## LAWS AND REGULATIONS RELATED TO OUR RELATED BUSINESS IN THE PRC

**Regulations Related to the Industry Development**

According to the Guiding Catalogue for Industrial Structure Adjustment (2024 Version) (《產業結構調整指導目錄(2024年本)》) promulgated by the National Development and Reform Commission (國家發展和改革委員會) (the "**NDRC**") on December 27, 2023 and effective on February 1, 2024, non-ferrous metal new materials for high-end manufacturing applications across aerospace, rail transit, advanced medical equipment and other fields, intelligent infrastructure such as high-performance computing infrastructure and medical robots are of the state-encouraged industries.

**Laws and Regulations Relating to Work Safety, Environmental Protection and Fire Safety**

***Work Safety***

The PRC Work Safety Law (《中華人民共和國安全生產法》) was promulgated by the National People's Congress of the PRC (全國人民代表大會常務委員會) (the "**SCNPC**") on June 29, 2002, most recently amended on June 10, 2021 and became effective on September 1, 2021. The Work Safety Law applies to all entities engaging in production and business activities in the PRC. Such entities shall, according to the PRC Work Safety Law, strengthen work safety management, establish and improve the all-staff work safety responsibility system and internal rules and regulations in relation to work safety, increase investment in funds, materials, technologies and staff for work safety, improve working conditions, strengthen the development of a standardized and information technology enabled work safety system, establish a dual prevention mechanism of graded management and control of safety risks and the screening and handling of hidden dangers, improve the risk prevention and resolution mechanism so as to ensure work safety. Violations of the PRC Work Safety Law may result in administrative penalties such as fine, suspension of operation and revocation of license.

On January 26, 2002, the State Council promulgated the Regulations on the Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》) (the "**Hazardous Chemicals Regulations**"), which was last amended and effective on December 7, 2013. The Hazardous Chemicals Regulations set out supervision and administration provisions on the safe production, storage, use, operation and transport of hazardous chemicals. An enterprise that has obtained, in accordance with law, a license for safe production of hazardous chemicals, a license for safe use of hazardous chemicals or a license for operation of hazardous chemicals shall purchase highly toxic chemicals and hazardous chemicals liable to produce explosives based on the relevant licenses. The units other than those stipulated in the preceding clause, for the purpose of purchasing highly toxic chemicals, shall apply to the public security authorities of the county-level government where they are located for the licenses for purchasing highly toxic chemicals.

***Environmental Protection***

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (last amended on April 24, 2014, and effective on January 1, 2015) sets out the powers and responsibilities of various environmental protection regulatory agencies. The Environmental Protection Department is authorized to issue national standards for environmental quality and emissions and supervise the environmental protection plans in China. Meanwhile, local environmental protection departments may formulate local standards that are stricter than national standards. In such cases, relevant enterprises must comply with both national and local standards simultaneously.

Pursuant to the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) (the "**Construction Projects Environmental Protection Rules**") promulgated by the State Council on November 29, 1998, and amended on July 16, 2017, and other relevant environmental laws and regulations, construction enterprises shall, before the commencement of construction, prepare or submit an environmental impact report, environmental impact statement, or environmental impact registration form with relevant environmental protection administrative authority for approval or filing. Construction enterprises may entrust a technical entity to conduct an environmental impact assessment of their construction projects and prepare environmental impact reports and environmental impact statements on construction projects. If a construction entity has the technical capability of environmental impact assessment, it may carry out the above activities itself.

Pursuant to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), which was promulgated by the SCNPC on October 28, 2002, and amended on July 2, 2016, and December 29, 2018, respectively, for any construction projects that have an impact on the environment, an entity is required to produce either a report, or a statement, or a registration form of such environmental impacts depending on the seriousness of effect that may be exerted on the environment.

Pursuant to the Construction Projects Environmental Protection Rules upon the completion of a construction project for which an environmental impact report or environmental impact statement is formulated, the construction entity shall conduct an acceptance inspection of the environmental protection facilities under the standards and procedures stipulated by the environmental protection administrative authorities of the State Council, formulate the acceptance inspection report, and announce the acceptance inspection report according to the law except for circumstances where there is a need to keep confidentiality under the provisions of the State. For a construction project for which an environmental impact report or environmental impact statement is formulated, where its supporting environmental protection facilities have not undergone acceptance inspection or do not pass acceptance inspection, such construction project shall not be put into production or use.

The Interim Measures for Acceptance of Environmental Protection upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) was promulgated and implemented by the former Ministry of Environmental Protection (now the Ministry of Ecology and Environment) on November 20, 2017. The Measures regulate the procedures and standards for independent environmental protection acceptance by construction entities upon the completion of construction projects.

***Pollutant Discharge***

According to the Law of the PRC on Prevention and Control of Environmental Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), which was promulgated by the SCNPC on October 30, 1995, and last amended on April 29, 2020 and came into effect on September 1, 2020, any entity or individual that generates, collects, stores, transports, utilizes or disposes of solid waste shall take measures to prevent or reduce the pollution of solid waste to the environment, and shall be responsible for the environmental pollution caused in accordance with the law. Where hazardous waste exists in solid waste, it shall be managed in accordance with hazardous waste management.

According to the Law of the PRC on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), which was promulgated by the SCNPC on May 11, 1984, and last amended on June 27, 2017 and came into effect on January 1, 2018, the enterprises, institutions and other production and operation units directly or indirectly discharging industrial waste water and medical sewage to water bodies, and the enterprises, institutions and other production and operation units required to obtain pollutant discharging permit before discharging waste water and sewage must obtain the pollutant discharging permit. Furthermore, environmental impact assessment must be carried out in accordance with the law for newly-formed projects and reconstruction, or extension projects that directly or indirectly discharge pollutants to water bodies and other installations on water. Water pollution prevention and control facilities should be designed, constructed and put into use at the same time as the main construction of the projects.

