中华人民共和国公司法

Company Law of the People's Republic of China

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第一章 总则

December 29, 1993; Amended for the first time at the 13th Session of the Standing Committee of the Ninth National People's Congress on December 25, 1999; Amended for the second time at the 11th Session of the Standing Committee of the Tenth National People's Congress on August 28, 2004; Revised at the 18th Session of the Standing Committee of the Tenth National People's Congress on October 27, 2005; and Revised at the 6th Session of the Standing Committee of the Twelfth National People's Congress on December 28, 2013 and shall take effect on March 1, 2014)

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Chapter 1: General Provisions

第一条 为了规范公司的组织和行为,保护公司、股东和债权人的合法权益,维护社会主义市场经济秩序,促进社会主义市场经济发展,制定本法。

Article 1 This Law is formulated with a view to regulating the organization and activities of companies, protecting the legitimate rights and interests of companies, and their shareholders and creditors, maintaining social and economic orders, and facilitating the development of the socialist
market economy.

**Article 2** For the purpose of this Law, a company shall refer to a limited liability company or a company limited by shares established within the territory of the People’s Republic of China in accordance with this Law.

**Article 3** A company is an enterprise legal person with independent legal person property, and is entitled to legal person property rights. The company shall bear liabilities for its debts with all its assets. The shareholders of a limited liability company shall bear liabilities for the company to the extent of their respective subscribed capital contribution. The shareholders of a company limited by shares shall bear liabilities for the company to the extent of their respective subscribed shares.

**Article 4** The shareholders of a company shall, in accordance with the law, be entitled to such rights as to obtain capital proceeds, to participate in important decision-making, to elect management personnel, etc.

**Article 5** A company shall, when engaging in business activities, abide by laws and administrative regulations, observe social moralities and business ethics, act in good faith, accept the supervision of the Government and the general public, and undertake social responsibilities.

The legitimate rights and interests of a company shall be protected by law, and shall not be infringed upon.

**Article 6** To establish a company, an applicant shall submit an application for establishment registration to the relevant company registration authority in accordance with the law. If the application satisfies the establishment conditions provided for herein, the company registration authority shall register the proposed entity as either a limited liability company or a company limited by shares; otherwise, the proposed entity shall not be registered as a limited liability company or a company limited by shares.

Where laws or administrative regulations specify that the establishment of a company shall be subject to approval, the relevant approval formalities shall be gone through in accordance with the law prior to the registration of the company.

The general public may apply to company registration authorities to inquire on company registration
Article 7  Company registration authorities shall issue business licenses of companies to the companies established under the law. The date of issuance of the business license for a company shall be the date of establishment of the company.

The business license of a company shall state therein such matters as the name, domicile, registered capital, business scope, and the name of the legal representative, etc. of the company.

Where any of the matters stated in the business license of a company is changed, the company shall go through the formalities for change of registration in accordance with the law, and the relevant company registration authority shall issue a new business license to replace the old one.

Article 8  A limited liability company established under this Law shall include the characters "limited liability company" (limited liability company) or "limited company" (company limited) in the company name thereof.

A company limited by shares established under this Law shall include the characters "shares company" or "shares company" (both meaning joint stock company) in the company name thereof.

Article 9  Where a limited liability company converts to a company limited by shares, such conversion shall meet the requirements on a company limited by shares provided for herein. Where a company limited by shares converts to a limited liability company, such conversion shall meet the requirements on a limited liability company provided for herein.

Whether a limited liability company converts to a company limited by shares or a company limited by shares converts to a limited liability company, the creditors' rights and liabilities of the company before the conversion shall be succeeded to by the company formed after the conversion.

Article 10  The location of the principal office of a company shall be its domicile.

Article 11  To establish a company, the company's articles of association shall be formulated in accordance with the law. The articles of association shall be binding on the company, and its shareholders, directors, supervisors and senior management personnel.

Article 12  The company’s经营范围由公司章程规定，并依法登记。公司可以修改公司章程，改变经营范围，但是应当办理变更登记。

公司的经营范围中属于法律、行政法规规定须经批准的项目，应当依法经过批准。
Article 12 The business scope of a company shall be specified in its articles of association, and shall
be registered in accordance with the law. A company may modify its articles of association to change the
scope of business, provided that the formalities for change of registration shall be gone through.

Where any item in the business scope of a company shall be subject to approval in accordance with
laws and administrative regulations, approval shall be obtained pursuant to the law.

Article 13 The legal representative of a company shall, pursuant to the company's articles of
association, be assumed by the chairman of the board of directors, an executive director or a manager,
and shall be registered in accordance with the law. Change of the legal representative of the company
shall be subject to the formalities for change of registration.

Article 14 A company may establish a branch company by filing an application for registration with
the relevant company registration authority and obtaining a business license. A branch company is not
qualified as a legal person, and its civil liabilities shall be borne by the parent company.

A company may establish subsidiaries. Subsidiaries are qualified as legal persons, and shall
independently bear civil liabilities in accordance with the law.

Article 15 A company may invest in other enterprises, provided that it shall not become a
capital-contributing party that bears joint and several liabilities for the debts of the enterprises that it
invests in, unless otherwise specified by the law.

Article 16 Where a company invests in another enterprise or provides guarantee for others, the
investment or guarantee shall, in accordance with the company's articles of association, be subject to a
resolution of the board of directors, the shareholders' meeting or the general meeting. If any limit on the
total amount of investments or guarantees or any limit on the amount of a single investment or guarantee
is provided for in the company's articles of association, the investment or guarantee shall not exceed the
specified limit.

Where a company provides guarantee for a shareholder or the actual controller of the company, such
guarantee shall be subject to a resolution of the shareholders' meeting or the general meeting.

Neither a shareholder specified in the preceding Paragraph nor a shareholder who is controlled by the
actual controller specified in the preceding Paragraph is allowed to vote on the matters specified in the
preceding Paragraph. Such voting shall be subject to adoption by the other shareholders who represent
more than half of the voting rights of all the other shareholders present at the meeting.

第十七条 公司必须保护职工的合法权益，依法与职工签订劳动合同，参加社会保险，加强劳动保护，实现安全生产。
公司应当采用多种形式，加强公司职工的职业教育和岗位培训，提高职工素质。

Article 17 A company shall protect the legitimate rights and interests of its staff members, conclude labor contracts with them, participate in the social insurance system, and reinforce the labor protection for them so as to achieve safe production.

The company shall adopt various forms to enhance vocational education and job training for its staff members to improve their professional competency.

第十八条 公司职工依照《中华人民共和国工会法》组织工会，开展工会活动，维护职工合法权益。公司应当为本公司工会提供必要的活动条件。公司工会代表职工就职工的劳动报酬、工作时间、福利、保险和劳动安全卫生等事项依法与公司签订集体合同。

公司依照宪法和有关法律的规定，通过职工代表大会或者其他形式，实行民主管理。

公司研究决定改制以及经营方面的重大问题。制定重要的规章制度时，应当听取公司工会的意见，并通过职工代表大会或者其他形式听取职工的意见和建议。

Article 18 The staff members of a company shall organize a labor union in compliance with the Labor Union Law of the People's Republic of China to carry out labor union activities and maintain the legitimate rights and interests of the staff members. The company shall provide necessary conditions for the labor union thereof to carry out activities. The labor union of the company shall, in accordance with the law, conclude a collective contract with the company in connection with such matters as labor remunerations, working hours, benefits, insurance, labor safety, and sanitation, on behalf of the staff members.

A company shall, in accordance with the Constitution and other relevant laws, implement democratic management through a general meeting of the representatives of staff members or other forms.

When making research and decisions on restructuring or any major issue concerning its business operations, or when formulating important rules and regulations, a company shall listen to the opinions of its labor union, and to the opinions and suggestions of its staff members through the general meeting of the representatives of staff members or other forms.

第十九条 在公司中，根据中国共产党的章程的规定，设立中国共产党的组织，开展党的活动。公司应当为党组织的活动提供必要条件。

Article 19 An organization of the Communist Party of China ("CPC") shall be established in a company to carry out activities of the CPC pursuant to the Constitution of the Communist Party of China. The company shall provide necessary conditions for the activities of the organization of the CPC.

第二十条 公司股东应当遵守法律、行政法规和公司章程，依法行使股东权利，不得滥用股东权利损害公司或者其他股东的利益，不得滥用公司法人独立地位和股东有限责任损害公司债权人的利益。

公司股东滥用股东权利给公司或者其他股东造成损失的，应当依法承担赔偿责任。

公司股东滥用公司法人独立地位和股东有限责任，逃避债务，严重损害公司债权人利益的，应当对公司债务承担连带责任。

Article 20 The shareholders of a company shall abide by laws, administrative regulations, and the company's articles of association, and shall exercise shareholder's rights in accordance with the law. A shareholder shall not prejudice the interests of the company or other shareholders by abusing shareholder's rights, nor shall the shareholder prejudice the interests of the creditors of the company by
abusing the independent legal person status of the company or by abusing the limited liabilities of the shareholder.

Any shareholder of a company that has caused any loss to the company or to other shareholders by abusing shareholder's rights shall be liable for compensation in accordance with the law.

Where any shareholder of a company evades debts by abusing the independent legal person status of the company or by abusing the shareholder's limited liabilities, thereby graving prejudicing the interests of the creditors of the company, the shareholder shall be jointly and severally liable for the debts of the company.

第二十一条 公司的控股股东、实际控制人、董事、监事、高级管理人员不得利用其关联关系损害公司利益。

违反前款规定，给公司造成损失的，应当承担赔偿责任。

Article 21 The controlling shareholders, actual holders, directors, supervisors and senior management personnel of a company shall not make use of their affiliation to prejudice the interests of the company.

Whoever mentioned in the preceding Paragraph shall be liable for compensation if he/she causes any loss to the company by violating the preceding Paragraph.

第二十二条 公司股东会或者股东大会、董事会的决议内容违反法律、行政法规的无效。

股东会或者股东大会、董事会的会议召集程序、表决方式违反法律、行政法规或者公司章程，或者决议内容违反公司章程的，股东可以自决议作出之日起六十日内，请求人民法院撤销。

股东依照前款规定提起诉讼的，人民法院可以应公司的请求，要求股东提供相应担保。

公司根据股东会或者股东大会、董事会决议已办理变更登记的，人民法院宣告该决议无效或者撤销该决议后，公司应当向公司登记机关申请撤销变更登记。

第二章 有限责任公司的设立和组织机构

第一节 设立

Article 22 The contents of a resolution of the shareholders' meeting, the general meeting or the board of directors shall be invalid if they are in violation of laws or administrative regulations.

Where the procedures for convening, or voting at, the shareholders' meeting, the general meeting or a meeting of the board of directors are in violation of laws, administrative regulations or the company's articles of association, or where a resolution is in violation of the articles of association, a shareholders may, within 60 days of the date on which the resolution is made, file a request with a competent people's court for cancellation.

Where a shareholder files an action in accordance with the preceding Paragraph, the competent people's court may, at the request of the company, require the shareholder to provide corresponding guarantee.

Where after a company has gone through the formalities for change of registration pursuant to a resolution of the shareholders' meeting, the general meeting or the board of directors, the competent people's court declares the resolution invalid or cancels the resolution, the company shall file an application with the relevant company registration authority for cancellation of the change of registration.

Chapter 2: Establishment and Organizational Structure of a Limited Liability Company

Section 1: Establishment

第二十三条 设立有限责任公司，应当具备下列条件：
（一）股东符合法定人数；
（二）有符合公司章程规定的全体股东认缴的出资额；
Article 23  To establish a limited liability company, the following conditions shall be satisfied:

(1) The number of shareholders meets the quorum;
(2) The capital contribution subscribed to by all shareholders meets the requirements of the company's articles of association;
(3) The shareholders jointly formulate the company's articles of association;
(4) The company has a name, and its organizational structure meets the requirement for a limited liability company; and
(5) The company has a domicile.

Article 24  The establishment of a limited liability company shall be subject to the capital contribution by not more than 50 shareholders.

Article 25  The articles of association of a limited liability company shall set forth the following matters:

(1) Name and domicile of the company;
(2) Business scope of the company;
(3) Registered capital of the company;
(4) Names of the shareholders;
(5) Form, amount, and schedule of capital contributions by the shareholders;
(6) Organizations of the company and the methods of formation, authorities, and rules of procedure thereof;
(7) Legal representative of the company; and
(8) Any other matter deemed as necessary to be specified by the shareholders' meeting.

The shareholders shall affix their signatures and seals to the company's articles of association.
Article 26 The registered capital of a limited liability company shall be the amount of capital contribution subscribed to by all shareholders as registered with the relevant company registration authority.

The provisions otherwise prescribed by laws, administrative regulations and the decisions of the State Council on the actual payment of registered capital and the minimum registered capital of a limited liability company shall prevail.

第二十七条 股东可以用货币出资,也可以用实物、知识产权、土地使用权等可以用货币估价并可以依法转让的非货币财产作价出资;但是,法律、行政法规规定不得作为出资的财产除外。

对作为出资的非货币财产应当评估作价,核实财产,不得高估或者低估作价。法律、行政法规对评估作价有规定的,从其规定。

Article 27 A shareholder may make capital contributions in the form of monetary funds, or alternatively may make capital contributions with such valued non–monetary property as physical items, intellectual property rights, and land–use rights that may be valued in monetary terms and may be transferred in accordance with the law, excluding the property that shall not be used for capital contributions as specified in laws and administrative regulations.

The non–monetary property that is used for capital contributions shall be valued and verified, and shall not be over–valued or under–valued. The provisions on the valuation of such property as prescribed by laws or administrative regulations shall prevail.

