PRC REGULATORY OVERVIEW

Our business operations are subject to relevant laws, rules and regulations of the places where we operate in many aspects. This section sets out a summary of the PRC laws, regulations and regulatory documents (the "**PRC laws**") that are significant to our current business activities in the PRC, which are subject to changes in the future. However, it does not include a detailed analysis of the PRC laws relating to our business activities and operations in the PRC and is not intended to be an exhaustive list of all PRC laws applicable to our operations in the PRC.

LAWS AND REGULATIONS RELATING TO OVERSEAS INVESTMENT

Pursuant to the Administrative Measures for Overseas Investment (《境外投資管理辦法》) promulgated by the MOFCOM on September 6, 2014 and implemented since October 6, 2014, the MOFCOM and provincial competent commerce authorities shall carry out administration either by record-filing or approval on a case-by-case basis of overseas investment by enterprises. Overseas investment by enterprises that involves sensitive countries and regions or sensitive industries shall be subject to administration by approval. Overseas investment by enterprises that falls in any other circumstances shall be subject to administration by record-filing.

LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》, the "**Product Quality Law**"), which was promulgated by the SCNPC on February 22, 1993 and implemented since September 1, 1993, and last amended on December 29, 2018, engaging in product manufacturing and sales activities within the territory of the PRC shall comply with the Product Quality Law. Manufacturers shall be responsible for the quality of the products they produce and sell. In case of violation of the Product Quality Law, the market regulatory authorities have the right to order the producers and sellers to stop production and sales, confiscate the products which are illegally produced or sold and impose fines. In case of serious violations, the business license of the producer or seller will be revoked, and if the violation constitutes an offence, the violating producer or seller is obliged to hold criminal responsibility in.

LAWS AND REGULATIONS RELATING TO PRODUCTION SAFETY

Pursuant to the Production Safety Law of the PRC (《中華人民共和國安全生產法》, the "**Production Safety Law**") promulgated by the SCNPC on June 29, 2002 and implemented since November 1, 2002, and last amended on June 10, 2021, entities engaged in production and business activities in the PRC shall comply with the Production Safety Law and other laws and regulations relating to production safety. To ensure production safety, entities shall strengthen the management, establish and improve responsibility systems and policies, improve conditions, promote the development of standards, and enhance the level in this aspect. The primary persons in charge of the production and operation entities are fully responsible for the production safety of their entities. Violation of the Production Safety Law may result in imposition of fines, suspension of operation, an order to cease operation, or even assumption of criminal responsibility in case serious consequences are caused.

LAWS AND REGULATIONS RELATING TO IMPORT AND EXPORT OF GOODS

According to the Regulations of the PRC on the Administration of Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on December 10, 2001 and came into effect on January 1, 2002, and last amended on March 10, 2024 and came into effect on May 1, 2024, and other relevant laws and regulations, foreign trade business operators engaging in the import or export of goods or technology must go through the record filing and registration formalities with the MOFCOM or the agency entrusted by the MOFCOM.

Unless otherwise provided, the declaration for imported or exported goods and the payment of duties may be made by the consignees or consignors themselves, or by entrusted customs brokers. Customs declaration entities refer to consignees or consignors of imported or exported goods or customs brokers that have filed for record with customs.

LAWS AND REGULATIONS RELATING TO ANTI-MONOPOLY AND ANTI-UNFAIR COMPETITION

Anti-Monopoly

According to the Anti-Monopoly Law of the PRC (《中華人民共和國反壟斷法》) (the "**Anti-Monopoly Law**") promulgated by the SCNPC on August 30, 2007 and implemented since August 1, 2008, and last amended on June 24, 2022 and implemented since August 1, 2022, the Anti-Monopoly Law applies to the monopolistic practices in domestic economic activities in the PRC as well as the monopolistic practices outside the PRC which have exclusion or restriction effects on domestic market competitions. Operators who violate the provisions of the Anti-Monopoly Law shall be ordered by the anti-monopoly law enforcement authority to stop the illegal act and also could be imposed a fine.