According to the Regulations on the Administration of Pollution Discharge Permits (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and took effect on March 1, 2021, enterprises, institutions and other production and operation units subject to administration of pollution discharge permits shall discharge pollutants in accordance with such regulation, and shall not discharge pollutants without obtaining a pollutant discharging permit. The administration on pollutant discharge units is divided into key management and simplified management pursuant to the amount of pollutants generated, the amount of pollutants discharged and the degree of impact on the environment. Environmental protection authorities impose various administrative penalties, such as fines, an order to correct, restriction or suspension of production for rectification, and an order to cease operation, etc., on individuals or enterprises that violate the Environmental Protection Law. According to the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment on April 1, 2024 and scheduled to be implemented on July 1, 2024, enterprises, public institutions and other producers and operators under the administration of discharge permits shall apply for and obtain a pollutant discharge license and discharge pollutants in accordance with the provisions of the discharge permit. Any enterprise that fails to obtain a pollutant discharge license as required shall not discharge pollutants. According to the Catalog of Classified Administration of Pollutant Discharge License for Stationary Pollution Sources (2019 Version) (《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, key management, simplified management and registration management of pollutant discharge permits are implemented according to factors such as the amount of pollutants generated, the amount of emissions, the degree of impact on the environment, etc., and only pollutant discharge entities that implement registration management do not need to apply for a pollutant discharge permit.

***Fire Safety***

The PRC Fire Prevention Law (《中華人民共和國消防法》) was promulgated by the SCNPC on April 29, 1998, and was most recently amended and became effective on April 29, 2021. According to the PRC Fire Prevention Law, enterprises are required to perform the following duties in relation to fire prevention: (i) implement fire safety accountability system prepare fire safety system and fire safety operational procedures for their organization, and prepare fire extinguishment and emergency evacuation plans;(ii) prepare and install firefighting facilities and equipment pursuant to applicable laws and industry standards, install fire safety signs, and organize inspection and maintenance on a regular basis to ensure that the facilities and equipment are in good working conditions; (iii) conduct comprehensive inspection of firefighting facilities in the buildings they are in at least once a year to ensure that they are in good working conditions, the inspection records shall be complete and accurate and be well kept for reference and regulatory inspection; (iv) ensure that evacuation access, safety exits and fire engine access roads are unblocked, and ensure that the fire and smoke bay and firebreak distance comply with relevant technical standards; (v) organize fire prevention checks to promptly eliminate hidden fire hazards; (vi) organize and carry out targeted fire drills; and (vii) perform any other fire safety duties stipulated by applicable laws and regulations. Failure to perform those duties and other violations of the PRC Fire Prevention Law may result in a fine or an order of suspension of business.

**Laws and Regulations Related to Product Quality**

Pursuant to the PRC Civil Code (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020 and becoming effective on January 1, 2021, in the event of damages caused to others due to the defects in a product, the infringed party may seek compensation from the manufacturer or the seller of such product and shall have the right to request the manufacturer and the seller to bear tortious liabilities, such as cessation of infringement, removal of obstruction, elimination of danger, etc.

The PRC Product Quality Law (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993 and most recently amended on December 29, 2018 is the principal governing law related to the supervision and administration of product quality. According to the PRC Product Quality Law, manufacturers shall be liable for the quality of products produced by them and sellers shall take measures to ensure the quality of the products sold by them. A manufacturer shall be liable to compensate for any physical injuries or damage to property other than the defective product itself resulting from the defects in the product, unless the manufacturer is able to prove that: (i) the product has not been put into circulation; (ii) the defects causing injuries or damage did not exist at the time when the product was put into circulation; or (iii) the science and technology at the time when the product was put into circulation were at a level incapable of detecting the existence of the defect. A seller shall be liable to compensate for any physical injuries or damage to property of others caused by the defects in the product. Where a product is defective due to a mistake made by the seller and such defect causes physical injury or damage to the property of others, the seller shall bear liability for compensation. Where a seller cannot specify the producer of a defective product nor the supplier of such defective product, the seller shall be liable for compensation. Where a defect in a product causes physical injuries to others or damages to the property of others, the victim may claim compensation from the producer of the product or from the seller of the product.

**Laws and Regulations Related to Importation and Exportation of Goods**

The PRC Foreign Trade Law (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 which came into effect on July 1, 1994 and most recently amended on December 27, 2025 and effective since March 1, 2026 and the PRC Regulations 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, most recently amended on March 10, 2024, and came into effect on May 1, 2024, both stipulated that the import and export of goods and technologies to and from the PRC are free, unless otherwise in relevant laws or administrative regulations, and all entities engaging in the business of importation and exportation of goods shall comply with applicable laws and regulations. The PRC Customs Law (《中華人民共和國海關法》) promulgated on January 22, 1987, as most recently amended on April 29, 2021, stipulates that, among other things, the consignee or consignor of import or export goods or a customs agent shall file for record with relevant customs authority before going through any customs declaration procedures. Provisions on the Administration of Recordation of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs of the PRC on November 19, 2021, and effective from January 1, 2022, further gives detailed requirement on the documents needed for the filing and the requirement on reporting certain changes of the filed information to the relevant customs authority.

**Laws and Regulations Related to Land or Property Use**

In June 1986, the SCNPC promulgated the Land Administration Law of the PRC (《中華人民共和國土地管理法》), which was last amended on August 26, 2019 and became effective on January 1, 2020. In January 1991, the State Council published Rules for Implementation of the Land Administration Law of the PRC (《中華人民共和國土地管理法實施條例》) which was last amended on July 2, 2021 and came into effect on September 1, 2021. According to the regulations, enterprises and individuals shall use land strictly in accordance with the purpose stipulated in the land use master plan. Changes to the purpose of the use of land in accordance with laws must be supported by approval documents, and an application for the change of registration must be submitted to the land administration department of the people's government above county level in which the land is situated. The change registration shall be carried out by the original land registration administrative authority in accordance with law. If the enterprises or individuals do not use state-owned land in accordance with the approved land use purpose, the natural resources administrative department of the people's government at county level and above shall order the party concerned to hand over the land.