第二十八条 股东应当按期足额缴纳公司章程中规定的各自所认缴的出资额。股东以货币出资的,应当将货币出资足额存入有限责任公司在银行开设的账户;以非货币财产出资的,应当依法办理其财产权的转移手续。

股东不按照前款规定缴纳出资的,除应当向公司足额缴纳外,还应当向已按期足额缴纳出资的股东承担违约责任。

Article 28 The shareholders of a company shall, according to the schedule, make full payment for the capital contributions that they have respectively subscribed for as specified in the articles of association of the company. If a shareholder makes capital contribution in the monetary form, the shareholder shall deposit the full amount of the monetary capital contribution into the bank account opened for the limited liability company. If a shareholder makes capital contribution with non–monetary property, the formalities for transfer of the property rights shall be completed pursuant to the law.

A shareholder who fails to pay capital contribution in accordance with the preceding Paragraph shall, in addition to making full payment to the company, bear the liabilities for breach of contract to the shareholders who have already made full payment of their capital contributions as scheduled.

第二十九条 股东认足公司章程规定的出资后,由全体股东指定的代表或者共同委托的代理人向公司登记机关报送公司登记申请书。公司章程等文件,申请设立登记。

Article 29 After the shareholders of a company have fully subscribed to the amount of capital contribution prescribed by the company's articles of association, the representative designated by all shareholders or the agent authorized by all shareholders shall apply for registration of the establishment of the company by submitting the written company registration application, the company's articles of association and other documents to the relevant company registration authority.

第三十条 有限责任公司成立后,发现作为设立公司出资的非货币财产的实际价额显著低于公司章程所定价额的,应当由交付该出资的股东补足其差额;公司设立时的其他股东承担连带责任。

Article 30 After the establishment of a limited liability company, if the actual value of any capital
contribution made in the form of non-monetary property is found to be apparently lower than the value specified in the company's articles of association, the shareholder who has made the said capital contribution shall pay up the difference, with the other shareholders at the time of establishment of the company bearing joint and several liability.

Article 31 Upon the establishment of a limited liability company, a capital contribution certificate shall be issued to each of the shareholders.

The capital contribution certificate shall set forth the following matters:

(1) Name of the company;
(2) Date of establishment of the company;
(3) Registered capital of the company;
(4) Names of the shareholders, amount of their respective capital contributions, and the date on which the capital contributions are made; and
(5) Serial number and date of issuance of the capital contribution certificate.

The capital contribution certificate shall be affixed with the seal of the company.

Article 32 A limited liability company shall prepare and make available a shareholder register, with the following items specified therein:

(1) Names and domiciles of the shareholders;
(2) Amount of capital contributions made by each of the shareholders; and
(3) Serial number of each capital contribution certificate.

The shareholders who are recorded in the shareholder register may exercise the shareholder's rights on the strength of the shareholder register.

A company shall register the names of the shareholders with the relevant company registration authority. In the case of change of any registered item, the formalities for change of registration shall be completed. A company that fails to go through the formalities for registration or change of registration shall not set up a defense against any third party.
Article 33 The shareholders of a company shall be entitled to inspect and duplicate the company's articles of association, the minutes of the shareholders' meetings, the resolutions of the board of directors, the resolutions of the board of supervisors, and the financial and accounting reports of the company.

The shareholders may request to inspect the accounting books of the company. Where a shareholder so requests, a written request shall be submitted to the company, with the purposes indicated therein. If the company has reasons to believe that the shareholder's request to inspect the accounting books is for any improper purpose and may prejudice the legitimate interests of the company, the company may reject the request and shall, within 15 days after the shareholder submits the written request, give a written reply to the shareholder and state the reasons therefor. Where the company refuses to allow inspection by the shareholder, the shareholder may request the competent people's court to require the company to provide the access to inspection.

Article 34 The dividends shall be distributed to shareholders in proportion to the actual capital contributions paid up by them, unless otherwise agreed upon by all the shareholders. In the event of capital increase of the company, the shareholders shall have the priority to subscribe for capital contribution proportionate to their actual paid-up capital contributions, unless otherwise agreed upon by all the shareholders.

Article 35 After the establishment of a company, its shareholders shall not withdraw their paid-up capital contributions.

Second Section: Organizational Structure

Article 36 The shareholders' meeting of a limited liability company shall be composed of all shareholders. The shareholders' meeting is the company's governing body, and shall exercise its powers in accordance with this Law.

Article 37 The shareholders shall exercise the following powers:

(1) Approve the company's business and investment plans;
(2) Elect and replace the directors and supervisors, and determine their remuneration;
(3) Approve the board of directors' report;
(4) Approve the board of supervisors' report;
(5) Approve the company's annual financial plan and decision-making plan;
(6) Approve the company's profit distribution plan and compensation plan;
(7) Approve the capital increase or decrease plan;
(8) Approve the capital increase or decrease plan;
(9) Approve the merger, division, dissolution,清算, or change in corporate form plan;
(10) Approve the bylaws;
(11) Other powers provided for in the company's articles of association.
Article 37 The shareholders' meeting of a company shall exercise the following powers:

(1) Making decisions on the company's operation guidelines and investment plans;

(2) Electing and replacing the directors and supervisors who are not the representatives of the staff members, and making decisions on the matters concerning the remunerations of the directors and supervisors;

(3) Approving the reports of the board of directors through deliberation;

(4) Approving the reports of the board of supervisors or those of the supervisors through deliberation;

(5) Approving the annual financial budget plans and final accounts of the company through deliberation;

(6) Approving the profit distribution plans and loss recovery plans of the company through deliberation;

(7) Making resolutions on the increase or decrease of the company's registered capital;

(8) Making resolutions on the issuance of corporate bonds;

(9) Making resolutions on the merger, division, dissolution or liquidation of the company or on the conversion of the corporate form;

(10) Modifying the company's articles of association; and

(11) Exercising other powers specified in the articles of association.

Where all the shareholders have reached a written consensus on a matter listed in the preceding Paragraph, a decision may be directly made without convening a shareholders' meeting, provided that all the shareholders shall affix their signatures and seals to the decision document.

Article 38 The first shareholders' meeting shall be convened and presided over by the shareholder who has made the largest proportion of capital contributions, and shall exercise its powers in accordance with this Law.

Article 39 The shareholders' meetings are classified into regular meetings and interim meetings.

Regular meetings shall be held as scheduled under the company's articles of association. An interim meeting shall be held if so proposed by the shareholders representing more than one tenth of the voting rights, more than one third of the directors, the board of supervisors, or in the absence thereof, the supervisors.

Article 40 Limited liability company设立董事会的,股东会会议由董事会召集,董事长主持;董事长不能履行职务或者不履行职务的,由副董事长主持,副董事长不能履行职务或者不履行职务的,由半数以上董事共同推举一名董事主持。

有限责任公司不设董事会的,股东会会议由执行董事召集和主持。

有限责任公司设立监事会的,股东会会议应当召开监事会会议,公司经理主持;公司经理不能履行职责或者不履行职责的,由副经理主持,副经理不能履行职责或者不履行职责的,由半数以上董事共同推举一名董事主持。

有限责任公司不设监事会的,股东会会议由执行董事召集和主持。
Article 40 Where a limited liability company has established a board of directors, the shareholders' meetings shall be convened by the board of directors and be presided over by the chairman of the board of directors. If the said chairman is unable to or fails to perform the duties thereof, the shareholders' meetings shall be presided over by the vice chairman of the board of directors. If the vice chairman of the board of directors is unable to or fails to perform the duties thereof, the shareholders' meeting shall be presided over by a director elected jointly by more than half of all the directors.

Where a limited liability company has no board of directors, the shareholders' meetings shall be convened and presided over by an executive director.

If the board of directors or the executive director is unable to or fails to perform the duties of convening the shareholders' meetings, the board of supervisors or, in the absence thereof in the company, the supervisors, shall convene and preside over such meetings. If the board of supervisors or the supervisors fail to convene or preside over such meetings, the shareholders representing more than one tenth of the voting rights may convene and preside over such meetings at their own discretion.

Article 41 A notice shall be given to all the shareholders of a company 15 days before a shareholders' meeting is held, unless otherwise specified in the company's articles of association or otherwise agreed upon by all the shareholders.

Minutes shall be prepared by the shareholders' meeting for the decisions on the matters deliberated at each of the shareholders' meetings. Shareholders present at such meetings shall affix their signatures thereto.

Article 42 The shareholders of a company shall exercise their voting rights at shareholders' meetings in proportion to their respective capital contributions, unless otherwise specified in the company's articles of association.

Article 43 The rules of procedure and voting procedures of the shareholders' meeting of a company shall be set forth in the company's articles of association, unless otherwise specified in this Law.

Any resolutions made at a shareholders' meeting on the amendment of the company's articles of association, increase or decrease of the registered capital and on the merger, division, dissolution, or conversion of the company, shall be adopted by the shareholders representing more than two thirds of the voting rights.

Article 44 A limited liability company shall have a board of directors that is to be composed of 3 to
13 members, unless otherwise specified in Article 50 of this Law.

In the case of a limited liability company established with investment from two or more State-owned enterprises or two or more other types of State-owned investing parties, the members of its board of directors shall include the representatives of the staff members of the company; in the case of any other limited liability company, the members of its board of directors may include representatives of the staff members of the company. The representatives of the staff members in the board of directors shall be elected democratically through a general meeting of the representatives of the staff members, general meeting of staff members, or in other forms.

The board of directors shall have one chairman, and may have several vice chairmen. The methods for election of the chairman and vice chairmen shall be specified in the company's articles of association.

第四十五条 董事任期由公司章程规定,但每届任期不得超过三年。董事任期届满,连选可以连任。
董事任期届满未及时改选,或者董事在任期内辞职导致董事会成员低于法定人数的,在改选出的董事就任前,原董事仍应当依照法律、行政法规和公司章程的规定,履行董事职务。

Article 45 The term of office of a director of a company shall be specified in the company's articles of association, subject to a maximum of three years. The term of office of a director may be renewed upon expiry thereof in the case of successful re-election.

Where a new election is not held in a timely manner upon expiry of the term of office of a director, or where the number of the members of the board of directors is less than the quorum due to the resignation of one or more directors during their term of office, such former director(s) shall continue to perform the director's duties in accordance with laws, administrative regulations and the company's articles of association until the newly-elected director(s) take office.

第四十六条 董事会对股东会负责,行使下列职权:
(一) 召集股东会会议,并向股东会报告工作;
(二) 执行股东会的决议;
(三) 决定公司的经营计划和投资方案;
(四) 制订公司的年度财务预算方案、决算方案;
(五) 制订公司的利润分配方案和弥补亏损方案;
(六) 制订公司增加或者减少注册资本以及发行公司债券的方案;
(七) 制订公司合并、分立、解散或者变更公司形式的方案;
(八) 决定公司内部管理机构的设置;
(九) 决定聘任或者解聘公司经理及其报酬事项,并根据经理的提名决定聘任或者解聘公司副经理、财务负责人及其报酬事项;
(十) 制定公司的基本管理制度;
(十一) 公司章程规定的其他职权。

Article 46 The board of directors of a company shall be accountable to the shareholders' meeting and exercise the following powers:

(1) Convening the shareholders' meetings and reporting to the shareholders' meeting;
(2) Executing the resolutions of the shareholders' meeting;
(3) Making decisions on the operation plans and investment plans of the company;
(4) Formulating the annual financial budget plans and final accounts of the company;
(5) Formulating the profit distribution plans and loss recovery plans of the company;
(6) Formulating the plans on the increase or reduction of the registered capital of the company, and on the issuance of corporate bonds;
(7) Formulating the plans on the merger, division, dissolution, or conversion of the company;

(8) Making decisions on the set-up of the internal management bodies of the company;

(9) Making decisions on the employment or dismissal of the manager of the company and matters related to the remuneration thereof, and making decisions, according to the manager's nomination, on the employment or dismissal of the vice manager(s) and the personnel in charge of financial issues and the matters related to their remunerations;

(10) Formulating the fundamental management systems of the company; and

(11) Exercising other powers specified in the company's articles of association.

Article 47 The meetings of the board of directors shall be convened and presided over by the chairman of the board of directors. If the chairman is unable to or fails to perform his/her duties, the meetings shall be convened or presided over by the vice chairman of the board of directors. If the vice chairman is unable to or fails to perform his/her duties, the meetings shall be convened or presided over by a director jointly elected by more than half of all the directors.

Article 48 The rules of procedure and voting procedures of the board of directors of a company shall be set forth in the company's articles of association, unless otherwise specified in this Law.

Minutes shall be prepared by the board of directors for the decisions made on the matters discussed (at each of the meetings of the board of directors). The directors present at such meetings shall affix their signatures thereto.

In voting on a resolution of the board of directors, one person shall be entitled to only one vote.

Article 49 A limited liability company may have a manager whose employment or dismissal shall be subject to the decision of the board of directors. The manager shall be accountable to the board of directors and shall exercise the following powers:

(1) Taking charge of the management of the production and business operations of the company, and organizing the implementation of the resolutions of the board of directors;

(2) Organizing the implementation of the annual operation plans and investment plans of the company;
(3) Drafting the plans on the set-up of the internal management bodies of the company;

(4) Drafting the fundamental management systems of the company;

(5) Formulating specific regulations of the company;

(6) Proposing to employ or dismiss the vice manager(s) or personnel in charge of financial issues of the company;

(7) Making decisions on the employment or dismissal of the persons in charge of management other than those whose employment or dismissal shall be subject to the decision of the board of directors; and

(8) Exercising other powers conferred by the board of directors.

Provisions on the powers of the manager otherwise specified in the company's articles of association shall prevail.

The manager shall attend meetings of the board of directors as a non-voting participant.

Article 50 A limited liability company with relatively few shareholders or of a relatively small size may have one executive director instead of a board of directors. The executive director may concurrently hold the post of the manager of the company.

The powers of the executive director shall be specified by the company's articles of association.

Article 51 A limited liability company shall have a board of supervisors that is to be composed of at least three members. A limited liability company with relatively few shareholders or of a relatively small size may have one or two supervisors instead of a board of supervisors.

