Regulations of the PRC on Company Registration Administration

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Chapter I — General Provisions

Article 1 — These Regulations are enacted in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law") for the purpose of confirming the legal person status of companies and standardizing the administrative acts of company registration.

Article 2 — The incorporation, amendment and dissolution of limited liability companies and joint stock limited companies (hereinafter referred to as companies) shall be registered in accordance with these Regulations. Where the laws or administrative regulations provide otherwise for the examination, approval or registration of the incorporation of companies, such provisions shall apply.

Article 3 — A company can only acquire legal person status after being registered in accordance with law by a company registration authority and obtaining a Business License for Enterprise Legal Person. No entity may carry out business activities in the name of a company without registration by a company registration authority.

Article 4 — The administrative departments for industry and commerce shall be the company registration authorities. The company registration authority at a lower level shall carry out company registration within the territory under its jurisdiction under the leadership of the company registration authority at the higher level. Company registration authorities shall perform their duties in accordance with law and shall be subject to no illegal interference.

Article 5 — The State Administration for Industry and Commerce shall be in charge of the company registration work nationwide.

Chapter II — Registration Matters

Article 6 — The registration matters of a company shall include: (1) name; (2) domicile; (3) legal representative; (4) registered capital; (5) type of company; (6) business scope; (7) term of operation; and (8) names of the shareholders of a limited liability company or the promoters of a joint stock limited company.

Article 7 — The name of a company shall comply with relevant State regulations. A company may use only one name. The name of a company registered and approved by a company registration authority shall enjoy the exclusive right to the use of the name and shall be protected by law.

Article 8 — The domicile of a company shall be the place where its principal office is located. There shall be only one domicile of a company, which shall be within the jurisdiction of the company registration authority.

Article 9 — The legal representative of a company shall be the chairman of the board of directors, executive director, or manager registered in accordance with the law of the company's articles of association and shall be registered in accordance with law. Where there is a change in the legal representative of a company, an amendment registration shall be completed.

Article 10 — The registered capital of a company shall be the amount of capital contributions subscribed by all shareholders registered with the company registration authority. Where the registered capital of a company is expressed in a foreign currency, the registrant may choose to express it in a foreign currency convertible according to the law of its own state, and the RMB equivalent shall be indicated.

Article 11 — The type of company shall include limited liability companies and joint stock limited companies. A sole-investor limited liability company shall indicate in the company registration that it is a wholly-owned subsidiary of a legal person or a sole proprietorship of a natural person, and shall indicate the same on the business license of the company.

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Article 12 — The business scope of a company shall be specified in the articles of association of the company and shall be registered in accordance with law. A company may amend its articles of association and change its business scope, provided it shall carry out amendment registration procedures. Where any business item within the business scope of a company is subject to approval as required by laws or administrative regulations, the company shall obtain approval in accordance with law prior to registration.

Article 13 — The term of operation of a company shall be set out in the articles of association and shall be stipulated by the shareholders. The term of operation shall be a registered matter of the company.

Chapter III — Incorporation Registration

Article 14 — The shareholders of a company shall apply for pre-approval of the company name prior to the incorporation of the company. Where laws, administrative regulations, or decisions of the State Council require that the incorporation of a company be subject to approval, or where any business item within the business scope of the company is subject to approval prior to registration as required by laws, administrative regulations, or decisions of the State Council, the approval procedures shall be completed in accordance with law prior to applying for incorporation registration.

Article 15 — To incorporate a limited liability company, an application for incorporation registration shall be filed with the company registration authority by all shareholders designated by them or by a jointly entrusted agent. To incorporate a wholly State-owned company, an application for incorporation registration shall be filed by the State-owned assets supervision and administration authority authorized by the State Council or the local people's government. Where laws, administrative regulations, or decisions of the State Council provide that the incorporation of a limited liability company shall be subject to approval, the application for incorporation registration shall be filed within 90 days from the date of approval. Where the application for incorporation registration is filed beyond the stipulated time period, the applicant shall report to the approval authority for confirmation of the validity of the original approval document or submit a separate application for approval.