**Laws and Regulations Related to Property Leasing**

Pursuant to the PRC Civil Code, a lessee may, upon the lessor's consent, sublease the leased object to a third person. The lease contract between the lessee and the lessor shall continue to be valid despite the sublease by the lessee, and if the third person causes loss to the leased object, the lessee shall bear the liability for compensation. A change in the ownership of a leased object during the period that a lessee possesses the leased object in accordance with the lease contract shall not affect the validity of the lease contract. Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994 and was latest amended on August 26, 2019, and the Management Measures for the Lease of Commercial Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010, and effective on February 1, 2011, the parties to a housing lease shall enter into a lease contract in accordance with the law. Within 30 days after the conclusion of the housing lease contract, the parties to the lease shall go to the competent department of construction (real estate) of the people's government of the municipality, city or county where the leased housing is located to register and file the housing lease. In violation of the foregoing provisions, the competent construction (real estate) departments of the people's governments of the municipalities directly under the central government, cities and counties shall order rectification within a time limit. If rectification is not made by an individual within the time limit, a fine of less than RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed. According to the PRC Civil Code, the parties' failure to register the lease contract in accordance with the provisions of laws and administrative regulations does not affect the validity of the contract.

**Laws and Regulations Related to Labor Protection, Social Insurance and Housing Provident Funds**

***General Labor Contract Rules***

Labor contracts must be concluded in writing if labor relationships are to be or have been established between enterprises, individual economic organizations, private non-enterprise entities, etc. and the employees under the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), promulgated on June 29, 2007 and last amended on December 28, 2012. Employers are forbidden to force employees to work overtime or to do so in a disguised manner and employers must pay employees overtime wages in accordance with national regulations. In addition, wages may not be lower than local standards on minimum wages and must be paid to the employees timely. According to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), promulgated on July 5, 1994 and last amended on December 29, 2018, employers shall establish and improve a system of labor safety and sanitation and shall strictly abide by national rules and standards on labor safety and sanitation and educate employees on labor safety and sanitation so as to prevent accidents during work and reduce occupational hazards. Labor safety and sanitation facilities shall comply with national standards. The employers must also provide employees with labor safety and sanitation conditions that are in compliance with national standards and necessary articles for labor protection.

***Social Insurance and Housing Provident Fund***

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》) passed by the SCNPC on October 28, 2010 and amended on December 29, 2018, each employer and individual in the PRC shall make social insurance contributions, including basic pension insurance, basic medical insurance, work injury insurance, unemployment insurance and maternity insurance. Employer who fails to promptly pay social insurance contributions in full amount shall be ordered to pay or supplement within a prescribed period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

Pursuant to the Interpretation II of the Supreme People's Court on 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 on February 17, 2025 and effective since September 1, 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people's court. If an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation pursuant to Article 38(3) of the Labor Contract Law of the People's Republic of China, the people's court shall support such claims in accordance with the law. In the circumstances described in the preceding paragraph, if the employer subsequently pays the social insurance premiums in accordance with the law and requests the employee to return the compensation already paid for the social insurance premiums, the people's court shall support such requests in accordance with the law.

According to the Administrative Regulations on the Housing Provident Fund (《住房公積金管理條例》) passed by the State Council on April 3, 1999 and last amended on March 24, 2019, each employer and individual in the PRC shall make housing provident fund contributions. Where, in violation of the provisions of the regulations, an employer is overdue in the contribution of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the contribution within a prescribed time limit; where the contribution has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

**Laws and Regulations Related to Foreign Investment**

***Company Law of the PRC***

The Company Law of the PRC (《中華人民共和國公司法》), promulgated by the Standing Committee of the SCNPC on December 29, 1993, last amended on December 29, 2023 and came into effect on July 1, 2024, governs the establishment, operation and management of companies in the PRC, including foreign-invested companies. Unless foreign investment laws provide otherwise, foreign-invested companies shall abide by the Company Law of the PRC.

***Foreign Investment Law of the PRC and Regulations on the Implementation of the Foreign Investment Law of the PRC***

Foreign investment in the PRC is subject to the Catalogue of Industries for Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》) (the "**Catalogue**"), amended on December 15, 2025 and effective since February 1, 2026 and the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"), promulgated on September 6, 2024 and effective since November 1, 2024, both of which issued by the NDRC and the Ministry of Commerce of the PRC (中華人民共和國商務部) (the "**MOFCOM**"). The Catalogue and the Negative List lay out the basic framework for foreign investment in China, classifying businesses into three categories with regard to foreign investment: "encouraged", "restricted", and "prohibited". Industries not listed in the Catalogue or the Negative List are generally deemed as falling into a fourth category, "permitted", unless specifically restricted by other PRC laws and regulations.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**FIL**"), promulgated by the National People's Congress (全國人民代表大會) (the "**NPC**") on March 15, 2019, effective since January 1, 2020, and the Implementation Regulations for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the "**Implementation Regulations for FIL**"), promulgated by the State Council (國務院) on December 26, 2019, effective since January 1, 2020, are the principal existing law and regulation governing foreign investment in the PRC. The FIL and the Implementation Regulations for FIL are enacted to further expand opening-up, actively promote foreign investment, protect legitimate rights and interests in foreign investment, and standardize foreign investment management. Pursuant to the FIL and the Implementation Regulations for FIL, the PRC adopts a system of national treatment plus the

Negative List with respect to foreign investment administration. Foreign investment and domestic investment in industries outside the scope of the Negative List issued or released upon approval by the State Council would be treated equally.

On December 30, 2019, the Ministry of Commerce and the SAMR, jointly promulgated the Measures for Information Reporting on Foreign Investment (《外商投資信息報告辦法》), which became effective on January 1, 2020. Pursuant to the Measures for Information Reporting on Foreign Investment, where a foreign investor carries out investment activities in China directly or indirectly, the foreign investor or the foreign-invested enterprise shall submit the investment information to the competent commerce department.

On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures, among others. Foreign investor or relevant parties in China must declare the security review prior to (i) the investments in the military industry, military industrial supporting and other fields relating to the security of national defense, and investments in areas surrounding military facilities and military industry facilities; and (ii) investments in important agricultural products, important energy and resources, important equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies and other important fields relating to national security; and obtaining control in the target enterprise.