The board of supervisors shall include representatives of the shareholders and an appropriate proportion of representatives of the staff members of the company. The specific proportion of the latter shall be specified in the company's articles of association, subject to a minimum of one-third. The representatives of the staff members in the board of supervisors shall be elected democratically by the staff members of the company through a general meeting of the representatives of the staff members, a general meeting of staff members, or in other forms.

The board of supervisors shall have one chairman who is to be elected by more than half of all the supervisors. The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. If the chairman is unable to or fails to perform his/her duties, such meetings shall be convened or presided over by a supervisor jointly elected by more than half of all the supervisors.

The directors or senior management personnel shall not concurrently hold the posts of supervisors.

Article 52 The term of office of a director is three years. The director's term of office is renewable, and a director may be re-elected.
Article 52 The term of office of a supervisor shall be three years. The term of office of a supervisor may be renewed upon expiry thereof in the case of successful re-election.

If a new election is not held in a timely manner upon the expiry of the term of office of a supervisor, or if the number of the members of the board of supervisors is less than the quorum due to the resignation of one or more supervisors during their term of office, such former supervisor(s) shall continue to perform supervisor's duties in accordance with laws, administrative regulations, and the company's articles of association until the newly elected supervisor(s) take(s) office.

Article 53 The board of supervisors or, in the absence thereof in a company, the supervisors shall exercise the following powers:

(1) Conducting inspection of the financial issues of the company;
(2) Supervising the performance of duties by the directors and senior management personnel, and submitting a proposal on the removal of any director or senior management person who violates laws or administrative regulations, the company's articles of association, or any resolution of the shareholders' meeting;
(3) Requiring the directors or senior management personnel to correct their conducts that prejudice the interests of the company;
(4) Proposing to convene interim shareholders' meetings, and convening and presiding over shareholders' meetings when the board of directors fails to perform the duties of convening and presiding over shareholders' meetings as specified in this Law;
(5) Filing forward proposals to the shareholders' meeting;
(6) Filing actions against the directors or senior management personnel in accordance with Article 151 of this Law; and
(7) Exercising other powers specified in the company's articles of association.

Article 54 The supervisors of a company may attend the meetings of the board of directors as non-voting participants, and may raise questions or suggestions on the matters decided by the board of directors.

The board of supervisors or, in the absence thereof in a company, the supervisors may conduct
investigation when discovering any abnormality in the operating conditions of the company, and, where necessary, may engage an accounting firm and others to provide assistance, with relevant expenses borne by the company.

**Article 55**  The board of supervisors shall convene a meeting at least once a year, and the supervisors may propose to convene an interim meeting of the board of supervisors.

The rules of procedure and voting procedures of the board of supervisors of a company shall be set forth in the company's articles of association, unless otherwise specified in this Law.

A resolution of the board of supervisors shall be passed by more than half of all the supervisors.

Minutes shall be prepared by the board of supervisors for the decisions on the matters discussed [at each of the meetings of the board of supervisors]. The supervisors present at such meetings shall affix their signatures thereto.

**Article 56**  The necessary expenses incurred by the board of supervisors or, in the absence thereof in a company, the supervisors for exercise of their powers shall be borne by the company.

Section 3: Special Provisions on One-Person Limited Liability Companies

**Article 57**  This Section shall be applicable to the establishment and the organizational structure of a one-person limited liability company. In the absence of pertinent provisions in this Section, Section 1 and Section 2 of this Chapter shall apply.

For the purpose of this Law, a one-person limited liability company shall refer to a limited liability company comprising only one natural person shareholder or one legal person shareholder.

**Article 58**  One natural person can only establish one one-person limited liability company which is prohibited from investing in the establishment of another one-person limited liability company.

**Article 59**  A one-person limited liability company shall indicate, in its company registration, whether it is wholly owned by a natural person or a legal person. The same shall also be stated in the business license of the company.

**Article 60**  The articles of association of a one-person limited liability company shall be formulated by the shareholder.
第六十一条 一人有限责任公司不设股东会。股东作出本法第三十七条第一款所列决定时，应当采用书面形式，并由股东签名后置备于公司。

Article 61  A one-person limited liability company has no shareholders' meeting. Where the shareholder makes a decision listed in Paragraph 1 of Article 37 of this Law, the decision shall be made in writing, and shall be prepared and made available at the company after the shareholder has affixed his/her signature thereto.

第六十二条 一人有限责任公司应当在一会计年度终了时编制财务会计报告，并经会计师事务所审计。

Article 62  A one-person limited liability company shall prepare financial and accounting reports at the end of each fiscal year, and such reports shall be audited by an accounting firm.

第六十三条 一人有限责任公司的股东不能证明公司财产独立于股东自己的财产的，应当对公司债务承担连带责任。

第四节 国有独资公司的特别规定

Article 63  Where the shareholder of a one-person limited liability company is unable to prove that the property of the company is independent of his/her own property, the shareholder shall bear joint and several liabilities for the debts of the company.

Section 4: Special Provisions on Wholly State-Owned Companies

第六十四条 国有独资公司的设立和组织机构，适用本节规定；本节没有规定的，适用本章第一节、第二节的规定。

本法所称国有独资公司，是指国家单独出资、由国务院或者地方人民政府授权本级人民政府国有资产监督管理机构履行出资人职责的有限责任公司。

Article 64  This Section shall be applicable to the establishment and the organizational structure of a wholly State-owned company. In the absence of pertinent provisions in this Section, Section 1 and Section 2 of this Chapter shall apply.

For the purpose of this Law, a wholly State-owned company shall refer to a limited liability company to which the capital contribution is solely made by the State and for which the State Council or the State-owned assets supervision and administration authority, authorized by the local people's government at the same level, performs the duties of the capital contributing party.

第六十五条 国有独资公司章程由国有资产监督管理机构制定，或者由董事会制订报国有资产监督管理机构批准。

Article 65  The articles of association of a wholly State-owned company shall be formulated by the relevant State-owned assets supervision and administration authority, or be formulated by the board of directors and be reported to the relevant State-owned assets supervision and administration authority for approval.

第六十六条 国有独资公司不设股东会，由国有资产监督管理机构行使股东会职权。国有资产监督管理机构可以授权公司董事会行使股东会的部分职权，决定公司的重大事项，但是公司的合并、分立、解散、增加或者减少注册资本和发行公司债券，必须由国有资产监督管理机构决定；其中，重要的国有独资公司合并、分立、解散、申请破产的，应当由国有资产监督管理机构审核后，报本级人民政府批准。

前款所称重要的国有独资公司，按照国务院的规定确定。

Article 66  A wholly State-owned company has no shareholders' meeting, and the relevant State-owned assets supervision and administration authority shall exercise the powers of the
shareholders' meeting. The State-owned assets supervision and administration authority may authorize the board of directors of the company to exercise part of the powers of the shareholders' meeting, and to make decisions on material matters of the company. However, the merger, division, and dissolution of the company, the increase or reduction of the registered capital, or issuance of corporate bonds shall be subject to the decision of the State-owned supervision and administration authority. The merger, division, and dissolution of, or application for bankruptcy by, an important wholly State-owned company shall, after the examination and verification of the State-owned assets supervision and administration authority, be reported to the people's government at the same level for approval.

For the purpose of the preceding Paragraph, an important wholly State-owned company shall be determined in accordance with relevant provisions of the State Council.

第六十七条 国有独资公司设董事会,依照本法第四十六条、第六十六条的规定行使职权。董事每届任期不得超过三年。董事会成员中应有公司职工代表。董事会成员由国有资产监督管理机构委派;但是,董事会成员中的职工代表由公司职工代表大会选举产生。董事会设董事长一人,可以设副董事长。董事长、副董事长由国有资产监督管理机构从董事会成员中指定。

Article 67  A wholly State-owned company shall have a board of directors which shall exercise its powers in accordance with Article 46 and Article 66 of this Law. The term of office of a director shall not exceed three years. The members of the board of directors shall include representatives of the staff members of the company.

The members of the board of directors shall be appointed by the relevant State-owned assets supervision and administration authority. However, the representatives of the staff members in the board of directors shall be elected by the staff members of the company through a general meeting of the representatives of the staff members.

The board of directors shall have one chairman and may have several vice chairmen. The chairman and vice chairmen of the board of directors shall be appointed from among the members of the board by the relevant State-owned assets supervision and administration authority.

第六十八条 国有独资公司设经理,由董事会聘任或者解聘。经理依照本法第四十九条规定行使职权。

经理由国有资产监督管理机构同意,董事会成员可以兼任经理。

Article 68  A wholly State-owned company may have a manager whose employment or dismissal shall be at the decision of the board of directors. The manager shall exercise his/her powers pursuant to Article 49 of this Law.

Subject to the consent of the relevant State-owned assets supervision and administration authority, a member of the board of directors may concurrently hold the post of the manager of the company.

第六十九条 国有独资公司的董事长、副董事长、董事、高级管理人员,未经国有资产监督管理机构同意,不得在其他有限责任公司、股份有限公司或者其他经济组织兼职。

Article 69  The chairman, vice chairmen, and directors of the board of directors and the senior management personnel of a wholly State-owned company shall not, without the consent of the relevant State-owned assets supervision and administration authority, concurrently hold any position at any other limited liability company, company limited by shares, or any other economic organization.

第七十条 国有独资公司监事会成员不得少于五人,其中职工代表的比例不得低于三分之一,具体比例由公司章程规定。
Article 70  The board of supervisors of a wholly State-owned company shall comprise at least five members, among whom the proportion of the representatives of the staff members shall not be less than one third, and the specific proportion shall be specified in the company's articles of association.

The members of the board of supervisors shall be appointed by the relevant State-owned assets supervision and administration authority, provided that the representatives of the staff members in the board of supervisors shall be elected through a general meeting of the representatives of the staff members.

The chairman of the board of supervisors shall be appointed from among the members of the board of supervisors by the State-owned assets supervision and administration authority.

The board of supervisors shall exercise the powers specified in Item (1) through to Item (3) of Article 53 of this Law and other powers provided for by the State Council.

Chapter 3: Equity Transfer of a Limited Liability Company

Article 71  The shareholders of a limited liability company may transfer all or part of their equity among each other.

The proposed transfer of equity by a shareholder to any non-shareholder party shall be subject to the consent of more than half of the other shareholders. The shareholder shall notify the other shareholders in writing of the matters on the proposed equity transfer for their consent. Failure to reply by any of the other shareholders within 30 days upon receipt of the written notice shall be deemed as consent to the transfer. Where more than half of the other shareholders do not consent to the transfer, such non-consenting shareholders shall purchase the equity to be transferred; failure to purchase the equity shall be deemed as consent to the transfer.

With respect to any equity to be transferred with the consent of the shareholders, those shareholders other than the transferring party shall have the preemptive right under the same conditions. Where two or more shareholders claim to exercise their preemptive right, they shall determine the proportional ratio for purchase through consultation. Where the consultation fails, the preemptive right shall be exercised in proportion to their respective capital contribution at the time of the transfer.

The provisions on equity transfer otherwise prescribed by the articles of association of a company shall prevail.
mandatory enforcement procedures under the law, notify the company and all the shareholders that the 
other shareholders have the preemptive right under the same conditions. The other shareholders who fail 
to exercise their preemptive right within 20 days of such notification shall be deemed to have waived 
their preemptive right.

第七十三条 依照本法第七十一条、第七十二条转让股权后,公司应当注销原股东的出资证明书,向新 
股东签发出资证明书,并相应修改公司章程和股东名册中有关股东及其出资额的记载。对公司章程的该项 
修改不需再由股东会表决。

Article 73 After transfer of any equity pursuant to Article 71 and Article 72 of this Law, the 
company concerned shall deregister the capital contribution certificate of the original shareholder, issue 
a capital contribution certificate to the new shareholder, and modify the records on the shareholder and 
the capital contributions thereof in the company's articles of association and the shareholder register 
accordingly. The shareholders' meeting is not required to vote on the said modification to the company's 
articles of association.

第七十四条 有下列情形之一的,对股东会该项决议投反对票的股东可以请求公司按照合理的价格收 
购其股权:

(一)公司连续五年不向股东分配利润,而公司该五年连续盈利,并且符合本法规定的分配利润条件的;
(二)公司合并、分立、转让主要财产的;
(三)公司章程规定的营业期限届满或者章程规定的其他解散事由出现,股东会会议通过决议修改章程 
使公司存续的。

自股东会会议决议通过之日起六十日内,股东与公司不能达成股权收购协议的,股东可以自股东会 
会议决议通过之日起九十日内向人民法院提起诉讼。

Article 74 Under any of the following circumstances, a shareholder of a company who votes against 
a resolution of the shareholders' meeting may request the company to acquire the equity thereof at a 
reasonable price:

(1) Where the company fails to distribute any profit to its shareholders for five consecutive years, while 
being profitable during those five consecutive years and satisfying the conditions on profit distribution 
specified in this Law;

(2) Where the company is merged or divided, or it transfers its primary property; or

(3) Where upon the expiration of the term of operation specified in the company's articles of association or 
the occurrence of any other cause of dissolution specified therein, a resolution is adopted at a 
shareholders' meeting to modify the articles of association to the effect that the company continues to 
exist.

If the shareholder fails to reach an agreement with the company on equity acquisition within 60 days 
after the resolution of the shareholders' meeting is adopted, the shareholder may file an action with a 
competent people's court within 90 days after the resolution of the shareholders' meeting is adopted.

第七十五条 自然人股东死亡后,其合法继承人可以继承股东资格;但是,公司章程另有规定除外。

第四章 股份有限公司的设立和组织机构
第一节 设立

Article 75 After the death of a natural person shareholder of a company, the lawful successor thereof 
may succeed to the shareholder capacity, unless otherwise specified in the company's articles of 
association.

