
REGULATORY OVERVIEW

This section sets forth a summary of the most significant laws and regulations that affect our business activities in China.

PRINCIPAL REGULATORY AUTHORITIES

We are mainly engaged in R&D, manufacturing and sale of copper tubes, copper rods, copper foils, copper fittings, conductor materials, aluminum profiles and other products. Our production and operation activities within the PRC are mainly subject to macro management and industrial self-discipline management respectively by the relevant competent governmental departments and industrial associations. The macro-administration authorities of the industry shall include the National Development and Reform Commission of the People’s Republic of China, the Ministry of Industry and Information Technology of the People’s Republic of China (the “MIIT”) and the State Administration for Market Regulation; the NDRC shall be mainly responsible for the study and formulation of industry policies, proposing medium and long-term industry development guidelines and guiding opinions, project examination and approval etc; the MIIT shall formulate industry technical norms and standards, formulate industry development plans and industry policies; the State Administration for Market Regulation shall be responsible for formulating the relevant rules, policies and standards, drafting and organizing the implementation of the relevant plans, and be responsible for the supervision and administration of product quality and safety.

The national industrial self-disciplinary organization of the industry is the China Non-ferrous Metals Industry Association, which is mainly responsible for formulating industrial development plans, industrial policies, relevant laws and regulations, and putting forward opinions and suggestions for the government; assisting the competent governmental departments in formulating and revising industrial national standards, and being responsible for the formulation, revision and implementation supervision of industrial standards; and carrying out industrial statistical surveys according to the authorization and entrustment of the competent governmental departments, and collecting, sorting out, processing, analyzing and releasing industrial information. The CNFA under the China Non-ferrous Metals Industry Association shall be mainly responsible for providing industrial services to enterprises in the industry, and shall be entrusted by the relevant authorities to carry out industrial administration, carry out industrial statistical investigation and analysis, release industrial information, assist the government in formulation of industrial policies and medium and long-term development plans for the industry, and be responsible for formulation of industrial product quality standards, etc.

MAJOR INDUSTRY POLICIES

According to the Classification Catalogue of Industrial Strategic Emerging Industries (2023) (《工業戰略性新興產業分類目錄(2023)》) issued in December 2023 by the Office of the Leading Group of the State Council for the Fifth National Economic Census, it is proposed to include materials such as high-performance copper alloys and high-strength and high-conductivity copper alloys used for electronics into industrial strategic emerging industries.

According to the Action Plan for Optimizing and Upgrading the Raw Material Industry under the Guidance of Upgrading Standards (2025-2027) (《標準提升引領原材料工業優化升級行動方案(2025-2027年)》) jointly issued by four departments including the MIIT in December 2024, it is proposed to strengthen the cultivation of standards for new materials and products, and focus on the formulation and revision of standards for advanced basic materials such as non-ferrous metals, including superalloys, corrosion-resistant alloys, advanced aluminum, magnesium, copper, titanium and nickel, and high-performance fiber composite materials.

According to the Implementing Proposals for High-Quality Development of the Copper Industry (2025-2027) (《銅產業高質量發展實施方案(2025-2027年)》) jointly issued by eleven departments including the MIIT in February 2025, it is proposed to optimize the industrial layout and support the cultivation of advanced manufacturing clusters in copper intensive processing industries.

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REGULATIONS ON FOREIGN INVESTMENT

The operations in China by foreign-invested companies are principally governed by the Company Law of the PRC (《中華人民共和國公司法》), the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) and the Regulations for Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), and their specific investment activities are mainly subject to the relevant provisions of the Special Administrative Measures (Negative List) for the Access of Foreign Investment (《外商投資准入特別管理措施(負面清單)》) and the Catalogue of Industries for Encouraging Foreign Investment (《鼓勵外商投資產業目錄》).

According to the Company Law of the PRC (the “**Company Law**”), which was adopted by the Standing Committee of the National People’s Congress (the “**SCNPC**”) on December 29, 1993 and implemented on July 1, 1994, and last revised on December 29, 2023, and came into effect on July 1, 2024, companies established in the PRC may take form of company of limited liability or company limited by shares, and each company has the status of a legal person. The Company Law also applies to foreign-invested companies, where laws on foreign investment have other stipulations, such stipulations shall prevail.