Anti-Unfair Competition Law

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the "**Anti-Unfair Competition Law**") promulgated by the SCNPC on September 2, 1993 and implemented since December 1, 1993, and last amended on June 27, 2025 and came into effect on October 15, 2025, operators shall comply with the principle of voluntariness, equality, fairness, integrity, abide by laws and business ethics and participate in market competition on a fair basis in the course of production and business operations. Operators who violate the Anti-Unfair Competition Law shall bear corresponding civil, administrative and criminal responsibilities depending on the specific circumstances.

LAWS AND REGULATIONS RELATING TO ENVIRONMENT PROTECTION

Environment Protection

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) promulgated by the SCNPC on September 13, 1979 and came into effect on the same date, and amended on April 24, 2014 and implemented since January 1, 2015, enterprises, public institutions and other manufacturers shall prevent and reduce environmental pollution and ecological damage, and shall assume liabilities for any damage caused in accordance with the laws. Pollutant-discharging enterprises shall adopt measures to prevent and treat waste gas, waste water, waste residue, medical waste, dust, malodorous gas, radioactive substances generated in manufacturing, construction or any other activities, and any other environmental pollution and hazards such as noise, vibration, ray radiation and electromagnetic radiation.

Environmental Impact Assessment

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) promulgated by the SCNPC on October 28, 2002 and implemented since September 1, 2003, and last amended on December 29, 2018 and came into effect on the same date, and the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998 and came into effect on the same date, and last amended on July 16, 2017 and implemented since October 1, 2017, the state implements an environmental impact assessment system for construction projects. No construction project can be commenced without undergoing assessment on environmental impact in accordance with the laws. After the completion of the construction project for which an environment impact report or an environment impact statement was prepared, the construction unit shall, in accordance with the standards and procedures formulated by competent administrative department for environment protection under the State Council, conduct inspection and acceptance of the ancillary environment protection facilities, and prepare an inspection and acceptance report. No ancillary environment protection facilities of such projects may be put into production or use until such facilities pass the inspection and acceptance; Any ancillary facilities that failed to undergo or pass the inspection and acceptance procedure may not be put into production or use.

If an enterprise violates the aforesaid laws and regulations, the environmental protection administrative departments at the county level or above may order it to suspend production or construction, impose a fine and order it to conduct restoration.

Permission for Pollutant Discharges

According to the Regulations on the Administration of Permitting of Pollutant Discharges (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and implemented since March 1, 2021, and the Catalogue for the Classified Management of Pollutant Discharge Permitting for Stationary Pollution Sources (2019 Edition) (《固定污染源排污許可分類管理名錄》(2019年版)) issued by the Ministry of Ecology and Environment on December 20, 2019 and came into effect on the same date, enterprises, public institutions and other manufacturers which are subject to pollutant discharge permit management as stipulated by laws must apply for and obtain pollutant discharge permits. Without this permit, discharging pollutants is prohibited. Pollutant discharging entities with a significant volume of pollutant generation, emissions or environmental impact are subject to comprehensive management on permission of pollutant discharge. Those with a smaller volume of pollutant generation, emissions and environmental impact are subject to simplified management on permission of pollutant discharge. Entities with minimal pollutant generation, emissions and environmental impact are subject to pollutant discharge registration management.

LAWS AND REGULATIONS RELATING TO TAXATION

Income Tax

According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) (the "**EIT Law**") promulgated by the SCNPC on March 16, 2007 and implemented since January 1, 2008, and last amended on December 29, 2018 and implemented since the same date, and the Implementation Rules of the EIT Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007 and came into effect on January 1, 2008, and last amended on December 6, 2024 and implemented since January 20, 2025, a resident enterprise means an enterprise established within the PRC in accordance with the laws, or established in accordance with any laws of foreign country or region but with an actual management entity within the PRC. A resident enterprise is subject to an EIT of 25% for any income generated within or outside the PRC. A preferential EIT rate is applicable to any key industry and project which is supported and encouraged by the State. Key high-tech enterprises which are supported by the State may enjoy a reduced EIT rate of 15%.

Value-Added Tax

Pursuant to the Interim Regulations of the People's Republic of China on Value-Added Tax (《中華人民共和國增值稅暫行條例》), the Implementation Rules for the Interim Regulations of the People's Republic of China on Value-Added Tax (《中華人民共和國增值稅暫行條例實施條例》), the Notice on Adjusting Value-Added Tax Rates (《關於調整增值稅稅率的通知》), and the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》), entities and individuals that sell goods, provide processing, repair and replacement services, sell services, intangible assets or real property, or import goods within the PRC shall pay value-added tax in accordance with law. Unless otherwise provided by law, the applicable VAT rates are generally 13%, 9% and 6%.

