the Chamber shall be composed of at least six (6) members whom shall be elected by the General Meeting.
- (2) Every region set-up by the board in accordance with the Sec. E of this Articles of Association hereunder shall be represented by at least one member delegated to the Board.
- (3) The term of Directorship is three (3) years and continuous term is permitted. In case of Board members abandoning their seat on the Board during a term the Board shall appoint another person as director provided it submits the appointment to next General Meeting for approval.

SECTION C - OFFICE HOLDERS WITHIN THE BOARD OF DIRECTORS OF THE CHAMBER

- (1) The office holders amongst the Members of the Board of Directors shall consist of:
 - (a) A Chairman, to be voted by the Members of the Board;
 - (b) Vice Chairmen, the number of which to be decided by the Board of Directors depending on the number of members and regions as determined by Sec. E of this Articles hereunder required by the Chamber's presence and activities.

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- (c) A Treasurer;
- (d) Contingent further office holders.

(2) The duties of the Chairman of the Board consist in:

- (a) Convening and taking charge of meetings of the Board;
- (b) Representing the Chamber in all civil activities and exerting powers with respect thereto, especially undertaking lawsuit in name of the Chamber.

(3) The Vice Chairman of the Board assist the Chairman in fulfilling the duties. In the absence of the Chairman, one of the Vice Chairmen shall act as the Spokesman/woman of the Board of the Chamber.

(4) The Treasurer to be elected by the Board shall make reports upon request to the Board and under supervision thereof take charge in:

- (a) Managing properties and keeping the accounts of the Chamber, including effecting over due payments;
- (b) Submitting to the General Meeting fiscal report and auditorial items of relating to the last business year.

(5) Compensation for duties performed by the Chairman, Vice-Chairmen and other Members of the Board shall be decided by the General Meeting.

SECTION D - MEETING OF THE BOARD

(1) A meeting of the Board shall be convened by the Chairman upon a written request by at least one third of all the members of the Board for so doing. The Chairmen must convene the meeting of the Board within fifteen (15) days from receipt of such written request.

(2) At least half of all members of the Board constitute the quorum. In the case that quorum fails to be established, the meeting of the Board shall be convened within the next fifteen (15) days.

(3) Every member of the Board has one vote in the meeting. The Chairman has a casting vote when a tie occurs.

(4) In case of absence by individual member of the Board, a proxy in written form should be served and delivered to the Secretary of the Meeting prior to the meeting to be held.

(5) A Secretary on a non-permanent basis shall be appointed by the Chairman or his representative for each meeting of the Board.

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SECTION E - EXECUTIVE COMMITTEE

(1) Each region shall have its own Executive Committee and independence in the organization of daily management and activities for its local members. The territorial coverage of an individual region should be decided by the Members of the Board.

(2) Each regional Executive Committee may elect its president who is in charge of that Executive Committee. The President of regions shall submit a report to the General Meeting every year stating activities of that region.

(3) Executive Committee may, if need arises, employ employees.

ARTICLE 7 - FINANCE

(1) The Chamber has the right to accumulate financial assets and to make use of them . The Chamber's funds and assets consist of the following :

(a) Membership contributions;

(b) Reimbursements for costs incurred by the Chamber when rendering services;

(c) Subsidies and other grants from third parties;

(d) Incomes from interest accrued on securities and other properties owned by the Chamber;

(e) Other legal financial resources.

(2) The Board of Directors shall dispose of the Chamber' s financial resources in accordance with the budget approved by the Board and in agreement with the Chairman of the Chamber and Presidents of each region. Where the Chamber receives special purpose grants, they may only be used for the intended purposes.

(3) No member of the Chamber shall have any individual right regarding the Chamber's assets and financial means.

(4) If the Chamber is dissolved, any assets remaining after settlement of liabilities and not dedicated to any special purposes shall, by decision of an Extraordinary General Meeting, be transferred to an institution or a project which promotes Swiss-Chinese economic relations, or that serves for humanitarian or educational purpose.

(5) The Chamber may establish bank accounts.

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ARTICLE 8 - LIABILITIES

Liabilities shall be met exclusively from the Chamber's assets. No member of the Board of Directors, of the executive staff or of the Chamber may be held personally liable.

ARTICLE 9 - RECORD

The record of the General Meeting and the meeting of the Board shall be kept by the Chairman or any person designated by the Chairman. The Chairman shall also take charge of or designates other person to keep documents, statistic and commercial books of the Chamber, and other properties of the Chamber of the similar kind.

ARTICLE 10 - ACCOUNTING BOOKS

(1) The income or expenditure of the Chambers and the activities relating to such income or expenditure, together with the assets and liabilities of the Chamber shall be recorded in the accounting book. The accounting book shall be kept at the registered business place of the chamber, or at other place considered appropriate by the Board.

(2) The accounting books shall be open to members of the chamber for inspection subject to reasonable limitations laid down by the General meeting of the Chamber with regard to the time or method of such inspection.

ARTICLE 11 - HONORARY AUDITOR

The Chamber's accounts must be audited every year by an Honorary Auditor proposed by the Board of Directors and elected at the Ordinary General Meeting for a period of one year. The Honorary Auditor shall inspect the annual financial statements, including cash flow statements and other documents. He has the right to require submission of financial statements and relevant documents, and to inspect the current balance situation. The result of the inspection shall be reported in written forms to the Board and submitted to the General Meeting.

ARTICLE 12 - ARBITRATION

The Board of the Chamber may appoint an Arbitration Committee to settle disputes among members of the Chamber.

ARTICLE 13 - AMENDMENTS TO THE ARTICLES OF THE CHAMBER

These Articles of Association of the Chamber may be amended by decision of a General Meeting on the proposal of the Board of Directors or following a written motion by at least one tenth of the Voting Members of the Chamber. Any decision to alter or to make additions to these Articles of Association shall

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require a two-thirds majority of the Voting Members present or represented at a General Meeting.

ARTICLE 14 - BY-LAWS OF THE CHAMBER

The Board of Directors may draft, alter, add to and repeal By-Laws of the Chamber, as long as they do not conflict with this Articles of Association of the Chamber. The By-Laws and any amendment thereto shall only become effective upon approval by a simple majority of the Voting Members present or represented at a General Meeting. The members of the Chamber shall be notified of any changes in the By-Laws.