**Laws and Regulations Related to Overseas Investment**

The Administrative Measures on Overseas Investment (《境外投資管理辦法》) was promulgated by the MOFCOM on September 6, 2014 and came into effect on October 6, 2014. According to these measures, overseas investment shall refer to the obtaining of ownership of an overseas non-financial enterprise by means of incorporation, merger, acquisition or any other method by an enterprise incorporated in the PRC. Any overseas investments involving sensitive countries and regions or sensitive industries shall be subject to the approval of the MOFCOM or its provincial counterpart; overseas investments that do not fall into the aforementioned category shall be subject to a filing to the relevant provincial counterpart of the MOFCOM. Enterprises that obtained approval or completed the filing process will receive an Overseas Investment Certificate for Enterprise (《企業境外投資證書》) issued by MOFCOM or its provincial counterpart.

The Administrative Measures for Overseas Investment by Enterprises (《企業境外投資管理辦法》) was promulgated by the NDRC on December 26, 2017 and came into effect on March 1, 2018. As defined therein, overseas investment refers to investment activities to obtain proprietary right, right of control, right of business management, and other related rights and interests outside of the PRC, by an enterprise incorporated in the PRC, either directly or via an overseas enterprise under its control, by way of contributing asset and/or interest or providing financing and/or guarantee. Prior to investing overseas, the investment project shall be approved by the NDRC, if it involves sensitive countries and regions or sensitive industries; if the investment project is considered not sensitive as it does not involve sensitive countries and regions or sensitive industries, the entity intending to complement the project shall file relevant information with the NDRC or its provincial counterparts. The Catalogue of Sensitive Industries for Overseas Investment (2018 Edition) (《境外投資敏感行業目錄(2018版)》), which was promulgated by the NDRC on January 31, 2018 and came into effect on March 1, 2018, sets out a detailed list for the aforementioned sensitive industries.

**Laws and Regulations Related to Foreign Exchange**

Under the PRC Foreign Currency Administration Rules (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996, and last amended on August 5, 2008 and various regulations issued by the SAFE and other relevant PRC government authorities, Renminbi is convertible into other currencies for the purpose of current account items, such as trade related receipts and payments, payment of interest and dividends. The conversion of Renminbi into other currencies and remittance of the converted foreign currency outside China for the purpose of capital account items, such as direct equity investments, loans and repatriation of investment, requires the prior approval from the SAFE or its local branches. Payments for transactions that take place within China must be made in Renminbi. Unless otherwise provided by laws and regulations, PRC companies may repatriate foreign currency payments received from abroad or retain the same abroad. Foreign exchange proceeds under the current accounts may be either retained or sold to a financial institution engaging in settlement and sale of foreign exchange pursuant to relevant PRC rules and regulations. For foreign exchange proceeds under the capital accounts, approval from the SAFE is required for its retention or sale to a financial institution engaging in settlement and sale of foreign exchange, except where such approval is not required under the relevant PRC rules and regulations.

According to the Notice on Relevant Issue Concerning the Administration of Funds for Overseas Listing by Domestic Enterprises (《關於境內企業境外上市資金管理有關問題的通知》) issued by the SAFE and the People's Bank of China on December 24, 2025, which became effective on April 1, 2026, the domestic companies shall register the overseas listing with the foreign exchange control bureau located at its registered address in 30 working days and the bank responsible for registration.

According to the Guidelines for the Foreign Exchange Business under the Capital Account (2024) (《資本項目外匯業務指引(2024年版)》) issued by SAFE on April 3, 2024, in principle, the funds raised by overseas listings of domestic companies should be repatriated to China in a timely manner, and can be repatriated in RMB or foreign currency. The use of funds shall be consistent with the relevant contents listed in the publicly disclosed documents. Domestic companies using the funds raised from overseas listings to carry out overseas direct investment, overseas securities investment, overseas lending and other businesses shall comply with the relevant foreign exchange management regulations.

The Notice on Further Simplifying and Improving Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》), which was issued by SAFE on February 13, 2015 and was amended on December 30,2019, allowing entities and individuals to apply for foreign exchange registrations through qualified banks. Under SAFE's supervision, these banks can directly review applications. On March 30, 2015, SAFE released the Circular on Reforming Settlement Management of Foreign Capital in Foreign-invested Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》). This circular mandates Discretionary Foreign Exchange Settlement for foreign-invested enterprises, enabling them to settle foreign exchange capital based on operational needs, subject to document verification. The circular emphasizes authentic and self-use principles within the enterprise's scope, barring use for payments beyond business scope, securities investment (unless specified), Renminbi entrust loans, inter-enterprise borrowings, or real estate expenses (except for self-use by foreign-invested real estate enterprises).

The Circular of Further Improving and Adjusting the Direct Investment-related Foreign Exchange Administration Policies (《關於進一步改進和調整直接投資外匯管理政策的通知》) (the "**SAFE Circular 13**"), which became effective on December 17, 2012 and was last amended on December 30, 2019, cancels the administrative approvals of foreign exchange registration of direct domestic investment and direct overseas investment and simplifies the procedure of foreign exchange-related registration. Pursuant to SAFE Circular 13, investors should register with banks for direct domestic investment and direct overseas investment.

The Circular on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《關於改革和規範資本項目結匯管理政策的通知》) (the "**SAFE Circular 16**"), was promulgated by SAFE on June 9, 2016 and was amended on December 4, 2023. Pursuant to the SAFE Circular 16, enterprises registered in the PRC may also convert their foreign debts from foreign currency to Renminbi on a self-discretionary basis. The SAFE Circular 16 reiterates the principle that Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC Laws, while such converted Renminbi shall not be provided as loans to its non-affiliated entities.

On January 26, 2017, SAFE promulgated the Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification (《關於進一步推進外匯管理改革完善真實合規性審核的通知》), which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including: (i) banks should check board resolutions regarding profit distribution, the original version of tax filing records, and audited financial statements pursuant to the principle of genuine transactions; and (ii) domestic entities should hold income to account for previous years' losses before remitting the profits. Moreover, pursuant to this circular, domestic entities should make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts, and other proof when completing the registration procedures in connection with an outbound investment.