Dividend Distribution

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) promulgated by the SCNPC on September 10, 1980 and implemented since the same date, and last amended on August 31, 2018 and implemented since January 1, 2019, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) promulgated by the SCNPC on January 28, 1994 and implemented since the same date, and last amended on December 18, 2018 and implemented since January 1, 2019, dividends distributed by PRC enterprises are subject to individual income tax levied at a uniform rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued by the Ministry of Finance, the State Administration of Taxation and the CSRC on September 7, 2015 and came into effect on September 8, 2015, where an individual holds the shares of a listed company obtained from the public offering for more than one year and transfers the stock of the listed company on the stock market, the dividend and bonus income shall be temporarily exempted from individual income tax. Where an individual acquires shares of a listed company from the public offering and transfers the stock of the listed company on the stock market, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

According to the EIT Law and the Regulation on the Implementation of the EIT Law of the PRC since January 1, 2008, an enterprise income tax rate of 10% shall normally be applicable to dividends declared to non-PRC resident investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC, unless the jurisdiction in which such non-PRC resident investors are incorporated has a tax treaty with the PRC that provides for a preferential withholding arrangement. According to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by the PRC Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation on November 6, 2008 and implemented on the same date, a PRC resident enterprise is required to withhold enterprise income tax at a uniform rate of 10% on dividends paid to non-PRC resident enterprise holders of H Shares since 2008.

According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《國家稅務總局關於<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》) (the "**Fifth Protocol**"), issued by The State Administration of Taxation and came into effect on December 6, 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

According to the Regulations of the People's Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996 and implemented since April 1, 1996, and last amended on August 5, 2008 and implemented since the same date, payments of current account items, such as profit distributions, interest payments and trade and service-related foreign exchange transactions, subject to certain procedural requirements, can be carried out in foreign currency without prior approval from the SAFE. On the contrary, approval from or registration with relevant government authorities is required where RMB is to be converted into foreign currencies and remitted out of China to pay capital items such as direct investment, repayment of foreign currency loans, repatriation of investments and securities investment outside China.

According to the Circular on Issues Concerning the Administration of Foreign Exchange Involved in Overseas Listing (《關於境外上市外匯管理有關問題的通知》) promulgated on December 26, 2014 by the SAFE and implemented since the same date, a domestic company shall, within 15 working days after the completion of its overseas listing and issuance, register the overseas listing with the local branch of the State Administration of Foreign Exchange of the place where it is incorporated. The funds raised by domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the use of funds shall be consistent with those as set out in the public disclosure documents such as the document or corporate bond issuance document, circulars to shareholders and resolutions of the board of directors or shareholders' meeting.

LAWS AND REGULATIONS RELATING TO LABOR AND SOCIAL INSURANCE

Labor Regulations

According to the Labor Law of the People's Republic of China (《中華人民共和國勞動 法》) promulgated by the SCNPC on July 5,1994, and came into effect on January 1, 1995 and last amended on December 29, 2018 and implemented since the same date, and other relevant laws and regulations, labor contracts shall be entered into in writing if employment relationships are to be established between employers and employees. Employers shall truthfully inform the employees of the work duties, working conditions, occupational hazards, labor remuneration and any other information that employees request to know. Employers shall pay labor remuneration to the employees in full and in a timely manner in accordance with the provisions of the employment contracts and relevant laws and regulations, and the wages of the employees may not be lower than the local standards on minimum wages.

Social Insurance

According to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) promulgated by the SCNPC on October 28, 2010, and came into effect on July 1, 2011 and last amended on December 29, 2018, and implemented since same date, and other relevant laws and regulations, where an enterprise fails to pay social insurance premiums, the collection agency of the social insurance premiums has the power to order the breaching enterprise to pay or make up the amount within a prescribed time limit, and those that fail to pay within the time limit will be subject to administrative penalties such as fines.