ARTICLE 15 - DISSOLUTION OF THE CHAMBER

(1) The Chamber may only be dissolved by a decision of an Extraordinary General Meeting exclusively convened for this purpose.

(2) The invitation to attend the Extraordinary General Meeting which is to decide upon the dissolution of the Chamber must specifically indicate the purpose of the meeting and have been mailed at least six (6) weeks prior to the meeting. After dissolution, the assets and property would be handled in accordance with Article 7.4.

ARTICLE 16 - FINAL PROVISION

(1) These Articles of Association is written in Chinese and English versions. In case of conflict, the Chinese version shall prevail.

(2) These Articles of Association is with the Ministry of Civil Affairs as of December 2005, per the approved resolution by the SWISSCHAM General Assembly Meeting held on April 18, 2005

Swisscham China National Bylaws
Version of 12 March 2004. Amended on 12 April 2006.

ARTICLE I - DEFINITIONS

For the purpose of these Bylaws and of any Regional Bylaws:

The Swiss Chinese Chamber of Commerce (hereinafter referred to as "SwissCham China" or "the Chamber") is the legally established chamber of commerce concerned with Sino-Swiss economic and trade relations in the People's Republic of China ("PRC").

The Articles of Association (hereinafter referred to as "the Articles") are the basic rules with regard to the founding and organization of the Chamber as approved on 22 December 2000 by the PRC's Ministry of Civil Affairs. They apply to all Members and Organizations within the Chamber.

The National Bylaws are a set of practical regulations and guidelines written in order to clarify the Articles where necessary and to ensure the smooth operation of the Chamber. They apply to all Members and Organizations within the Chamber.

The National Board of Directors (hereinafter referred to as "NBoD") is the executive body of the Chamber.

The National General Assembly ("National GA" or "NGA") includes all members of the Chamber and is the supreme body of the Chamber. (It is referred to as "General Meeting" in the Articles.)

Organizations or Chapters are the regional Organizations within the Chamber.

The Regional Board of Directors ("Regional BoD") is the executive body of an Organization. (It is referred to as "Executive Committee" in the Articles.)

The Regional Bylaws is a set of practical regulations and guidelines based on the Articles and the National Bylaws written to ensure the smooth operation of an Organization.

The Regional General Assembly ("Regional GA") includes the members of an Organization and is the supreme body of an Organization.

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ARTICLE II - NAME, SEAL, FORMAL DOCUMENTS

Section 1. SwissCham China shall have a seal, a reproduction of which is attached (Exhibit 1).

Section 2. The Chamber's structure, proceedings and decisions are established by means of a set of formal documents:

(a) Legal documents (approved by PRC authorities):

(i) Business Licence;

(ii) Articles;

(iii) Chairperson and members of the NBoD;

(b) Formal documents (approved by the Chamber's organs):

(i) National Bylaws approved by the NGA;

(ii) Minutes of the NGA meeting;

(iii) Minutes of the NBoD meetings ;

(iv) Auditors reports;

(v) Acknowledgement of receipt of the Chairperson.

The seal, legal and formal document shall be held by the Chair and be duly handed over to the newly elected Chairperson.

The handover is formalized by an acknowledgement of receipt of the seal and the complete set of formal documents signed by the newly elected Chairperson.

ARTICLE III - ORGANIZATIONS

Section 1. SwissCham China recognizes the diversity of business activities in China and serves its members locally through its Regional Organizations.

Section 2. Organizations are established upon request of a regional group of SwissCham China Members and by decision of the NBoD. This decision shall be approved by simple majority at the next NGA meeting.

Section 3. Within the framework of the Articles and these Bylaws, Organizations may establish their Regional Bylaws.

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These Regional Bylaws' shall be consistent with the Articles and National Bylaws. The NBoD shall confirm such consistency and the NGA shall validate them by simple majority vote.

Section 4. Each Organization contributes an equal amount of money to cover the annual administrative expenses accrued by the Chamber according to the budget approved by the NGA.

Section 5. Bookkeeping is carried out within and by the Organizations. The Organizations shall follow PRC accounting rules and regulations (Chinese GAP), the Articles and the National Bylaws for the financial accounting of their activities.

For consolidation purposes, the Organizations shall establish their financial statements according to the chart of accounts established by the NBoD.

The National Treasurer shall establish or amend the chart of accounts subject to prior consultation with the Treasurer of each Organization.

Section 6. Each Organization shall submit to the NBoD 45 days before the date of the NGA the following documents:

- (i) Report on activities conducted and attended by members of the Organization;
- (ii) explanation of accounts;
- (iii) Assets & Liabilities and Profit & Loss reports;
- (iv) Fixed Assets lists;
- (v) General Ledger;
- (vi) Membership list, including a Membership Fee Paid list to ascertain voting rights;
- (vii) One supporting document for every entry in the General Ledger;
- (viii) Budget for the new business year.

ARTICLE IV - CO-OPERATION, ASSOCIATES

Section 1. SwissCham China recognizes the value and importance of close co-operation with the Swiss-Chinese Chamber of Commerce, Zurich, and its regional Organizations in Switzerland.

Section 2. The BoD and the Regional Executive Committees may recognize business associations ("associates") on a non-member basis when it is deemed appropriate to serve the objectives of SwissCham China.

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ARTICLE V - MEMBERSHIP

Section 1. Applicants address the SwissCham China's application form, a reproduction of which is attached (Exhibit 2), to the respective Regional BoD. Honorary Members shall not be required to make applications.

Section 2. On behalf of the NBoD the Regional BoD shall decide on the admissibility of an applicant to membership or on a change in classification of membership by simple majority.

Members accepted by a Regional BoD that do not qualify for national membership shall be listed as "National Associates" without voting rights

Section 3. An application may be refused without giving any reason, but where an application has been refused, any member in good standing of the respective region may file a motion to admit the applicant at the next Regional GA meeting. Such resolution must be approved by two-thirds of the members present at the meeting.

Section 4. Members have the right to attend all activities of any Organization at Members' conditions.

