Company Law of the People's Republic of China [2023 Revision]

GWBMA January 8, 2024

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(Adopted at the fifth meeting of the Standing Committee of the Eighth National People's Congress on December 29, 1993, in accordance with the "On Amending the Company of the People's Republic of China" at the Thirteenth Meeting of the Standing Committee of the Ninth National People's Congress on December 25, 1999, The first amendment was based on the "Decision on Amending the Company Law of the People's Republic of China" at the 11th meeting of the Standing Committee of the 10th National People's Congress on August 28, 2004. The second amendment was in October 2005. The first revision was made at the 18th meeting of the Standing Committee of the 10th National People's Congress on December 27, 2013, in accordance with the "About the Revision of the Oceans of the People's Republic of China" at the 6th meeting of the Standing Committee of the 12th National People's Congress on December 28, 2013. The third amendment is based on the Decision on Amending the Company Law of the People's Republic of China at the sixth meeting of the Standing Committee of the 13th National People's Congress on October 26, 2018. Fourth revision (second revision at the seventh meeting of the Standing Committee of the 14th National People's Congress on December 29, 2023)

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Chapter 1 General Provisions

Article 1 In order to regulate the company's organization and behavior, protect the legitimate rights and interests of the company, shareholders, employees and creditors, improve the modern enterprise system with Chinese characteristics, promote entrepreneurship, maintain social and economic order, and promote the development of the socialist market economy, in accordance with the Constitution , enact this law.

Article 2 The term "company" as mentioned in this Law refers to limited liability companies and joint-stock companies 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, has independent legal person property, and enjoys legal person property rights. The entirety of the company's property is liable for the company's debts.

The company's legitimate rights and interests are protected by law and shall not be infringed upon.

Article 4 The shareholders of a limited liability company shall be liable to the company to the extent of the capital contribution they have subscribed; the shareholders of a joint stock company to be liable to the company shall be limited to the amount of shares they have subscribed.

The company's shareholders enjoy the rights to the company's asset returns, participate in major decisions, and choose managers according to law.

Article 5 When establishing a company, the company's articles of association shall be formulated in accordance with the law. The company's articles of association are binding on the company, shareholde

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regulations.

The company's name rights are protected by law.

Article 7 A limited liability company established in accordance with this Law shall indicate the words "limited liability company" or "limited company" in the company name.

A joint-stock company established in accordance with this Law shall indicate the words joint-stock company or joint-stock company in the company name.

Article 8 A company shall be domiciled at the location of its main office.

Article 9 The company's business scope is stipulated in the company's articles of association. A company can amend its articles of association and change its business scope.

Projects within the company's business scope that are subject to approval under laws and administrative regulations must be approved in accordance with the law.

Article 10 The legal representative of a company shall, in accordance with the provisions of the company's articles of association, be the director or manager who performs corporate affairs on behalf of the company.

If a director or manager who serves as the legal representative resigns, he shall be deemed to have resigned as the legal representative at the same time.

If the legal representative resigns, the company shall determine a new legal representative within thirty days from the date of resignation of the legal representative.

Article 11 The legal consequences of civil activities conducted by the legal representative in the name of the company shall be borne by the company.

The restrictions on the powers of the legal representative in the company's articles of association or the shareholders' meeting shall not antagonize bona fide counterparties.

If the legal representative causes damage to others due to the performance of his duties, the company shall bear civil liability. After the company assumes civil liability, it may recover compensation from the at-fault legal representative in accordance with the provisions of the law or the company's articles of association.

Article 12 When a limited liability company is changed into a joint-stock company, it shall comply with the conditions for a joint-stock company stipulated in this Law. To change a joint-stock company into a limited liability company, it must meet the conditions for a limited liability company stipulated in this Law.

If a limited liability company is changed into a joint-stock company, or a joint-stock company is changed into a limited liability company, the claims and debts of the company before the change shall be inherited by the company after the change.

Article 13 A company may establish subsidiaries. Subsidiaries have legal personality and independently bear civil liability in accordance with the law.

A company can set up branches. A branch does not have legal personality and its civil liability shall be borne by the company.

Article 14 The company may invest in other enterprises.

If the law stipulates that a company shall not become an investor jointly and severally liable for the debts of the enterprise it invests in, such provisions shall prevail.

Article 15 When a company invests in other enterprises or provides guarantees for others, it shall be resolved by the board of directors or shareholders' meeting in accordance with the provisions of the

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If the company provides guarantees for the company's shareholders or actual controllers, it must be resolved by the shareholders' meeting.

The shareholders stipulated in the preceding paragraph or the shareholders controlled by the actual controller stipulated in the preceding paragraph shall not participate in voting on the matters stipulated in the preceding paragraph. The vote shall be passed by more than half of the voting rights held by other shareholders present at the meeting.

Article 16 Companies should protect the legitimate rights and interests of employees, sign labor contracts with employees in accordance with the law, participate in social insurance, strengthen labor protection, and achieve safe production.

Companies should adopt various forms to strengthen vocational education and job training for company employees and improve the quality of employees.

Article 17 Company employees organize trade unions in accordance with the Trade Union Law of the People's Republic of China, carry out trade union activities, and safeguard the legitimate rights and interests of employees. The company shall provide necessary activity conditions for the company's trade union. The company's labor union represents the employees and signs a collective contract with the company in accordance with the law on matters such as labor remuneration, working hours, rest and vacation, labor safety and health, and insurance benefits.

In accordance with the provisions of the Constitution and relevant laws, the company has established and improved a democratic management system with the workers' congress as the basic form, and implemented democratic management through the workers' congress or other forms.

When a company considers and decides on restructuring, dissolution, filing for bankruptcy, major issues in operations, or formulating important rules and regulations, it shall listen to the opinions of the company's labor union and listen to the opinions and suggestions of employees through the workers' representative conference or other forms.

Article 18 In the company, in accordance with the provisions of the Constitution of the Communist Party of China, an organization of the Communist Party of China shall be established to carry out party activities. The company should provide necessary conditions for the activities of party organizations.

Article 19 When conducting business activities, companies shall abide by laws and regulations, abide by social ethics and business ethics, be honest and trustworthy, and accept supervision from the government and the public.

Article 20 When a company engages in business activities, it shall fully consider the interests of its employees, consumers and other stakeholders as well as social public interests such as ecological and environmental protection, and assume social responsibilities.

The state encourages companies to participate in social welfare activities and publish social responsibility reports.

Article 21 A company's shareholders shall abide by laws, administrative regulations and the company's articles of association, exercise shareholder rights in accordance with the law, and shall not abuse shareholder rights to harm the interests of the company or other shareholders.

If a company's shareholders abuse their rights and cause losses to the company or other sh

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managers shall not use related relationships to harm the interests of the company.
Anyone who violates the provisions of the preceding paragraph and causes losses to the company shall be liable for compensation.
Article 23 If a company's shareholders abuse the company's independent status as a legal person and the limited liability of shareholders, evade debts and seriously damage the interests of the company's creditors, they shall bear joint and several liability for the company's debts.
If a shareholder uses two or more companies under his control to carry out the acts specified in the preceding paragraph, each company shall bear joint and several liability for the debts of any company.
In a company with only one shareholder, if the shareholder cannot prove that the company's property is independent of the shareholder's own property, he shall bear joint and several liability for the company's debts.
Article 24 The company's shareholders' meeting, board of directors, and board of supervisors may hold meetings and vote by electronic communication, unless otherwise provided in the company's articles of association.
Article 25 The resolutions of the company's shareholders' meeting and board of directors are invalid if they violate laws and administrative regulations.
Article 26 If the convening procedures or voting methods of the company's shareholders' meeting or board of directors' meeting violate laws, administrative regulations or the company's articles of association, or the content of the resolution violates the company's articles of association, shareholders may request the people's court to revoke the resolution within sixty days from the date the resolution is made. . However, there are only minor flaws in the convening procedures or voting methods of the shareholders' meeting or the board of directors' meeting, which do not have a substantial impact on the resolution.
Shareholders who have not been notified to participate in the shareholders' meeting may request the people's court to revoke the resolution within 60 days from the date when they know or should know that the resolution is made; if they do not exercise the right to revoke within one year from the date the resolution is made, the right to revoke shall be extinguished.
Article 27 If any of the following circumstances occurs, the resolution of the company's shareholders' meeting or board of directors will be invalid:
(1) No shareholders' meeting or board of directors meeting was held to make resolutions;
(2) The shareholders' meeting and the board of directors' meeting did not vote on resolution matters;
(3) The number of people attending the meeting or the number of voting rights held does not reach the number or number of voting rights stipulated in this Law or the company's articles of association;
(4) The number of people or the number of voting rights they hold who agree to the resolution does not reach the number of people or the number of voting rights they hold as stipulated in this Law or the company's articles of association.
Article 28 If a resolution of a company's shareholders' meeting or board of directors is declared invalid, revoked or confirmed to be invalid by the people's court, the company shall apply to the company registration authority to cancel the registration that has been processed based on the resolution.
If the resolutions of the shareholders' meeting or the board of directors are declared invalid, revoked or

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Chapter 2 Company Registration

Article 29 To establish a company, one must apply for establishment registration to the company registration authority in accordance with the law.

If laws and administrative regulations stipulate that the establishment of a company must be subject to approval, the approval procedures must be completed in accordance with the law before the company is registered.

Article 30 When applying for the establishment of a company, an application for establishment registration, articles of association and other documents shall be submitted, and the relevant materials submitted shall be true, legal and valid.

If the application materials are incomplete or do not comply with the legal form, the company registration authority shall notify the company of the materials that need to be supplemented and corrected at once.

Article 31 If an application for the establishment of a company meets the establishment conditions stipulated in this Law, it shall be registered as a limited liability company or a joint-stock company by the company registration authority; if it does not meet the establishment conditions stipulated in this Law, it shall not be registered as a limited liability company or a joint-stock company. Co., Ltd.

Article 32 Company registration matters include:

(1) Name;

(2) Residence;

(3) Registered capital;

(4) Business scope;

(5) The name of the legal representative;

(6) The names of shareholders of a limited liability company and promoters of a joint stock company.

The company registration authority shall disclose the company registration matters specified in the preceding paragraph to the public through the national enterprise credit information disclosure system.

Article 33 A company established in accordance with the law shall be issued a business license by the company registration authority. The date of issue of the company's business license is the date of establishment of the company.

The company's business license shall specify the company's name, address, registered capital, business scope, name of the legal representative and other matters.

The company registration authority may issue an electronic business license. Electronic business licenses have the same legal effect as paper business licenses.

Article 34 If a company's registered items are changed, the change registration shall be carried out in accordance with the law.

Company registration matters that have not been registered or have not been changed in registration shall not be used against bona fide counterparties.

Article 35 When a company applies for change registration, it shall submit to the company registration authority an application for change registration signed by the company's legal representative, a change resolution or decision made in accordance with the law, and other documents.

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If the company changes its legal representative, the change registration application shall be signed by the changed legal representative.

Article 36 If the matters recorded in the company's business license change, the company registration authority will renew the business license after the company handles the change registration.

Article 37 If a company needs to be terminated due to dissolution, declaration of bankruptcy or other statutory reasons, it shall apply to the company registration authority for deregistration in accordance with the law, and the company registration authority shall announce the company's termination.

Article 38 When a company establishes a branch, it shall apply to the company registration authority for registration and obtain a business license.

Article 39 If a company is registered by falsely reporting its registered capital, submitting false materials or using other fraudulent means to conceal important facts, the company registration authority shall revoke it in accordance with the provisions of laws and administrative regulations.

Article 40 The company shall disclose the following matters through the national enterprise credit information disclosure system in accordance with regulations:

(1) The amount of capital contribution subscribed and paid by shareholders of a limited liability company, the method and date of capital contribution, and the number of shares subscribed by the promoters of a joint stock company;

(2) Equity and share change information of shareholders of limited liability companies and promoters of joint stock companies;

(3) Administrative license acquisition, change, cancellation and other information;

(4) Other information stipulated by laws and administrative regulations.