Chapter 4: Establishment and Organizational Structure of a Company Limited by Shares
Section 1: Establishment

Article 76 To establish a company limited by shares, the following conditions shall be satisfied:

(1) The number of promoters meets the statutory quorum;

(2) The total share capital subscribed to by all promoters or total amount of paid-up share capital raised meets the requirements of the company's articles of association;

(3) The issuance of shares and the preparatory work are in compliance with the law;

(4) The company's articles of association is formulated by the promoters, or is adopted at the inaugural meeting if the company is established by means of stock flotation;

(5) The company has a name, and has established an organization structure that conforms to the requirements on a company limited by shares; and

(6) The company has a domicile.

Article 77 A company limited by shares may be established through promotion or stock flotation.

Establishment of a company through promotion shall mean that the promoters of a company establish the company by subscribing for all of the shares that shall be issued by the company.

Establishment of a company through stock flotation shall mean the promoters of a company establish the company by subscribing for part of the shares that shall be issued by the company and offering the remaining shares to the public or particular investors for subscription.

Article 78 To establish a company limited by shares, there shall be not less than two but not more than 200 promoters, of whom more than half shall have domiciles within the territory of China.

Article 79 The promoters of a company limited by shares shall be responsible for the establishment preparatory work of the company.

They shall conclude a promoters' agreement to clarify their respective rights and obligations during the course of establishment of the company.
Article 80 Where a company limited by shares is established by way of promotion, its registered capital shall be the total amount of share capital subscribed to by all promoters as registered with the relevant company registration authority. The said company is not allowed to offer shares to others for subscription before the shares subscribed to by its promoters are fully paid up.

Where a company limited by shares is established through stock flotation, the registered capital thereof shall be the actual total paid-up share capital registered at the relevant company registration authority.

The provisions otherwise prescribed by laws, administrative regulations and the decisions of the State Council on the actual payment of registered capital and the minimum registered capital of a company limited by shares shall prevail.

第八十一条 股份有限公司章程应当载明下列事项：
（一）公司名称和住所；
（二）经营范围；
（三）公司设立方式；
（四）公司股份总数、每股金额和注册资本；
（五）发起人的姓名或者名称、认购的股份数、出资方式和出资时间；
（六）董事会的组成、职权和议事规则；
（七）公司法定代表人；
（八）监事会的组成、职权和议事规则；
（九）公司利润分配办法；
（十）公司的解散事由与清算办法；
（十一）公司的通知和公告办法；
（十二）股东大会会议认为需要规定的其他事项。

Article 81 The articles of association of a company limited by shares shall set forth the following matters:

(1) Name and domicile of the company;
(2) Business scope of the company;
(3) Form of establishment of the company;
(4) Total shares, price per share, and registered capital of the company;
(5) Names of the promoters, number of shares they have subscribed for, and forms and schedule of their capital contributions;
(6) Composition, authorities and rules of procedure of the board of directors;
(7) Legal representative of the company;
(8) Composition, authorities and rules of procedure of the board of supervisors;
(9) Methods for profit distribution of the company;
(10) Causes for dissolution, and methods for liquidation, of the company;
(11) Methods of notification and public announcement by the company; and
(12) Any other matters deemed as necessary to be specified by the general meeting.

第八十二条 发起人的出资方式，适用本法第二十七条的规定。
Article 82  Article 27 of this Law shall be applicable to the forms of capital contribution by promoters.

Article 83  Where a company limited by shares is established by way of promotion, its promoters shall subscribe, in writing, to all shares that they are required to subscribe to under the company's articles of association, and make capital contributions pursuant to the company's articles of association. Where capital contributions are made with non-monetary assets, the promoters shall go through the procedures for transfer of property rights pursuant to the law.

In the event of a promoter's failure to make capital contributions in accordance with the preceding Paragraph, the promoter shall bear the liabilities for breach of contract pursuant to the promoters' agreement.

After the promoters have fully subscribed to the capital contribution prescribed by the company's articles of association, the board of directors and the board of supervisors of the company shall be elected, and the board of directors shall apply for registration of the establishment of the company by submitting the company's articles of association and other documents prescribed by laws and administrative regulations to the relevant company registration authority.

Article 84  Where a company limited by shares is established through stock flotation, the shares subscribed for by the promoters shall not be less than 35 percent of the total shares of the company, unless otherwise prescribed by laws or administrative regulations.

Article 85  The promoters of a company limited by shares shall announce a prospectus and prepare a share subscription form if they publicly offer shares for subscription. The share subscription form shall state the items listed in Article 86 of this Law. The subscribers shall fill out the number and value of their subscribed shares and their domiciles, accompanied by their signatures or seals. The subscribers shall pay for the shares according to the number of their subscribed shares.

Article 86  The prospectus shall be accompanied by the company's articles of association formulated by the promoters, and shall set forth the following matters:
(1) Number of shares subscribed for by the promoters;
(2) Par value and issuing price per share;
(3) Total number of bearer stocks issued;
(4) Purposes of the funds raised;
(5) Rights and obligations of the subscribers; and
(6) Commencement and ending dates of the share offering, and a statement that the subscribers may withdraw their subscriptions if the shares are not fully subscribed upon the expiry of the share offer.

Article 87  The public share offering of promoters shall be underwritten by a lawfully-established securities company, and an underwriting agreement shall be concluded.

Article 88  When conducting a public share offering, the promoters shall conclude an agreement with a bank whereby the latter shall collect the payment for shares on behalf of the former.

The receiving bank shall collect and hold the payments for shares in accordance with the agreement, issue receipts to subscribers who have paid for their share subscriptions, and is under the obligation to provide the relevant department with the certificates for payment receipt.

Article 89  The payments for the issued shares shall, after being fully made, be subject to capital verification and issuance of a certification by a lawfully-established capital verification agency. The promoters shall convene a meeting to found the company within 30 days after the payments for the shares are fully made. The attendees at the inaugural meeting shall comprise the promoters and subscribers.

If the shares issued are not fully subscribed upon the expiry of the time limit specified in the prospectus, or if the promoters fail to convene an inaugural meeting within 30 days after the payments for the issued shares are fully made, the subscribers may require the promoters to refund their payments for the shares plus the interest calculated according to the bank deposit interest rate for that corresponding period.

Article 90  The promoters shall convene the shareholders’ meeting at the 15th day of the shareholders’ meeting month, at which time the shareholders shall elect the board of directors. The shareholders’ meeting shall be convened by the chairman of the board or, in his absence, by another member of the board elected by the shareholders. The shareholders’ meeting shall be convened in the following ways:

(a) by a resolution of the board of directors; or
(b) by a written request of shareholders holding not less than 10% of the total number of shares.

The shareholders’ meeting shall elect the board of directors and elect the chairman, deputy chairman, and other members of the board of directors.

The shareholders’ meeting shall also vote on the following matters:

(a) the amendment of the articles of association;
(b) the election and removal of the board of directors;
(c) the appointment and removal of the chairman, deputy chairman, and other members of the board of directors;
(d) the determination of the annual operating results and the distribution of profits;
(e) the appointment and removal of the internal auditors;
(f) the determination of the investment plan and the disposal of property;
(g) the determination of the budget and the financial statements;
(h) the determination of the annual report of the company and the list of shareholders;
(i) the determination of the shareholders’ activities; and
(j) the determination of the other matters specified by the law.

The shareholders’ meeting shall be recorded in the minutes and kept for reference. The shareholders’ meeting shall be convened in writing, in which case the召集产生事由 and the agenda of the shareholders’ meeting, including the voting rights and the methods of voting, shall be included. The shareholders’ meeting shall be convened in accordance with the relevant provisions of the law and the articles of association. The shareholders’ meeting shall be convened in the following ways:

(a) by a resolution of the board of directors; or
(b) by a written request of shareholders holding not less than 10% of the total number of shares.

The shareholders’ meeting shall be convened in accordance with the following provisions:

(a) the amendment of the articles of association;
(b) the election and removal of the board of directors;
(c) the appointment and removal of the chairman, deputy chairman, and other members of the board of directors;
(d) the determination of the annual operating results and the distribution of profits;
(e) the appointment and removal of the internal auditors;
(f) the determination of the investment plan and the disposal of property;
(g) the determination of the budget and the financial statements;
(h) the determination of the annual report of the company and the list of shareholders;
(i) the determination of the shareholders’ activities; and
(j) the determination of the other matters specified by the law.

The shareholders’ meeting shall be recorded in the minutes and kept for reference. The shareholders’ meeting shall be convened in accordance with the relevant provisions of the law and the articles of association. The shareholders’ meeting shall be convened in the following ways:

(a) by a resolution of the board of directors; or
(b) by a written request of shareholders holding not less than 10% of the total number of shares.

The shareholders’ meeting shall be convened in accordance with the following provisions:

(a) the amendment of the articles of association;
(b) the election and removal of the board of directors;
(c) the appointment and removal of the chairman, deputy chairman, and other members of the board of directors;
(d) the determination of the annual operating results and the distribution of profits;
(e) the appointment and removal of the internal auditors;
(f) the determination of the investment plan and the disposal of property;
(g) the determination of the budget and the financial statements;
(h) the determination of the annual report of the company and the list of shareholders;
(i) the determination of the shareholders’ activities; and
(j) the determination of the other matters specified by the law.

The shareholders’ meeting shall be recorded in the minutes and kept for reference. The shareholders’ meeting shall be convened in accordance with the relevant provisions of the law and the articles of association. The shareholders’ meeting shall be convened in the following ways:

(a) by a resolution of the board of directors; or
(b) by a written request of shareholders holding not less than 10% of the total number of shares.

The shareholders’ meeting shall be convened in accordance with the following provisions:

(a) the amendment of the articles of association;
(b) the election and removal of the board of directors;
(c) the appointment and removal of the chairman, deputy chairman, and other members of the board of directors;
(d) the determination of the annual operating results and the distribution of profits;
(e) the appointment and removal of the internal auditors;
(f) the determination of the investment plan and the disposal of property;
(g) the determination of the budget and the financial statements;
(h) the determination of the annual report of the company and the list of shareholders;
(i) the determination of the shareholders’ activities; and
(j) the determination of the other matters specified by the law.

The shareholders’ meeting shall be recorded in the minutes and kept for reference. The shareholders’ meeting shall be convened in accordance with the relevant provisions of the law and the articles of association. The shareholders’ meeting shall be convened in the following ways:

(a) by a resolution of the board of directors; or
(b) by a written request of shareholders holding not less than 10% of the total number of shares.

The shareholders’ meeting shall be convened in accordance with the following provisions:

(a) the amendment of the articles of association;
(b) the election and removal of the board of directors;
(c) the appointment and removal of the chairman, deputy chairman, and other members of the board of directors;
(d) the determination of the annual operating results and the distribution of profits;
(e) the appointment and removal of the internal auditors;
(f) the determination of the investment plan and the disposal of property;
(g) the determination of the budget and the financial statements;
(h) the determination of the annual report of the company and the list of shareholders;
(i) the determination of the shareholders’ activities; and
(j) the determination of the other matters specified by the law.

The shareholders’ meeting shall be recorded in the minutes and kept for reference. The shareholders’ meeting shall be convened in accordance with the relevant provisions of the law and the articles of association. The shareholders’ meeting shall be convened in the following ways:

(a) by a resolution of the board of directors; or
(b) by a written request of shareholders holding not less than 10% of the total number of shares.

The shareholders’ meeting shall be convened in accordance with the following provisions:

(a) the amendment of the articles of association;
(b) the election and removal of the board of directors;
(c) the appointment and removal of the chairman, deputy chairman, and other members of the board of directors;
(d) the determination of the annual operating results and the distribution of profits;
(e) the appointment and removal of the internal auditors;
(f) the determination of the investment plan and the disposal of property;
(g) the determination of the budget and the financial statements;
(h) the determination of the annual report of the company and the list of shareholders;
(i) the determination of the shareholders’ activities; and
(j) the determination of the other matters specified by the law.

The shareholders’ meeting shall be recorded in the minutes and kept for reference. The shareholders’ meeting shall be convened in accordance with the relevant provisions of the law and the articles of association. The shareholders’ meeting shall be convened in the following ways:

(a) by a resolution of the board of directors; or
(b) by a written request of shareholders holding not less than 10% of the total number of shares.

The shareholders’ meeting shall be convened in accordance with the following provisions:

(a) the amendment of the articles of association;
(b) the election and removal of the board of directors;
(c) the appointment and removal of the chairma
Article 90  The promoters shall notify each and every subscriber of the date of the inaugural meeting or make a public announcement thereon 15 days before the meeting is held. Only when the promoters and subscribers representing more than half of the total shares are present may the inaugural meeting be held. The inaugural meeting shall exercise the following powers:

1. Deliberating the report of the promoters on the establishment preparatory work of the company;
2. Adopting the company’s articles of association;
3. Electing the members of the board of directors;
4. Electing the members of the board of supervisors;
5. Examining and verifying the expenses incurred for the establishment of the company;
6. Examining and verifying the valuation of the property contributed by the promoters in lieu of payments for shares; and
7. Reaching a resolution on non-establishment of the company, as permitted in the occurrence of any force majeure event or material change to operating conditions that directly affects the establishment of the company.

The resolutions on any of the matters listed in the preceding Paragraph shall be passed by the subscribers who represent more than half of the voting rights of all subscribers present at the meeting.

Article 91  The promoters and subscribers shall not withdraw their share capital after making payments for the shares or otherwise making capital contributions in lieu of payments for shares, except where the issued shares are not fully subscribed by the specified deadline, the promoters fail to convene the inaugural meeting as scheduled, or the inaugural meeting reaches a resolution on non-establishment of the company.

Article 92  The board of directors of a company limited by shares shall, within 30 days after the conclusion of the inaugural meeting, file an application for establishment registration with the relevant company registration authority by submitting the following documents:

1. A written application for company registration;
2. Minutes of the inaugural meeting;
3. Articles of association of the company;
4. Capital verification proofs;
(5) Appointment documents and identity documents of the legal representative, directors, and supervisors;

(6) Certifications of the legal person or natural person status of the promoters; and

(7) Certification on the domicile of the company.