Section 5. Visiting members of the Swiss-Chinese Chamber of Commerce, Zurich, or of its regional Chapters, have the same rights as members described in section 4, with the exception of voting rights at the National and Regional GA's.

Individual members of the Swiss-Chinese Chamber of Commerce, Zurich, or of its regional Chapters, taking residence in the PRC and having paid their annual fees in Switzerland can enjoy membership status in an Organisation, with the exception of any voting rights until the next Regional General Assembly of such Organisation. This privilege does not apply to corporate members.

Section 6. Members shall pay an annual membership fee to their respective Organization. The annual membership fees of an Organization can vary but shall not exceed the limits of the fee range approved by the NGA. Any change in the amount of the annual membership fee is subject to the amendment rules and procedures set forth in the the applicable Regional Bylaws.

Section 7. In addition to Article 4 Section C of the Articles, Membership terminates in case of non-payment of the membership fees within 6 months after the annual Regional GA meeting. The respective Organization's treasurer shall send out payment reminders at least twice and report the status of unpaid membership fees at every meeting of the Regional BoD.

Section 8. Updated member lists are filed with the Regional BoD and the National BoD.

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ARTICLE VI - BOARD OF DIRECTORS

Section 1. The Organizations shall nominate candidates for the NBoD to the NGA for election.

Section 2. The Organizations in Beijing and Shanghai shall each be represented by three directors, the Organization in Guangzhou by one directors on the NBoD. All activities, representation, public appearance and use of the title "chairperson (or vice chairperson) of the NBoD of SwissCham China" are mandate-based and subject to prior formal approval by the NBoD.¹

Section 3. The chairperson of the NBoD shall in principle alternate between nominees of the different Organizations every two years, unless a Regional BoD whose turn it is forfeits its right to nominate its candidate and the Chair is elected with a two-thirds majority by the NGA.

The President of a Regional BoD shall not be nominated for Chair of the NBoD, unless such nomination is confirmed by a two-thirds majority at the NGA.

Section 4. The NBoD shall meet at least once every semester during each business year, each time under the auspices of a different Organization, on a rotating basis.

Section 5. In case of negligence of duty, violation of Chinese laws and/or regulations or any other activities detrimental to the SwissCham China and the Swiss Business Community in China, any NBoD member may be dismissed by a vote of dismissal of at least three-quarters of all NBoD members.

ARTICLE VII - REGIONAL GENERAL ASSEMBLY AND REGIONAL BOD

Section 1. Each Regional BoD shall call at least one annual Regional GA meeting to discuss and decide on regional affairs in accordance with its own Bylaws.

Section 2. Each Regional BoD will be elected by its respective regional GA.

Section 3. Each Regional GA shall at least elect a regional President and one or more candidate(s) to the NBoD.

Section 4. An open bidding process, including at least all members, shall be conducted prior to any award of contracts beyond the amount of RMB 50'000.-. The NBoD or the Regional BoD or the committees reporting to the Regional BoD shall approve any such award of contracts.

¹ Modified by the National General Assembly of 12 April 2006.

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Regional and NBoD members shall be awarded such contracts only if they are proven to be more competitive than other bidders and after other bidders have been informed of the BoD member bid and had the opportunity to counter-offer.

ARTICLE VIII - NATIONAL GENERAL ASSEMBLY

Section 1. The ordinary NGA meeting of SwissCham China shall take place each time under the auspices of a different Organization, on a rotating basis.

Section 2. A member will have voting rights at the NGA provided:

(a) s/he personally attends the NGA meeting and both of the following cumulative conditions have been met:

(i) The member has been confirmed by the National Board of Director based on the list provided by the Regional BoDs;

(ii) The member has paid all his dues in full before the NGA meeting for the year the NGA meeting is closing, as evidenced by the Regional Treasurer Accounts, including the Membership Fee Received list.

(b) He/she² appoints a proxy by means of a written and signed original authorization letter to be presented by the proxy at the NGA meeting. Such proxy letter shall specify the nature of the meeting and its date, the member to be represented and the member acting as proxy.

It is the NBoD responsibility to duly establish the representation of members at the NGA meeting and to announce each representation before any voting.³

ARTICLE IX - FINAL PROVISIONS

Section 1. The National Bylaws and any amendment thereto shall only become effective upon approval by a simple majority of the voting Members present or represented at the NGA.

Section 2. These National Bylaws shall come into effect once approved by the SwissCham China NGA held on March 19, 2002.

² Mdfied by the National General Assembly of 12 April 2006.

³ Mdfied by the National General Assembly of 12 April 2006.

Swisscham Beijing Regional Bylaws

Last modified by resolution of the Annual General Assembly of 25 January 2005.

The Swiss Chinese Chamber of Commerce ("SwissCham") is an organization established in accordance with the relevant laws and regulations of the People's Republic of China.

The Chamber has its registered office at 20th Floor, Star City Tower C, 10 Jiuxianqiao Road, Beijing 100016, China.

In accordance with Article 7 Section E of its Articles of Association, the Chamber has decided to create SwissCham Beijing, and it issues the following Regional Bylaws for such Chamber:

ARTICLE 1 - STATUS, NAME AND OFFICE

SwissCham is an internal regional division of the Chamber.

The Chamber shall be named the "Swiss Chinese Chamber of Commerce Beijing" or "SwissCham".

SwissCham shall have its office at The Chamber has its registered office at 20th Floor, Star City Tower C, 10 Jiuxianqiao Road, Beijing 100016, China.

ARTICLE 2 - PURPOSE

SwissCham shall promote the Chamber's purpose in the Beijing region.

ARTICLE 3 - TERRITORY

SwissCham Beijing covers the region of Northern China meaning the territory north of the Yangtse river.

ARTICLE 4 - MEMBERSHIP

Those Members of the Chamber shall also be Members of SwissCham Beijing who:

- (a) are incorporated or have residence in the territory defined in Article 3;
- (b) submit their membership application for the Chamber through the offices of SwissCham Beijing.

SwissCham Beijing Regional Membership Constitution:

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(i) Members With Voting Rights:

(aa) Corporate Membership: members with Swiss investment or offices in Switzerland. Members with Swiss investment or offices in Switzerland and in the process of setting-up up in China.