Article 16 — An application for incorporation registration of a limited liability company shall submit the following documents to the company registration authority: (1) an application for incorporation registration signed by the legal representative of the company; (2) a power of attorney for the designated representative or jointly entrusted agent and proof of identity of the representative or agent; (3) the articles of association of the company; (4) a certificate of capital verification issued by a lawfully established capital verification institution; (5) proof of qualifications of the shareholders or identity certificates; (6) documents specifying the names and domiciles of the directors, supervisors and managers of the company, as well as proof of their appointment, election or engagement; (7) the appointment document and identity certificate of the legal representative of the company; (8) a notice of pre-approval of the enterprise name; and (9) proof of the company domicile.

Article 17 — To incorporate a joint stock limited company, an application for incorporation registration shall be filed with the company registration authority by the board of directors. Where the joint stock limited company is incorporated by public offer, an application for incorporation registration shall be filed with the company registration authority within 30 days after the inaugural meeting is concluded. Where the joint stock limited company is incorporated by promotion, an application for incorporation registration shall be filed with the company registration authority within the time period specified by laws and administrative regulations.

Article 18 — An application for incorporation registration of a joint stock limited company shall submit the following documents to the company registration authority: (1) an application for incorporation registration signed by the legal representative of the company; (2) proof of qualifications of the promoters or identity certificates; (3) the articles of association of the company; (4) a capital verification certificate; (5) documents specifying the names and domiciles of the directors, supervisors and managers of the company, as well as proof of their appointment, election or engagement; (6) the appointment document and identity certificate of

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the legal representative of the company; (7) a notice of pre-approval of the enterprise name; and (8) proof of the company domicile. Where the joint stock limited company is incorporated by public offer, in addition to the documents listed in the preceding paragraph, the following shall also be submitted: (a) the approval document of the securities regulatory authority of the State Council for the public offering; (b) the minutes of the inaugural meeting; and (c) other documents required by the company registration authority.

Article 19 — Where the articles of association of a company contain matters in violation of laws or administrative regulations, the company registration authority shall have the right to require the company to make corresponding amendments.

Article 20 — Where an application for incorporation registration of a company meets the conditions stipulated in these Regulations after examination, the company registration authority shall issue a Business License for Enterprise Legal Person. The date on which the business license is issued shall be the date of incorporation of the company. A company shall be incorporated and obtain legal person status from the date of issuance of the Business License for Enterprise Legal Person by the company registration authority.

Article 21 — A company shall have its seal made based on the Business License for Enterprise Legal Person issued by the company registration authority. No entity or individual may have any seal made for a company without a business license.

Chapter IV — Amendment Registration

Article 22 — Where a company amends its registered matters, it shall apply to the original company registration authority for amendment registration. Without amendment registration, the company shall not alter its registered matters without authorization.

Article 23 — Where a company applies for amendment registration, it shall submit the following documents to the company registration authority: (1) an application for amendment registration signed by the legal representative of the company; (2) a resolution or decision on the amendment made in accordance with the Company Law; and (3) other documents required by the company registration authority. Where an amendment of a company's articles of association involves the amendment of registered matters, the company shall submit the amended articles of association or an amendment to the articles of association. Where the amendment of registered matters is subject to approval as required by laws, administrative regulations, or decisions of the State Council, the company shall submit the relevant approval documents.

Article 24 — Where a company changes its name, it shall apply for amendment registration within 30 days from the date of making the resolution or decision on the amendment.

Article 25 — Where a company changes its domicile, it shall apply to the company registration authority at the new domicile for amendment registration within 30 days from the date of moving into the new domicile and submit proof of use of the new company domicile.

Article 26 — Where a company changes its legal representative, it shall apply for amendment registration within 30 days from the date of making the resolution or decision on the amendment.

Article 27 — Where a company changes its registered capital, it shall submit a capital verification certificate issued by a lawfully established capital verification institution. Where a company increases its registered capital, an application for amendment registration shall be filed within 30 days from the date of full payment of the capital increase by the shareholders. Where a company reduces its registered capital, an application for amendment registration shall be filed within 45 days from the date of publication of the company's capital reduction announcement.

Article 28 — Where a company changes its business scope, it shall apply for amendment registration within 30 days from the date of making the resolution or decision on the amendment. Where the changed business scope involves items subject to approval as required by laws, administrative regulations, or decisions of the

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State Council, the company shall apply for amendment registration within 30 days from the date of obtaining approval.

