

II . *Civil and Commercial Law*

Article 28 Where shares are issued at a premium, the issue price shall be determined through consultation between the issuer and the securities underwriting company and reported to the securities regulatory authority under the State Council for verification.

Article 29 Enterprises in China that intend to directly or indirectly issue securities abroad or to list their securities for trading abroad shall be subject to approval by the securities regulatory authority under the State Council.

Chapter III Trading of Securities

Section 1 General Regulations

Article 30 Securities purchased or sold according to law by the parties to a securities transaction shall be securities that have been issued and delivered according to law.

Securities that have not been issued according to law may not be purchased or sold.

Article 31 Where the transfer of shares, corporate bonds and other securities issued according to law is prohibited by law within a certain period, they may not be purchased or sold during the period.

Article 32 Shares, corporate bonds and other securities that have been lawfully approved for trading shall be quoted and traded on stock exchanges.

Article 33 Securities that are quoted and traded on stock exchanges shall be traded in the manner of public, centralized trading at competing prices.

Centralized competitive pricing for securities trading shall follow the principle of price precedence and time precedence.

Article 34 The securities purchased and sold by the parties to a securities transaction may be in the form of scrip or such other forms as prescribed by the securities regulatory authority under the State Council.

Article 35 Securities trading shall take the form of spot transaction.

Article 36 Securities companies may not engage in securities trading activities that are financed by funds or securities obtained from their clients.

Article 37 Employees of stock exchanges, securities companies and securities registration and clearing institutions, staff members of the securities regulatory authority, and other persons prohibited by laws and administrative regulations from participating in share trading may not, while in office or during the statutory period, hold, purchase or sell shares directly or under an assumed name or under the name of another, nor may they receive or accept shares as gifts.

When anyone becomes an employee, a staff member or a person as mentioned in the preceding paragraph, he shall, in accordance with law, transfer all the shares he is holding.

Article 38 Stock exchanges, securities companies and securities registration and clearing institutions shall, in accordance with law, keep confidential the accounts opened for their clients.