Pursuant to the Interpretation (II) of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) promulgated by the Supreme People's Court on February 17, 2025 and implemented since September 1, 2025, this judicial interpretation affirms the mandatory nature of social insurance provisions, whereby any agreement between an employer and an employee or any employee's commitment to waive social insurance contributions shall be deemed void by the people's court. Where an employer fails to make social insurance contributions in accordance with the law, thereby leading the employee to request termination of the labor contract and claim economic compensation pursuant to relevant provisions of the Labor Contract Law, the people's court shall support such claim in accordance with the law.

Housing Provident Fund

According to the Administrative Regulations on the Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999 and implemented since the same date, and last amended on March 24, 2019 and implemented since the same date, enterprises are required to complete the registration of contribution to the housing provident fund with the housing fund management center, and the procedures for opening or transfer of the housing provident fund accounts for their employees. Enterprises shall make contribution to the housing provident fund in a timely manner. Where an enterprise fails to pay or underpays the housing provident fund, the housing provident fund management center has the power to order the breaching enterprise to make the payment within a prescribed time limit.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Patent

According to the Patent Law of the People's Republic of China (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984 and implemented since April 1, 1985, last amended on October 17, 2020 and implemented since June 1, 2021, and the Implementation Rules of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001 and implemented since July 1, 2001, last amended on December 11, 2023 and implemented since January 20, 2024, patents in the PRC are categorized into invention patents, utility model patents and design patents. Commencing from the date of application, the duration of patent rights for invention patents, utility model patents, and design patents are twenty years, ten years and fifteen years, respectively.

Trademark

According to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982 and implemented since March 1, 1983, last amended on April 23, 2019 and implemented since November 1, 2019, and the Implementation Rules of the Trademark Law of the People's Republic of China (《中華人民 共和國商標法實施條例》) promulgated by the State Council on August 3, 2002 and implemented since September 15, 2002, last amended on April 29, 2014 and implemented since May 1, 2014, trademarks approved by and registered with the Trademark Office are registered trademarks, including good marks, service marks, collective marks and certification marks. The valid period of a registered trademark is ten years, commencing from the date of the registration. For continuous use of the registered trademark, the trademark registrant is required to apply for renewal within twelve months before the expiry date. The valid period for each renewal of registration is ten years, commencing from the date immediately following the expiration of the previous validity period of the trademark.

Copyright

According to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990 and implemented since June 1, 1991, last amended on November 11, 2020 and implemented since June 1, 2021, works of PRC citizens, legal persons or unincorporated organization, refer to intellectual achievements in the fields of literature, art, and science that are original and can be expressed in a certain form, whether published or not, enjoy copyrights.

Domain Name

Pursuant to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology on August 24, 2017 and implemented since November 1, 2017, domain name registration is handled through domain name service agencies established under relevant regulations, and applicants become domain name holders upon successful registration.

LAWS AND REGULATIONS RELATING TO SECURITIES AND OVERSEAS LISTING

Securities Laws and Regulations

Pursuant to the Securities Law of the People's Republic of China (《中華人民共和國證 券法》) (the "**Securities Law**") promulgated by SCNPC on December 29, 1998 and implemented since July 1, 1999, last amended on December 28, 2019 and implemented since March 1, 2020, trading activities in securities market in China are comprehensively regulated, including the issuance and trading of securities, takeovers by listed companies, the duties and responsibilities of stock exchanges, securities companies and securities regulatory authorities. The Securities Law further regulates that the issuance of securities overseas directly or indirectly by domestic companies or having their securities listed overseas are required to comply with relevant regulations of the State Council, with detailed implementation measures to be issued by the State Council separately. The China Securities Regulatory Commission (the "**CSRC**") is the securities regulatory body set up by the State Council to supervise and administer the securities market pursuant to the laws and regulations, to maintain market order, and to ensure lawful market operations. Currently, the issuance and trading of H shares are principally regulated by the laws and regulations promulgated by the State Council and the CSRC.

Overseas Listing

The CSRC issued several regulations regarding the requirements of the management of filings for overseas offering and listing by domestic companies, which promulgated on February 17, 2023 and implemented since March 31, 2023, including the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies together with several supporting guidelines (《境內企業境外發行證券和上市管理試行辦法》), together with several supporting guidelines (collectively referred to as the "**Overseas Listing Measures**"). According to the Overseas Listing Measures, the PRC domestic companies that seek to offer and have their securities listed overseas, either directly or indirectly, are required to submit required documents to the CSRC within three working days after its application for overseas listing is submitted.