Where a company limited by shares established through stock flotation publicly issues shares, the approval document issued by the securities regulatory authority of the State Council shall also be submitted to the relevant company registration authority.

Article 93 After the establishment of a company limited by shares, if a promoter fails to make full payment for the capital contribution as specified in the company's articles of association, the promoter shall make good the due amount, and the other promoters shall bear joint and several liabilities.

After the establishment of a company limited by shares, if the actual value of the non-monetary property used as capital contribution for the establishment of the company is found to be significantly lower than the value specified in the company's articles of association, the promoter who has made the said capital contribution shall pay up the difference, and the other promoters shall bear joint and several liabilities.

Article 94 The promoter of a company limited by shares shall bear:

(1) joint and several liabilities for the debts and expenses resulting from the activities for establishment of the company, in the event of failure to establish the company;

(2) joint and several liabilities for refunding the subscribers' payments for shares plus interest calculated according to the bank deposit interest rate for the corresponding period, in the event of failure to establish the company; and

(3) the liability for compensation to the company, in the event that the interests of the company are prejudiced due to the negligence of the promoter during the course of establishment of the company.

Article 95 Where a limited liability company converts to a company limited by shares, the total actual paid-up capital converted shall not be more than the company's net assets. Where a limited liability company converts to a company limited by shares, the public offering of shares for capital increase purpose shall be conducted in accordance with the law.

Article 96 A company limited by shares shall make available, at the company, its articles of association, shareholder register, counterfoils of corporate bonds, minutes of the general meetings,
minutes of the meetings of the board of directors, minutes of the meetings of the board of supervisors, and financial and accounting reports.

Article 97  The shareholders of a company shall be entitled to inspect the company's articles of association, shareholder register, counterfoils of corporate bonds, minutes of the general meetings, minutes of the meetings of the board of directors, minutes of the meetings of the board of supervisors, and financial and accounting reports, and to put forward proposals or raise questions concerning the business operations of the company.

Section 2: General Meeting

Article 98  The general meeting of a company limited by shares shall be composed of all the shareholders. The general meeting is the company's governing body, and shall exercise powers in accordance with this Law.

Article 99  The provisions on the powers of the shareholders' meeting of a limited liability company under Paragraph 1 of Article 37 of this Law shall be applicable to the general meeting of a company limited by shares.

Article 100  The general meeting of a company shall hold an annual meeting once every year. An extraordinary general meeting shall be held within two months in the event of any of the following circumstances:

1. Where the number of directors is less than two thirds of the number specified in this Law or the company's articles of association;
2. Where the unrecovered losses of the company amount to one third of the total paid-up share capital;
3. Where the extraordinary general meeting is requested by one shareholder who holds, or several shareholders who jointly hold, at least ten percent of the shares of the company;
4. Where the board of directors deems it necessary to hold the extraordinary general meeting;
5. Where the extraordinary general meeting is proposed by the board of supervisors; or
6. Where there are any other circumstances set forth in the company's articles of association.

Article 101  The general meeting of a company shall hold an annual meeting once every year. An extraordinary general meeting shall be held within two months in the event of any of the following circumstances:

1. Where the number of directors is less than two thirds of the number specified in this Law or the company's articles of association;
2. Where the unrecovered losses of the company amount to one third of the total paid-up share capital;
3. Where the extraordinary general meeting is requested by one shareholder who holds, or several shareholders who jointly hold, at least ten percent of the shares of the company;
4. Where the board of directors deems it necessary to hold the extraordinary general meeting;
5. Where the extraordinary general meeting is proposed by the board of supervisors; or
6. Where there are any other circumstances set forth in the company's articles of association.
Article 101 The general meeting of a company shall be convened by the board of directors and
directed over by the chairman of the board of directors. If the chairman is unable to or fails to perform
his/her duties, the meeting shall be presided over by the vice chairman of the board of directors. If the
vice chairman is unable to or fails to perform his/her duties, the meeting shall be presided over by a
director jointly elected by more than half of all the directors.

If the board of directors is unable to or fails to perform its duty of convening the general meeting, the
board of supervisors shall convene and preside over the meeting in a timely manner. If the board of
supervisors fails to convene or preside over the meeting, one shareholder who holds, or several
shareholders who jointly hold, at least ten percent of the shares of the company for at least 90 consecutive
days may convene and preside over the meeting at their own discretion.

Article 102 To convene a general meeting of a company, each shareholder shall be notified, 20 days
before the meeting is held, of the time and venue of the meeting and the matters to be deliberated. To
convene an extraordinary general meeting, each shareholder shall be notified 15 days before the meeting
is held. Where bearer stocks are to be issued, the time and venue of the general meeting and the matters
to be deliberated shall be announced 30 days before the meeting is held.

One shareholder who holds, or several shareholders who jointly hold, three percent or more of the
shares of the company may submit an interim proposal in writing to the board of directors ten days before
the general meeting is held. The board of directors shall, within two days upon receipt of the proposal,
notify the other shareholders, and submit the said interim proposal to the general meeting for
deliberation. The contents of the interim proposal shall fall within the scope of powers of the general
meeting, and the proposal shall have a clear agenda and specific matters on which resolutions are to be
made.

The general meeting shall not make resolutions on matters that are not clearly listed in the notices
mentioned in the preceding two paragraphs.

If holders of bearer stocks attend a general meeting, they shall have their stocks kept at the company
from five days before the meeting is held till the conclusion of the meeting.

Article 103 A shareholder of a company present at a general meeting shall have one voting right for
each share held, provided that the company shall have no voting right for the shares held by itself. Any
resolution of the general meeting shall be passed by the shareholders representing more than half of the voting rights of all shareholders present at the meeting. However, a resolution of the general meeting on modification of the articles of association, increase or reduction of the registered capital, merger, division or dissolution, or the conversion of the company shall be passed by the shareholders representing more than two thirds of the voting rights of all shareholders present at the meeting.

第一百零四条 本法和公司章程规定公司转让、受让重大资产或者对外提供担保等事项必须经股东大会作出决议的，董事会应当及时召集股东大会会议，由股东大会就上述事项进行表决。

Article 104 With regard to any matter that shall be subject to a resolution by the general meeting of a company as specified in this Law and the company's articles of association, such as the company's transfer of any substantial assets to, or acceptance of the transfer of the same from, another party, or the company's provision of guarantee for an external party, the board of directors shall convene a general meeting in a timely manner for the latter to vote on any such matter.

第一百零五条 股东大会选举董事、监事，可以依照公司章程的规定或者股东大会的决议，实行累积投票制。

本法所称累积投票制，是指股东大会选举董事或者监事时，每一股份拥有与应选董事或者监事人数相同的表决权，股东拥有的表决权可以集中使用。

Article 105 The general meeting of a company shall elect directors and supervisors and may, in accordance with the company's articles of association or a resolution of the general meeting, adopt a cumulative voting system.

For the purpose of this Law, a cumulative voting system shall mean that, in the election of directors or supervisors by the general meeting, the number of voting rights under each share is the same as the number of directors or supervisors to be elected, and that the shareholders may cast all of their votes for a single candidate.

第一百零六条 股东可以委托代理人出席股东大会会议，代理人应当向公司提交股东授权委托书，并在授权范围内行使表决权。

Article 106 A shareholder of a company may authorize a proxy to attend a general meeting. The proxy shall submit to the company a power of attorney issued by the shareholder, and shall exercise voting rights within the authorized scope.

第一百零七条 股东大会应当对所议事项的决定作成会议记录，主持人、出席会议的董事应当在会议记录上签名。会议记录应当与出席股东的签名册及代理出席的委托书一并保存。

第三节 董事会、经理

Article 107 Minutes shall be prepared by the general meeting for the decisions on the matters discussed [at each of the general meetings]. The chairman of the meeting and the directors present at the meeting shall affix their signatures thereto. The minutes shall be kept together with the book of signatures of the shareholders present as well as the documents of the power of attorney for the proxies present.

Section 3: Board of Directors; Managers

第一百零八条 股份有限公司设董事会，其成员为五人至十九人。

董事会成员中可以有公司职工代表。董事会中的职工代表由公司职工通过职工代表大会、职工大会或者其他形式民主选举产生。

本法第四十五条关于有限责任公司董事任期的规定，适用于股份有限公司董事。

本法第四十六条关于有限责任公司董事会职权的规定，适用于股份有限公司董事会。

Article 108 A company limited by shares shall have a board of directors that is to be composed of 5
to 19 members.

The board of directors may include representatives of the staff members of the company who shall be elected democratically through a general meeting of the representatives of the staff members, a general meeting of staff members, or in other forms.

The provisions of Article 45 of this Law on the term of office of the directors of a limited liability company shall be applicable to the directors of a company limited by shares.

The provisions of Article 46 of this Law on the powers of the board of directors of a limited liability company shall be applicable to the board of directors of a company limited by shares.

Article 109 The board of directors shall have one chairman and may have one or more vice chairmen. The chairman and vice chairmen of the board of directors shall be elected by more than half of all the directors.

The chairman of the board of directors shall convene and preside over the meetings of the board of directors to inspect the implementation of the resolutions of the board of directors. The vice chairmen shall assist the chairman's work. If the chairman is unable to or fails to perform his/her duties, a vice chairman shall perform the duties instead. If the vice chairman is unable to or fails to perform his/her duties, a director jointly elected by more than half of all the directors shall perform the duties.

Article 110 The board of directors shall convene at least two meetings annually. All the directors and supervisors shall be notified ten days before a meeting is held.

Shareholders representing more than one tenth of the voting rights, more than one third of all directors, or the board of supervisors may propose to convene an interim meeting of the board of directors. The chairman of the board of directors shall convene and preside over an interim meeting of the board of directors within ten days upon receipt of the proposal.

The ways and time limit of notification for convening an interim meeting of the board of directors may be decided separately.

Article 111 A meeting of the board of directors may be held only when more than half of all the directors are present. A resolution of the board of directors shall be passed by more than half of all the directors.

In voting on a resolution of the board of directors, one person shall be entitled to only one vote.

Article 112A meeting of the board of directors may be held only when more than half of all the directors are present. A resolution of the board of directors shall be passed by more than half of all the directors.

In voting on a resolution of the board of directors, one person shall be entitled to only one vote.
Article 112 The directors shall attend the meetings of the board of directors in person. Any director who is unable to attend a meeting for a certain reason may authorize, in writing, another director to attend the meeting as a proxy, and the scope of authority shall be stated in the power of attorney.

Minutes shall be prepared by the board of directors for the decisions on the matters discussed [at each of the meetings of the board of directors]. The directors present at the meeting shall affix their signatures thereto.

The directors shall be liable for the resolutions of the board of directors. If a resolution of the board of directors is in violation of laws, administrative regulations, the company's articles of association or a resolution of its general meeting, and causes heavy losses to the company, the directors who participate in adopting the resolution shall be liable for compensation, provided that a director may be exempted from liabilities if it is proved that he/she has expressed objections at the time of voting and such objections are recorded in the meeting minutes.

Article 113 A company limited by shares shall have a manager whose employment and dismissal shall be decided by the board of directors.

The provisions of Article 49 of this Law on the authorities of the manager of a limited liability company shall apply to the manager of a company limited by shares.

Article 114 The board of directors of a company may decide to appoint a member of the board of directors to concurrently hold the post of the manager of the company.

Article 115 A company shall not, either directly or through any of its subsidiaries, provide loans to any director, supervisor or senior management personnel.

Article 116 A company shall regularly disclose to its shareholders information on the remunerations obtained by the directors, supervisors and senior management personnel from the company.

Section 4: Board of Supervisors

Article 117 A company shall not, either directly or through any of its subsidiaries, provide loans to any director, supervisor or senior management personnel.
Article 117 A company limited by shares shall have a board of supervisors that is to be composed of at least three members.

The board of supervisors shall include representatives of the shareholders and an appropriate proportion of representatives of the staff members of the company. The specific proportion of the representatives of the staff members shall be specified in the company's articles of association, subject to a minimum of one third. The representatives of the staff members on the board of supervisors shall be elected democratically by the staff members through a general meeting of the representatives of the staff members, a general meeting of staff members, or in other forms.

The board of supervisors shall have one chairman and one or more vice chairmen. The chairman and vice chairmen of the board of supervisors shall be elected by more than half of all the supervisors. The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. If the chairman of the board of supervisors is unable to or fails to perform his/her duties, the meeting may be convened and presided over by a vice chairman. If the vice chairman is unable to or fails to perform his/her duties, the meeting may be convened and presided over by a supervisor jointly elected by more than half of all the supervisors.

No director or senior management personnel may concurrently hold the post of a supervisor.

The provisions on the term of office of the supervisors of a limited liability company as specified in Article 52 of this Law shall be applicable to the supervisors of a company limited by shares.

Article 118 The provisions on the powers of the board of supervisors of a limited liability company under Article 53 and Article 54 of this Law shall be applicable to the board of supervisors of a company limited by shares.

The necessary expenses incurred by the board of supervisors for exercise of its powers shall be borne by the company.

Article 119 The board of supervisors of a company shall hold at least one meeting every six months. The supervisors may propose to convene interim meetings of the board of supervisors.

The rules of procedure and voting procedures of the board of supervisors shall be set forth in the company's articles of association, unless otherwise specified in this Law.

A resolution of the board of supervisors shall be passed by more than half of all the supervisors.

Minutes shall be prepared by the board of supervisors for the decisions on the matters discussed [at each of the meetings of the board of supervisors]. The supervisors present at the meeting shall affix their signatures thereto.

Section 5: Special Provisions on the Organizational Structure of a Listed Company
第一百二十条 本法所称上市公司，是指其股票在证券交易所上市交易的股份有限公司。

Article 120  For the purpose of this Law, a listed company shall refer to a company limited by shares whose stocks are listed and traded on a securities exchange.