The company shall ensure that the information disclosed in the preceding paragraph is true, accurate and complete.

Article 41 The company registration authority shall optimize the company registration process, improve company registration efficiency, strengthen informatization construction, promote online processing and other convenient methods, and improve the level of company registration facilitation.

The market supervision and administration department of the State Council shall formulate specific measures for company registration in accordance with the provisions of this Law and relevant laws and administrative regulations.

Chapter 3 Establishment and Organizational Structure of a Limited Liability Company

Section 1 Establishment

Article 42 A limited liability company shall be established with capital contribution from one to fifty shareholders.

Article 43 When a limited liability company is established, shareholders may sign an establishment agreement to clarify their respective rights and obligations during the company's establishment process.

Article 44 When a limited liability company is established, shareholders engage in civil activ

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establishment; if there are two or more shareholders at the time of establishment, they shall enjoy joint claims and bear joint and several debts.

The third party has the right to choose to request the company or the shareholders at the time of its establishment to bear the civil liabilities arising from the establishment of the company when the shareholders engage in civil activities in their own names.

If a shareholder at the time of establishment causes damage to others due to the performance of the company's establishment duties, the company or the shareholder without fault may recover compensation from the shareholder at fault after assuming liability for compensation.

Article 45 When establishing a limited liability company, the shareholders shall jointly formulate the company's articles of association.

Article 46 The articles of association of a limited liability company shall specify the following matters:

(1) Company name and address;

(2) The company's business scope;

(3) Registered capital of the company;

(4) The name of the shareholder;

(5) The shareholder's capital contribution amount, capital contribution method and capital contribution date;

(6) The organization of the company, its establishment method, powers, and rules of procedure;

(7) Methods for the creation and change of the company's legal representative;

(8) Other matters deemed necessary by the shareholders' meeting.

Shareholders should sign or seal the articles of association.

Article 47 The registered capital of a limited liability company shall be the capital contribution subscribed by all shareholders registered with the company registration authority. The capital contribution subscribed by all shareholders shall be paid in full within five years from the date of establishment of the company in accordance with the provisions of the company's articles of association.

If laws, administrative regulations and decisions of the State Council otherwise stipulate the paid-in registered capital of a limited liability company, the minimum amount of registered capital, and the period for shareholders' capital contribution, such provisions shall prevail.

Article 48 Shareholders may make capital contributions in currency, or in kind, intellectual property rights, land use rights, equity, creditor's rights and other non-monetary properties that can be valued in currency and transferred in accordance with the law; however, laws and administrative regulations may not Except for property contributed as capital.

Non-monetary property used as capital contribution must be evaluated and verified, and the property must not be overvalued or undervalued. If laws and administrative regulations have provisions on valuation and valuation, those provisions shall prevail.

Article 49 Shareholders shall pay the capital contribution amount stipulated in the company's articles of association in full and on time.

If a shareholder contributes capital in currency, the full amount of the monetary contribution shall be deposited into the limited liability company's bank account; if the shareholder contributes capital in non-monetary property, the transfer procedures for its property rights shall be completed in accordance w

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Article 50 When a limited liability company is established, if a shareholder fails to actually pay the capital contribution in accordance with the company's articles of association, or the actual value of the non-monetary property actually contributed is significantly lower than the amount of capital contribution subscribed, the other shareholders at the time of establishment and the shareholder shall Bear joint and several liability within the scope of insufficient capital contribution.

Article 51 After the establishment of a limited liability company, the board of directors shall verify the shareholder's capital contribution. If it is found that the shareholder has not paid the capital contribution stipulated in the company's articles of association in full and on time, the company shall issue a written reminder to the shareholder to call for the capital contribution. .

If the company fails to perform its obligations specified in the preceding paragraph in a timely manner and causes losses to the company, the responsible director shall be liable for compensation.

Article 52 If a shareholder fails to pay the capital contribution in accordance with the capital contribution date stipulated in the company's articles of association, and the company issues a written call to pay the capital contribution in accordance with the provisions of paragraph 1 of the preceding article, the grace period for payment of the capital contribution may be specified; the grace period begins when the company issues the call It shall not be less than sixty days from the date of writing. If the grace period expires and a shareholder has not fulfilled its capital contribution obligation, the company may, by resolution of the board of directors, issue a notice of loss of rights to the shareholder, and the notice shall be issued in writing. From the date of issuance of the notice, the shareholder loses his or her unpaid capital contribution.

The equity lost in accordance with the provisions of the preceding paragraph shall be transferred in accordance with the law, or the registered capital shall be reduced accordingly and the equity shall be canceled; if the equity is not transferred or canceled within six months, other shareholders of the company shall pay the corresponding capital contribution in full in accordance with their capital contribution proportion.

If a shareholder has objections to the loss of rights, he or she shall file a lawsuit with the People's Court within thirty days from the date of receipt of the notice of loss of rights.

Article 53 After the company is established, shareholders shall not withdraw their capital.

If the provisions of the preceding paragraph are violated, the shareholder shall return the withdrawn capital; if losses are caused to the company, the responsible directors, supervisors, and senior managers shall bear joint and several liability for compensation with the shareholder.

Article 54 If the company is unable to pay off its due debts, the company or its creditors whose claims have expired have the right to require shareholders who have subscribed for capital contributions but have not yet expired to pay their capital contributions in advance.

Article 55 After a limited liability company is established, an investment certificate shall be issued to the shareholders, recording the following matters:

(1) Company name;

(2) Date of company establishment;

(3) Registered capital of the company;

(4) The name of the shareholder, the amount of capital contribution subscribed and paid in, the method of capital contribution and the date of capital contribution;

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Article 56 A limited liability company shall prepare a shareholder register and record the following matters:
(1) Name and address of the shareholder;
(2) The amount of capital contribution subscribed and paid by shareholders, the method of capital contribution and the date of capital contribution;
(3) Investment certificate number;
(4) Dates of obtaining and losing shareholder qualifications.
Shareholders recorded in the shareholder register may claim to exercise shareholder rights in accordance with the shareholder register.
Article 57 Shareholders have the right to inspect and copy the company's articles of association, shareholder list, shareholders' meeting minutes, board meeting resolutions, supervisory board meeting resolutions and financial accounting reports.
Shareholders may request to inspect the company's accounting books and accounting vouchers. If a shareholder requests to inspect the company's accounting books and accounting vouchers, he or she shall submit a written request to the company stating the purpose. If the company has reasonable grounds to believe that a shareholder's inspection of accounting books and accounting vouchers has improper purposes and may harm the company's legitimate interests, it may refuse to provide inspection and shall reply to the shareholder in writing and explain the reasons within 15 days from the date of the shareholder's written request. If the company refuses to provide inspection, the shareholder may file a lawsuit with the People's Court.
Shareholders may entrust accounting firms, law firms and other intermediaries to review the materials specified in the preceding paragraph.
Shareholders and their entrusted accounting firms, law firms and other intermediaries shall abide by laws and administrative regulations on the protection of state secrets, business secrets, personal privacy, personal information and other laws and administrative regulations when accessing and copying relevant materials.
If a shareholder requests to review or copy relevant materials of the company's wholly-owned subsidiaries, the provisions of the first four paragraphs shall apply.

Section 2 Organizational Structure

Article 58 The shareholders' meeting of a limited liability company shall be composed of all shareholders. The shareholders' meeting is the company's authority and shall exercise its powers in accordance with this Law.
Article 59 The shareholders' meeting shall exercise the following powers:
(1) Elect and replace directors and supervisors, and decide on remuneration matters for directors and supervisors;
(2) Review and approve the report of the board of directors;
(3) Review and approve the report of the Board of Supervisors;
(4) Review and approve the company's profit distribution plan and loss compensation plan;
(5) Make a resolution to increase or decrease the company's registered capital;
(6) Make a resolution on the issuance of corporate bonds;
(7) Make resolutions on the merger, division, dissolution, liquidation or change of company f
(8) Modify the company's articles of association;

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corporate bonds.

If shareholders unanimously express their consent in writing to the matters listed in paragraph 1 of this article, they may make a decision directly without convening a shareholders' meeting, and all shareholders shall sign or seal the decision document.

Article 60 A limited liability company with only one shareholder does not have a shareholders' meeting. When a shareholder makes a decision on the matters listed in paragraph 1 of the preceding article, it shall be in writing, signed or sealed by the shareholder, and then retained in the company.

Article 61 The first shareholders' meeting shall be convened and chaired by the shareholder with the largest capital contribution, and shall exercise its powers in accordance with the provisions of this Law.

Article 62 Shareholders' meetings are divided into regular meetings and extraordinary meetings.

Regular meetings should be held on time in accordance with the provisions of the company's articles of association. If shareholders representing more than one-tenth of the voting rights, more than one-third of the directors or the board of supervisors propose to convene a temporary meeting, a temporary meeting shall be held.

Article 63 The shareholders' meeting shall be convened by the Board of Directors and presided over by the Chairman; if the Chairman is unable or fails to perform his duties, the Vice Chairman shall preside over it; if the Vice Chairman is unable or fails to perform his duties, he shall be jointly elected by more than half of the directors. A director presides.

If the Board of Directors is unable or fails to perform its duty to convene a shareholders' meeting, the board of supervisors shall convene and preside over it; if the Board of Supervisors fails to convene and preside over it, shareholders representing more than one-tenth of the voting rights may convene and preside over it themselves.

Article 64 When convening a shareholders' meeting, all shareholders shall be notified fifteen days before the meeting; however, unless otherwise provided for in the company's articles of association or otherwise agreed upon by all shareholders.

The shareholders' meeting shall keep minutes of the decisions on the matters discussed, and shareholders attending the meeting shall sign or seal the minutes.

Article 65 At the shareholders' meeting, shareholders shall exercise their voting rights in accordance with the proportion of their capital contributions; however, unless otherwise provided in the company's articles of association.

Article 66 The discussion methods and voting procedures of the shareholders' meeting shall be stipulated in the company's articles of association, except as otherwise provided for in this Law.

Resolutions made by the shareholders' meeting must be approved by shareholders representing more than half of the voting rights.

Resolutions made by the shareholders' meeting to amend the company's articles of association, increase or decrease the registered capital, as well as resolutions to merge, split, dissolve or change the company's form must be approved by shareholders representing more than two-thirds of the voting rights.

Article 67 A limited liability company shall have a board of directors, except as otherwise provided for in Article 75 of this Law.

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(2) Implement the resolutions of the shareholders' meeting;
(3) Determine the company's business plan and investment plan;
(4) Formulate the company's profit distribution plan and loss compensation plan;
(5) Formulate plans for the company to increase or reduce its registered capital and issue corporate bonds;
(6) Formulate plans for company merger, division, dissolution or change of company form;
(7) Decide on the establishment of the company's internal management organization;
(8) Decide on the appointment or dismissal of the company's manager and his remuneration matters, and decide on the appointment or dismissal of the company's deputy manager, financial director and their remuneration matters based on the manager's nomination;
(9) Formulate the company's basic management system;
(10) Other powers stipulated in the company's articles of association or granted by the shareholders' meeting.
The restrictions on the powers of the board of directors in the company's articles of association shall not be used against bona fide counterparts.

Article 68 The board of directors of a limited liability company shall have more than three members, and one of the members may include employee representatives of the company. For a limited liability company with more than 300 employees, in addition to having a board of supervisors and employee representatives of the company in accordance with the law, there should be employee representatives of the company among the members of the board of directors. The employee representatives on the board of directors are democratically elected by the company's employees through employee congresses, workers' conferences or other forms of democracy.
The board of directors shall have one chairman and may have a vice chairman. The methods for selecting the chairman and vice-chairman shall be stipulated in the company's articles of association.

Article 69 A limited liability company may set up an audit committee composed of directors on the board of directors in accordance with the provisions of the company's articles of association to exercise the powers of the board of supervisors stipulated in this law without having a board of supervisors or supervisors. Employee representatives who are members of the company's board of directors can become members of the audit committee.