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) jointly issued by the CSRC, MOF, the National Administration of State Secrets Protection and the National Archives Administration on February 24, 2023 and implemented since March 31, 2023, a domestic company that provides or publicly discloses, either directly or through its overseas listed entities, any documents and materials involving state secrets or work secrets of government agencies to entities such as relevant securities companies, securities service providers or overseas regulators, and individuals shall obtain approval from competent authorities with approval authority in accordance with law, and file with the secrecy administrative department at the same level. Cross border transfer shall go through the approval procedures in accordance with relevant regulations of China.

LAWS AND REGULATIONS RELATING TO CYBERSECURITY, DATA SECURITY AND PERSONAL INFORMATION PROTECTION

Pursuant to the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) and the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》), network operators, data processors and personal information processors shall, when conducting relevant activities, take necessary security protection measures in accordance with law to safeguard cybersecurity, data security and personal information security. In particular, data is subject to categorized and graded protection, and the processing of personal information shall have a lawful basis, with necessary measures taken to prevent the leakage, damage or loss of personal information.

Pursuant to the Measures for Cybersecurity Review (《網絡安全審查辦法》) and the Regulations on the Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), where the procurement by operators of critical information infrastructure of network products and services, or the data processing activities carried out by network platform operators, affect or may affect national security, such procurement or activities shall be subject to cybersecurity review in accordance with law. Where a network platform operator holding personal information of more than one million users seeks to list abroad, it shall apply to the Cybersecurity Review Office for cybersecurity review. Critical information infrastructure shall be identified by the competent authorities of the relevant industries and sectors in accordance with applicable provisions, and the relevant operators will be notified of the identification results.

Pursuant to the Measures for Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) and the Regulations on the Administration of Network Data Security (《網絡數據安全管理條例》), where a data processor provides important data overseas, or provides personal information overseas under circumstances meeting the statutory thresholds, it shall apply for a security assessment for cross-border data transfer in accordance with law. The Regulations on the Administration of Network Data Security further refine the requirements relating to personal information protection, identification and reporting of important data, responsibilities for network data security, and cross-border data flows.

In addition, according to the Several Provisions on the Management of Automotive Data Security (for Trial Implementation) (《汽車數據安全管理若干規定(試行)》) and the Measures for Data Security Management in the Industry and Information Technology Sector (for Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》), automotive data processors and data processors in the industry and information technology sector shall, when conducting data processing activities, comply with the corresponding data security management requirements, including requirements on categorized and graded protection, identification of important data, full life-cycle security management and risk prevention and control. Pursuant to the Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues concerning the Application of Law in Handling Criminal Cases of Infringement of Citizens' Personal Information (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》), acts infringing citizens' personal information may give rise to criminal liability.

LAWS AND REGULATIONS RELATING TO TRANSFER PRICING

Pursuant to the Administration of Tax Collection Law of the People's Republic of China (《中華人民共和國稅收徵收管理法》) promulgated by the SCNPC on September 4, 1992, implemented since January 1, 1993, and last amended on April 24, 2015, with the amendment implemented on the same date, and the Detailed Rules for the Implementation of the Administration of Tax Collection Law of the People's Republic of China (《中華人民共和國稅收徵收管理法實施細則》) promulgated by the State Council on August 4, 1993, implemented on the same date, and last amended on February 6, 2016, with the amendment implemented on the same date, business transactions between an enterprise, or an establishment or site engaged in production or business operations set up in China by a foreign enterprise, and its associated enterprises shall be conducted in accordance with the arm's length principle in terms of the receipt or payment of price or fees. If the business transactions are not conducted on an arm's length basis in terms of the receipt or payment of price or fees and result in a reduction of the taxable revenue or income, the tax authorities have the power to make reasonable adjustments. If a taxpayer and its associated enterprises have not paid for price or fees in accordance with the arm's length principle for their business transactions, the tax authorities may make adjustments within three years from the tax year in which the business transactions occurred; under special circumstances, the adjustments may be made within ten years from the tax year in which the business transactions occurred.