第一百二十一条 上市公司在一年内购买、出售重大资产或者担保金额超过公司资产总额百分之三十的，应当由股东大会作出决议，并经出席会议的股东所持表决权的三分之二以上通过。

Article 121  Where the value of the purchase or sale of any substantial assets by a listed company or the provision of guarantee exceeds 30 percent of the total asset value of the listed company within a given year, a resolution shall be made by the general meeting, and shall be passed by the shareholders representing more than two thirds of the voting rights of all the shareholders present at the meeting.

第一百二十二条 上市公司设立独立董事，具体办法由国务院规定。

Article 122  A listed company shall have independent directors. Detailed measures in this regard shall be specified by the State Council.

第一百二十三条 上市公司设董事会秘书，负责公司股东大会和董事会会议的筹备、文件保管以及公司股东资料的管理，办理信息披露事务等事宜。

Article 123  A listed company shall have a secretary of the board of directors to be responsible for such matters as preparing for general meetings and the meetings of the board of directors, properly keeping documents, managing the data on the company's shareholders, and disclosing relevant information.

第一百二十四条 上市公司董事与董事会决议事项所涉及的企业有关联关系的，不得对该项决议行使表决权，也不得代理其他董事行使表决权。该董事会会议由过半数的无关联关系董事出席即可举行，董事会会议所作决议须经无关联关系董事过半数通过。出席董事会的无关联关系董事人数不足三人的，应将该事项提交上市公司股东大会审议。

第五章 股份有限公司的股份发行和转让
第一节 股份发行

Article 124  Any director of a listed company who is affiliated with any enterprise involved in the matters under any resolution made at a meeting of the board of directors shall be prohibited from exercising voting rights concerning that resolution, nor may that director vote on behalf of any other directors. The meeting of the board of directors may be held with the presence of more than half of all the non-affiliated directors. A resolution made at such meeting of the board of directors shall be passed by more than half of all the non-affiliated directors. If the number of non-affiliated directors present is less than three, the matter shall be submitted to the general meeting of the listed company for deliberation.

Chapter 5: Issuance and Transfer of Shares Held of a Company Limited by Shares

Section 1: Issuance of Shares

第一百二十五  股份有限公司的资本划分为股份，每一股的金额相等。

公司的股份采取股票的形式。股票是公司签发的证明股东所持股份的凭证。

Article 125  The capital of a company limited by shares shall be divided into shares, and each share shall have the same value.

The shares of the company are represented in stocks. Stocks are certificates issued by the company to certify the shares held by its shareholders.

第一百二十六  股份的发行，实行公平、公正的原则，同种类的每一股份应当具有同等权利。
Article 126 Shares shall be issued in accordance with the principles of fairness and impartiality. Each share of the same class shall be entitled to the same rights.

With regard to the shares of the same class that are issued at the same time, the issuing conditions and price for each share shall be the same. Any entity or individual shall pay the same price for each of the shares subscribed for.

Article 127 The issuing price of a share may be at or above the par value, but shall not be below the par value.

Article 128 Stocks shall be in paper form or in other forms specified by the securities regulatory authority of the State Council.

A stock shall set forth the following major matters:
(1) Name of the company;
(2) Date of establishment of the company;
(3) Class and par value of the stock, and the number of shares that it represents; and
(4) Serial number of the stock.

Stocks shall bear the signature of the legal representative and the seal of the company.

The stocks for promoters shall be marked with the characters "发起人股票" (promoters' stocks).

Article 129 The shares issued by a company may be either registered stocks or bearer stocks.

The stocks issued by a company to a promoter or a legal person shall be registered stocks, with the name of the promoter or legal person recorded thereon. Such stocks shall not be registered under any other name or in the name of a representative.
Article 130 A company that issues registered stocks shall prepare and make available a shareholder
register to record the following matters:

(1) Names and domiciles of the shareholders;
(2) Number of shares held by each shareholder;
(3) Serial numbers of the stocks held by each shareholder; and
(4) Date on which each shareholder obtains the shares.

A company that issues bearer stocks shall record the volume and the serial numbers of the stocks
issued, and the issuance date of each of the stocks.

Article 131 The State Council may separately formulate provisions on the issuance of shares of
classes other than those provided for in this Law.

Article 132 Once a company limited by shares is established, its stocks shall be formally delivered
to the shareholders. No stocks may be delivered to the shareholders prior to the establishment of the
company.

Article 133 Where a company issues new shares, a resolution on the following matters shall be
made by the general meeting:

(1) Type and number of the new shares;
(2) Issuing price of the new shares;
(3) Commencement and ending dates for the issuance of the new shares; and
(4) Class and number of the new shares to be issued to the existing shareholders.

Article 134 Where a company issues new shares to the public upon verification and approval of the
securities regulatory authority of the State Council, the company shall release the prospectus for the new
shares and its financial and accounting reports, and prepare a share subscription form.

Article 87 and Article 88 of this Law shall be applicable to the public offering of new shares by a
company.

Article 135 A company that issues new shares may, according to its operational and financial
conditions, determine a plan for the pricing of the shares.

Article 136 A company that issues new shares may, according to its operational and financial
conditions, determine a plan for the pricing of the shares.

第一百三十条 公司发行新股，可以根据公司经营情况和财务状况，确定其作价方案。
Article 136 A company shall, upon receipt of all the payments for its newly issued shares, go through the formalities for change of registration with the relevant company registration authority and make public the same.

Section 2: Transfer of Shares

Article 137 The shares held by shareholders are transferrable under the law.

Article 138 Shareholders shall transfer their shares at lawfully-established securities exchanges or by other means provided for by the State Council.

Article 139 Registered stocks shall be transferred through endorsement by the relevant shareholder or by any other means specified in laws or administrative regulations. After the transfer, the company concerned shall record the transferee's name and domicile in the shareholder register.

Within 20 days before the general meeting is held, or within five days prior to the benchmark date determined by the company for dividend distribution, the formalities for change of registration of the shareholder register specified in the preceding Paragraph shall not be effected, unless otherwise prescribed by laws on the change of registration of the shareholder register of a listed company.

Article 140 The transfer of bearer stocks shall become valid upon the delivery of the said stocks to the transferee by the relevant shareholder.

Article 141 The shares of a company by the promoters thereof shall not be transferred within one year of the date of establishment of the company. The shares issued before the public offering of shares by the company shall not be transferred within one year of the date on which the stocks of the company are listed and traded on a securities exchange.

The directors, supervisors, and senior management personnel of the company shall declare, to the company, information on their holdings of the shares of the company and the changes thereto. The shares transferrable by them during each year of their term of office shall not exceed 25 percent of their total holdings of the shares of the company. The shares that they held in the company shall not be transferred within one year of the date on which the stocks of the company are listed and traded. The aforesaid persons shall not transfer their shares of the company within six months of their departure from the
company. The company's articles of association may set forth other restrictive provisions on the transfer of the shares of the company held by the directors, supervisors, and senior management personnel.

**Article 142** A company shall be prohibited from acquiring its own shares, except as under any of the following circumstances:

1. The company reduces the registered capital thereof;
2. The company merges with another company that holds its shares;
3. The company rewards its staff members with shares; or
4. Any shareholder of the company raises objections to a resolution made by the general meeting on the merger or division of the company, and therefore requests the company to acquire its holdings of shares.

The acquisition of its own shares by the company under Item (1) through to Item (3) of the preceding Paragraph shall be subject to a resolution of the general meeting. After the company has acquired its own shares in accordance with the preceding Paragraph, it shall deregister such shares within ten days of the date of acquisition, if the acquisition falls under Item (1); or transfer or deregister such shares within six months, if the acquisition falls under Item (2) or Item (4).

Where a company acquires its own shares under Item (3) of Paragraph 1, the shares to be acquired shall not exceed five percent of the total outstanding shares of the company. The funds for the acquisition shall be sourced from the after-tax profit of the company. The shares so acquired shall be transferred to its staff members within one year.

A company shall not accept any pledge with its own stocks as the subject matter.

**Article 143** Where any registered stocks are stolen, lost or damaged, the shareholder concerned may, pursuant to the procedures of public notice for assertion of claim provided for in the Civil Procedure Law of the People's Republic of China, request a competent people's court to declare the stocks invalid. After the people's court has so declared, the said shareholder may apply to the company concerned for re-issuance of the stocks.

**Article 144** The stocks of a listed company shall be listed and traded in accordance with relevant laws, administrative regulations and the trading rules of the securities exchange concerned.
Article 145  A listed company shall, in accordance with laws and administrative regulations, disclose its financial position, operational conditions and material lawsuits, and publish its financial and accounting reports once every six months in each accounting year.

Chapter 6: Qualifications and Obligations of the Directors, Supervisors, and Senior Management Personnel of a Company

Article 146 Whoever is under any of the following circumstances is not allowed to assume the post of a director, supervisor, or senior management person of a company:

(1) He/she has no or limited civil capacity;

(2) He/she has been sentenced to criminal punishments due to corruption, bribery, embezzlement of property, misappropriation of property, or disrupting the order of the socialist market economy, and less than five years have elapsed since the punishments are fully executed; or he/she has been deprived of political rights due to any criminal offense, and less than five years have elapsed since the punishment is fully executed;

(3) He/she has served as a director, factory manager or manager of a company or enterprise that is bankrupt and liquidated, and is personally liable for the bankruptcy of the company or enterprise, and less than three years have elapsed since the date of completion of the bankruptcy liquidation of the company or enterprise;

(4) He/she has served as the legal representative of a company or enterprise that has its business license revoked and is ordered to close down due to violations of the law, and is personally liable for such punishment, and less than three years have elapsed since the date of revocation of the business license of the company or enterprise; or

(5) He/she has a relatively large amount of overdue debts.

If the company elects or appoints any director or supervisor, or engages any senior management personnel in violation of the preceding Paragraph, the election, appointment or engagement shall be invalid.

The company shall remove a director, supervisor or senior management person from his/her post if he/she falls under any of the circumstances described in Paragraph 1 of this Article during the term of office.

Article 147 董事、监事、高级管理人员应当遵守法律、行政法规和公司章程,对公司负有忠实
Article 147 The directors, supervisors and senior management personnel of a company shall abide by laws, administrative regulations and the company's articles of association. They shall be faithful and diligent to the company.

No director, supervisor or senior management personnel may, by abusing their powers, take any bribe or other illegal gains, or encroach on the property of the company.

Article 148 A director or senior management person of a company is prohibited from any of the following acts:

1. Misappropriating the funds of the company;
2. Opening an account in his/her own name or the name of any other individual to deposit the funds of the company;
3. Without the consent of the shareholders' meeting, the general meeting or the board of directors, loaning the funds of the company to others or using the company's property to provide guarantee for others in violation of the company's articles of association;
4. Concluding contracts or making deals with the company in violation of the company's articles of association or without the consent of the shareholders' meeting or the general meeting;
5. Without the consent of the shareholders' meeting or the general meeting, seeking, for the benefit of his/her own or others, any business opportunity that belongs to the company by taking advantage of his/her powers, and operating for his/her own or for others any business that is of the same type with that of the company that he/she serves;
6. Accepting, and keeping in his/her possession, commissions for the transactions between others and the company;
7. Disclosing the company's secrets without authorization; or
8. Committing other acts in violation of his/her obligation of loyalty to the company.

The income gained by the director or senior management person from any of the acts listed in the preceding Paragraph shall belong to the company.

Article 149 Where any director, supervisor or senior management person of a company violates
laws, administrative regulations or the company's articles of association during the performance of duties, he/she shall be liable for compensation if any loss is caused to the company.

Article 150  Where a director, supervisor or senior management person of a company is required to attend a shareholders' meeting or a general meeting as a non-voting participant, the director, supervisor or senior management person shall do so and accept the inquiries from shareholders.

The directors and senior management personnel shall truthfully provide relevant information and materials to the board of supervisors or, in the absence thereof in a limited liability company, to the supervisors, and shall not hinder the board of supervisors or the supervisors from exercising their powers.

Article 151  Where a director or senior management person falls under any of the circumstances specified in Article 149 of this Law, the shareholder(s) of a limited liability company, or one shareholder of a company limited by shares who holds, or several shareholders thereof who jointly hold, at least one percent stake in the company for at least 180 consecutive days may submit a written request to the board of supervisors or, in the absence thereof in the limited liability company, to the supervisors, to file an action with the competent people's court. Where a director falls under any of the circumstances specified in Article 149 of this Law, the aforesaid shareholder(s) may submit a written request to the board of directors or, in the absence thereof in the limited liability company, to the executive directors to file an action with the competent people's court.

Where the board of supervisors or, in the absence thereof in the limited liability company, the supervisors refuse to, or if the board of directors or the executive directors refuse to, file an action upon receipt of the shareholders' written request specified in the preceding Paragraph, or fail to file an action within 30 days upon receipt thereof, or where the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of the company, the shareholder(s) specified in the preceding Paragraph may, in their own name, directly file an action to the competent people's court for the interest of the company.

Where any other person infringes upon the legitimate rights and interests of the company and causes losses thereto, the shareholder(s) specified in Paragraph 1 of this Article may file an action with the competent people's court pursuant to the provisions of the preceding two paragraphs.

Article 152  Where a director, supervisor or senior management person violates laws, administrative regulations or the company's articles of association during the performance of duties, he/she shall be liable for compensation if any loss is caused to the company.
Article 152 Where a director or senior management person of a company violates laws, administrative regulations or the company's articles of association, thereby damaging the interests of the shareholder(s), the shareholder(s) may file an action with the competent people's court.

Chapter 7: Corporate Bonds

Article 153 For the purpose of this Law, corporate bonds shall refer to the marketable securities issued by a company pursuant to statutory procedures whose principal plus interest shall be serviced within a specific time limit as agreed upon.

To issue corporate bonds, a company shall satisfy the issuing conditions provided for in the Securities Law of the People's Republic of China.

Article 154 After the application of a company for issuing corporate bonds is approved by a department authorized by the State Council, the company shall announce the methods for offering the bonds.