Article 70 The term of office of directors shall be stipulated in the company's articles of association, but each term shall not exceed three years. When a director's term expires, he or she may be re-elected.
If a director fails to be re-elected in time when his term of office expires, or if a director resigns during his term and the number of board members falls below the quorum, the original director shall still perform his duties as a director in accordance with the provisions of laws, administrative regulations and the company's articles of association until the re-elected director takes office.
If a director resigns, he shall notify the company in writing. The resignation shall take effect on the date the company receives the notice. However, if the circumstances specified in the preceding paragraph exist, the director shall continue to perform his duties.

Article 71 The shareholders' meeting may resolve to dismiss a director, and the dismissal shall take effect on the date the resolution is made.
If a director is dismissed before the expiration of his term without justifiable reasons, the director may request the company to compensate him.

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Chairman is unable or fails to perform his duties, he shall be jointly elected by more than half of the directors. A director convenes and presides.

Article 73 The discussion methods and voting procedures of the board of directors shall be stipulated in the company's articles of association, except as otherwise provided for in this Law.

Board meetings can only be held if more than half of the directors are present. Resolutions made by the board of directors must be approved by more than half of all directors.

Voting on resolutions of the board of directors shall be one person, one vote.

The Board of directors shall keep minutes of its decisions on matters discussed, and the directors present at the meeting shall sign on the minutes.

Article 74 A limited liability company may have a manager, whose appointment or dismissal shall be determined by the board of directors.

The manager is responsible to the board of directors and exercises his powers in accordance with the provisions of the company's articles of association or the authorization of the board of directors. Managers attend board meetings.

Article 75 A limited liability company with a small scale or a small number of shareholders may not have a board of directors and may have one director to exercise the functions and powers of the board of directors as stipulated in this Law. The director may also serve as a manager of the company.

Article 76 A limited liability company shall have a board of supervisors, except as otherwise provided for in Articles 69 and 83 of this Law.

The number of members of the supervisory board shall be three or more. The members of the board of supervisors shall include shareholder representatives and an appropriate proportion of the company's employee representatives, of which the proportion of employee representatives shall not be less than one-third. The specific proportion shall be stipulated in the company's articles of association. The employee representatives on the board of supervisors are democratically elected by the company's employees through employee congresses, workers' conferences or other forms of democracy.

The Board of Supervisors shall have a chairman who shall be elected by a majority of all supervisors. The chairman of the board of supervisors shall convene and preside over the meeting of the board of supervisors; if the chairman of the board of supervisors is unable or fails to perform his duties, more than half of the supervisors shall jointly elect a supervisor to convene and preside over the meeting of the board of supervisors.

Directors and senior managers may not concurrently serve as supervisors.

Article 77 The term of office of supervisors shall be three years. When the supervisor's term expires, he or she may be re-elected.

If a supervisor's term of office expires and is not re-elected in time, or if a supervisor resigns during his term and the number of members of the board of supervisors falls below the quorum, the original supervisor shall still perform his duties as a supervisor in accordance with the provisions of laws, administrative regulations and the company's articles of association until the re-elected supervisor takes office.

Article 78 The Board of Supervisors shall exercise the following powers:

(1) Check the company's finances;

(2) Supervise the performance of duties by directors and senior managers, and make recom

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(3) When the actions of directors and senior managers harm the interests of the company, require directors and senior managers to make corrections;
(4) Propose to convene an extraordinary shareholders' meeting, and convene and preside over the shareholders' meeting when the board of directors fails to perform its duties of convening and presiding over the shareholders' meeting as stipulated in this Law;
(5) Put forward proposals to the shareholders' meeting;
(6) Initiate lawsuits against directors and senior managers in accordance with the provisions of Article 189 of this Law;
(7) Other powers stipulated in the company's articles of association.

Article 79 Supervisors may attend board meetings as non-voting delegates and raise questions or suggestions on matters resolved by the board of directors.

If the board of supervisors finds that the company's operating conditions are abnormal, it can conduct an investigation; if necessary, it can hire an accounting firm to assist it in its work at the company's expense.

Article 80 The board of supervisors may require directors and senior managers to submit reports on the performance of their duties.

Directors and senior managers shall truthfully provide relevant information and information to the board of supervisors and shall not hinder the board of supervisors or supervisors from exercising their powers.

Article 81 The Board of Supervisors shall hold at least one meeting every year, and supervisors may propose to convene an extraordinary meeting of the Board of Supervisors.

The discussion methods and voting procedures of the board of supervisors shall be stipulated in the company's articles of association, except as otherwise provided for in this Law.

Resolutions of the board of supervisors must be passed by more than half of all supervisors.

Voting on resolutions of the Board of Supervisors shall be one person, one vote.

The Board of Supervisors shall keep minutes of its decisions on the matters discussed, and the supervisors attending the meeting shall sign on the minutes.

Article 82 The expenses necessary for the supervisory board to exercise its powers shall be borne by the company.

Article 83 A limited liability company with a smaller scale or a smaller number of shareholders may not have a board of supervisors but may have one supervisor to exercise the powers of the board of supervisors as stipulated in this Law; with the unanimous consent of all shareholders, the company may not have a supervisor.

Chapter 4 Equity Transfer of Limited Liability Company

Article 84 Shareholders of a limited liability company may transfer all or part of their equity to each other.

If a shareholder transfers equity to a person other than the shareholder, he or she shall notify the other shareholders in writing of the quantity, price, payment method, time limit and other matters of the equity transfer, and other shareholders shall have the right of first refusal under the same conditions. If a shareholder fails to respond within thirty days from the date of receipt of the written notice, it will be deemed to have waived the right of preemption. If two or more shareholders exercise the right of first refusal, they shall negotiate to determine their respective purchase proportions; if the negotiation fails, the ri

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Article 85 When the people's court transfers a shareholder's equity in accordance with the enforcement procedures prescribed by law, it shall notify the company and all shareholders that other shareholders have the right of first refusal under the same conditions. If other shareholders do not exercise their preemptive rights within twenty days from the date of notification by the People's Court, they will be deemed to have given up their preemptive rights.

Article 86 If a shareholder transfers equity, he shall notify the company in writing and request to change the shareholder list; if a change registration is required, he shall request the company to apply for change registration with the company registration authority. If the company refuses or fails to respond within a reasonable period, the transferor or transferee may file a lawsuit with the People's Court in accordance with the law.

In the event of equity transfer, the transferee may claim to exercise shareholder rights against the company from the time it is recorded in the shareholder register.

Article 87 After transferring equity in accordance with this Law, the company shall promptly cancel the capital contribution certificates of the original shareholders, issue capital contribution certificates to the new shareholders, and accordingly modify the records of the shareholders and their capital contributions in the company's articles of association and shareholder register. This amendment to the company's articles of association does not need to be voted on by the shareholders' meeting.

Article 88 If a shareholder transfers equity for which the capital contribution has been subscribed but the capital contribution period has not expired, the transferee shall bear the obligation to pay the capital contribution; if the transferee fails to pay the capital contribution in full on time, the transferor shall be liable to the transferee for failure to pay the capital contribution on time. The capital contribution paid shall bear supplementary liability.

If a shareholder fails to pay the capital contribution in accordance with the capital contribution date stipulated in the company's articles of association or the actual value of the non-monetary property used as capital contribution is significantly lower than the subscribed capital contribution amount, if a shareholder transfers equity, the transferor and the transferee shall be jointly and severally liable within the scope of the insufficient capital contribution. Liability; if the transferee does not know and should not know that the above circumstances exist, the transferor shall bear the liability.

Article 89 Under any of the following circumstances, shareholders who vote against the resolution of the shareholders' meeting may request the company to acquire their equity at a reasonable price:

(1) The company does not distribute profits to shareholders for five consecutive years, but the company has made profits for five consecutive years and meets the conditions for profit distribution stipulated in this Law;

(2) Company merger, division, and transfer of major assets;

(3) When the business period stipulated in the company's articles of association expires or other reasons for dissolution stipulated in the articles of association arise, the shareholders' meeting shall pass a resolution to amend the articles of association to enable the company to survive.

If the shareholder and the company cannot reach an equity acquisition agreement within 60 days from the date of the resolution of the shareholders' meeting, the shareholder may file a lawsuit with the People's Court within 90 days from the date of the resolution of the shareholders' meeting.

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equity at a reasonable price.
The equity of the company acquired by the company due to the circumstances specified in paragraphs 1 and 3 of this article shall be transferred or canceled in accordance with the law within six months.
Article 90 After the death of a natural person shareholder, his legal heirs may inherit the shareholder status; however, unless otherwise provided in the company's articles of association.

Chapter 5 Establishment and organizational structure of a joint stock limited company

Section 1 Establishment

Article 91 A joint-stock limited company may be established by sponsorship or by raising funds.
Sponsorship and establishment means the establishment of a company by the promoters subscribing for all the shares that should be issued when establishing the company.
Establishment by public offering means that the promoters subscribe for a part of the shares that should be issued when establishing the company, and the remaining shares are raised from specific targets or publicly raised from the public to establish the company.
Article 92 To establish a joint-stock company, at least one person but not more than 200 persons shall be the promoters, and more than half of the promoters shall have their domicile within the territory of the People's Republic of China.
Article 93 The promoters of a joint-stock company shall be responsible for the preparation of the company.
The sponsors should sign a sponsor agreement to clarify their respective rights and obligations during the company's establishment process.
Article 94 When establishing a joint-stock company, the sponsors shall jointly formulate the company's articles of association.
Article 95 The articles of association of a joint-stock company shall specify the following matters:
(1) Company name and address;
(2) The company's business scope;
(3) Company establishment method;
(4) The company's registered capital, the number of issued shares, the number of shares issued at the time of establishment, and the amount per share of par value shares;
(5) If a class of shares is issued, the number of shares of each class of shares and its rights and obligations;
(6) The name of the sponsor, the number of shares subscribed, and the method of capital contribution;
(7) The composition, powers and rules of procedure of the board of directors;
(8) Methods for the creation and change of the company's legal representative;
(9) The composition, powers and rules of procedure of the board of supervisors;
(10) The company's profit distribution method;
(11) Reasons for dissolution and liquidation methods of the company;
(12) The company's notification and announcement methods;
(13) Other matters deemed necessary by the shareholders' meeting.

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subscribed by the promoter are fully paid.

If laws, administrative regulations and decisions of the State Council otherwise provide for the minimum registered capital of a joint-stock company, such provisions shall prevail.

Article 97 If a joint-stock company is established by way of establishment, the promoters shall subscribe for the full number of shares that shall be issued upon establishment of the company as stipulated in the company's articles of association.

If a joint-stock company is established by way of stock-raising, the shares subscribed by the promoters shall not be less than 35% of the total number of shares to be issued at the time of establishment of the company as stipulated in the company's articles of association; however, if laws and administrative regulations provide otherwise, such shares shall prevail. Regulation.

Article 98 The promoters shall pay the full amount of the shares subscribed for before the establishment of the company.

The capital contribution of the promoters shall be governed by the provisions of Article 48 and Paragraph 2 of Article 49 of this Law regarding the capital contribution of shareholders of a limited liability company.

Article 99 If a sponsor fails to pay the share capital for the shares subscribed, or the actual value of the non-monetary property contributed as capital is significantly lower than the shares subscribed, other sponsors and the sponsor shall be within the scope of the insufficient capital contribution. Jointly and severally liable.

Article 100 The promoters shall publish a prospectus and prepare a subscription letter when raising shares from the public. The subscription form shall state the matters listed in paragraphs 2 and 3 of Article 154 of this Law. The subscriber shall fill in the number of shares subscribed, the amount, and his address, and sign or seal them. Subscribers shall pay the full amount of the shares subscribed for.

Article 101 After the shares raised from the public are fully paid, the capital shall be verified by a capital verification agency established in accordance with the law and a certificate shall be issued.