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) promulgated by the National People's Congress on March 16, 2007, implemented since January 1, 2008, and last amended on December 29, 2018, with the amendment implemented on the same date, and the Regulations for the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》) subsequently promulgated by the State Council on November 28, 2007, if business transactions between an enterprise and its associated parties are not in conformity with the arm's length principle and result in a reduction of the taxable revenue or income of the enterprise or its associated parties, the tax authorities have the power to make adjustments using reasonable methods.

LAWS AND REGULATIONS RELATING TO AUTOMOTIVE COMPONENTS, HUMANOID ROBOTS AND LOW-ALTITUDE AIRCRAFT

Automotive Components

Pursuant to the Action Plan for Promoting Large-Scale Equipment Renewals and Consumer Goods Trade-Ins (《推動大規模設備更新和消費品以舊換新行動方案》), the Notice on Intensifying and Expanding the Implementation of Policies for Large-Scale Equipment Renewals and Consumer Goods Trade-Ins in 2025 (《關於2025年加力擴圍實施大規模設備更新和消費品以舊換新政策的通知》), the Work Plan for Stabilizing Growth in the Automotive Industry (2023-2024) (《汽車行業穩增長工作方案(2023-2024年)》), and relevant guidelines on equipment renewals and technological transformation in key industrial sectors, the PRC has in recent years continuously promoted equipment renewals, technological transformation and consumption upgrading in the automotive and auto parts industry, with a focus on supporting the development of new energy vehicle and auto parts manufacturing toward high-end, intelligent and green production, and on facilitating automobile consumption and the upgrading of the industrial chain through policies such as vehicle scrappage renewal and replacement renewal.

Humanoid Robots

Pursuant to the Guiding Opinions on the Innovative Development of Humanoid Robots (《人形機器人創新發展指導意見》) and the Implementation Opinions on Promoting the Innovative Development of Future Industries (《關於推動未來產業創新發展的實施意見》), the PRC has identified humanoid robots as an important development direction for future industries and high-end equipment, with a focus on advancing breakthroughs in key technologies such as the "brain," "cerebellum" and "limbs," supporting the coordinated development of complete products, core components, software systems and application scenarios, and encouraging their research, development and application in fields such as manufacturing, special operations and household services. Relevant policies also emphasize the improvement of the industrial ecosystem, standards systems, inspection and testing capabilities, as well as governance requirements relating to functional safety, cybersecurity and technology ethics.

Low-Altitude Aircraft

Pursuant to the Implementation Opinions on Promoting the Innovative Development of Future Industries (《關於推動未來產業創新發展的實施意見》) and the Implementation Plan for the Innovative Application of General Aviation Equipment (2024-2030) (《通用航空裝備創新應用實施方案(2024-2030年)》), the PRC supports the development of new types of general aviation equipment characterized by unmanned, electrified and intelligent technologies, and identifies electric vertical take-off and landing aircraft (eVTOL) and intelligent and efficient aviation logistics equipment as key development areas, with a view to advancing relevant technology research and development, product validation, airworthiness certification and commercial application, and promoting their expanded application in fields such as urban air transportation, logistics distribution and emergency rescue.

THAILAND REGULATORY OVERVIEW

This section sets out a summary of the Thai laws, regulations and regulatory documents (the "**Thai laws**") that are significant to our current business activities in Thailand, which are subject to changes in the future. However, it does not include a detailed analysis of the Thai laws relating to our business activities and operations in Thailand and is not intended to be an exhaustive list of all Thai laws applicable to our operations in Thailand.

LAWS AND REGULATIONS RELATING TO COMPANIES

The Civil and Commercial Code (CCC) and the Public Limited Companies Act B.E. 2535 (1992) govern Thai company formation, share capital, and governance. The February 2023 CCC amendments modernized rules by reducing minimum promoters to two, limiting memorandum validity to three years, and enabling e meetings. These updates, along with revised share certificate execution and meeting notice periods, are not expected to materially affect the company's operations.

LAWS AND REGULATIONS RELATING TO FOREIGN AND OVERSEAS INVESTMENT

Foreign investment is strictly governed by the **Foreign Business Act (FBA)** and the **Investment Promotion Act (IPA)**, prohibiting nominee shareholding and mandating licenses for restricted activities. The **BOI** grants incentives. Overseas investments must ensure transparency by strictly complying with corporate approvals, banking, FX, and tax regulations.

LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY AND PRODUCTION SAFETY

Manufacturers, importers, and sellers must comply with the Consumer Protection (1979), Product Liability (2008), Factory (1992), and OSH&E Acts (2011) under FDA, DIW, and TISI. Mandatory quality and safety controls apply; violations risk fines, suspension, product recalls, or civil and criminal penalties.

LAWS AND REGULATIONS RELATING TO FIRE PREVENTION

Under the Disaster Prevention and Mitigation Act B.E. 2550 (2007), the Building Control Act B.E. 2522 (1979) and related regulations, requiring fire safety design, inspection, and approval. Non-compliance may lead to operation prohibition or corrective measures.

LAWS AND REGULATIONS RELATING TO IMPORT AND EXPORT OF GOODS

Importers and exporters are required to comply with the **Customs Act B.E. 2560 (2017), the Export and Import of Goods Act B.E. 2522**, Regulations cover licensing, customs declaration, duty payments, and mandatory inspections or quarantine for specific goods. Non-compliance may result in administrative fines, product confiscation, or a total prohibition of trade activities.

LAWS AND REGULATIONS RELATING TO ANTI-MONOPOLY AND ANTI-UNFAIR COMPETITION

The **Trade Competition (2017) and Consumer Protection Acts (1979)**, enforced by the **OTCC**, strictly prohibit monopolies and anti-competitive mergers. Abusing market dominance (≥50% single or ≥75% top three, turnover >THB 1B) triggers administrative fines, corrective orders, and civil/criminal liabilities.

LAWS AND REGULATIONS RELATING TO ENVIRONMENT PROTECTION

Thai environmental laws, the **National Environmental Quality, Factory, and Public Health Acts (1992)**, enterprises must mitigate pollution and secure discharge permits. Projects require **EIA/IEE/ESA** assessments; non-compliance risks administrative fines, suspension, mandatory remediation, and civil or criminal liabilities.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Patents, trademarks, copyrights are governed respectively by the Patent Act B.E. 2522 (1979), Trademark Act B.E. 2534 (1991), Copyright Act B.E. 2537 (1994). Enforcement is available through administrative, civil, and criminal remedies.

LAWS AND REGULATIONS RELATING TO TAXATION

Resident companies are subject to 20% Corporate Income Tax (CIT) with available BOI incentives and 7% VAT (exempt for annual revenue ≤ THB 1.8 million); dividends incur withholding tax (generally 10% for non-residents under tax treaties), and companies must allocate at least 5% of net profits to statutory reserves prior to distribution, with overseas dividend remittance requiring strict compliance with foreign exchange regulations.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

All foreign exchange transactions must be conducted through authorized institutions under the Exchange Control Act B.E. 2485 (1942). Thai residents must convert or deposit foreign currency inflows ≥ USD1 million within 360 days unless used for permitted payments. Outflows for trade, investments, and gifts are subject to limits.

LAWS AND REGULATIONS RELATING TO LABOR AND SOCIAL INSURANCE

Pursuant to the Labor Protection (1998), Labour Relations (1975), and Social Security Acts (1990), employers must adhere to wage, leave, termination, and contract rules. Firms with 20+ employees must establish an Employee Welfare Fund, with disputes resolved via mediation, committees, or labor courts.

LAWS AND REGULATIONS RELATING TO SECURITIES AND OVERSEAS LISTING

The **Securities and Exchange Act B.E. 2535 (1992)** and **SET regulations** govern the issuance, trading, and listing of securities, requiring **SEC approval** and prospectus submission for public offerings; additionally, Thai companies seeking overseas listings must comply with Thai securities laws, foreign exchange controls, and anti-money laundering (**AML**) regulations.

LAWS AND REGULATIONS RELATING TO TRANSFER PRICING

Related-party transactions must comply with the arm's length principle under the Revenue Code. Documentation requirements apply for entities above prescribed thresholds, with advance pricing agreements available. Non-compliance may lead to tax adjustments, penalties, and interest.

LAWS AND REGULATIONS RELATING TO CYBERSECURITY AND DATA PRIVACY

Operations are subject to the Personal Data Protection Act B.E. 2562 (2019) and Cybersecurity Act B.E. 2562 (2019). These laws regulate data collection, use, processing, cross-border transfers, and risk management, with enforcement by the Personal Data Protection Committee and National Cybersecurity Committee.