The Notice for Further Advancing the Facilitation of Cross-border Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》), which was promulgated by the SAFE on October 23, 2019, and was amended on December 4, 2023. Among other things, it allows all FIEs to use Renminbi converted from foreign currency denominated capital for equity investments in China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the negative list on foreign investment.

According to the Circular of the State Administration for Foreign Exchange on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated with effect from April 10, 2020 by the SAFE, the reform of facilitating the payments of incomes under the capital accounts shall be promoted nationwide. Under the prerequisite of ensuring true and compliant use of funds and compliance and complying with the prevailing administrative provisions on use of income from capital projects, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, for domestic payment, without the need to provide proof materials for veracity to the bank beforehand for each transaction.

**Laws and Regulations Related to Intellectual Property**

***Trademarks***

The Trademark Law of the People's Republic of China (《中華人民共和國商標法》) (the "**Trademark Law**") became effective on March 1, 1983 and was last amended on April 23, 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》) became effective on September 15, 2002 and was last amended on April 29, 2014. The Trademark Law and its implementation rules provide the basic legal framework for the regulation of trademarks in the PRC, covering registered trademarks, including commodity trademarks, service trademarks, collective marks and certificate marks. Registered trademarks are protected under the Trademark Law and related rules and regulations. Trademarks are registered with the Trademark Office of the National Intellectual Property Administration of the PRC (中華人民共和國國家知識產權局). Where registration is sought for a trademark that is identical or similar to another trademark that has already been registered or given preliminary examination and approved for use on the same or similar commodities or services, the application for registration of such trademark may be rejected. Trademark registrations are effective for a renewable ten-year period, unless otherwise revoked.

### *Patents*

The Patent Law of the PRC (《中華人民共和國專利法》) and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) govern patent activities in China. Enacted on March 12, 1984, and last amended on October 17, 2020, the Patent Law became effective on June 1, 2021. The Patent Office of the National Intellectual Property Administration of the PRC (中華人民共和國國家知識產權局) oversees national patent work. Provincial, autonomous region, or municipal patent administration departments handle local jurisdictions.

The Patent Law and its Implementation Rules recognize three patent types: "invention," "utility model" and "design." Invention patents cover new technical solutions for products, methods, or their improvements. Utility model patents apply to practical technical solutions for product shapes, structures, or combinations. Design patents protect new esthetic designs for products, including shape, pattern, and color combinations. Invention patents are valid for twenty years, design patents for fifteen years, and utility model patents for ten years from the application date.

China follows the "first to file" principle, granting patents to the earliest applicant for the same invention. Patentable inventions or utility models must be novel, inventive, and practical. Patent holders' rights are legally protected, allowing others to use the patent only with proper authorization. Unauthorized use constitutes patent infringement unless specified by law.

### *Domain Names*

Internet domain name registration and related matters are regulated by the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and taking into effect on November 1, 2017, and the Implementation Rules for the Registration of National Top-level Domain Names (《國家頂級域名註冊實施細則》) promulgated by China Internet Network Information Center and taking into effect on June 18, 2019. Domain name owners are required to register their domain names and the MIIT is in charge of the administration of PRC internet domain names. The domain name services follow a "first come, first file" principle. The applicants will become the holders of such domain names upon the completion of the registration procedure.

### Laws and Regulations Related to the Protection of Cybersecurity and Data Protection

According to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) promulgated by the SCNPC on November 7, 2016 and came into effect on June 1, 2017, last revised on October 28, 2025 and became effective on January 1, 2026, the PRC has implemented a hierarchical network security protection system, and network operators shall comply with laws and regulations and fulfill the obligations to safeguard the security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures in accordance with the mandatory requirements of laws, regulations and national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and availability of network data. Network operators shall not collect the personal information irrelevant to the services provided, or collect or use the personal information in violation of the provisions of laws or agreements between both parties.

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the "**Data Security Law**"), effective from September 1, 2021. The Data Security Law mainly sets forth specific provisions regarding the establishment of basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency response system. In addition, the Data Security Law clarifies the data security protection obligations of organizations and individuals carrying out data activities and implements data security protection responsibilities. On December 8, 2022, the MIIT promulgated the Measures for the Administration of Data Security in the Field of Industry and Information Technology (Trial) (《工業和信息化領域數據安全管理辦法(試行)》), which came into effect on January 1, 2023. Pursuant to the Measures, data in the field of industry and information includes industrial data, that is data generated and collected by various industries and fields within the industrial sector during processes. Data processors in the field of industry and information technology shall take the main responsibility for the security of data processing activities, implement hierarchical protection for various types of data, and where different levels of data are being processed at the same time and it is difficult to take separate protection measures, the protection shall be implemented in accordance with the requirements of the highest levels, to ensure that the data continues to be effectively protected and legally utilized. The Measures provide for the classification of data in the field of industry and information technology as general, important, or core data, and provide specific requirements for the management of data classifications and data protection measures. Data processors processing important data and core data are required to complete filing with relevant authorities for the catalogue of important data and core data.

On September 24, 2024, the State Council promulgated the Administrative Regulations for Cyber Data Security (《網絡數據安全管理條例》) (the "**Cyber Data Security Regulations**"), which came into effect on January 1, 2025. The Cyber Data Security Regulations is to implement general requirements on data security management from the Cybersecurity Law, the Data Security Law, as well as the Personal Information Protection Law, reiterating the general regulations for data processing activities and rules of personal information protection, important data security protection, network data cross-border transfer management, and network platform service providers' obligations. The Cyber Data Security Regulations do not include detailed content related to cybersecurity review standards for listing in Hong Kong, as mentioned previously in the Administration Governing the Cyber Data Security (Draft for Comments), published on November 14, 2021.