Article 102 A joint stock company shall prepare a shareholder list and keep it in the company. The shareholder register shall record the following matters:

(1) Name and address of the shareholder;

(2) The types and number of shares subscribed by each shareholder;

(3) If stocks are issued in paper form, the stock number;

(4) The date on which each shareholder obtains shares.

Article 103 The sponsors who raise funds to establish a joint-stock company shall convene a company establishment meeting within thirty days from the date of full payment of the shares that should be issued when the company is established. The promoters shall notify each subscriber of the date of the meeting or make an announcement fifteen days before the founding meeting. The founding meeting can only be held if the shareholders holding more than half of the voting rights are present.

The convening and voting procedures of the founding meeting of a joint-stock company established by way of establishment shall be stipulated in the company's articles of association or the promoters' agreement.

Article 104 The company's founding meeting shall exercise the following powers:

(1) Review the sponsor's report on the preparation of the company;

(2) Adopt the company's articles of association;

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(5) Review the valuation of the sponsor's non-monetary property investment;
(6) If force majeure occurs or major changes in operating conditions directly affect the establishment of the company, a resolution may be made not to establish the company.
The resolutions adopted by the founding meeting on the matters listed in the preceding paragraph shall be passed by more than half of the voting rights held by the shareholders present at the meeting.
Article 105 If the shares that should be issued when the company is established are not fully raised, or if the promoters do not convene an establishment meeting within thirty days after the shares are issued in full, the subscriber may calculate the amount paid and add The sponsor is required to return the bank deposit interest for the same period.
After the promoters and subscribers have paid the share price or delivered the non-monetary capital contribution, their share capital shall not be withdrawn unless the shares are not raised as scheduled, the promoters fail to convene the founding meeting as scheduled, or the founding meeting resolves not to establish the company.
Article 106 The board of directors shall authorize a representative to apply for establishment registration to the company registration authority within thirty days after the conclusion of the company's founding meeting.
Article 107 The provisions of Article 44, Paragraph 3 of Article 49, Article 51, 52 and 53 of this Law shall apply to joint stock companies.
Article 108 When a limited liability company is changed into a joint-stock company, the converted total paid-in share capital shall not be higher than the company's net assets. When a limited liability company changes to a joint stock company and publicly issues shares to increase its registered capital, it must be handled in accordance with the law.
Article 109 A joint stock company shall keep its articles of association, shareholder list, shareholders' meeting minutes, board of directors meeting minutes, supervisory board meeting minutes, financial accounting reports, and bond holders' list with the company.
Article 110 Shareholders have the right to inspect and copy the company's articles of association, shareholder register, shareholders' meeting minutes, board meeting resolutions, supervisory board meeting resolutions, and financial accounting reports, and make suggestions or inquiries about the company's operations.
If shareholders who individually or collectively hold more than 3% of the company's shares for more than 180 consecutive days request to inspect the company's accounting books and accounting vouchers, paragraphs 2, 3, and 4 of Article 57 of this Law shall apply. payment provisions. If the company's articles of association have lower provisions on shareholding ratio, those provisions shall prevail.
If a shareholder requests to review or copy relevant materials of the company's wholly-owned subsidiaries, the provisions of the preceding two paragraphs shall apply.
Shareholders of listed companies who review and copy relevant materials must comply with the provisions of the Securities Law of the People's Republic of China and other laws and administrative regulations.

Section 2 Shareholders' Meeting

Article 111 The shareholders' meeting of a joint stock company shall be composed of all sh[illegible]. The shareholders' meeting is the company's authority and shall exercise its powers in accordanc[illegible]

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company.

Article 60 of this Law stipulates that a limited liability company with only one shareholder shall not have a shareholders' meeting, shall apply to a joint stock limited company with only one shareholder.

Article 113 The shareholders' meeting shall hold an annual meeting every year. If any of the following circumstances occurs, an extraordinary shareholders' meeting shall be held within two months:

(1) When the number of directors is less than two-thirds of the number stipulated in this Law or the number stipulated in the company's articles of association;

(2) When the company's uncompensated losses reach one-third of its total share capital;

(3) When requested by shareholders individually or collectively holding more than 10% of the company's shares;

(4) When the board of directors deems it necessary;

(5) When the board of supervisors proposes to convene;

(6) Other circumstances stipulated in the company's articles of association.

Article 114 The shareholders' meeting shall be convened by the Board of Directors and presided over by the Chairman; if the Chairman is unable or fails to perform his duties, the Vice Chairman shall preside over it; if the Vice Chairman is unable or fails to perform his duties, more than half of the directors shall preside over the meeting. Jointly elect a director to preside.

If the Board of directors is unable or fails to perform its duty to convene a shareholders' meeting, the board of supervisors shall convene and preside over it in a timely manner; if the Board of Supervisors fails to convene and preside over the meeting, shareholders who individually or collectively hold more than 10% of the company's shares for more than 90 consecutive days may convene and preside over it on their own. .

If shareholders individually or jointly holding more than 10% of the company's shares request to convene an extraordinary shareholders' meeting, the board of directors and the board of supervisors shall make a decision on whether to convene an extraordinary shareholders' meeting within ten days from the date of receipt of the request and give a written reply to the shareholders.

Article 115 When convening a shareholders' meeting, all shareholders shall be notified of the time, place and matters to be considered at the meeting 20 days before the meeting; for an extraordinary shareholders' meeting, all shareholders shall be notified 15 days before the meeting.

Shareholders who individually or collectively hold more than 1% of the company's shares may submit temporary proposals and submit them in writing to the board of directors ten days before the shareholders' meeting. Temporary proposals should have clear topics and specific resolution matters. The board of directors shall notify other shareholders within two days after receiving the proposal and submit the temporary proposal to the shareholders' meeting for review; unless the temporary proposal violates the provisions of laws, administrative regulations or the company's articles of association, or does not fall within the scope of the shareholders' meeting. The company shall not increase the shareholding ratio of shareholders who submit temporary proposals.

A company that publicly issues shares shall make the notification specified in the preceding two paragraphs in the form of an announcement.

The shareholders' meeting shall not make resolutions on matters not specified in the notice.

Article 116 Shareholders attending the shareholders' meeting shall have one vote for each

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shareholders present at the meeting.
Resolutions made by the shareholders' meeting to amend the company's articles of association, increase or decrease the registered capital, as well as resolutions to merge, split, dissolve or change the company's form must be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.
Article 117 The shareholders' meeting may elect directors and supervisors by adopting a cumulative voting system in accordance with the provisions of the company's articles of association or the resolutions of the shareholders' meeting.
The term "cumulative voting system" as used in this Law means that when the shareholders' meeting elects directors or supervisors, each share has the same voting rights as the number of directors or supervisors to be elected, and the voting rights held by shareholders can be used collectively.
Article 118 If a shareholder appoints an agent to attend the shareholders' meeting, the matters, authority and period of the agent's representation shall be clearly defined; the agent shall submit a shareholder's power of attorney to the company and exercise voting rights within the scope of authorization.
Article 119 The shareholders' meeting shall keep minutes of the decisions on the matters discussed, and the host and directors present at the meeting shall sign on the minutes. The minutes of the meeting shall be kept together with the signature booklet of the shareholders present and the power of attorney for the proxy to attend.

Section 3 Board of Directors, Managers

Article 120 A joint stock company shall have a board of directors, except as otherwise provided for in Article 128 of this Law.
The provisions of Article 67, Paragraph 1 of Article 68, Article 70 and Article 71 of this Law shall apply to joint stock companies.
Article 121 A joint stock company may, in accordance with the provisions of the company's articles of association, set up an audit committee composed of directors on the board of directors to exercise the powers of the board of supervisors stipulated in this law without having a board of supervisors or supervisors.
The audit committee shall have more than three members, and more than half of the members shall not hold any other positions in the company other than directors, and shall not have any relationship with the company that may affect their independent and objective judgment. Employee representatives who are members of the company's board of directors can become members of the audit committee.
Resolutions made by the Audit Committee must be approved by more than half of the members of the Audit Committee.
The voting on resolutions of the Audit Committee shall be one person, one vote.
The deliberations and voting procedures of the audit committee shall be stipulated in the company's articles of association, except as otherwise provided for in this Law.
The company may set up other committees on the board of directors in accordance with the provisions of the company's articles of association.
Article 122 The board of directors shall have one chairman and may have a vice chairman. The Chairman and Vice Chairman are elected by the Board of Directors with a majority of all directors.

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duties, the vice chairman shall perform his duties; if the vice chairman is unable or fails to perform his duties, more than half of the directors shall jointly elect a director to perform his duties.

Article 123 The board of directors shall hold at least two meetings every year, and all directors and supervisors shall be notified of each meeting ten days before the meeting.

Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors or the board of supervisors may propose to convene an extraordinary board meeting. The chairman of the board of directors shall convene and preside over a board meeting within ten days after receiving the proposal.

When the Board of Directors convenes an extraordinary meeting, it may separately determine the method and time limit for notification of convening the Board of Directors.

Article 124 A board meeting can only be held if more than half of the directors are present. Resolutions made by the board of directors must be approved by more than half of all directors.

Voting on resolutions of the board of directors shall be one person, one vote.

The Board of Directors shall keep minutes of its decisions on matters discussed, and the directors present at the meeting shall sign on the minutes.

Article 125 The board meeting shall be attended by the director in person. If a director is unable to attend for any reason, he may authorize another director in writing to attend on his behalf. The letter of authorization shall specify the scope of authorization.

The directors shall be responsible for the resolutions of the board of directors. If a resolution of the board of directors violates laws, administrative regulations, the company's articles of association, or shareholders' meeting resolutions, causing serious losses to the company, the directors who participated in the resolution shall be liable to the company for compensation; if it is proven that they expressed dissent during the voting and recorded it in the minutes of the meeting, the director shall be liable for compensation. Can be exempted from liability.

Article 126 A joint-stock company shall have a manager, who shall be appointed or dismissed by the board of directors.

The manager is responsible to the board of directors and exercises his powers in accordance with the provisions of the company's articles of association or the authorization of the board of directors. Managers attend board meetings.

Article 127 The company's board of directors may decide that a member of the board of directors shall concurrently serve as manager.

Article 128 A joint-stock company with a smaller scale or a smaller number of shareholders may not have a board of directors but may have one director to exercise the functions and powers of the board of directors as stipulated in this Law. The director may also serve as a manager of the company.

Article 129 The company shall regularly disclose to shareholders the remuneration received by directors, supervisors and senior managers from the company.

Section 4 Supervisory Board

Article 130 A joint stock company shall establish a board of supervisors, except as otherwise provided for in Paragraph 1 of Article 121 and Article 133 of this Law.

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employee representatives, of which the proportion of employee representatives shall not be less than one-third. The specific proportion shall be stipulated in the company's articles of association. The employee representatives on the board of supervisors are democratically elected by the company's employees through employee congresses, workers' conferences or other forms of democracy.

The board of supervisors shall have a chairman and may have a vice-chairman. The Chairman and Vice Chairman of the Supervisory Board shall be elected by more than half of all Supervisors. The chairman of the board of supervisors convenes and presides over the meeting of the board of supervisors; if the chairman of the board of supervisors is unable or fails to perform his duties, the vice-chairman of the board of supervisors shall convene and preside over the meeting of the board of supervisors; if the vice-chairman of the board of supervisors is unable or fails to perform his duties, a supervisor jointly elected by more than half of the supervisors shall convene the meeting and chairing Supervisory Board meetings.

Directors and senior managers may not concurrently serve as supervisors.

The provisions of Article 77 of this Law on the term of office of supervisors of limited liability companies shall apply to supervisors of joint stock companies.

Article 131 The provisions of Articles 78 to 80 of this Law shall apply to the supervisory board of a joint stock company.

The expenses necessary for the supervisory board to exercise its powers shall be borne by the company.