(bb) Individual Members: All Swiss citizens or all others employed by Swiss-based or Swiss-invested enterprise.

(ii) Members Without Voting Rights:

(aa) Corporate Membership: members without Swiss investment or offices in Switzerland.

(bb) Individuals: other citizens who are not employed by Swiss-based or Swiss-invested enterprise.

(cc) Associate Membership: any person or institutions that likes to be affiliated with SwissCham.

(dd) Honorary Membership: person(s) with great contribution for Swiss-China trade or for SwissCham.

ARTICLE 5 - MEMBERSHIP FEES

The Members shall pay a membership fee that will be submitted by the Regional Board for approval by the Regional General Assembly Meeting. The membership dues shall be paid within one month after receipt of the notification.

In addition to Article 4 Section C of the Articles, Membership terminates in case of non-payment of the membership fees within 6 months after the annual GA meeting. The treasurer of the Beijing Chapter shall send out payment reminders at least twice and report the status of unpaid membership fees at every meeting of the board.

ARTICLE 6 - REGIONAL GENERAL ASSEMBLY

The Regional General Assembly of the Members shall be the supreme body of SwissCham Beijing. Its decisions shall be subject only to the decisions, rules and regulations of the Chamber.

The Regional General Assembly shall function according to the rules outlined in Article 6 of the Articles of Association of the Chamber.

(a) The Swiss Embassy Beijing is a standing Honorary Member of the Beijing Chamber.

(b) Invitation to the annual Beijing GA will be sent 30 days in advance and include the following documents:

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- (i) Agenda
 - (ii) Activity report of the Board
 - (iii) Accounts for the past period and auditors' identification
 - (iv) Program and budget for the next period
 - (v) Candidacies call to the Board
 - (vi) Amendment proposals for the Beijing bylaws, when relevant
- (c) Quorum for the Beijing GA is 50% of membership with voting right.
- (d) A member has voting rights when he has paid his membership fee for the past period and all other dues.
- (e) Representative functions of the Board (President, National Representatives) are elected by the GA, others are decided within the Board
- (f) Board members are elected by secret ballot. A member is elected to the Board only if a simple majority of the represented members at the GA have voted for them.
- (g) A secret ballot will be conducted:
- (i) If the Chair of the GA so requests or
 - (ii) If 2 members of the GA so request

ARTICLE 7 - REGIONAL BOARD OF DIRECTORS & EXECUTIVE STAFF

The Regional Board of Directors is in charge of management and representation of SwissCham Beijing.

It shall be convened and function according to the rules outlined in Article VI¹ of the Articles of Association of the Chamber.

It may appoint a manager for taking care of daily matters, as well as other staff. Manager and other staff need not be Members of the Chamber.

- (a) Board Members are elected for one year.

¹ Subject to the approval of the Regional General Assembly in 2007.

APPENDIX "F"

(b) Board is constituted of a maximum of 7 Members, which does not include honorary Board members, as relevant.

(c) Typically, Board Members are expected to attend 2/3rd of scheduled Board Meetings. Attendance of Board Members to past year Board Meetings will be announced within the election process. The Office Holders (President, Vice-President(s), Treasurer and Secretary) may not stand for re-election if they did not attend 2/3rd of scheduled Board Meetings.

(d) Board membership is revoked in case a Board Member of corporate category changes company.

(e) Before annual elections to the Board or, in case of a vacancy, before selecting a temporary Board member, the Board shall make an open call for candidacy to all the membership.

(f) An open bidding process, including all members shall be followed for the awarding of contracts approved by the Board.

(g) Board members shall not be included in the bidding of SwissCham Beijing projects and shall not take such contracts.

(h) Responsibilities of the Executive Director (ExD) include:

- (i) Daily Beijing Chamber activities
- (ii) Events
- (iii) Sales & marketing
- (iv) New members acquisition
- (v) Services offered by the Beijing Chamber
- (vi) Profit & loss accountability

(j) The Board will set targets expenses level, manage and review performance of the ExD on a bi-annual basis.

ARTICLE 8 - FINANCE

The Beijing Chapter provides the appropriate bookkeeping and accounting measures for its finances and reports to the National Board.

With regard to financial matters the rules outlined in Articles 8 and 11 of the Articles of Association of the Chamber also apply to SwissCham Beijing.

APPENDIX "F"

ARTICLE 9 - AUDITOR

An Auditor proposed by the Regional Board of Directors and elected at the Regional General Meeting for a period of one year must audit SwissCham's accounts once a year.

The Auditor shall inspect the annual financial statements, including cash flow statements and other documents. He has the right to require submission of financial statements and relevant documents, and to inspect the current balance situation. The result of the inspection shall be reported in written forms to the Regional Board and submitted to the Regional General Meeting.

After approval by the Regional General Meeting, the Auditor's report on the financial statements of SwissCham Beijing shall be forwarded to the Board of Directors of the Chamber 14 days before the date of the General Assembly Meeting of the Chamber.