On December 28, 2021, the Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室), the NDRC, the MIIT and several other PRC governmental authorities jointly promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》), these Measures took effect on February 15, 2022. Pursuant to the Cybersecurity Review Measures, a critical information infrastructure operator that purchases network products and services, or an network platform operator that conducts data processing activities, which affect or may affect national security, shall be subject to a cybersecurity review according to the Measures. In addition, the network platform operator which handles the personal information of more than one million users and intends to seek listing abroad (國外上市) must be subject to a cybersecurity review.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**"), which took effect from November 1, 2021. The Personal Information Protection Law stipulates, among other things, the circumstances under which a personal information processor could process personal information, including: (i) with the consent of individual; (ii) if necessary for the execution or performance of a contract to which the individual is a party, or for the implementation of human resources management in accordance with the labor rules and regulations formulated in accordance with the law and the collective contract concluded in accordance with the law; (iii) if necessary to fulfil statutory duties and statutory obligations; (iv) in order to respond to public health emergencies or protect natural persons' life, health and property safety under emergency circumstances; (v) personal information is processed within a reasonable scope to conduct news reporting, public opinion-based supervision, and other activities in the public interest; (vi) such information that has been made public is processed within a reasonable scope in accordance with this law; or (vii) under any other circumstance as provided by any law or regulation.

**Laws and Regulations Related to Taxation**

***PRC EIT Law***

According to the PRC EIT Law (《中華人民共和國企業所得稅法》) promulgated by the NPC on March 16, 2007, and most recently amended on December 29, 2018 and effective from the same date and the Enterprise Income Tax Implementation Regulations (《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 most recently amended on December 6, 2024 and effective on January 20, 2025, enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises are enterprises which are set up in China in accordance with law, or which are set up in accordance with the law of a foreign country (region) but which are actually under the administration of institutions in China. Non-resident enterprises are enterprises which are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in China, but which have institutions or establishments in China, or which have no such institutions or establishments but have income generated from inside China. Resident enterprises are subject to a uniform 25% enterprise income tax rate on their worldwide income. The enterprise income tax rate is reduced by 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a 15% tax rate reduction for EIT.

***Value-Added Tax***

According to the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》), which was promulgated by the NPC on December 25, 2024 and became effective on January 1, 2026, and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated by the Ministry of Finance (the "**MOF**") on December 18, 2008, last amended on October 28, 2011 and came into effect on November 1, 2011, all entities and individuals engaged in sale of goods, the provision of processing, repair and maintenance services, sales of services, intangible assets and real estate, and the importation of goods in mainland China are subject to value-added tax ("**VAT**"). The standard VAT rates are generally simplified to 17%, 11%, and 6%, while small-scale taxpayers are subject to a VAT rate of 3%.

According to the Notice of the MOF and the SAT on the Adjustment to VAT Rates (《財政部、國家稅務總局關於調整增值稅稅率的通知》), promulgated by the MOF and the SAT on April 4, 2018, and became effective as of May 1, 2018, the VAT rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively. According to the Announcement on Relevant Policies for Deepening VAT Reform (《關於深化增值稅改革有關政策的公告》), promulgated by the MOF, the SAT and the General Administration of Customs on March 20, 2019 and became effective on April 1, 2019, the VAT rates of 16% and 10% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13% and 9%, respectively.

**Laws and Regulations Related to Dividend Distribution**

Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (《非居民納稅人享受協定待遇管理辦法》), which was promulgated by the SAT on October 14, 2019, came into effect on January 1, 2020, non resident taxpayers are entitled to preferential treatment under tax treaties through self determination, self-declaration and keeping and documenting relevant information for inspection. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and subject to subsequent administration by tax authorities.

**Regulations Related to Overseas Listing**

***Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies***

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and five relevant guidelines (the "**Overseas Listing Trial Measures**") were promulgated by the CSRC on February 17, 2023, and came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, issuers seeking an initial public offering or listing abroad must file with the CSRC within three working days following the submission of their application documents for issuance and listing abroad.

Pursuant to the aforementioned regulations, issuers are prohibited from overseas offering and listing if they fall under one of the following circumstances: (1) where such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (2) where the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (3) where the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (4) where the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law, and no conclusion has yet been made thereof; (5) where there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller.

Where a domestic company seeks to directly offer and list securities in overseas markets, the issuer shall file with the CSRC, submit a filing report legal opinion, and other relevant materials and provide truthful, accurate and complete information on the shareholders, among other details.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《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》) (the "**Provision on Confidentiality**"), which took effect on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State.

***Guidelines for the Application of "Full Circulation" of Domestic Unlisted Shares of H-share Companies (2023 Revision)***

The Guidelines for the Application of "Full Circulation" of Domestic Unlisted Shares of H-share Companies (2023 Revision) (《H股公司境內未上市股份申請"全流通"業務指引(2023修訂)》) were issued and implemented by the CSRC on August 10, 2023. According to these guidelines, domestic unlisted joint stock companies may file with the CSRC for "full circulation" simultaneously with their initial public offerings or listings in overseas markets.

## LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN THAILAND

### Foreign Business Act ("FBA")

Thai law restricts the ability of foreigners to engage in certain business activities in Thailand. The principal legislation governing foreign participation in business activities is the Foreign Business Act B.E. 2542 (1999) (the "**FBA**"). Under the FBA, a "foreigner" is defined as:

(a) a non-Thai natural person;

(b) a legal entity not incorporated in Thailand;

(c) a juristic entity incorporated in Thailand in which at least 50% (fifty percent) of its share capital is held by foreign individuals or foreign entities; and

(d) a limited partnership or registered ordinary partnership in which a non-Thai natural person is the managing partner or manager.

The FBA categorizes restricted business activities into three lists: List 1 (absolutely prohibited for foreigners), List 2 (permitted with Cabinet approval and a Foreign Business Certificate), and List 3 (permitted with approval from the Director-General of the Department of Business Development and issuance of a Foreign Business Certificate). Foreigners are generally permitted to hold less than 50% of the registered share capital of a company engaging in any restricted business unless an applicable specific law or treaty otherwise provides.

Non-compliance with the FBA may result in criminal penalties, including fines and/or imprisonment, and the imposition of an order to cease the restricted business operations.

### Investment Promotion Act ("Investment Act") and the Board of Investment ("BOI")

The Board of Investment of Thailand ("**BOI**") was established under the Investment Promotion Act B.E. 2520 (1977), as amended (the "**Investment Act**"), with the principal objective of encouraging and promoting investment in Thailand through incentives and support measures for eligible business activities. The Thai Government has, as a matter of policy, granted full foreign ownership rights to foreign investors who commit to making substantial investments and transferring technology to Thailand through the BOI promotion scheme.