Article 132 The Board of Supervisors shall hold at least one meeting every six months. Supervisors may propose to convene an extraordinary supervisory board meeting.

The discussion methods and voting procedures of the board of supervisors shall be stipulated in the company's articles of association, except as otherwise provided for in this Law.

Resolutions of the board of supervisors must be passed by more than half of all supervisors.

Voting on resolutions of the Board of Supervisors shall be one person, one vote.

The Board of Supervisors shall keep minutes of its decisions on the matters discussed, and the supervisors attending the meeting shall sign on the minutes.

Article 133 A joint-stock company with a smaller scale or a smaller number of shareholders may not have a board of supervisors but may have one supervisor to exercise the powers of the board of supervisors as stipulated in this Law.

Section 5 Special Provisions on the Organizational Structure of Listed Companies

Article 134 The term "listed company" as used in this Law refers to a joint-stock company whose stocks are listed and traded on a stock exchange.

Article 135 If a listed company purchases or sells major assets or provides guarantees to others for an amount exceeding 30% of the company's total assets within one year, a resolution shall be made by the shareholders' meeting and approved by the voting rights of the shareholders present at the meeting. More than two-thirds passed.

Article 136 Listed companies shall have independent directors, and specific management measures shall be prescribed by the securities regulatory authority of the State Council.

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as the remuneration assessment mechanism for directors, supervisors, and senior managers, etc. in accordance with the provisions of laws and administrative regulations. matter.

Article 137 If a listed company establishes an audit committee in the board of directors, the board of directors shall make resolutions on the following matters with the approval of more than half of all members of the audit committee:

(1) Appointment and dismissal of accounting firms that undertake the company's audit business;

(2) Appoint and dismiss the financial person in charge;

(3) Disclosure of financial accounting reports;

(4) Other matters specified by the securities regulatory authority of the State Council.

Article 138 A listed company shall have a secretary to the board of directors, who shall be responsible for the preparation of the company's shareholders' meetings and board of directors meetings, the storage of documents, the management of the company's shareholder information, and the handling of information disclosure matters.

Article 139 If a director of a listed company has a related relationship with an enterprise or individual involved in matters resolved at the board of directors meeting, the director shall report to the board of directors in writing in a timely manner. Directors with related relationships may not exercise voting rights on this resolution, nor may they exercise voting rights on behalf of other directors. The board meeting can be held if more than half of the unrelated directors are present, and resolutions made at the board meeting must be passed by more than half of the unrelated directors. If the number of unrelated directors attending the board meeting is less than three, the matter shall be submitted to the listed company's shareholders' meeting for review.

Article 140 Listed companies shall disclose information on shareholders and actual controllers in accordance with the law, and relevant information must be true, accurate, and complete.

It is prohibited to hold shares of listed companies on behalf of others in violation of laws and administrative regulations.

Article 141 A controlled subsidiary of a listed company shall not acquire shares of the listed company.

If a listed company's controlled subsidiary holds shares of the listed company due to company mergers, exercise of pledge rights, etc., it shall not exercise the voting rights corresponding to the shares held, and shall promptly dispose of the relevant shares of the listed company.

Chapter 6 Issuance and Transfer of Shares of a Joint Stock Company

Section 1 Share Issuance

Article 142 The capital of the company is divided into shares. All shares of the company shall be divided into par value shares or non-par value shares according to the provisions of the company's articles of association. With par value shares, each share is worth the same amount.

The company may convert all issued par-value shares into no-par-value shares or convert all no-par-value shares into par-value shares in accordance with the provisions of the company's articles of association.

If shares without par value are used, more than one-half of the proceeds from the issuance of shares shall be included in the registered capital.

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For shares of the same type issued at the same time, the issuance conditions and price per share shall be the same; subscribers shall pay the same price for each share subscribed.

Article 144 A company may issue the following classes of shares with rights different from ordinary shares in accordance with the provisions of the company's articles of association:

(1) Shares with priority or inferiority in the distribution of profits or residual property;

(2) Shares with more or less voting rights per share than ordinary shares;

(3) The transfer of shares is subject to restrictions such as the consent of the company;

(4) Other types of shares specified by the State Council.

A company that publicly issues shares may not issue the types of shares specified in Items 2 and 3 of the preceding paragraph, except those that have been issued before the public offering.

If a company issues class shares specified in Item 2 of Paragraph 1 of this Article, for the election and replacement of supervisors or audit committee members, the voting rights of each class share and ordinary stock shall be the same.

Article 145 A company that issues class shares shall specify the following matters in its articles of association:

(1) The order in which class shares distribute profits or residual property;

(2) The number of voting rights of the class of shares;

(3) Transfer restrictions on class shares;

(4) Measures to protect the rights and interests of small and medium-sized shareholders;

(5) Other matters deemed necessary by the shareholders' meeting.

Article 146 If a company that issues class shares has matters specified in paragraph 3 of Article 116 of this Law that may affect the rights of class shareholders, it shall, in addition to complying with Article 116 3, In addition to being passed by the shareholders' meeting, the provisions of this paragraph must also be passed by more than two-thirds of the voting rights held by shareholders attending the class shareholders' meeting.

The company's articles of association may stipulate other matters that require resolution at a class meeting of shareholders.

Article 147 The shares of the company shall be in the form of stocks. Stock certificates are certificates issued by a company that certify the shares held by shareholders.

The stocks issued by the company shall be registered stocks.

Article 148 The issue price of par value shares may be based on the par value, or may exceed the par value, but shall not be lower than the par value.

Article 149 Stocks shall be in paper form or other forms prescribed by the securities regulatory authority of the State Council.

If the stock certificate is in paper form, the following main matters shall be stated:

(1) Company name;

(2) The date of establishment of the company or the time of stock issuance;

(3) Type of stock, par value and number of shares represented; if shares without par value are issued, the number of shares represented by the stock.

If the stock is in paper form, the stock number must also be stated, signed by the legal representative, and stamped by the company.

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shares may be delivered to shareholders before the company is established.

Article 151 When a company issues new shares, the shareholders' meeting shall make resolutions on the following matters:

(1) Type and amount of new shares;

(2) Issuance price of new shares;

(3) The start and end dates of the issuance of new shares;

(4) The type and amount of new shares issued to original shareholders;

(5) If shares without par value are issued, the proceeds from the issuance of new shares shall be included in the amount of registered capital.

When a company issues new shares, it can determine its pricing plan based on the company's operating conditions and financial status.

Article 152 The company's articles of association or shareholders' meeting may authorize the board of directors to decide within three years to issue shares not exceeding 50% of the issued shares. However, investment in non-monetary assets must be resolved by the shareholders' meeting.

If the board of directors decides to issue shares in accordance with the provisions of the preceding paragraph, resulting in changes in the company's registered capital and the number of issued shares, the modification of the matters recorded in the company's articles of association does not need to be voted on by the shareholders' meeting.

Article 153 If the company's articles of association or the shareholders' meeting authorize the board of directors to decide on the issuance of new shares, the board of directors' resolution shall be approved by more than two-thirds of all directors.

Article 154 A company that publicly raises shares from the public must register with the securities regulatory authority of the State Council and publish a prospectus.

The prospectus should be accompanied by the company's articles of association and specify the following matters:

(1) The total number of shares issued;

(2) The par value and issuance price of par value shares or the issuance price of non-par value shares;

(3) The purpose of raising funds;

(4) Rights and obligations of shareholders;

(5) Types of shares and their rights and obligations;

(6) The start and end dates of this offering and the explanation that subscribers can withdraw their subscribed shares if the shares are not fully raised after the due date.

If shares are issued when the company is established, the number of shares subscribed by the promoters should also be stated.

Article 155 A company that publicly raises shares from the public shall have underwriting by a securities company established in accordance with the law and sign an underwriting agreement.

A**rticle 156** When a company publicly raises shares from the public, it shall sign an agreement with a bank for the collection of shares.

The bank that collects the share payments shall collect and store the share payments in acc

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After the company has raised enough funds by issuing shares, it shall make an announcement.

Section 2 Share Transfer

Article 157 The shares held by shareholders of a joint-stock company may be transferred to other shareholders or to persons other than shareholders; if the company's articles of association impose restrictions on the transfer of shares, the transfer shall be carried out in accordance with the provisions of the company's articles of association.

Article 158 Shareholders shall transfer their shares at a securities trading place established in accordance with the law or in accordance with other methods prescribed by the State Council.

Article 159 The transfer of stocks shall be carried out by shareholders by endorsement or other methods stipulated by laws and administrative regulations; after the transfer, the company shall record the name and address of the transferee in the shareholder register.

No changes to the shareholder list shall be made within twenty days before the shareholders' meeting or within five days before the base date on which the company decides to distribute dividends. If laws, administrative regulations or the securities regulatory authority of the State Council have other provisions on changes to the shareholder list of listed companies, such provisions shall prevail.

Article 160 The shares issued before the company's shares are publicly offered may not be transferred within one year from the date the company's shares are listed and traded on the stock exchange. If laws, administrative regulations or the securities regulatory authority of the State Council have other provisions on the transfer of the shares of the company held by shareholders or actual controllers of listed companies, such provisions shall prevail.

Directors, supervisors, and senior managers of the company shall report to the company the shares they hold in the company and their changes. The shares transferred each year during the term of office determined when taking office shall not exceed 1% of the total number of shares they hold in the company. 25. The shares held by the company shall not be transferred within one year from the date of listing and trading of the company's shares. The above-mentioned personnel shall not transfer the shares of the company held by them within six months after their resignation. The company's articles of association may make other restrictive provisions on the transfer of the company's shares held by the company's directors, supervisors, and senior managers.

If the shares are pledged within the transfer restriction period stipulated in laws and administrative regulations, the pledgee shall not exercise the pledge right within the transfer restriction period.

Article 161 Under any of the following circumstances, shareholders who vote against the resolution of the shareholders' meeting may request the company to acquire their shares at a reasonable price, except for companies that publicly issue shares:

(1) The company does not distribute profits to shareholders for five consecutive years, but the company has made profits for five consecutive years and meets the conditions for profit distribution stipulated in this Law;

(2) The company transfers its main assets;

(3) When the business period stipulated in the company's articles of association expires or other reasons for dissolution stipulated in the articles of association arise, the shareholders' meeting shall pass a resolution to amend the articles of association to enable the company to survive.

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ninety days from the date of the resolution of the shareholders' meeting.
The shares of the company acquired by the company due to the circumstances specified in paragraph 1 of this article shall be transferred or canceled in accordance with the law within six months.
Article 162 A company shall not acquire its own shares. However, except for one of the following circumstances:
(1) Reduce the company's registered capital;
(2) Merge with other companies that hold shares of the company;
(3) Use shares for employee stock ownership plans or equity incentives;
(4) Shareholders dissent from the company's merger or division resolution made by the shareholders' meeting and request the company to acquire their shares;
(5) Use the shares to convert corporate bonds issued by the company that can be converted into stocks;
(6) It is necessary for listed companies to maintain the company's value and shareholders' rights and interests.
If the company acquires the company's shares due to the circumstances stipulated in the first and second items of the preceding paragraph, it shall obtain a resolution from the shareholders' meeting; if the company acquires the company's shares due to the circumstances stipulated in the third, fifth, and sixth items of the preceding paragraph, Resolutions may be made at a board meeting attended by more than two-thirds of the directors in accordance with the company's articles of association or the authorization of the shareholders' meeting.
After a company acquires its own shares in accordance with the provisions of Paragraph 1 of this Article, if it falls under the circumstances of Paragraph 1, it shall cancel it within ten days from the date of acquisition; if it falls under the circumstances of Paragraph 2 or Paragraph 4, it shall transfer or cancel it within six months. ; If it falls under the circumstances of Item 3, Item 5 or Item 6, the total number of shares of the company held by the company shall not exceed 10% of the total number of issued shares of the company, and shall be transferred or canceled within three years.
When a listed company acquires its own shares, it must fulfill its information disclosure obligations in accordance with the provisions of the Securities Law of the People's Republic of China. If a listed company acquires its own shares due to the circumstances specified in Items 3, 5 and 6 of Paragraph 1 of this Article, it shall do so through public centralized transactions.
The company shall not accept its own shares as the subject of pledge.
Article 163 The company shall not provide gifts, loans, guarantees or other financial assistance for others to obtain shares of the company or its parent company, except when the company implements an employee stock ownership plan.
For the benefit of the company, upon resolution of the shareholders' meeting, or the board of directors making a resolution in accordance with the company's articles of association or the authorization of the shareholders' meeting, the company may provide financial assistance to others to acquire shares of the company or its parent company, but the cumulative total of financial assistance shall not exceed the issued share capital. Ten percent of the total amount. Resolutions made by the board of directors must be approved by more than two-thirds of all directors.
If any violation of the provisions of the preceding two paragraphs causes losses to the company, the responsible directors, supervisors, and senior managers shall bear liability for compensatio

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Law of the People's Republic of China. After the people's court declares the stock to be invalid, the shareholder can apply to the company for the reissue of stock.