ARTICLE 10 - REPORTING TO THE CHAMBER

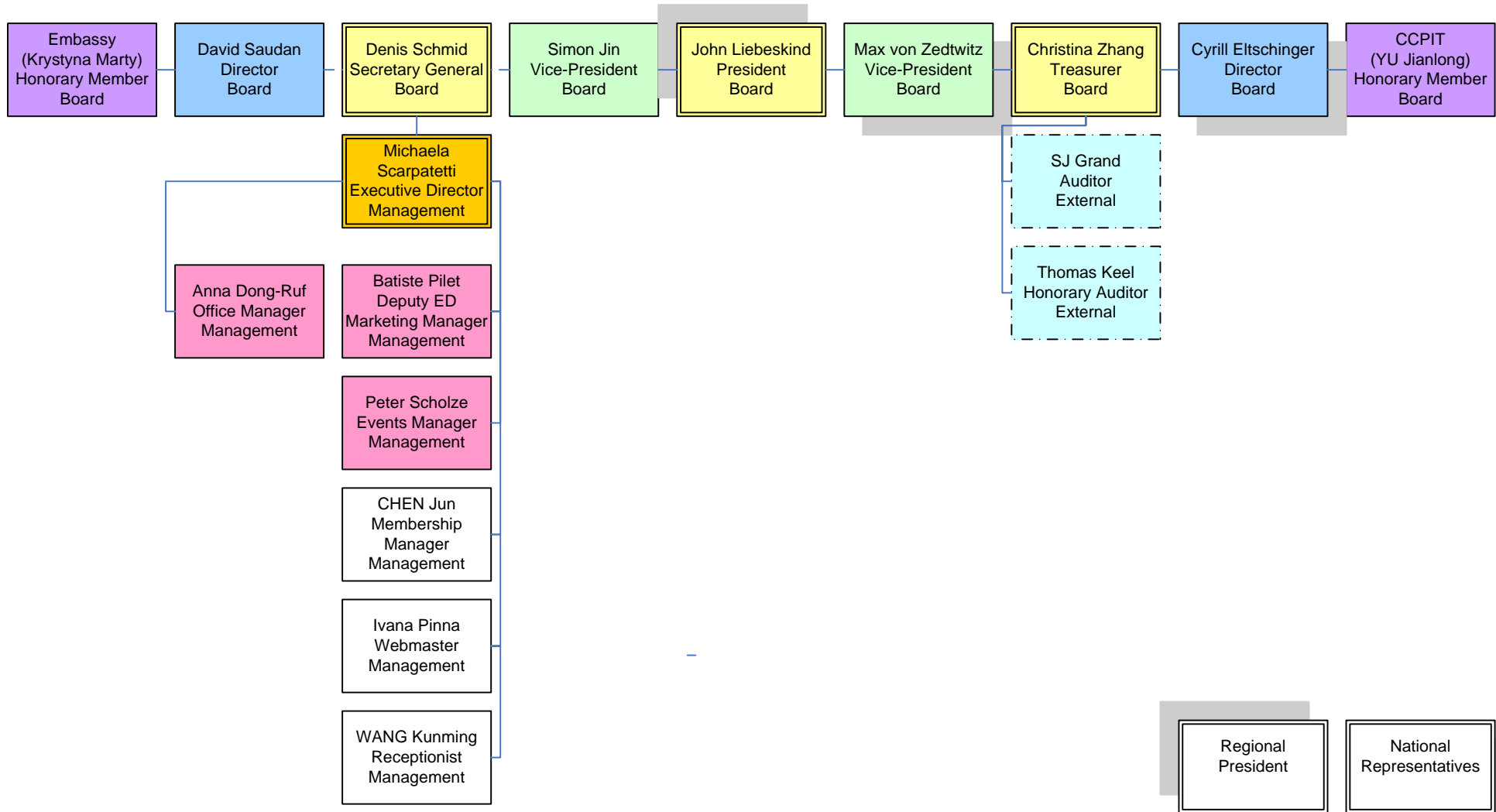
The President of the Beijing Chapter shall submit an Annual Report to the Board of Director of the Chamber 14 days before the date of the General Assembly Meeting of the Chamber including:

- (a) Activities conducted and attended by members of the Beijing Chapter
- (b) Budget for the new calendar year
- (c) Updated register of Members

ARTICLE 11 - FINAL PROVISIONS

These Regional Bylaws of SwissCham Beijing came into effect when approved by the General Assembly Meeting of the Swiss Chinese Chamber of Commerce for the first time on April 18 2001. Last revisions per the approved Bylaws modifications approved during the EGA Meeting of March 17, 2003.

SwissCham Beijing Organization Chart Status as of 27 January 2008



APPENDIX "H"

Swiss Chinese Chamber of Commerce Beijing

BALANCE SHEET

AS OF 31 December 2007

ASSETS	Beijing Office		LIABILITIES AND CAPITAL	Beijing Office	
	2007.12.31	2006.12.31		2007.12.31	2006.12.31
CURRENT ASSETS			CURRENT LIABILITIES		
Cash on hand	14'352.13	3'512.16	Short term loans		
Cash in bank	497'915.95	349'734.87	Notes payable		
Short term investments			Accounts payable		
Notes receivable			Deposits from customers		
Accounts receivable	24'682.00	4'410.00	Other payable	104'000.00	19'468.00
Other receivable			Accrued payroll		
Less: Provision for bad debts			Welfare & benefit payable		
Receivable-net book value	24'682.00	4'410.00	Tax payable	124'490.52	98'211.05
Deposits to suppliers			Other payments		
Allowance receivable			Accrued expenses		
Inventories	2'108.00	87'455.64	Other current liabilities		
Deferred and prepaid expenses			Total current liabilities	228'490.52	117'679.05
Other current assets					
Total current assets	539'058.08	445'112.67	LONG TERM LIABILITIES		
LONG TERM INVESTMENTS			Long term loans		
Long term investments			Debentures payable		
Less: Provision for loss on long-term investment			Accounts payable due after one year		
Long term investments-net book value			Other long term liabilities		
FIXED ASSETS			Total long term liabilities		
Fixed assets-cost	78'120.57	76'820.57			
Less: accumulated depreciation	69'132.41	53'599.71	DEFERRED TAX:		
Fixed assets-net book value	8'988.16	23'220.86	Deferred tax credit		
Disposal of fixed assets					
Construction in progress			Total liabilities	228'490.52	117'679.05
Total fixed assets	8'988.16	23'220.86	SHARE CAPITAL EQUITY		
INTANGIBLE ASSETS AND OTHER ASSETS			Capital received		
Intangible assets			Capital surplus		
Long term deferred and prepaid expenses			Surplus reserve		
Other assets			Undistributed profit	319'555.72	350'654.48
Total intangible assets and other assets			Includes: Net profit of this year	-31'098.76	59'281.03
DEFERRED TAX			Total share capital equity	319'555.72	350'654.48
Deferred tax debit					
TOTAL ASSETS	548'046.24	468'333.53	Total liabilities and capital	548'046.24	468'333.53