The methods for offering the corporate bonds shall set forth the following major matters:

(1) Name of the company;
(2) Purposes of the funds raised through bond issuance;
(3) Total amount of the corporate bonds and the par value thereof;
(4) Method for determining the interest rate of the bonds;
(5) Time limit and method for servicing the principal and interest;
(6) Information on the guarantee of the bonds;
(7) Issuing price of the bonds, and commencement and ending dates of the issuance;
(8) Net asset value of the company;
(9) Total amount of the outstanding corporate bonds; and
(10) Underwriters of the corporate bonds.

Article 155 Where a company issues corporate bonds in the form of physical bonds, such matters as
the company name, the par value, interest rate and time limit for repayment of the bonds, etc. shall be
stated on the bonds which shall be signed by the legal representative and affixed with the seal of the
company.

**Article 156** Corporate bonds may be registered bonds or bearer bonds.

**Article 157** Where a company issues corporate bonds, it shall prepare and make available a book of
counterfoils for the corporate bonds.

If the company issues registered corporate bonds, its book of counterfoils for the corporate bonds shall
record the following matters:

1. Names and domiciles of the bondholders;
2. Dates on which the bondholders obtain the bonds and the serial numbers of the bonds;
3. Total value, par value and interest rate of the bonds, as well as the time limit and method for
   servicing the principal and interest; and
4. Issuance date of the bonds.

Where a company issues bearer corporate bonds, its book of counterfoils for the corporate bonds shall
record the total value and interest rate of the bonds, the time limit and method for repayment, issuance
date, and the serial numbers of the bonds.

**Article 158** The registration and settlement institutions for registered corporate bonds shall
establish relevant systems for the registration, custody, interest payment and redemption of the bonds.

**Article 159** Corporate bonds are transferable, and the transfer price shall be agreed upon by and
between the transferor and the transferee.

Corporate bonds listed and traded on a securities exchange shall be transferred in accordance with the
trading rules of the securities exchange.

**Article 160** Registered corporate bonds shall be transferred through endorsement by the relevant
bondholder or by any other means provided for by laws or administrative regulations. After the transfer,
the company concerned shall record the name and domicile of the transferee in its book of counterfoils for the corporate bonds.

The transfer of bearer corporate bonds shall come into effect upon the delivery of the said bonds to the transferee by the relevant bondholder.

Article 161  A listed company may, subject to a resolution of the general meeting, issue corporate bonds that can be converted to shares, and shall specify the conversion methods in the offering plan of the corporate bonds. The issuance by a listed company of corporate bonds that can be converted to shares shall be subject to the verification and approval of the securities regulatory authority of the State Council.

In the event of issuance of corporate bonds that can be converted to shares, such characters as "可转换公司债券" (convertible corporate bonds) shall be indicated thereon, and the number of convertible corporate bonds shall be recorded in the company’s book of counterfoils for corporate bonds.

Article 162 Where corporate bonds that can be converted to shares are issued, a company shall issue shares in exchange for the bonds of the bondholders in accordance with the conversion methods, provided that the bondholders shall have the option as to whether or not to convert their bonds into shares.

Chapter 8: Finance and Accounting of a Company

Article 163 A company shall establish its own financial and accounting systems in accordance with laws, administrative regulations and the provisions of the finance department of the State Council.

Article 164 A company shall, at the end of each accounting year, prepare a financial and accounting report which shall be audited by an accounting firm in accordance with the law.

The financial and accounting report shall be prepared in accordance with laws, administrative regulations and the provisions of the finance department of the State Council.

Article 165 A limited liability company shall submit its financial and accounting report to each shareholder within the time limit specified in the company’s articles of association.

The financial and accounting report of a company limited by shares shall be made available at the company 20 days before the annual general meeting is held for inspection by shareholders. A company
limited by shares that publicly offers shares shall announce its financial and accounting report.

Article 166 When a company distributes its after-tax profit of the current year, ten percent of the profit shall be allocated to its statutory common reserve fund. The company is not required to do so once the cumulative amount of the statutory common reserve fund reaches 50 percent or more of the company's registered capital.

If the statutory common reserve fund of the company is not sufficient to cover its losses in previous years, the company shall use the profit of the current year to cover the losses before accruing the statutory common reserve fund in accordance with the preceding Paragraph.

After the company has accrued the statutory common reserve fund from its after-tax profit, it may, subject to a resolution of the shareholders' meeting or the general meeting, accrue discretionary common reserve fund from the after-tax profit.

After having been used to cover the losses and make allocation to the common reserve fund, the remaining after-tax profit shall be distributed in accordance with Article 34 of this Law, in the case of a limited liability company; or in proportion to the shares held by each shareholder, in the case of a company limited by shares, unless otherwise specified in its articles of association.

Where the shareholders' meeting, general meeting or board of directors violates the preceding Paragraph and distributes profit to shareholders before the company covers the losses and accrues the statutory common reserve fund, the shareholders shall return to the company the profit distributed in violation.

A company shall not distribute profits to its holdings of its own shares.

Article 167 Both the premium obtained by a company limited by shares from issuing shares at a price above the par value thereof, and other incomes that shall be included in the capital reserve fund of the company as required by the finance department of the State Council shall be included in the capital reserve fund of the company.

Article 168 The common reserve fund of a company shall be used to cover the losses of the company, expand the production operations of the company, or be converted to increase the company's capital. The capital reserve fund shall not be used to cover the losses of the company. 

Article 169 The common reserve fund of a company shall be used to cover the losses of the company, expand the production operations of the company, or be converted to increase the company's capital. The capital reserve fund shall not be used to cover the losses of the company.
Where the statutory common reserve fund is converted into capital, the amount thereof remaining after the conversion shall not be less than 25 percent of the registered capital of the company before the increase.

Article 169 The engagement of any accounting firm undertaking the audit of a company, and the termination of the engagement shall, pursuant to the company's articles of association, be decided by the shareholders' meeting, the general meeting or the board of directors.

Where the shareholders' meeting, general meeting or board of directors votes on the termination of the engagement of an accounting firm, the accounting firm shall be allowed to present its opinions.

A company shall provide the accounting firm engaged with truthful and complete accounting proofs, account books, financial and accounting reports and other accounting materials, and may not refuse to provide or conceal any required information or make any false statements.

A company shall not establish any account books other than the statutory ones. No company assets may be deposited under any account opened in any individual's name.

Chapter 9: Merger, Division or Capital Increase or Reduction of a Company

Article 172 Merger of companies may either be merger by consolidation or merger by incorporation.

Merger by consolidation shall mean that a company absorbs other companies while the absorbed companies shall be dissolved.

Merger by incorporation shall mean that two or more companies merge into a newly incorporated company while all the merged parties shall be dissolved.

Article 173 In the case of a merger of companies, the parties thereto shall conclude a merger agreement and prepare the balance sheet and a list of property. The companies shall notify their creditors within ten days after the resolution on merger is made, and shall publish an announcement in newspapers within 30 days. The creditors may, within 30 days upon receipt of the written notice or, in the case of failure to receive the written notice, within 45 days of the public announcement, request the company to repay the debts or provide the corresponding guaranty.

Article 174 In the case of merger, division, or capital increase or reduction of the company, the company shall provide the accounting firm with full and complete accounting proofs, account books, financial and accounting reports and other accounting materials, and may not refuse to provide or conceal any required information or make any false statements.

A company shall not establish any account books other than the statutory ones. No company assets may be deposited under any account opened in any individual's name.
Article 174  In the case of a merger of companies, the claims and debts of each of the companies to
the merger shall be succeeded to by the company continuing to exist after the merger or the newly
incorporated company.

第一百七十五条 公司分立，其财产作相应的分割。
公司分立，应当编制资产负债表及财产清单。公司应当作出分立决议之日起十日内通知债权人，并
于三十日内在报纸上公告。

Article 175  In the case of the division of a company, the property thereof shall be divided
accordingly.

The balance sheet and a list of property of the company shall be prepared for the division thereof. The
company shall notify its creditors within ten days after the resolution on division is made, and shall
publish an announcement in newspapers within 30 days.

第一百七十六条 公司分立前的债务由分立后的公司承担连带责任。但是，公司在分立前与债权人就
debt clearance达成的书面协议另有约定的除外。

Article 176  The companies after the division shall bear joint and several liabilities for the debts of
the company prior to the division, unless otherwise agreed upon prior to the division by the company and
its creditors in a written agreement concerning the settlement of debts.

第一百七十七条 公司需要减少注册资本时，必须编制资产负债表及财产清单。
公司应当作出减少注册资本决议之日起十日内通知债权人，并于三十日内在报纸上公告。债权人自
接到通知书之日起三十日内，未接到通知书的自公告之日起四十五日内，有权要求公司清偿债务或者提供
相应的担保。

Article 177  Where it is necessary for a company to reduce its registered capital, it shall prepare the
balance sheet and a list of property.

The company shall notify its creditors within ten days after the resolution on the reduction of the
registered capital is made, and shall publish an announcement in newspapers within 30 days. The
creditors shall, within 30 days upon receipt of the written notice, or in the case of the failure to receive
the written notice, within 45 days after the public announcement, be entitled to request the company to
repay the debts or provide the corresponding guaranty.

第一百七十八条 有限责任公司增加注册资本时，股东认缴新增资本的出资，依照本法设立有限责任公
company缴纳出资的有关规定执行。
股份有限公司为增加注册资本发行新股时，股东认购新股，依照本法设立股份有限公司缴纳股款的有
关规定执行。

Article 178  Where a limited liability company increases its registered capital, the capital
contribution subscribed for by its shareholders for the newly increased capital shall be governed by the
provisions of this Law on the capital contribution for the establishment of a limited liability company.

Where a company limited by shares issues new shares to increase its registered capital, the
subscription of the new shares by its shareholders shall be governed by the provisions of this Law on the
payment for shares for the establishment of a company limited by shares.

第一百七十九条 公司合并或者分立，登记事项发生变更的，应当依法向公司登记机关办理变更登
记；公司解散的，应当依法办理公司注销登记，设立新公司的，应当依法办理公司设立登记。

公司增加或者减少注册资本，应当依法向公司登记机关办理变更登记。
Chapter 10: Dissolution and Liquidation of a Company

Article 179  In the event of merger or division of a company, the formalities for change of registration shall be completed with the relevant company registration authority for changes of any registered item in accordance with the law; the company deregistration formalities shall be completed in accordance with the law if the company is dissolved; and the company establishment registration formalities shall be completed in accordance with the law if a new company is established.

In the case of any increase or reduction of a company's registered capital, relevant formalities for change of registration shall be completed with the company registration authority concerned in accordance with the law.

Article 180  A company may be dissolved for any of the following reasons:

(1) The term of operation specified in the company's articles of association expires or any of the other causes of dissolution specified in the company's articles of association occurs;

(2) The shareholders' meeting or the general meeting makes a resolution to dissolve the company;

(3) Dissolution is required by a merger or division of the company;

(4) The business license of the company is revoked, or the company is ordered to close down or is removed, in accordance with the law; or

(5) A people's court decides to dissolve the company pursuant to Article 182 of this Law.

Article 181  A company under Item (1) of Article 180 of this Law may continue to exist by modifying its articles of association.

The modification of the company's articles of association in accordance with the preceding Paragraph shall be passed, in the case of a limited liability company, by the shareholders representing more than two thirds of the voting rights or, in the case of a company limited by shares, by the shareholders representing more than two thirds of the voting rights of all shareholders present at the general meeting.

Article 182  Where a company faces difficulty in operations and management such that the interests of its shareholders will suffer heavy losses if the company continues to exist, and there is no other way to resolve the problem, the shareholders representing more than ten percent of the voting rights of all the shareholders of the company may file a request with the competent people's court to dissolve the company.

Article 183  The company may be dissolved pursuant to Article 182 of this Law.
Article 183 Where a company is dissolved under Item (1), Item (2), Item (4) or Item (5) of Article 180 of this Law, a liquidation group shall be formed to commence liquidation within 15 days after a cause of dissolution occurs. The liquidation group shall be composed of shareholders, in the case of a limited liability company; or shall be composed of the candidates determined by the directors or the general meeting, in the case of a company limited by shares. Where a liquidation group is not formed to carry out liquidation within the specified time limit, the creditors may apply to the competent people's court to designate relevant personnel to form a liquidation group for liquidation. The people's court shall accept the application, and shall promptly organize a liquidation group to carry out liquidation.

Article 184 The liquidation group of a company may exercise the following powers during liquidation:

(1) Liquidating the property of the company, and preparing the balance sheet and a list of property;
(2) Informing the creditors of the company by notice or public announcement;
(3) Handling the outstanding liquidation-related business of the company;
(4) Paying off the due and payable taxes and the taxes incurred during the liquidation;
(5) Liquidating the claims and the debts of the company;
(6) Handling the property remaining after the full repayment of the debts of the company; and
(7) Participating in civil litigations on behalf of the company.

Article 185 The liquidation group of a company shall notify the creditors within ten days upon its formation, and publish an announcement on newspapers within 60 days. The creditors shall declare their claims to the liquidation group within 30 days upon receipt of the written notice or in the case of the failure to receive the written notice, within 45 days of the public announcement.

When declaring the claims, the creditors shall clarify the matters related thereto and provide supporting materials. The liquidation group shall register the claims.

During the period for declaration of claims, the liquidation group shall not make any repayment to any of the creditors.

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Article 186 The liquidation group of a company shall, after having liquidated the property of the company and prepared the balance sheet and a list of property, formulate a liquidation plan which shall be submitted to the shareholders' meeting, the general meeting or the competent people's court for confirmation.

After paying off the liquidation expenses, the salaries, social insurance premiums and the statutory compensations of the staff members, the due and payable taxes and the debts of the company, the liquidation group shall distribute the remaining property, in the case of a limited liability company, in proportion to the shareholders' capital contribution or, in the case of a company limited by shares, in proportion to the shares held by each shareholder.