Article 165 The stocks of listed companies shall be listed and traded in accordance with relevant laws, administrative regulations and stock exchange trading rules.

Article 166 Listed companies shall disclose relevant information in accordance with the provisions of laws and administrative regulations.

Article 167 After the death of a natural person shareholder, his legal heirs may inherit the shareholder qualifications; however, unless otherwise provided in the articles of association of a joint-stock company with restricted share transfers.

Chapter 7 Special Provisions on the Organizational Structure of State-Invested Companies

Article 168 The organizational structure of a state-invested company shall be governed by the provisions of this Chapter; if there are no provisions in this Chapter, other provisions of this Law shall apply.

The term "state-invested company" as used in this Law refers to a wholly state-owned company or a state-owned capital holding company funded by the state, including a state-funded limited liability company or a joint-stock company.

Article 169 In a state-invested company, the State Council or the local people's government shall respectively perform the investor's duties on behalf of the state in accordance with the law and enjoy the rights and interests of the investor. The State Council or the local people's government may authorize the state-owned assets supervision and administration agency or other departments or institutions to perform investor duties for state-invested companies on behalf of the people's government at the same level.

The institutions and departments that perform the investor's responsibilities on behalf of the people's government at the same level are hereinafter collectively referred to as the institutions that perform the investor's responsibilities.

Article 170 The Communist Party of China (CPC) organizations in state-funded companies shall play a leadership role in accordance with the provisions of the CPC Constitution, study and discuss major business and management matters of the company, and support the company's organizational structures in exercising their powers in accordance with the law.

Article 171 The articles of association of a wholly state-owned company shall be formulated by the institution that performs the duties of the investor.

Article 172 A wholly state-owned company does not have a shareholders' meeting, and the powers of the shareholders' meeting shall be exercised by an institution that performs the duties of the investor. The institution that performs the responsibilities of the investor may authorize the company's board of directors to exercise some of the powers of the shareholders' meeting, but the formulation and modification of the company's articles of association, the company's merger, division, dissolution, application for bankruptcy, increase or decrease of registered capital, and distribution of profits shall be performed by the investor. Responsibilities are determined by the agency.

Article 173 The board of directors of a wholly state-owned company shall exercise its powe

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should be company employee representatives.
Board members are appointed by institutions that perform investor duties; however, employee representatives among board members are elected by the company's employee representative conference.
The board of directors shall have one chairman and may have a vice chairman. The chairman and vice-chairman are appointed from among the board members by the institution that performs the investor's duties.
Article 174 The manager of a wholly state-owned company shall be appointed or dismissed by the board of directors.
With the consent of the institution performing investor duties, board members may concurrently serve as managers.
Article 175 Directors and senior managers of a wholly state-owned company shall not hold concurrent posts in other limited liability companies, joint stock companies or other economic organizations without the consent of the institution that performs the investor's duties.
Article 176 If a wholly state-owned company sets up an audit committee composed of directors on the board of directors to exercise the powers of the board of supervisors stipulated in this Law, it shall not have a board of supervisors or supervisors.
Article 177 State-funded companies shall establish and improve internal supervision, management and risk control systems in accordance with the law, and strengthen internal compliance management.

Chapter 8 Qualifications and Obligations of Company Directors, Supervisors and Senior Managers

Article 178 Anyone who falls under any of the following circumstances shall not serve as a director, supervisor or senior manager of the company:
(1) Having no capacity for civil conduct or having limited capacity for civil conduct;
(2) If a person is sentenced to a criminal penalty for corruption, bribery, misappropriation of property, misappropriation of property or undermining the order of the socialist market economy, or is deprived of political rights for a crime, and if the execution period has not expired for more than five years and he is sentenced to probation, he shall be suspended from the probation period from the probation period. Less than two years have passed since the date of expiry;
(3) Serving as a director, director, or manager of a company or enterprise undergoing bankruptcy liquidation, and being personally responsible for the bankruptcy of the company or enterprise, less than three years have elapsed since the date of completion of the bankruptcy liquidation of the company or enterprise;
(4) Serving as the legal representative of a company or enterprise that has had its business license revoked or ordered to close due to illegal activities, and bearing personal responsibility, and it has not been more than three years since the company or enterprise was revoked of its business license or ordered to close;
(5) An individual is listed as a dishonest person subject to execution by the people's court because of a relatively large amount of debt that has not been paid off when due.
If a director, supervisor or senior manager is elected or appointed in violation of the provisions of the preceding paragraph, the election, appointment or appointment shall be invalid.
If a director, supervisor or senior manager encounters any of the circumstances listed in pa

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company's articles of association.

Article 180 Directors, supervisors and senior managers have a duty of loyalty to the company, shall take measures to avoid conflicts between their own interests and those of the company, and shall not use their powers to seek improper benefits.

Directors, supervisors, and senior managers have a duty of diligence to the company, and when performing their duties, they should exercise the reasonable care normally expected of managers in the best interests of the company.

If the company's controlling shareholder or actual controller does not serve as a director of the company but actually performs the company's affairs, the provisions of the first two paragraphs shall apply.

Article 181 Directors, supervisors and senior managers shall not engage in the following conduct:

(1) Misappropriating company property and misappropriating company funds;

(2) Store company funds in an account opened in his or her own name or in the name of another individual;

(3) Taking advantage of one's position to bribe or accept other illegal income;

(4) Accept commissions from others' transactions with the company and keep them as your own;

(5) Unauthorized disclosure of company secrets;

(6) Other behaviors that violate the duty of loyalty to the company.

Article 182 Directors, supervisors, and senior managers who directly or indirectly enter into a contract or conduct transactions with the company shall report to the board of directors or shareholders' meeting on matters related to the conclusion of the contract or conduct of transactions, and shall report to the board of directors or shareholders' meeting in accordance with the provisions of the company's articles of association. Provisions shall be approved by resolution of the board of directors or shareholders' meeting.

Close relatives of directors, supervisors and senior managers, enterprises directly or indirectly controlled by directors, supervisors, senior managers or their close relatives, as well as related persons who have other related relationships with directors, supervisors and senior managers, enter into contracts with the company or conduct transactions, the provisions of the preceding paragraph shall apply.

Article 183 Directors, supervisors and senior managers shall not take advantage of their positions to seek business opportunities belonging to the company for themselves or others. However, except for one of the following circumstances:

(1) Report to the board of directors or shareholders' meeting, and be approved by resolution of the board of directors or shareholders' meeting in accordance with the company's articles of association;

(2) According to the provisions of laws, administrative regulations or the company's articles of association, the company cannot take advantage of the business opportunity.

Article 184 Directors, supervisors, and senior managers may not engage in business for themselves or for others similar to the business of the company where they work without reporting to the board of directors or the shareholders' meeting and passing the resolution of the board of directors or the shareholders' meeting in accordance with the company's articles of association.

Article 185 When the board of directors makes resolutions on matters stipulated in Articles 182 to 184 of this Law, related directors shall not participate in the voting, and their voting rights shall not be counted in the total number of voting rights. If the number of unrelated directors attending the board meeting i

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Articles 181 to 184 of this Law shall belong to the company.

Article 187 If the shareholders' meeting requires directors, supervisors and senior managers to attend the meeting, the directors, supervisors and senior managers shall attend the meeting and accept inquiries from shareholders.

Article 188 Directors, supervisors and senior managers who violate laws, administrative regulations or the company's articles of association when performing their duties and cause losses to the company shall bear liability for compensation.

Article 189 If directors or senior managers fall under the circumstances specified in the preceding article, shareholders of a limited liability company or shareholders of a joint stock company who individually or collectively hold more than 1% of the company's shares for more than 180 consecutive days, shall The board of supervisors may request in writing to file a lawsuit with the People's Court; if the supervisor falls under the circumstances specified in the preceding article, the aforementioned shareholders may request the board of directors to file a lawsuit in writing with the People's Court.

The board of supervisors or the board of directors refuses to initiate a lawsuit after receiving the written request from the shareholder specified in the preceding paragraph or fails to initiate a lawsuit within thirty days from the date of receipt of the request, or the situation is urgent and failure to initiate a lawsuit immediately will cause irreparable damage to the company's interests. , the shareholders stipulated in the preceding paragraph have the right to directly file a lawsuit with the People's Court in their own names for the benefit of the company.

If others infringe upon the company's legitimate rights and interests and cause losses to the company, the shareholders specified in the first paragraph of this article may file a lawsuit with the People's Court in accordance with the provisions of the previous two paragraphs.

If the directors, supervisors or senior managers of the company's wholly-owned subsidiaries fall under the circumstances specified in the preceding article, or if others infringe upon the legitimate rights and interests of the company's wholly-owned subsidiaries and cause losses, the shareholders of a limited liability company or a joint-stock company shall act alone or Shareholders who collectively hold more than 1% of the company's shares may request in writing the supervisory board or board of directors of a wholly-owned subsidiary to file a lawsuit with the People's Court in accordance with the provisions of the first three paragraphs or directly file a lawsuit with the People's Court in their own name.

Article 190 If directors or senior managers violate the provisions of laws, administrative regulations or the company's articles of association and damage the interests of shareholders, shareholders may file a lawsuit in the People's Court.

Article 191 If directors and senior managers perform their duties and cause damage to others, the company shall be liable for compensation; directors and senior managers shall also be liable for compensation if they are intentional or grossly negligent.

Article 192 If a company's controlling shareholder or actual controller instructs a director or senior manager to engage in behavior that damages the interests of the company or shareholders, he shall be jointly and severally liable with the director or senior manager.

Article 193 The company may purchase liability insurance for the director's liability for perf

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report to the shareholders' meeting the insured amount, coverage scope, insurance rate, etc. of the liability insurance.

Chapter 9 Corporate Bonds

Article 194 The term "corporate bonds" as used in this Law refers to securities issued by a company that agree to repay principal and interest on schedule.

Corporate bonds can be issued publicly or privately.

The issuance and trading of corporate bonds shall comply with the provisions of the Securities Law of the People's Republic of China and other laws and administrative regulations.

Article 195 The public issuance of corporate bonds shall be registered with the securities regulatory authority of the State Council and the methods for raising corporate bonds shall be announced.

Corporate bond-raising methods shall specify the following main matters:

(1) Company name;

(2) The use of funds raised from bonds;

(3) The total amount of bonds and the par amount of bonds;

(4) How to determine bond interest rates;

(5) The time limit and method for repaying principal and interest;

(6) Bond guarantee situation;

(7) The issuance price of the bonds and the start and end dates of issuance;

(8) The company's net assets;

(9) The total amount of issued corporate bonds that have not yet matured;

(10) Corporate bond underwriting agency.

Article 196 If a company issues corporate bonds in paper form, the company name, face value of the bonds, interest rate, repayment period and other matters shall be stated on the bonds, and shall be signed by the legal representative and stamped by the company.

Article 197 Corporate bonds shall be registered bonds.