Swiss Chinese Chamber of Commerce Beijing

PROFIT AND LOSS STATEMENT

By the year ended of December 2007

	ITEMS	Beijing Office		ITEMS	Beijing Office
		2007.1-12			2007.1-12
	TOTAL REVENUE	1'035'309.93		TOTAL EXPENSES & COST	1'066'408.69
	Include:			Include:	
1	Membership Fee	367'321.93	1	Events, Promotion, and Goods	402'509.69
2	Events	378'578.53	2	Personel Cost	432'134.72
3	Products & Service	285'758.16	3	General & Administrative	186'354.06
4	Others	3'651.31	4	Foreign Exchange loss	3'598.05
			5	Depreciation of Fixed Assets	15'532.70
			6	Business tax for the year 2007	26'279.47
				Net profit from January 1st to December 31st, 2007	-31'098.76

Swiss Chinese Chamber of Commerce Beijing

CASH FLOW STATEMENT

By the year ended of December 2007

	ITEMS	Beijing Office		ITEMS	Beijing Office
		2007.1-12			2007.1-12
	TOTAL CASH IN	1'020'637.93		TOTAL CASH OUT	861'616.88
	Include:			Include:	
1	Membership Fee	367'321.93	1	Events, Promotion, and Goods	277'162.05
2	Events	382'988.53	2	Personel Cost	443'930.72
3	Products & Service	266'676.16	3	General & Administrative	135'626.06
4	Others	3'651.31	4	Fixed Assets	1'300.00
			5	Effect of changes in foreign exchange rate on cash	3'598.05
				Net Cash Flow from January 1st to December 31st, 2006	159'021.05

APPENDIX "J"

The Explanation of Audit Report

As entrusted by yours, we conducted the audit on your balance sheet as of December 31st, 2007, profit and loss statement and cash flow statement for the year ended of 2007. The following is the disclosure of your financial situation.

1. General financial situation

The Financial statements which were audited only include Beijing office. As of December 31st, 2007 the total Assets is RMB 548,046.24, the total Liabilities is RMB 228,490.52 and the total Net Assets is RMB319,555.72. The total revenue of 2007 is RMB 1,035,309.93, the total expenses and cost of 2007 is RMB 1,066,408.69, and the net profit of 2007 is RMB -31,098.76.

2. Note on financial statement

2.1. Monetary fund:

ITEM	2007.12.31	Original Currency
Cash on hand	14,352.13	RMB
Cash in bank	445,523.34	RMB
Cash in bank	52,392.61	USD
Total	512,268.08	

2.2. Accounts receivable

Name	2007.12.31	Note
Swiss Chamber - Shanghai	5,600.00	Fabian working permit
Swiss Chamber - Shanghai	12,080.00	Directory
Swiss Chamber - HK	7,002.00	Directory
Total	24,682.00	

2.3. Inventories

The inventories of RMB 2,108.00 recorded in the account of Dec 31st, 2007 are the T-shirts in the quantity of 31.

2.4. Fixed assets

The original cost of fixed assets recorded in the account of Dec 31st, 2007 is RMB 78,120.57, the accumulated depreciation is RMB 69,132.41 and the net value is RMB 8,988.16. The fixed assets mainly include computers, office equipments and furniture.

APPENDIX "J"

2.5. Other payable

The other payables of RMB 104,000.00 recorded in the account of Dec 31st, 2007 are the payable to Swiss Chamber Shanghai for the cost sharing of Bridge project which is RMB 64,000 and the profit sharing payable to the Swiss Society Beijing incurred by the Swiss Ball event which is RMB 40,000.

2.6. Tax Payable

According to Chinese tax regulation, all revenues of the Chamber except for the Membership fee are subject to Business Tax at the rate of 5%. The tax authority required the Chamber to pay the relevant Business Tax from 2005 to 2007 which was not paid before. The details are following:

Business tax for the year 2005	47,459.99
Business tax for the year 2006	50,751.06
Business tax for the year 2007	26,279.47
Total	<u>124,490.52</u>

The tax payable for the year 2005 and 2006 amounting to RMB 98,211.05 has been transferred to the beginning balance of the undistributed profit of 2007. The tax payable which is in amount of RMB 26,279.47 for the year 2007 is recorded in the current P&L Statement.

**Swiss Chinese Chamber of Commerce
Beijing**

Audit Report for 2007

Deyuanxinheng Audit (2008)001

If there is any conflict of meaning between the Chinese and English versions, the Chinese version will prevail.

Beijing Deyuanxinheng Certified Public Accountants

Audit Report
(English Translation)

Deyuanxinheng Audit (2008)001

To Swiss Chinese Chamber of Commerce,

We have audited the accompanying financial statements of Swiss Chinese Chamber of Commerce Beijing (hereafter "the Chamber"), which comprise the balance sheet as of December 31, 2007, the profit and loss statement and cash flow statement for the year then ended.

Management's Responsibility for the Financial Statements

The Chamber's management is responsible for the preparation of these financial statements in accordance with related accounting regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these statements based on our audit. We conducted our audit in accordance with Chinese Auditing Standards for the Certified Public Accountants. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chamber's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

"APPENDIX "K"

Opinion

In our opinion, these financial statements comply with the related accounting regulations and present fairly, in all material respects, the financial position of the Chamber as of December 31, 2007 and the results of operations and cash flows of the Chamber for the year then ended.

The limitation of the report

This report is only for internal use by the members of the Chamber. If it is used not properly, the auditors and the CPA firm who conducted this audit are not responsible for any consequence.

The supplementary documents

1. The balance sheet as of December 31st, 2007
2. The profit and loss statement for the year 2007.
3. The cash flow statements for the year 2007.
4. The explanation of audit report.

Beijing Deyuanxinheng Certified Public Accountants firm.