Article 29 — Where a company changes its type, it shall apply for amendment registration within the prescribed time period and submit the relevant documents in accordance with the conditions for incorporation registration of the changed company type.

Article 30 — Where a limited liability company changes its shareholders, it shall apply for amendment registration within 30 days from the date of the change of shareholders and shall submit the qualification certificates of the new shareholders or identity certificates of the natural persons. Where shareholders of a limited liability company or promoters of a joint stock limited company change their names, the company shall apply for amendment registration within 30 days from the date of change of the name.

Article 31 — Where the amendment of the articles of association of a company involves the amendment of registered matters, the company shall submit the relevant approval documents. Where the amendment of the articles of association does not involve registered matters, the company shall submit the amended articles of association or an amendment to the articles of association. Where an amendment of the articles of association of a company involves registered matters, the company shall file the amended articles of association or the amendment to the articles of association with the original company registration authority for the record.

Chapter V — Dissolution Registration

Article 32 — Where a company dissolves, the liquidation group shall, within 30 days from the date of its formation, apply for dissolution registration with the original company registration authority.

Article 33 — Where a company applies for dissolution registration, it shall submit the following documents: (1) an application for dissolution registration signed by the person in charge of the liquidation group; (2) a resolution or decision of the company on dissolution made in accordance with the Company Law; (3) a liquidation report confirmed by the shareholders' meeting, the general meeting of shareholders, the sole investor, the people's court, or the company approval authority; (4) the Business License for Enterprise Legal Person; and (5) other documents required by laws or administrative regulations.

Article 34 — Upon approval of the dissolution registration by the company registration authority, the company shall be terminated.

Chapter VI — Registration of Branches

Article 35 — A branch office means an institution established by a company to carry out business activities outside its domicile. A branch office shall not have the status of an enterprise legal person.

Article 36 — The registration matters of a branch office include: name, business premises, person in charge, and business scope. The name of a branch office shall comply with relevant State regulations. The business scope of a branch office may not exceed the business scope of the company.

Article 37 — For the incorporation of a branch office, an application for registration shall be filed with the company registration authority at the place where the branch office is located. The following documents shall be submitted: (1) an application for incorporation registration signed by the legal representative of the company; (2) the articles of association of the company and a copy of the Business License for Enterprise Legal Person of the company affixed with the seal of the company; (3) proof of use of the business premises; (4) the appointment document and identity certificate of the person in charge of the branch office; and (5) other documents required by the company registration authority.

Article 38 — Where a branch office changes its registered matters, it shall apply to the company registration authority for amendment registration. The application for amendment registration shall be submitted together

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with an application for amendment registration signed by the legal representative of the company. Where the company changes its name, it shall apply for amendment registration for the change of name of the branch office within 30 days from the date of the change of the company's name.

Article 39 — Where a branch office is dissolved by the company, the company shall, within 30 days from the date of the decision on dissolution, apply to the company registration authority at the place of the branch office for dissolution registration. Where a branch office applies for dissolution registration, it shall submit an application for dissolution registration signed by the legal representative of the company and the Business License of the branch office.

Chapter VII — Procedure for Registration

Article 40 — Where an application for company registration is filed, the applicant shall be responsible for the authenticity of the application documents and materials.

Article 41 — The company registration authority shall handle the application and examine the documents and materials submitted in accordance with the following circumstances: (1) where the application materials are complete and comply with the statutory form, the application shall be accepted on the spot; (2) where the application materials are incomplete or do not comply with the statutory form, all the contents to be corrected shall be notified to the applicant on the spot or within five working days at once; (3) where the company registration authority accepts an application, it shall notify the applicant in writing of the acceptance; (4) where the company registration authority does not accept an application, it shall notify the applicant in writing and state the reasons; and (5) where the company registration authority needs to verify the substance of the application documents and materials, it shall send two or more staff members to verify the relevant matters and fill out a verification record.

Article 42 — The company registration authority shall make a decision on whether to grant registration within the prescribed time limit from the date of acceptance of the application. Where registration is granted, the company registration authority shall issue, replace, exchange, or collect the business license; where registration is not granted, the company registration authority shall issue a Notice of Rejection of Registration.

Article 43 — A company shall, upon the issuance or replacement of its business license, apply for the opening of a bank account in accordance with law and handle tax registration.