Article 198 A company issuing corporate bonds shall prepare a list of corporate bond holders.

When issuing corporate bonds, the following matters shall be stated in the list of corporate bondholders:

(1) The name and address of the bondholder;

(2) The date the bondholder obtained the bond and the bond number;

(3) The total amount of bonds, the par amount of the bonds, the interest rate, the period and method of principal and interest repayment;

(4) The issuance date of the bond.

Article 199 The registration and clearing agency for corporate bonds shall establish relevant systems for bond registration, custody, interest payment, and redemption.

Article 200 Corporate bonds may be transferred, and the transfer price shall be agreed upon by the transferor and the transferee.

The transfer of corporate bonds shall comply with the provisions of laws and administrative regulations.

Article 201 Corporate bonds are transferred by the bondholder by endorsement or other m

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Article 202 A joint-stock company may issue corporate bonds convertible into stocks upon resolution of the shareholders' meeting, or by resolution of the board of directors upon authorization by the company's articles of association or the shareholders' meeting, and shall stipulate specific conversion methods. Listed companies that issue corporate bonds that can be converted into stocks must be registered with the securities regulatory authority of the State Council.

When issuing corporate bonds that can be converted into stocks, the words "convertible corporate bonds" shall be marked on the bonds, and the amount of convertible corporate bonds shall be stated in the list of corporate bondholders.

Article 203 When issuing corporate bonds that are convertible into stocks, the company shall exchange stocks for bondholders according to its conversion method, but bondholders have the option to convert the stocks or not. Except as otherwise provided by laws and administrative regulations.

Article 204 When corporate bonds are publicly issued, a bondholders' meeting shall be established for the bondholders of the same period, and the bondholders' meeting convening procedures, meeting rules and other important matters shall be stipulated in the bond-raising methods. The bondholders' meeting may make resolutions on matters of interest to bondholders.

Unless otherwise agreed in the corporate bond issuance method, the resolution of the bondholders' meeting shall be effective for all bondholders during the same period.

Article 205 When corporate bonds are publicly issued, the issuer shall hire a bond trustee for the bond holders, who shall handle the collection and repayment, preservation of creditor's rights, bond-related litigation and participation in the bankruptcy of the debtor for the bond holders. procedures and other matters.

Article 206 The bond trustee shall perform his duties diligently and fairly, and shall not harm the interests of bond holders.

If there is a conflict of interest between the trustee and the bondholders that may harm the interests of the bondholders, the bondholders' meeting may resolve to change the bond trustee.

If a bond trustee violates laws, administrative regulations or bondholders' meeting resolutions and harms the interests of bondholders, he shall be liable for compensation.

Chapter 10 Corporate Finance and Accounting

Article 207 The company shall establish its financial and accounting systems in accordance with laws, administrative regulations and the provisions of the financial department of the State Council.

Article 208 The company shall prepare financial accounting reports at the end of each fiscal year and have them audited by an accounting firm in accordance with the law.

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

Article 209 A limited liability company shall send financial accounting reports to each shareholder within the time limit specified in the company's articles of association.

The financial accounting report of a joint-stock company shall be provided to the company twenty days before the annual shareholders' meeting for shareholders to review; a joint-stock company that publicly issues shares shall announce its financial accounting report.

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statutory public reserve exceeds 50% of the company's registered capital, no further withdrawals may be made. If the company's statutory reserve fund is insufficient to make up for losses in previous years, it shall first use the current year's profits to make up for the losses before withdrawing the statutory reserve fund in accordance with the provisions of the preceding paragraph.

After the company withdraws the statutory public reserve fund from the after-tax profits, it can also withdraw the discretionary public reserve fund from the after-tax profits upon resolution of the shareholders' meeting.

For the after-tax profits remaining after the company has made up for losses and withdrawn the provident fund, a limited liability company will distribute the profits in accordance with the proportion of capital contributions paid by the shareholders, unless all shareholders agree not to distribute profits in accordance with the proportion of capital contributions; a joint-stock company will distribute profits in accordance with the proportion of shares held by shareholders. Profits, unless otherwise provided in the company's articles of association.

The company's shares held by the company may not distribute profits.

Article 211 If a company distributes profits to shareholders in violation of this law, the shareholders shall return the profits distributed in violation of the regulations to the company; if losses are caused to the company, the shareholders and the responsible directors, supervisors, and senior managers shall bear compensation responsibility.

Article 212 If the shareholders' meeting makes a resolution to distribute profits, the board of directors shall make the distribution within six months from the date of the resolution of the shareholders' meeting.

Article 213 The premium received by a company from issuing shares at an issuance price that exceeds the par value of the shares, the amount received from the issuance of shares without par value not included in the registered capital, and other items included in the capital reserve fund as prescribed by the financial department of the State Council, It should be listed as the company's capital reserve fund.

Article 214 The company's public reserve shall be used to make up for the company's losses, expand the company's production and operations, or be used to increase the company's registered capital.

To make up for the company's losses from the provident fund, the discretionary provident fund and statutory provident fund should be used first; if it still cannot be made up, the capital reserve fund can be used in accordance with regulations.

When the statutory reserve fund is converted to increase the registered capital, the remaining reserve fund shall not be less than 25% of the company's registered capital before the conversion.

Article 215 The company's appointment or dismissal of the accounting firm that undertakes the company's audit business shall be decided by the shareholders' meeting, the board of directors or the board of supervisors in accordance with the provisions of the company's articles of association.

When the company's shareholders' meeting, board of directors or board of supervisors votes on the dismissal of an accounting firm, the accounting firm shall be allowed to state its opinions.

Article 216 The company shall provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the accounting firm hired, and shall not refuse, conceal or make false statements.

Article 217 In addition to the statutory accounting books, the company shall not establish a

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Chapter 11 Company Merger, Split, Capital Increase, Capital Reduction

Article 218 Company mergers may take the form of mergers by absorption or mergers by new establishment. When a company absorbs other companies, it is called a merger, and the absorbed company is dissolved. The merger of two or more companies to establish a new company is a new merger, and the merging parties are dissolved.

Article 219 When a company merges with a company that holds more than 90% of its shares, the merged company does not need to pass a shareholders' meeting resolution, but it must notify other shareholders, who have the right to request the company to acquire them at a reasonable price. Equity or shares.

If the price paid for a company's merger does not exceed 10% of the company's net assets, it can be done without a resolution of the shareholders' meeting; however, unless otherwise provided in the company's articles of association.

If a company merges in accordance with the provisions of the preceding two paragraphs without a resolution of the shareholders' meeting, it shall be subject to a resolution of the board of directors.

Article 220 When a company merges, the parties to the merger shall sign a merger agreement and prepare a balance sheet and property list. The company shall notify its creditors within ten days from the date of making the merger resolution and shall make an announcement in a newspaper or the national enterprise credit information publicity system within thirty days. Creditors may require the company to pay off debts or provide corresponding guarantees within thirty days from the date of receipt of the notice, or within forty-five days from the date of announcement if no notice is received.

Article 221 When a company merges, the claims and debts of the merging parties shall be inherited by the surviving company or the newly established company after the merger.

Article 222 When a company is divided, its property shall be divided accordingly.

When a company is divided, a balance sheet and property list must be prepared. The company shall notify its creditors within ten days from the date of making the separation resolution and shall make an announcement in a newspaper or the national enterprise credit information publicity system within thirty days.

Article 223 The debts incurred before the division of the company shall be jointly and severally borne by the company after the division. However, this shall not be the case unless otherwise agreed upon in a written agreement between the company and its creditors regarding debt settlement before the division.

Article 224 When a company reduces its registered capital, it shall prepare a balance sheet and property list. The company shall notify creditors within ten days from the date when the shareholders' meeting makes a resolution to reduce the registered capital and shall make an announcement in a newspaper or the national enterprise credit information publicity system within thirty days. Creditors have the right to require the company to pay off debts or provide corresponding guarantees within thirty days from the date of receipt of the notice, or within forty-five days from the date of announcement if no notice is received.

When a company reduces its registered capital, it shall reduce its capital contribution or shares accordingly in proportion to the capital contribution or shares held by the shareholders, unless otherwise provided by law, otherwise agreed upon by all shareholders of a limited liability company, or otherwise stipulated in the articles of association of a joint stock company.

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registered capital is reduced to make up for losses, the company shall not distribute to shareholders, nor may it exempt shareholders from their obligation to pay capital contributions or share payments.

If the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of the preceding article shall not apply, but an announcement shall be made in a newspaper or the national enterprise credit information publicity system within thirty days from the date when the shareholders' meeting makes a resolution to reduce the registered capital.

After the company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the cumulative amount of the statutory reserve fund and discretionary reserve fund reaches 50% of the company's registered capital.

Article 226 If the registered capital is reduced in violation of the provisions of this Law, the shareholder shall return the funds received, and the capital contribution of the shareholder who is reduced or reduced shall be restored to its original state; if losses are caused to the company, the shareholder and the responsible directors, supervisors, senior Managers should bear liability for compensation.

Article 227 When a limited liability company increases its registered capital, shareholders, under the same conditions, have the right to give priority to subscribe for capital in proportion to the actual capital contribution. However, this is excepted if all shareholders agree not to give priority to subscribe for capital in proportion to their capital contribution.

When a joint-stock company issues new shares to increase its registered capital, shareholders do not have preemptive subscription rights, unless otherwise provided in the company's articles of association or the shareholders' meeting decides that shareholders have preemptive subscription rights.

Article 228 When a limited liability company increases its registered capital, the capital contributions subscribed by shareholders for the additional capital shall be made in accordance with the relevant provisions of this Law on capital contributions for the establishment of a limited liability company.

When a joint-stock company issues new shares to increase its registered capital, shareholders shall subscribe for new shares in accordance with the relevant provisions of this Law on the payment of share capital for the establishment of a joint-stock company.

Chapter 12 Dissolution and Liquidation of the Company

Article 229 The company is dissolved due to the following reasons:

(1) The business period stipulated in the company's articles of association expires or other reasons for dissolution stipulated in the company's articles of association occur;

(2) The shareholders' meeting resolves to dissolve;

(3) Dissolution is required due to company merger or division;

(4) The business license has been revoked, ordered to close, or revoked in accordance with the law;

(5) The People's Court shall be dissolved in accordance with the provisions of Article 231 of this Law.

If a company encounters the reasons for dissolution specified in the preceding paragraph, it shall publicize the reasons for dissolution through the national enterprise credit information publicity system within ten days.

Article 230 If a company falls under the circumstances of Item 1 or 2 of Paragraph 1 of the preceding Article and has not yet distributed property to its shareholders, it may continue to exist by amendi

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with the provisions of the preceding paragraph, a limited liability company must be approved by shareholders holding more than two-thirds of the voting rights, and a joint-stock company must be approved by shareholders holding more than two-thirds of the voting rights present at the shareholders' meeting. .

Article 231 If a company encounters serious difficulties in its operation and management, and its continued existence will cause heavy losses to the interests of shareholders, and cannot be solved through other means, shareholders holding more than 10% of the company's voting rights may request the People's Court to dissolve the company.

Article 232 If a company is dissolved due to the provisions of Item 1, Item 2, Item 4 or Item 5 of Paragraph 1 of Article 229 of this Law, it shall be liquidated. Directors are the liquidation obligors of the company and shall form a liquidation team to carry out liquidation within 15 days from the date of occurrence of the reasons for dissolution.

The liquidation committee shall be composed of directors unless otherwise stipulated in the company's articles of association or the shareholders' meeting decides to elect another person.

If the liquidation obligor fails to perform liquidation obligations in a timely manner and causes losses to the company or creditors, he shall be liable for compensation.

Article 233 If a company shall be liquidated in accordance with the provisions of paragraph 1 of the preceding article and fails to establish a liquidation group for liquidation within the time limit or fails to liquidate after a liquidation group is established, interested parties may apply to the people's court to designate relevant personnel to form a liquidation group for liquidation. The People's Court shall accept the application and organize a liquidation team to conduct liquidation in a timely manner.