January 22th, 2008

APPENDIX "L"

Budget 2008

2007 Annual Regional General Assembly of SwissCham Beijing of 28 February 2008

All figures in CNY	2007 actual	2008 budget
Membership	367'322	421'750
Events	378'579	434'000
Products and services	285'758	443'300
Other revenues	3'651	3'000
Total revenues	1'035'310	1'302'050
Gross profit	1'035'310	1'302'050
Cost of promotion and goods	} 402'510	166'400
Cost of events		300'563
Personel costs	432'135	615'400
General and administrative	186'354	127'200
Depreciation	15'533	8'962
Foreign exchange loss	3'598	3'500
Business tax for 2007	26'279	0
Business tax for 2008	0	40'000
Total expenses	1'066'409	1'262'024
Net profit/(loss)	(31'099)	40'026
Net profit/(loss)	(31'099)	40'026
+Depreciation added back	15'533	8'962
- Increase of accounts receivable	(20'272)	0
+Decrease of inventories	85'348	0
+ Increase/(-decrease) of current liabilities	110'811	(203'808)
= Cash from operating activities	160'321	(154'821)
Cash beginning of year	353'247	512'268
+ Cash from operating activities	160'321	(154'821)
- Cash used in investing activities	(1'300)	(20'000)
+ Cash provided by financing activities	0	0
= Cash end of year	512'268	337'448

APPENDIX "M"

Votes Validation Form
2007 Annual Regional General Assembly of SwissCham Beijing of 28
february 2008

Upon arrival, every voting member needs to validate, at the Voting Bureau desk, their own vote plus any proxy vote they may hold on behalf of other voting members. Once validated, each voting member will be issued this form with the number of valid votes for that voting member.

Example for two votes:

VOTING MEMBER NAME:

NUMBER OF VOTES:

2

APPENDIX "N"

Voting Ballot No. 1

**Election of the 2008 Board of Directors of SwissCham Beijing
2007 Annual Regional General Assembly of SwissCham Beijing of 28
February 2008**

See "Elections" above for explanations. The vote is secret. Please use this ballot. Write the names of the candidates which you elect. You may elect maximum seven (eleven) candidates. **Use one ballot per vote, i.e., if you have two votes, use two ballots.** Illegible or otherwise ambiguous inscriptions will not be counted. The President of the BOD of SwissCham Beijing will be elected in the next round (Voting Ballot No. 2).

1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	

APPENDIX "O"

Voting Ballot No. 2

Election of the 2008 President of SwissCham Beijing and of National Board Representatives

2007 Annual Regional General Assembly of SwissCham Beijing of 28 February 2008

See "Elections" above for explanations. The vote is also secret. Please use this ballot. Among the Directors of the Board of SwissCham Beijing whom you elected in the former round (Voting Ballot No. 1), you now have to elect the President of SwissCham Beijing and three National Representatives. The President of SwissCham Beijing may also be a National Representative. **Use one ballot per vote, i.e., if you have two votes, use two ballots.** Illegible or otherwise ambiguous marks will not be counted.

PRESIDENT OF SWISSCHAM BEIJING:

NATIONAL REPRESENTATIVE 1:

NATIONAL REPRESENTATIVE 2:

NATIONAL REPRESENTATIVE 3:

2006 RAGA Minutes

Minutes of the 2006 Annual Regional General Assembly of SwissCham Beijing of 16 March 2007

Venue: Swissôtel, Beijing

Chair: John Liebeskind, President, SwissCham Beijing

Keeper of the Minutes: Denis Schmid, Secretary-General, SwissCham Beijing

Directors of the Board present:

Vice President (NR) ¹	Olivier Glauser (Individual)
Vice President (T) ²	Christina Zhang (Nokia)
Secretary-General (T)	Denis Schmid (Individual)
Treasurer	ZHANG Hu (LEM Instruments)
Director of the Board	David Saudan (Nestle)
Director of the Board (NR/NC) ³	Cyrill Eltschinger (IT United)
Honorary Director	Edgar Doerig (Embassy)

Directors of the Board absent:

Honorary Director	YU Jianlong (CCPIT)
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Executive Director: Evelyn Kislig

1. Preliminary Matters

1.1. Registration

Upon arrival the members register at the Voting Bureau from 5 to 5:30 p.m.

1.2. Quorum

Evelyn Kislig, Executive Director of SwissCham Beijing, reviews the quorum including the proxies. The President recalls that the quorum necessary for validly holding the RAGA is reached with 50 percent of the voting members (Beijing Bylaws, Art. 6(2)(c)).

¹ NR = National Representative

² T = Temporary Board Member

³ NC = National Chairman

APPENDIX "P"

Votes counting:

Voting membership	77
Quorum (50%)	39
Voting members present	24
Proxies	16
Total	40
Quorum reached	Yes

The quorum is reached with 24 votes and 16 proxies out of a voting membership of 77. Therefore John Liebeskind, President of SwissCham Beijing, declares the 2006 RAGA open.

1.3. Welcome Address

The President delivers a welcome address. He greets the attendance of H.E. Mr. Ambassador Dante Martinelli, Ambassador of Switzerland to China, of Edgar Doerig, Economic Councillor and representative of the Embassy, Honorary Member of SwissCham Beijing Board of Director, of several members of the Embassy, of Yves Wehli, President of the Swiss Society Beijing (SSB), as well as of our members.

1.4. Sending of the Package

The President declares that the Package was sent one day late as it had to be sent 30 days in advance of the RAGA (Beijing Bylaws, Art. 6(2)(b)) and ask whether any members requests the cancellation of the RAGA. No member does. Therefore the RAGA is upheld.

1.5. Timing of the RAGA

The President recalls that the RAGA must be concluded at 7 p.m. since the NAGA will follow at 7:30 p.m.

1.6. Highlights

The President highlights selected achievement of this statutory year including:

- bringing the Chamber from a loss to a profit
- refocus on business
- a stronger members base
- focus on lobbying

APPENDIX "P"

2. Administrative Matters

The following administrative matters are expedited:

- approval of Vote Counting Officers
- approval of the Minutes Taking Officer
- approval of the Agenda

2.1. Agenda

The President submits the following agenda to the GA's approval (Package, p. 7):

5:00-	Welcome Cocktail Reception	
5:30pm	Proxies validation at the Voting Bureau	All/ED ^{*)}
	Opening	
5:30pm	Closing of the Voting Bureau	SG
	Opening of the RAGA	
	Review of quorum, including proxies	SG
	Welcome address by the President of SwissCham China	P
	Administrative matters	
	Approval of Vote Counting Officer(s) and Minutes Taking Officer	SG
	Approval of the agenda	P
	Approval of the Minutes of the 2005 RAGA	P
	Reports	
	Report of the President 2006 activity report 2007 tentative program	P
	Bylaws amendments	
	Report of the Treasurer 2006 accounts 2007 budget	T
	Membership fees	
	Report of the Auditor	SJ Grand
	Report of the Honorary Auditor	M. Wagner
	Approvals	SG/Voting Members
	Approval of the President's reports	
	Approval of the Treasurer's reports	
	Approval of the membership fees	
	Approval of the 2007 budget	

^{*)} BOD = Board of Directors; P = President; SG = Secretary-General; T = Treasurer; ED = Executive Director.