BOI promotion privileges are generally available for manufacturing activities and certain qualifying non-manufacturing activities, in each case falling within the eligible categories published by the BOI from time to time. To qualify for and maintain BOI privileges, an investment promoted company is required to, among other things:

- bring into Thailand the required registered capital, specified technology, and machinery within the timeframe stipulated by the BOI;
- comply strictly with the conditions set out in the relevant BOI promotion certificate; and
- comply with applicable reporting obligations and obtain prior BOI approval for any material changes to the promoted project.

Failure to comply with BOI conditions may result in revocation of the promotion certificate and loss of the associated privileges. BOI-promoted companies may also be subject to restrictions on the import, sale, and use of machinery and raw materials, as well as requirements in relation to export ratios and environmental compliance.

**Land Code**

The Land Code B.E. 2497 (1954), as amended, governs the ownership, use, and transfer of land in Thailand. As a general rule, foreigners (as defined under applicable Thai law) are not permitted to own land in Thailand. Foreigners may, however, acquire land in limited circumstances, including:

(a) by virtue of the provisions of a treaty affording the right to own immovable property, subject to the conditions and procedures prescribed in the Land Code; or

(b) for purposes of residence, commerce, industry, agriculture, burial, public charity, or religion, subject to the conditions and procedures prescribed in ministerial regulations and with the approval of the Minister of Interior.

Foreign-owned or foreign-controlled companies may be eligible to own land under certain other specific statutory regimes, including the Industrial Estate Authority of Thailand Act and the Investment Promotion Act, subject to fulfillment of the applicable conditions. A company may also acquire rights to use land through lease arrangements under the Civil and Commercial Code.

**Laws and Regulations on Taxation: The Revenue Code of Thailand ("RC")**

The principal legislation governing taxation in Thailand is the Revenue Code (the "**RC**"), administered by the Revenue Department under the Ministry of Finance.

***Corporate Income Tax ("CIT")***

Under the RC, a company or juristic partnership incorporated under Thai law, or a foreign company carrying on business in Thailand, is generally subject to CIT at a rate of 20% on its net profit. Preferential CIT rates apply to small and medium enterprises ("SMEs"). A company whose paid-up registered capital does not exceed THB 5 million at the end of the accounting period and whose annual revenue from business operations does not exceed THB 30 million per annum is entitled to the following reduced CIT rates:

- exempt from CIT on net profit not exceeding THB 300,000;
- CIT at 15% on net profit in the range of THB 300,001 to THB 3,000,000; and
- CIT at 20% on net profit exceeding THB 3,000,000.

***Value Added Tax ("VAT")***

VAT is an indirect consumption tax levied on the supply of goods and the provision of services in Thailand, and on the importation of goods into Thailand. Any person (whether an individual or a juristic entity) who conducts business in Thailand and whose annual revenue exceeds THB 1.8 million is required to register as a VAT operator with the Revenue Department. The standard VAT rate is currently 7% (reduced from the statutory rate of 10% pursuant to a series of ministerial notifications). Only a registered VAT operator is entitled to claim input tax credits or VAT refunds.

***Other Applicable Taxes***

In addition to CIT and VAT, a company conducting business in Thailand may also be subject to other taxes under the RC and related legislation, including excise tax, withholding tax ("**WHT**"), specific business tax ("**SBT**"), land and building tax, and stamp duty. A company is required to file tax returns and make tax payments to the Revenue Department on a regular basis, including on a monthly, semi-annual, and annual basis, as applicable.

**Laws and Regulations Relating to Dividend Distribution**

The declaration and distribution of dividends by a Thai limited company is governed by the Civil and Commercial Code of Thailand ("**CCC**"). Under the CCC, a resolution of the shareholders' meeting is generally required to declare and distribute dividends; provided that, where the board of directors forms the view that the company's financial position is profitable, the board of directors may, by a majority vote, resolve to declare and distribute an interim dividend without a shareholders' resolution.

At each distribution of dividends, a company is required to appropriate at least 5% of its annual net profit to a statutory reserve fund until such reserve fund reaches an amount not less than 10% of the company's registered capital.

Dividend payments to shareholders are subject to Thai withholding tax. Dividends paid by a Thai company to a foreign corporate shareholder are generally subject to WHT at the rate of 10%. A lower WHT rate may apply where a double taxation agreement ("**DTA**") between Thailand and the jurisdiction of the foreign shareholder is applicable and provides for a reduced rate.

**Personal Data Protection Act B.E. 2562 (2019) ("PDPA")**

The PDPA constitutes Thailand's primary legislation on personal data protection and came into full effect on 1 June 2022. The PDPA regulates the collection, use, and disclosure (collectively referred to as "**processing**") of personal data of individuals ("**data subjects**") by data controllers and data processors.

"Personal data" is defined under the PDPA as any information relating to a person which enables the identification of such person, whether directly or indirectly, but excludes information of deceased persons. A "data controller" is a person or juristic entity having the authority and duty to make decisions regarding the processing of personal data. A "data processor" is a person or juristic entity that processes personal data on behalf of, or pursuant to the instructions of, a data controller.

Under the PDPA, data controllers are generally prohibited from collecting, using, or disclosing personal data without the prior explicit consent of the data subject, unless another lawful basis provided under the PDPA applies. Data controllers and data processors are also subject to various additional obligations, including:

- notifying data subjects of the purposes and lawful basis for processing their personal data;
- implementing appropriate technical and organisational measures to ensure the security of personal data;
- maintaining records of data processing activities; and
- ensuring that cross-border transfers of personal data are made only to countries or international organisations that have adequate data protection standards, or where a lawful exemption under the PDPA applies.