If a company is dissolved due to the provisions of Article 229, Paragraph 1, Item 4 of this Law, the department or company registration authority that made the decision to revoke its business license, order closure or revocation may apply to the People's Court to designate relevant personnel to form a liquidation team. Make a liquidation.

Article 234 The liquidation committee shall exercise the following powers during the liquidation period:

(1) Clean up the company's properties and prepare a balance sheet and property list respectively;

(2) Notify and announce creditors;

(3) Handle the company's unfinished business related to liquidation;

(4) Pay the taxes owed and the taxes incurred during the liquidation process;

(5) Clearing claims and debts;

(6) Distribute the company's remaining property after paying off its debts;

(7) Participate in civil litigation activities on behalf of the company.

Article 235 The liquidation team shall notify creditors within ten days from the date of its establishment and shall make an announcement in a newspaper or the national enterprise credit information publicity system within sixty days. Creditors shall declare their claims to the liquidation committee within thirty days from the date of receipt of the notice, or within forty-five days from the date of announcement if no notice is received. When a creditor declares a creditor's right, he shall explain the relevant matters of the creditor's right and provide supporting materials. The liquidation team shall register the claims.

During the period of reporting claims, the liquidation team shall not pay off creditors.

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confirmation.

The company's property is the remaining property after paying liquidation expenses, employees' wages, social insurance fees and statutory compensation, paying taxes owed, and paying off the company's debts. The remaining property of a limited liability company will be distributed according to the proportion of shareholders' capital contributions, and that of a joint-stock company will be distributed according to the proportion of shareholders' capital contributions. Some shares are allocated proportionally.

During the liquidation period, the company continues to exist, but it is not allowed to carry out business activities unrelated to the liquidation. The company's property shall not be distributed to shareholders before it is paid off in accordance with the provisions of the preceding paragraph.

Article 237 If the liquidation team finds that the company's assets are insufficient to pay off its debts after cleaning up the company's assets and preparing a balance sheet and property list, it shall apply to the People's Court for bankruptcy liquidation in accordance with the law.

After the People's Court accepts the bankruptcy application, the liquidation team shall hand over the liquidation affairs to the bankruptcy administrator designated by the People's Court.

Article 238 Members of the liquidation team shall perform their liquidation duties and shall have the duty of loyalty and diligence.

If members of the liquidation team neglect to perform their liquidation duties and cause losses to the company, they shall be liable for compensation; if members of the liquidation team cause losses to creditors intentionally or due to gross negligence, they shall be liable for compensation.

Article 239 After the company's liquidation is completed, the liquidation team shall prepare a liquidation report, submit it to the shareholders' meeting or the people's court for confirmation, and submit it to the company registration authority to apply for cancellation of company registration.

Article 240 If a company has not incurred debts during its existence, or has paid off all debts, the company registration may be canceled through simple procedures in accordance with regulations upon the commitment of all shareholders.

Cancellation of company registration through simplified procedures shall be announced through the National Enterprise Credit Information Publicity System, and the announcement period shall be no less than 20 days. After the expiration of the announcement period, if there is no objection, the company may apply to the company registration authority for cancellation of company registration within 20 days.

If a company cancels company registration through a simplified procedure, and shareholders make false promises as stipulated in paragraph 1 of this article, they shall bear joint and several liability for the debts incurred before cancellation of registration.

Article 241 If a company has its business license revoked, ordered to close down, or revoked, and fails to apply to the company registration authority for cancellation of company registration after three years, the company registration authority may make an announcement through the National Enterprise Credit Information Publicity System. The announcement period shall not exceed Less than sixty days. After the expiration of the announcement period, if there is no objection, the company registration authority may cancel the company registration.

If the company registration is canceled in accordance with the provisions of the preceding p

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implemented in accordance with the laws on enterprise bankruptcy.

Chapter 13 Branches of Foreign Companies

Article 243 The term "foreign company" as mentioned in this Law refers to a company established outside the territory of the People's Republic of China in accordance with foreign laws.

Article 244 When a foreign company establishes a branch within the territory of the People's Republic of China, it shall apply to the Chinese competent authority and submit its articles of association, company registration certificate of the country of origin and other relevant documents. After approval, it shall submit an application to the company registration authority. Register in accordance with the law and obtain a business license.

The examination and approval procedures for branches of foreign companies shall be separately prescribed by the State Council.

Article 245 When a foreign company establishes a branch within the territory of the People's Republic of China, it shall designate a representative or agent in charge of the branch within the territory of the People's Republic of China, and allocate funds to the branch that are appropriate for the business activities it engages in. funds.

If a minimum amount of operating funds is required for branches of foreign companies, it shall be separately prescribed by the State Council.

Article 246 A branch of a foreign company shall indicate the nationality and form of responsibility of the foreign company in its name.

A branch of a foreign company shall prepare the articles of association of the foreign company in its own institution.

Article 247 Branches established by foreign companies within the territory of the People's Republic of China do not have Chinese legal person status.

Foreign companies bear civil liability for the business activities of their branches within the territory of the People's Republic of China.

Article 248 Approved branches of foreign companies engaged in business activities within the territory of the People's Republic of China shall abide by Chinese laws and shall not harm China's social and public interests. Their legitimate rights and interests shall be protected by Chinese laws.

Article 249 When a foreign company cancels its branch within the territory of the People's Republic of China, it shall pay off its debts in accordance with the law and conduct liquidation in accordance with the provisions of this Law on company liquidation procedures. The property of its branches shall not be transferred outside the territory of the People's Republic of China before its debts are paid off.

Chapter 14 Legal Liability

Article 250 Anyone who violates the provisions of this Law by falsely reporting registered capital, submitting false materials, or using other fraudulent means to conceal important facts to obtain company registration shall be ordered by the company registration authority to make corrections. Companies that falsely report registered capital shall be fined for falsely reporting the amount of registered capital. A fine of not less than 5% but not more than 15% shall be imposed; companies that submit false materials or use other fraud
conceal important facts shall be fined not less than 50,000 yuan but not more than 2 million yuan, if the

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Article 251 If a company fails to disclose relevant information in accordance with the provisions of Article 40 of this Law or fails to disclose relevant information truthfully, the company registration authority shall order it to make corrections and may impose a fine of not less than 10,000 yuan but not more than 50,000 yuan. If the circumstances are serious, a fine of not less than 50,000 yuan but not more than 200,000 yuan shall be imposed; the directly responsible person in charge and other directly responsible personnel shall be fined not less than 10,000 yuan but not more than 100,000 yuan.

Article 252 If a company's promoters or shareholders make false capital contributions and fail to deliver or fail to deliver the monetary or non-monetary property as capital contributions on time, the company registration authority shall order them to make corrections and may impose a fine of not less than 50,000 yuan but not more than 200,000 yuan. If the circumstances are serious, a fine of not less than 5% and not more than 15% of the amount of false capital contribution or failure to contribute shall be imposed; the directly responsible person in charge and other directly responsible personnel shall be fined not less than RMB 10,000 but not more than RMB 100,000.

Article 253 If a company's promoters or shareholders evade their capital contributions after the company is established, the company registration authority shall order them to make corrections and impose a fine of not less than 5% but not more than 15% of the amount of the capital evaded; The directly responsible person in charge and other directly responsible personnel shall be fined not less than 30,000 yuan but not more than 300,000 yuan.

Article 254 Anyone who commits any of the following acts shall be punished by the financial department of the people's government at or above the county level in accordance with the provisions of the Accounting Law of the People's Republic of China and other laws and administrative regulations:

(1) Establish separate accounting books in addition to the statutory accounting books;

(2) Providing financial accounting reports that contain false records or conceal important facts.

Article 255 If a company fails to notify or announce its creditors in accordance with the provisions of this Law when merging, dividing, reducing registered capital, or conducting liquidation, the company registration authority shall order it to make corrections and impose a fine of not less than RMB 10,000 but not more than RMB 100,000 on the company. fine.

Article 256 If a company conceals its property during liquidation, makes false records on the balance sheet or property list, or distributes the company's property before paying off its debts, the company registration authority shall order it to make corrections and impose a penalty for concealing property on the company. Or a fine of not less than 5% but not more than 10% of the amount of the company's property distributed before repaying the debt; the directly responsible person in charge and other directly responsible personnel shall be fined not less than RMB 10,000 but not more than RMB 100,000.

Article 257 If an institution responsible for asset appraisal, capital verification or verification provides false materials or reports with major omissions, the relevant departments shall, in accordance with the Asset Appraisal Law of the People's Republic of China, the Certified Public Accountants Law of the People's Republic of China, etc. Penalties stipulated in laws and administrative regulations.

If an institution responsible for asset appraisal, capital verification or verification issues untrue appraisal results, capital verification or verification certificates and causes losses to the company's cre

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Article 258 If the company registration authority violates the provisions of laws and administrative regulations and fails to perform its duties or performs its duties improperly, the responsible leaders and directly responsible personnel shall be given governmental sanctions in accordance with the law.

Article 259 Failure to register as a limited liability company or a joint-stock company in accordance with the law, but falsely using the name of a limited liability company or a joint-stock company, or failing to register as a branch of a limited liability company or a joint-stock company by the law, falsely using the name If the company uses the name of a limited liability company or a branch of a joint stock company, the company registration authority shall order it to make corrections or ban it, and may also impose a fine of not more than 100,000 yuan.

Article 260 If a company fails to open business for more than six months without justifiable reasons after its establishment, or if it voluntarily ceases business for more than six consecutive months after opening, the company registration authority may revoke its business license, except where the company goes out of business in accordance with the law.

When a company's registered items are changed and the relevant change registration is not carried out in accordance with the provisions of this Law, the company registration authority shall order the company to register within a time limit; if the company fails to register within the time limit, a fine of not less than RMB 10,000 but not more than RMB 100,000 shall be imposed.

Article 261 If a foreign company violates the provisions of this Law and establishes a branch within the territory of the People's Republic of China without authorization, the company registration authority shall order it to make corrections or close it down, and may also impose a fine of not less than RMB 50,000 but not more than RMB 200,000.

Article 262 Anyone who uses the name of the company to engage in serious illegal activities that endanger national security or social and public interests will have his business license revoked.

Article 263 If a company violates the provisions of this Law and should bear civil liability for compensation and pay fines and fines, and if its property is insufficient to pay, it shall first bear civil liability for compensation.

Article 264 Anyone who violates the provisions of this law and constitutes a crime shall be investigated for criminal responsibility in accordance with the law.

Chapter 15 Supplementary Provisions

Article 265 The meanings of the following terms in this Law:

(1) Senior managers refer to the company's manager, deputy manager, financial controller, secretary to the board of directors of a listed company and other personnel specified in the company's articles of association.

(2) Controlling shareholder refers to a shareholder whose capital contribution accounts for more than 50% of the total capital of a limited liability company or whose shares account for more than 50% of the total capital of a joint-stock company; the amount of capital contribution or shares held Although the proportion is less than 50%, the voting rights enjoyed by them based on their capital contribution or shares held are sufficient to have a significant impact on the resolutions of the shareholders' meeting.

(3) Actual controller refers to the person who can control the company's behavior through investment relationships, agreements or other arrangements.

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well as other relationships that may lead to the transfer of the company's interests. However, state-controlled enterprises are related not only because they are also controlled by the state.

Article 266 This law shall come into effect on July 1, 2024.

For a company that has been registered and established before the implementation of this law, if the capital contribution period exceeds the period stipulated in this law, unless otherwise provided by laws, administrative regulations or the State Council, it shall be gradually adjusted to within the period stipulated in this law; for companies with obvious investment period and capital contribution amount, If there is an abnormality, the company registration authority may require it to make timely adjustments in accordance with the law. Specific implementation measures shall be stipulated by the State Council.

Disclaimer: The regulation of the law in China is translated by GWBMA for reference only. There may be different interpretations of the Chinese version.

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