APPENDIX "P"

Approval of proposed Bylaws
amendments (if any)

Appointments and discharge	SG/Voting Members
Appointment of the 2007 Auditor	
Appointment of the 2007 Honorary Auditor	
Discharge of the 2006 BOD	
Elections	
BOD candidates presentation	Candidates/P
Election of the 2007 BOD	Voting Members/SG
Election of the 2007 SwissCham Beijing President	Voting Members/SG
Election of three 2007 SwissCham Beijing National BOD Representatives	Voting Members/SG
Closing	
Appreciation of Directors	P/Directors
Appreciation of sponsors	P
Forthcoming events	ED
Miscellaneous	P
Closing of the RAGA	P

7:00pm Break and cocktail party

7:30pm NAGA (see separate program)

The agenda is approved.

2.2. 2005 RAGA Minutes

The GA approves the 2005 RAGA Minutes (Package, Appendix "P").

3. Reports

3.1. Reports of the President

3.1.1. 2006 Activity Report

The President delivers his 2006 Activity Report (Package, pp. 11-19).

3.1.2. 2007 Tentative Program

The President delivers his 2007 Tentative Program (Package, pp. 23-24).

3.2. Bylaws Amendments

Neither the BOD nor the membership has submitted any amendment proposal (Package, p. 25).

3.3. Financial Reports

The President explains the financial reporting (Package, p. 27 ff.)

3.3.1. 2006 Accounts

ZHANG Hu, Treasurer, delivers his 2006 Accounts Report (Package, pp. 29-30 and Appendices H-J-K)

3.3.2. Report of the Auditor

Stéphane Grand, representing SJ Grand International Business Solutions, Auditor, delivers his report (Package, p. 31, Appendices H-J-K).

3.3.3. Report of the Honorary Auditor

Martin Wagner of Swiss Re, Honorary Auditor, delivers his report (Package, p. 33).

3.4. 2007 Budget

The Treasurer delivers his 2007 Budget Report (Package, p. 35 and Appendix "L").

3.5. Membership Fees

The BOD does not propose to change the membership fees (Package, p. 37).

4. Approvals

The President invites the GA to approve the reports. The GA approves all the reports by unanimity.

5. Appointments

5.1. Auditor

The GA approves the appointment of SJ Grand as Auditor for 2007.

5.2. Honorary Auditor

The President asks whether there are volunteers for the appointment of Honorary Auditor for 2007. Martin Wagner proposes Thomas Kiel of Swiss Re. The GA approves his appointment as Honorary Auditor for 2007.

6. Discharge of the 2006 BOD

The President asks the GA to approve the discharge of the 2006 BOD. The GA approves the discharge.

7. Elections

The President recalls the elections system (Package, p. 41 ff.)

7.1. Election of the BOD

The President recalls that the 2006 BOD was the following:

President (RP)	John Liebeskind (Individual)
Vice President (NR)	Olivier Glauser (Individual)
Vice President (T)*	Christina Zhang (Nokia)
Secretary-General (T)	Denis Schmid (Individual)
Treasurer	ZHANG Hu (LEM Instruments)
Director of the Board	David Saudan (Nestle)
Director of the Board (NR/NC)	Cyrill Eltschinger (IT United)
Honorary Director	Edgar Doerig (Embassy)
Honorary Director	YU Jianlong (CCPIT)

He explains that Christina Zhang has replaced Andrew Cheng in the course of the year since Andrew changed company (Beijing Bylaws, art. 7(3)(c)) and that Christina has been appointed by the BOD as Temporary Board Member (id., Let. e).

Likewise, Denis Schmid quit his company shortly before the RAGA and was also appointed as TBM.

APPENDIX "P"

The President then informs the GA that David Saudan, Cyrill Eltschinger and himself re-apply for the 2007 BOD. He explains the 2/3 attendance rules (Beijing Bylaws, art. 7(3)(c)) and states that all of them comply.

Besides Christina and Denis will have to be elected as standing Directors of the BOD.

Finally two candidates apply for election: Simon Jin (UBS) and Max von Zedtwitz (Tsinghua University School of Management).

The President asks whether there are other candidates. There are none.

Christina, Simon and Max then shortly introduce themselves.

The GA then proceeds to voting under the guidance of the President. At first the GA is invited to elect the 2007 BOD.

The votes are then counted under the guidance of the Executive Director together with Vote Counting Officers. The result are the following:

John Liebeskind	40
Cyrill Eltschinger	42
David Saudan	44
Christina Zhang	43
Simon Jin	44
Denis Schmid	43

Therefore all the candidates are elected.

7.2. Elections of National Representatives

The GA is the invited to elect the National Representatives.

John Liebeskind and Cyrill Eltschinger have been elected in 2005 for three years, therefore they need not to be elected.

Max von Zedtwitz needs to be elected however. He is elected with 45 votes.

7.3. Election of the President of SwissCham Beijing

Finally the GA is invited to elect the President of SwissCham Beijing. John Liebeskind is the only candidate. He is elected with 39 votes.

8. Appreciations

8.1. Directors Appreciation

The President then thanks Cyrill Eltschinger, Andrew Cheng, ZHANG Hu and Olivier Glauser for their dedication to the Chamber. He also thanks Fabian Furrer who was Executive Director for the past three years (see Package, pp. 47-48).

8.2. Sponsors Appreciation

The President then thanks the sponsors listed on pages 49-50 of the Package.

Since there are no further items on the agenda, the President declares the RAGA closed at 7 p.m.

The Minutes Taker:



Denis Schmid,
Secretary-General, SwissCham
Beijing

John Liebeskind
President, SwissCham Beijing