Chapter VIII — Annual Report Publicity and Certificate Management

Article 44 — A company shall, from January 1 to June 30 of each year, submit its annual report for the preceding year to the company registration authority through the enterprise credit information publicity system and publicize it to the public. The annual report shall include the following contents: (1) the company's mailing address, postal code, contact telephone number, email address and other information; (2) information on the company's existence and continuing operations; (3) information on the amount of capital contributions made by the shareholders and the time of contribution; (4) information on changes in the equity of the company; (5) information on the company's websites and the names of online shops engaged in online operations; and (6) information on the number of employees, total assets, total liabilities, external guarantees, total owners' equity, total operating revenue, main business revenue, total profit, net profit, and total tax payments of the company.

Article 45 — The Business License for Enterprise Legal Person is divided into an original and duplicates. The original and duplicates shall have equal legal effect. The original of the Business License for Enterprise Legal Person or the Business License shall be placed in a conspicuous position at the company's domicile or business premises. The company registration authority may issue a duplicate of the Business License for Enterprise Legal Person as needed.

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Article 46 — No entity or individual may forge, alter, lease, lend, or transfer the business license. Where a business license is lost or destroyed, the company shall declare it invalid on a newspaper or periodical designated by the company registration authority and apply for a replacement.

Chapter IX — Legal Liability

Article 47 — Where a company is found to have obtained company registration through false registration of registered capital by submitting false materials or by other fraudulent means to conceal important facts, the company registration authority shall order it to make correction; where the circumstances are serious, the company registration shall be revoked or the business license shall be revoked.

Article 48 — Where a company falsely reports its registered capital, the company registration authority shall order it to make correction and impose a fine of not less than 5% but not more than 15% of the amount of the falsely reported registered capital; where the circumstances are serious, the company registration shall be revoked or the business license shall be revoked.

Article 49 — Where a company makes a false capital contribution or withdraws its capital contribution after the incorporation of the company, the company registration authority shall order it to make correction and impose a fine of not less than 5% but not more than 15% of the amount of the false capital contribution or the amount withdrawn.

Article 50 — Where a company fails to carry out amendment registration in accordance with regulations, the company registration authority shall order it to register within a prescribed time period; where it fails to register within the prescribed time period, a fine of not less than 10,000 yuan but not more than 100,000 yuan shall be imposed.

Article 51 — Where a company fails to publicize its annual report in accordance with regulations, the company registration authority shall include it in the list of enterprises with abnormal operations and publicize it to the public through the enterprise credit information publicity system to remind it to perform its obligation of publicizing the annual report. Where a company fails to publicize its annual report for three consecutive years, the company registration authority shall include it in the list of enterprises with serious illegal and dishonest acts and publicize it to the public through the enterprise credit information publicity system.

Article 52 — Where a company carries out business activities without a business license, the company registration authority shall order it to make correction and may confiscate its illegal gains and impose a fine of not more than three times the amount of the illegal gains, with a maximum fine of not more than 30,000 yuan; where there are no illegal gains, a fine of not more than 10,000 yuan shall be imposed.

Article 53 — Where a company forges, alters, leases, lends, or transfers its business license, the company registration authority shall impose a fine of not less than 10,000 yuan but not more than 100,000 yuan; where the circumstances are serious, the business license shall be revoked. Where a crime is constituted, criminal liability shall be pursued in accordance with law.

Article 54 — Where the company registration authority fails to handle registration or fails to grant registration within the prescribed time limit without justification, or the circumstances under which the company registration authority fails to handle registration or grant registration cause serious consequences, disciplinary sanctions shall be imposed on the persons directly in charge and other persons directly responsible in accordance with law.

Article 55 — Where a staff member of the company registration authority abuses his or her power, neglects his or her duties, solicits or accepts bribes, or engages in malpractices for personal gain, where a crime is constituted, criminal liability shall be pursued in accordance with law; where a crime is not constituted, administrative sanctions shall be imposed in accordance with law.

Chapter X — Supplementary Provisions

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Article 56 — These Regulations shall not apply to the registration of companies with foreign investment. Where the laws or administrative regulations provide otherwise for the registration of companies with foreign investment, such provisions shall apply.

Article 57 — The fees for company registration shall be collected in accordance with relevant State regulations.

Article 58 — These Regulations shall come into force as of July 1, 1994.

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