**Regulation on Industrial Product Standards**

The Industrial Product Standards Act B.E. 2511 (1968) ("IPS Act"), and its subsequent amendments, governs the regulation of industrial product standards in Thailand. The IPS Act is administered by the Thai Industrial Standards Institute ("TISI") under the Ministry of Industry. The TISI is authorized to establish and enforce Thailand Industrial Standards ("TIS"), which encompass both mandatory and voluntary product standards designed to ensure the safety, quality, and performance of industrial products in Thailand.

Under the IPS Act, standards are classified into two categories:

(c) **Mandatory TIS:** These standards apply to products that are subject to a Royal Decree issued under the authority of the IPS Act. Products falling within this category must comply with the relevant TIS and obtain a mandatory TIS mark prior to being manufactured, imported, or sold in Thailand. Manufacturers and importers of such products are required to obtain a licence from TISI before commencing production or importation of these products; and

(d) **Voluntary TIS:** These standards apply to products that are not subject to a Royal Decree. Manufacturers may voluntarily elect to comply with a voluntary TIS and apply to TISI for a voluntary TIS mark.

**Regulation on Product Liability**

The Product Liability Act B.E. 2551 (2008) ("**Product Liability Act**") is intended to protect consumers' rights in respect of damages arising from unsafe products. Under the Product Liability Act, the following categories of persons are considered potentially liable parties ("**PLPs**") for damages caused by unsafe products: manufacturers, hirers of work, importers, and sellers (in particular where the manufacturer, hirer of work, or importer cannot be identified).

An "unsafe product" is defined as a product that causes harm or injury by reason of a defect in manufacturing, a defect in design, or an insufficiency in instructions for use, storage methods, warnings, or product information, or where such instructions or warnings are incorrect or unclear, taking into account the condition of the product and the manner in which it is normally and foreseeably used and stored.

All PLPs in relation to an unsafe product are jointly and severally liable to the consumer for any damage caused by that product, irrespective of whether the harm was caused by an intentional act or negligence on the part of the relevant PLP. To establish liability of a PLP, a consumer is required only to demonstrate that the consumer suffered harm caused by an unsafe product and that the consumer used and maintained the product as intended.

**Regulation of Factory Operations**

Factory operations in Thailand are regulated by the Factory Act B.E. 2535 (1992) ("**FA**") and its amendments. Under the FA, a "factory" is defined as a building, premises, or vehicle that either: (i) uses machinery with an aggregate capacity of 50 horsepower or more (or its equivalent); or (ii) employs 50 or more workers, regardless of whether machinery is used.

The FA classifies factories into three types based on their operational characteristics and regulatory requirements:

(e) **Type 1 Factory:** A factory that may commence operations without prior notification to, or approval from, any government authority;

(f) **Type 2 Factory:** A factory that must notify the relevant authority prior to commencement of operations, but is not required to obtain a factory licence; and

(g) **Type 3 Factory:** A factory that is required to obtain a factory licence from the Department of Industrial Works ("**DIW**") prior to commencing or expanding operations.

In addition to the classification-specific requirements under the FA, factory operators are required to comply with regulations and notifications issued by the Ministry of Industry or the DIW. The specific requirements vary depending on the industry type and scale of operations, and may include provisions relating to the location and surrounding environment of the factory, the types and specifications of machinery, the qualifications of workers and responsible persons, and standards and procedures for waste management, wastewater treatment, and environmental protection.

Non-compliance with the FA or its subordinate regulations may result in administrative and criminal penalties, including fines and/or imprisonment, depending on the nature and type of factory involved.

**Laws and Regulations Relating to Foreign Exchange**

Foreign exchange controls in Thailand are administered by the Bank of Thailand ("**BOT**") on behalf of the Ministry of Finance under the Exchange Control Act B.E. 2485 (1942) ("**ECA**"), as amended, together with the regulations, notifications, and guidelines issued thereunder (collectively, "Exchange Control Regulations"). The BOT has authorised commercial banks and certain other entities to act as authorised agents for the purposes of foreign exchange transactions.

The BOT has implemented measures to restrict certain categories of foreign exchange transactions involving the Thai Baht by domestic financial institutions and non-residents, with the objective of preventing instability and excessive speculation in the currency market. Exceptions may be granted in specific circumstances on a case-by-case basis.

With respect to outward remittances from Thailand, authorised agents are required to be informed of, and may require the presentation of supporting documentation in relation to, remittances in respect of, among other things: (i) dividend payments following deduction of applicable withholding tax; (ii) interest payments on overseas loans; and (iii) repayments of principal on such loans.

**Laws and Regulations Relating to Employment and Labour**

Employment and labour relations in Thailand are governed primarily by Sections 575 to 586 of the Civil and Commercial Code ("**CCC**"), the Labour Protection Act B.E. 2541 (1998) ("**LPA**"), the Labour Relations Act B.E. 2518 (1975) ("**LRA**"), the Social Security Act B.E. 2533 (1990) ("**SSA**"), and the Workmen's Compensation Act B.E. 2537 (1994) ("**WCA**"), together with their respective amendments.

The CCC and the LPA serve as the principal legislative frameworks for the protection of employees'working conditions and the regulation of employment terms and employment agencies. Notably, an employment contract is not required to be in written form under Thai law; however, written contracts are strongly advisable in practice.

The LPA confers upon employees certain minimum rights and entitlements, including:

- advance notice prior to termination of employment;
- minimum leave entitlements (including annual leave, sick leave, and other statutory leave);
- severance pay upon termination without cause; and
- prescribed public holidays.

The SSA and the WCA establish mandatory contribution schemes to provide financial compensation for employees in cases of illness, injury, disability, or death arising in the course of their employment. Employers are obligated to contribute to both the Social Security Fund (in respect of insured employees) and the Workmen's Compensation Fund. Failure to comply with these contribution obligations constitutes a criminal offence and may subject the employer to fines, imprisonment, or both.

In addition to the foregoing, employers of foreign workers in Thailand are required to comply with the Foreign Workers' Employment Management Act B.E. 2560 (2017) ("**FWEMA**") and the Working of Alien Act B.E. 2551 (2008), as amended. Foreign employees are generally required to obtain appropriate non-immigrant visas and work permits prior to commencing employment in Thailand, and are permitted to perform only the specific occupations listed in their respective work permits.