During the liquidation, the company shall continue to exist, but shall not carry out business activities irrelevant to the liquidation. The property of the company shall not be distributed to any shareholder before full payments have been made out of the property in accordance with the preceding Paragraph.

Article 187 Where the liquidation group of a company discovers, after having liquidated the property of the company and prepared the balance sheet and a list of property, that the property of the company is not sufficient for debt repayment in full, it shall apply to the competent people's court for bankruptcy declaration in accordance with the law.

After the people's court rules to declare the company bankrupt, the liquidation group shall hand over the liquidation matters to the people's court.

Article 188 After the completion of the liquidation of a company, the liquidation group shall prepare a liquidation report which shall be submitted to the shareholders' meeting, the general meeting or the competent people's court for confirmation, and to the relevant company registration authority for the purpose of applying for the deregistration of the company and the public announcement on the termination of the company.

Article 189 The members of a liquidation group shall devote themselves to their duties and perform liquidation obligations in accordance with the law.

The members of a liquidation group shall not take advantage of their powers to accept bribes or other illegal gains, nor shall they encroach on the property of the company concerned.

A member of a liquidation group who has caused any losses to the company or its creditors intentionally or by gross negligence shall be liable for compensation.
Article 190 Where a company is declared bankrupt pursuant to the law, bankruptcy liquidation shall be carried out in accordance with the laws on enterprise bankruptcy.

Chapter 11: Branches of a Foreign Company

Article 191 For the purpose of this Law, a foreign company shall refer to a company established outside the territory of China under a foreign law.

Article 192 To establish a branch within the territory of China, a foreign company shall file an application with the competent authority of China and submit relevant documents such as its articles of association and the company registration certificate issued by the authority of the country where it is registered. Upon approval, the foreign company shall go through the registration formalities with the relevant company registration authority in accordance with the law and collect the business license for the branch.

Measures for examination and approval of the branches of a foreign company shall be formulated separately by the State Council.

Article 193 A foreign company shall, in establishing a branch within the territory of China, designate a representative or an agent within the territory of China to be responsible for the branch, and allocate to the branch the funds commensurate with the business activities in which the branch engages.

Other necessary provisions on the minimum amount of the operational funds for a branch of a foreign company shall be separately formulated by the State Council.

Article 194 A branch of a foreign company shall include, in its name, the country of origin and the form of liability of the foreign company.

A branch of a foreign company shall make available, at the branch's premises, the articles of association of the foreign company.

Article 195 A branch established within the territory of China by a foreign company is not qualified as a Chinese legal person.

A foreign company shall bear civil liabilities for the business activities carried out by its branches within the territory of China.
Article 196 When conducting business activities within the territory of China, branches of foreign companies that are established upon approval shall comply with Chinese laws, and shall not prejudice the social and public interest of China. Their legitimate rights and interests are protected by Chinese laws.

Article 197 Where a foreign company removes any of its branches within the territory of China, it shall pay off its debts pursuant to the law, and carry out liquidation in accordance with the company liquidation procedures under this Law. The property of the branch shall not be transferred outside the territory of China before the debts are repaid in full.

Chapter 12: Legal Liabilities

Article 198 Where, in violation of this Law, a company has been registered by false reporting of the registered capital, submission of false materials, or concealment of any important fact by other fraudulent means, the company registration authority concerned shall order correction to be made. Where a company falsely reports its registered capital, a fine of not less than five percent but not more than 15 percent of the falsely-reported registered capital shall be imposed. Where a company submits false materials or conceals any important facts by other fraudulent means, a fine of not less than RMB 50,000 but not more than RMB 500,000 shall be imposed. Under grave circumstances, the company shall be deregistered or its business license shall be revoked.

Article 199 Where a promoter or shareholder of a company makes false capital contribution, fails to deliver the monetary amount or the non-monetary property used as capital contribution, or fails to deliver the same as scheduled, the relevant company registration authority shall order the promoter or shareholder to make correction, and impose thereon a fine of not less than five percent but not more than 15 percent of the amount of the falsely made capital contribution.

Article 200 Where a promoter or shareholder of a company illegally withdraws its capital contribution after the company is established, the relevant company registration authority shall order the promoter or shareholder to make correction, and impose thereon a fine of not less than five percent but not more than 15 percent of the capital contribution withdrawn.

Article 201 Where a company violates this Law and establishes account books other than the
statutory ones, the finance department of the relevant people's government at or above the county level shall order the company to make correction, and impose thereon a fine of not less than RMB 50,000 but not more than RMB 500,000.

第二百零二条 公司在依法向有关主管部门提供的财务会计报告等材料上作虚假记载或者隐瞒重要事实的，由有关主管部门对直接负责的主管人员和其他直接责任人员处以三万元以上三十万元以下的罚款。

Article 202 Where a company makes any false record or conceals any important fact in such materials as the financial and accounting reports that are submitted to the competent authority in accordance with the law, the competent authority shall impose a fine of not less than RMB 30,000 but not more than RMB 300,000 on the primary persons—in—charge subject to direct liabilities and other personnel subject to direct liabilities.

第二百零三条 公司不依照本法规定提取法定公积金的，由县级以上人民政府财政部门责令如数补足应当提取的金额，可以对公司处以二十万元以下的罚款。

Article 203 Where a company fails to accrue the statutory common reserve fund in accordance with this Law, the finance department of the relevant people's government at or above the county level shall order the company to make good the accrual, and may impose thereon a fine of up to RMB 200,000.

第二百零四条 公司在合并、分立、减少注册资本或者进行清算时，不依照本法规定通知或者公告债权人的，由公司登记机关责令改正，对公司处以一万元以上十万元以下的罚款。

Article 204 During the merger, division, reduction of registered capital or liquidation of a company, where the company fails to inform its creditors by notice or public announcement in accordance with this Law, the relevant company registration authority shall order the company to make correction, and impose thereon a fine of not less than RMB 10,000 but not more than RMB 100,000.

During the liquidation of a company, where the company conceals its property or makes any false record in the balance sheet or list of property, or distributes its property prior to the repayment of the debts in full, the relevant company registration authority shall order the company to make correction, impose thereon a fine of not less than five percent but not more than 10 percent of the value of the property that the company has concealed or distributed prior to the repayment of debts in full, and impose a fine of not less than RMB 10,000 but not more than RMB 100,000 on the primary persons—in—charge subject to direct liabilities or other personnel subject to direct liability.

第二百零五条 公司在清算期间开展与清算无关的经营活动的，由公司登记机关予以警告，没收违法所得。

Article 205 Where a company carries out any business activity irrelevant to the liquidation during the liquidation period, the relevant company registration authority shall issue a warning to the company and confiscate the illegal gains.

第二百零六条 清算组不依照本法规定向公司登记机关报送清算报告，或者报送清算报告隐瞒重要事实或者有重大遗漏的，由公司登记机关责令改正。

Article 206 Where a company carries out any business activity irrelevant to the liquidation during the period of dissolution, the relevant company registration authority shall issue a warning to the company and confiscate the illegal gains.
Article 206 Where a liquidation group fails to submit a liquidation report to the relevant company registration authority pursuant to this Law, or where any important fact is concealed or any material omission is found in the liquidation report submitted, the relevant company registration authority shall order the liquidation group to make correction.

Where any member of a liquidation group takes advantage of his/her powers to practice favoritism for personal gains, seek for illegal gains or encroach on any property of the company, the relevant company registration authority shall order the member to return such property of the company, confiscate his/her illegal gains and may impose thereon a fine of not less than one time but not more than five times the illegal gains.

Article 207 Where an institution that undertakes capital valuation, capital verification or certificate verification provides any false materials, the relevant company registration authority shall confiscate the illegal gains of the institution, and impose thereon a fine of not less than one time but not more than five times the illegal gains. The competent authority may also, pursuant to the law, order the institution to terminate its business operations, and revoke the qualification certificates of its personnel subject to direct liabilities and the business license of the institution.

Where an institution that undertakes capital valuation, capital verification or certificate verification provides a report with material omission out of negligence, the relevant company registration authority shall order the institution to make correction and, under grave circumstances, impose thereon a fine of not less than one time but not more than five times the illegal gains. The competent authority may also, pursuant to the law, order the institution organization to terminate its business operations, and revoke the qualification certificates of its personnel subject to direct liabilities and the business license of the institution.

Where the valuation results, capital verification certification or certificate verification certification issued by an institution that undertakes capital valuation, capital verification or certificate verification is not truthful, thus causing losses to the creditors of the company concerned, the institution shall bear the liability for compensation to the extent of the value affected by its untruthful valuation or certification, unless it can prove that it is not at fault.

Article 208 Where a company registration authority approves a registration application that fails to satisfy the conditions hereunder, or fails to approve a registration application that satisfies the conditions hereunder, administrative disciplinary measures shall be taken, in accordance with the law, against the primary persons-in-charge subject to direct liabilities and other personnel subject to direct liabilities.

Article 209 Where a company registration authority approves a registration application that fails to satisfy the conditions hereunder, or fails to approve a registration application that satisfies the conditions hereunder, administrative disciplinary measures shall be taken, in accordance with the law, against the primary persons-in-charge subject to direct liabilities and other personnel subject to direct liabilities.

Article 210 Where a company registration authority approves a registration application that fails to satisfy the conditions hereunder, or fails to approve a registration application that satisfies the conditions hereunder, administrative disciplinary measures shall be taken, in accordance with the law, against the primary persons-in-charge subject to direct liabilities and other personnel subject to direct liabilities.
Article 209 Where a superior department of a company registration authority orders the latter to approve a registration application that fails to satisfy the conditions hereunder or not to approve a registration application that satisfies the conditions hereunder, or where the superior department covers up any illegal registration by the latter, administrative disciplinary measures shall be taken, in accordance with the law, against the primary persons-in-charge subject to direct liabilities and other personnel subject to direct liabilities of the superior department.

第二百十条 未依法登记为有限责任公司或者股份有限公司，而冒用有限责任公司或者股份有限公司名义的，或者未依法登记为有限责任公司或者股份有限公司的分公司，而冒用有限责任公司或者股份有限公司的分公司名义的，由公司登记机关责令改正或者予以取缔，并处十万元以上五十万元以下的罚款。

Article 210 Where an entity not registered as a limited liability company or a company limited by shares in accordance with the law fraudulently names itself as such, or where an entity not registered as a branch company of a limited liability company or a company limited by shares in accordance with the law fraudulently names itself as such, the relevant company registration authority shall order the entity to make correction or ban the entity, and may concurrently impose thereon a fine of up to RMB 100,000.

第二百十一条 公司成立后无正当理由超过六个月未开业的，或者开业后自行停业连续六个月以上的，可以由公司登记机关吊销营业执照。

公司登记事项发生变更时，未依照本法规定办理有关变更登记的，由公司登记机关责令限期登记；逾期不登记的，处以一万元以上十万元以下的罚款。

Article 211 Where a company fails to commence business within six months after its establishment without justifiable reasons, or where a company suspends its business for at least six consecutive months at its own discretion after the commencement of business, the relevant company registration authority may revoke its business license.

Where a company fails to go through the formalities for change of registration of the changes in its registered items in accordance with this Law, the relevant company registration authority shall order the company to go through the registration formalities within a specified time limit; if the company fails to do so by the specified deadline, a fine of not less than RMB 10,000 but not more than RMB 100,000 shall be imposed thereon.

第二百十二条 外国公司违反本法规定，擅自在中国境内设立分支机构的，由公司登记机关责令改正或者关闭，并处五万元以上二十万元以下的罚款。

Article 212 Where a foreign company violates this Law and establishes a branch within the territory of China without authorization, the relevant company registration authority shall order the foreign company to make correction or close down the branch, and may concurrently impose thereon a fine of not less than RMB 50,000 but not more than RMB 200,000.

第二百十三条 利用公司名义从事危害国家安全、社会公共利益的严重违法行为的，吊销营业执照。

Article 213 The business license of a company shall be revoked if grave illegalities that endanger State security or prejudice social and public interests are committed in the name of the company.

第二百十四条 公司违反本法规定，应当承担民事赔偿责任和缴纳罚款、罚金的，其财产不足以支付时，先承担民事赔偿责任。

Article 214 A company that violates this Law shall bear civil liabilities for compensation and pay relevant fines, and shall, in the event that its property is not sufficient to make all payments, bear civil
Whoever violates this Law shall be investigated for criminal liabilities pursuant to the law if the violation constitutes a criminal offense.

Chapter 13: Supplementary Provisions

Article 216 For the purpose of this Law:

(1) "senior management personnel" shall refer to the manager, vice managers and the person in charge of financial matters of a company, the secretary of the board of directors of a listed company, and any other person specified in the articles of association of a company;

(2) "controlling shareholder" shall refer to a shareholder whose capital contribution accounts for 50 percent or more of the total capital of a limited liability company, a shareholder whose shares account for 50 percent or more of the total share capital of a company limited by shares, or a shareholder whose voting rights corresponding to the capital contribution or shares thereof are sufficient to exert a material influence on the resolutions of the shareholders' meeting or the general meeting, despite the fact that the shareholder's capital contribution or shares account for less than 50 percent of the total capital or total share capital;

(3) "actual controller" shall refer to a person who is not a shareholder of a company but who is able to actually control the acts of the company through investment relations, agreements or other arrangements; and

(4) "affiliation" shall refer to the relationship between a controlling shareholder, actual controller, director, supervisor or senior management person of a company with an enterprise under the direct or indirect control thereof, or any other relationship that may lead to the transfer of the interests of the company, provided that the enterprises in which the State is the controlling shareholder are not necessarily affiliated to each other solely on the ground that the State controls the shares thereof.

Article 217 This Law shall be applicable to foreign-invested limited liability companies and companies limited by shares. The provisions otherwise prescribed by the laws on foreign investment shall prevail.
Article 218  This Law shall come into effect on January 1, 2006.