According to the Foreign Investment Law of the PRC, which was adopted by the National People’s Congress (the “**NPC**”) on March 15, 2019 and took effect on January 1, 2020, the Regulations for Implementing the Foreign Investment Law of the PRC, which was promulgated by the State Council on December 26, 2019 and took effect on January 1, 2020, and the Interpretation of the Supreme People’s Court on Several Issues Concerning the Application of the Foreign Investment Law of the PRC (《最高人民法院關於適用〈中華人民共和國外商投資法〉若干問題的解釋》), which was adopted by the Supreme People’s Court on December 26, 2019 and took effect on January 1, 2020, the PRC shall implement the management systems of pre-establishment national treatment and negative list for foreign investment. The pre-establishment national treatment refers to granting to foreign investors and their investments, in the stage of investment access, the treatment no less favorable than that granted to domestic investors and their investments; the negative list refers to special administrative measures for access of foreign investment in specific fields or industries, including restricted or prohibited fields or industries. The PRC accords national treatment to foreign investment outside of the negative list. Foreign investors shall not invest in fields that are prohibited in the negative list. Foreign investors shall meet the conditions stipulated in the negative list in order to invest in the fields that are categorized by the negative list as a restricted category. Foreign investors shall follow the same principle as domestic investors in order to invest in fields that are not on the negative list.

According to the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**2024 Negative List**”), which was promulgated by the MOFCOM and the NDRC on September 6, 2024 and took effect on November 1, 2024, and the Catalogue of Industries for Encouraging Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》), which was jointly promulgated by the MOFCOM and the NDRC on October 26, 2022 and took effect on January 1, 2023, foreign investments in domestic industries are divided into three categories: encouraged, restricted, and prohibited. Industries not listed in the negative list are deemed permitted for foreign investments. The industry in which we operate is not included in the 2024 Negative List.

REGULATIONS ON PRODUCT QUALITY

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》), which was promulgated by the SCNPC on February 22, 1993, last revised on December 29, 2018, and came into effect on the same date, producers shall be responsible for the quality of the products they produce, which shall not present an unreasonable risk of endangering the safety of persons or property, and which shall have the performance for use and indicate on the product or its packaging the product standards adopted. Where a defective product causes physical injury to a person or damage to another person’s property, the victim may claim compensation from the producer or from

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the seller of the product. Producers or sellers of non-compliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products illegally produced or sold and be fined. Earnings from sales in violation of such standards or requirements may also be confiscated, and in severe cases, an offender's business license may be revoked. If it constitutes a crime, criminal responsibility will be pursued according to the laws.

REGULATIONS ON IMPORT AND EXPORT OF GOODS

According to the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987, which was last amended on April 29, 2021 and came into effect on the same date, and the Provisions on the 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, which came into effect on January 1, 2022, a customs declaration entity is the consignee or consignor of imported or exported goods or a customs declaration enterprise, as filed with the customs in accordance with these provisions. Where the consignee or consignor of imported or exported goods or a customs declaration enterprise applies for recordation, it shall obtain the qualification of a market entity; particularly where the consignee or consignor of imported or exported goods applies for recordation, it shall also be filed as a foreign trade business operator. According to the Notice of Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods (《關於進出口貨物收發貨人備案有關事宜的通知》) promulgated and implemented by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs on January 3, 2023, consignees and consignors of imported and exported goods applying for recordation shall obtain the qualification of market entities, and do not need to obtain the recordation of the foreign trade business operators.

REGULATIONS ON PRODUCTION SAFETY AND FIRE SAFETY

Production Safety

According to the Work Safety Law of the PRC (《中華人民共和國安全生產法》), which was promulgated by the SCNPC on June 29, 2002, latest amended on June 10, 2021 and came into effect on September 1, 2021, production and business operation entities shall establish and perfect the system of responsibility for production safety and rules and regulations for production safety for all employees, meet the production safety conditions stipulated by laws and regulations, national standards or industry standards, and those who do not meet the production conditions are not allowed to engage in production and business operation activities. Production and business operation entities shall carry out education and training on production safety to employees, and ensure that employees have necessary knowledge on production safety and are familiar with relevant rules and regulations on production safety and safety operating procedures. The producers and operators who violate the Work Safety Law of the PRC may be subject to penalties, suspension of operation, an order to cease operation, or even criminal liability if causes serious consequences.

Fire Safety

According to the Fire Protection Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998, last amended on April 29, 2021 and came into effect on the same date, and the Interim Provisions on the Administration of Fire Protection Design Review and Acceptance Check of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on April 1, 2020, latest amended on August 21, 2023 and came into effect on October 30, 2023, the fire protection design or construction of a construction project must conform to the national fire protection technical standards for project construction, and shall be governed by the fire protection design review and acceptance check system for construction projects. If a construction project fails

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to pass the fire safety inspection before it is put into use, or fails to meet the fire safety requirements after the inspection, it will be ordered to stop construction, stop use or stop production or business, and be fined, and if it constitutes a crime, it will be held criminally liable in accordance with the law.

REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

General Provisions

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) adopted by the SCNPC on December 26, 1989, latest amended on April 24, 2014 and came into effect on January 1, 2015, enterprises, public institutions, and other businesses that discharge pollutants shall adopt measures to prevent and control pollution and damage to the environment caused by waste gas, waste water, waste residue, medical wastes, dust, malodorous gases, radioactive substances, noise, vibration, optical radiation, electromagnetic radiation, and other substances generated in their production, construction, and other activities. The state shall, according to the law, apply a licensing management system to the discharge of pollutants. Enterprises, public institutions, and other businesses subject to pollutant discharge licensing management shall discharge pollutants according to the requirements of their respective pollutant discharge licenses; and those without a pollutant discharge license may not discharge pollutants.

Regulations relating to the Environmental Impact Assessment of Construction Projects and Inspection and Acceptance of Environmental Protection for Completed Projects

According to the Law of the People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》) promulgated by the SCNPC on October 28, 2002, latest amended on December 29, 2018 and came into effect on the same date, the Regulations on Environmental Management of Construction Project (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998, latest amended on July 16, 2017 and effective on October 1, 2017, the Regulations on Graded Approval of Environmental Impact Assessment Documents for Construction Projects (《建設項目環境影響評價文件分級審批規定》) promulgated by the Ministry of Environmental Protection of the PRC (later renamed as the Ministry of Ecology and Environment) on November 1, 2002, amended on January 16, 2009 and implemented on March 1, 2009, and the Interim Measures for Environmental Protection Acceptance of Completed Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) promulgated by the Ministry of Environmental Protection of the PRC (later renamed as the Ministry of Ecology and Environment) on November 20, 2017 and implemented on the same date, China implements an environmental impact assessment system for construction projects. After the completion of the construction projects for which the environmental impact report and environmental impact report form were prepared, a construction unit shall, according to the standards and procedures formulated by the competent administrative department for environment protection under the State Council, conduct inspection and acceptance of supplementary environmental protection facilities, and prepare an inspection and acceptance report. No supplementary environmental protection facilities of such projects may be put into production or use until such facilities pass inspection and acceptance; no supplementary facilities that failed to undergo or pass the inspection and acceptance procedure may be put into production or use. For construction projects that are constructed, put into production or used in phases, the corresponding environmental protection facilities shall be inspected and accepted in phases.

Regulations relating to Pollutant Discharge Permits

According to the Regulation 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 on March 1, 2021, the Measures for the Administration of Pollutant Discharge Permits (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment on April 1, 2024 and implemented on July 1, 2024, and the Guidance for the Discharge Registration of Stationary

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Pollution Sources (Trial) (《固定污染源排污登記工作指南(試行)》) promulgated by the Ministry of Ecology and Environment on January 6, 2020 and implemented on the same date, enterprises, public institutions and other producers or operators that are subject to the administration of permitting of pollutant discharges shall apply for a pollutant discharge permit in accordance with the provisions, and may not discharge pollutants, if a pollutant discharge permit fails to be obtained. Enterprises, public institutions and other producers and operators that produce and discharge pollutants in small volumes and affect the environment at a small level shall file a pollutant discharging registration form and are exempted from being required to obtain a pollutant discharge permit.

REGULATIONS ON ENERGY CONSERVATION

According to the Measures for the Energy Conservation Examination of Fixed-Asset Investment Projects (《固定資產投資項目節能審查辦法》) promulgated by the NDRC on March 28, 2023 and came into effect on June 1, 2023, the opinions on energy conservation examination of fixed-asset investment projects are an important basis for the commencement of construction, completion and acceptance, and operation and management of the projects. For government-invested projects, the construction entity is required to obtain an energy conservation examination opinion from the energy conservation examination authority before submitting the feasibility study report of the project. For enterprise-invested projects, the construction entity is required to obtain an energy conservation examination opinion from the energy conservation examination authority before commencing the construction. For projects that have not conducted an energy conservation examination, or have not passed the energy conservation examination, the construction entity shall not commence the construction.

REGULATIONS ON INTELLECTUAL PROPERTY

Patent Rights

According to the Patent Law of the PRC (《中華人民共和國專利法》), which was promulgated by the SCNPC on March 12, 1984, latest amended on October 17, 2020 and came into effect on June 1, 2021, and the Implementing Regulations of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), which was promulgated by the State Council on June 15, 2001, latest amended on December 11, 2023 and came into effect on January 20, 2024, there are three types of patents, namely invention patents, utility model patents and design patents. Invention patents are valid for twenty years, while utility model patents and design patents are valid for ten years and fifteen years, respectively, all calculated from the date of application.

Copyright

In accordance with the Copyright Law of the PRC (《中華人民共和國著作權法》), which was promulgated by the SCNPC on September 7, 1990, latest amended on November 11, 2020, and came into effect on June 1, 2021, copyrights include personal rights such as the right of publication and that of authorship, as well as property rights such as the right of reproduction and that of distribution, and copyright protection is extended to Internet activities, products disseminated over the Internet and software products. Reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the relevant copyright owner would constitute an infringement of copyright, unless otherwise provided in the Copyright Law of the PRC. The infringer shall bear civil liabilities such as ceasing the infringement, eliminating the impacts, making an apology, and compensating for the loss.

The Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), which was promulgated by the National Copyright Administration on February 20, 2002, and the Regulation on Computers Software Protection (《計算機軟件保護條例》), as amended by the State Council on January 30, 2013 and came into effect on March 1, 2013, the National

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Copyright Administration is primarily responsible for the registration and management of national software copyrights and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant registration certificates to computer software copyright applicants that conform to the provisions of both the Measures for the Registration of Computer Software Copyright and the Regulation on Computers Software Protection.

Trademark Rights

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019 and took effect on November 1, 2019, and the Regulation on the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002, amended on April 29, 2014 and took effect on May 1, 2014, in China, registered trademarks include goods trademarks, service trademarks, collective trademarks and certification trademarks. The valid period of a registered trademark shall be 10 years, commencing from the date of approval of the registration. Where a registered trademark needs to continue to be used after the expiration of the validity, the trademark registrant shall go through the formalities for renewal within 12 months prior to the expiration of the validity in accordance with the regulations. Each renewal of the registration shall be valid for ten years, commencing from the day after the expiration of the previous validity of the trademark.

Domain Names

Pursuant to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and took effect on November 1, 2017, and the Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》) promulgated by the MIIT on November 27, 2017 and took effect on January 1, 2018, the MIIT supervises and manages the domain name services nationwide. The domain name used by an Internet information service provider in providing Internet information services must be registered and owned by such provider in accordance with the laws and regulations. Registrations of domain names are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

Trade Secret

Pursuant to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by the SCNPC on September 2, 1993, last amended on June 27, 2025 and took effect on October 15, 2025, and the Provisions of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Civil Cases Involving Infringements upon Trade Secrets (《最高人民法院關於審理侵犯商業秘密民事案件適用法律若干問題的規定》) promulgated by the Supreme People's Court on September 10, 2020 and took effect on September 12, 2020, trade secret refers to the technical information, operating information and other business information that is not known to the public, has commercial value, and has been subject to appropriate confidentiality measures taken by the obligee. Business operators shall not commit the following acts of infringement of trade secrets: (1) acquiring a trade secret from the obligee by theft, bribery, fraud, coercion, electronic intrusion or other illicit means; (2) disclosing, using or allowing another person to use a trade secret acquired from the obligee by any means as specified in the item (1) above; (3) disclosing, using or allowing another person to use a trade secret in its possession, in violation of its confidentiality obligation or the requirements of the obligee for keeping the trade secret confidential; (4) abetting, tempting or aiding another person in acquiring, disclosing, using or allowing another person to use the trade secret of the obligee in violation of his or her confidentiality obligation or the requirements of the obligee for keeping the trade secret confidential.

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REGULATIONS ON LABOR EMPLOYMENT, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

Labor Contract

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994, last amended on December 29, 2018 and took effect on the same date, and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, last amended on December 28, 2012 and took effect on July 1, 2013, and the Regulations on the Implementation of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on September 18, 2008 and implemented on the same date, employers shall enter into written labor contracts with their employees to establish labor relations. Employers are prohibited from forcing employees to work overtime, and where the employers arrange overtime work, they shall pay employees for overtime work in accordance with relevant national regulations. The remuneration of each employee shall be no less than the local standard on minimum wages. If the employer fails to comply with the above laws and regulations, the labor administrative department has the right to give a warning, order to rectify, fine, require suspending business for rectification and take other measures; If any harm is caused to employees, the employer shall be liable for compensation; If the relevant illegal action constitutes a crime, criminal responsibility shall also be investigated.

Social Insurance

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) promulgated by the SCNPC on October 28, 2010, last amended on December 29, 2018 and took effect on the same date, and other relevant provisions, employers and individuals within the PRC shall pay social insurance contributions in accordance with the law. If an employer fails to make full and timely payment of social insurance contributions, the social insurance collection authority has the right to order the employer to pay or make up the amount within a prescribed time limit, and impose a surcharge for overdue payment calculated on a daily basis from the date the payment is due. If the employer fails to pay within the prescribed time limit, the relevant administrative authorities shall impose a fine.

Pursuant to the Interpretation (II) of the Supreme People's Court of 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)》) enacted by the Supreme People's Court on July 31, 2025 and took effect on September 1, 2025, any agreement between an employer and an employee for the non-payment of social insurance or any employee undertaking to waive such payment shall be deemed as void by the people's court.

Housing Provident Fund

According to the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, last amended on March 24, 2019 and took effect on the same day, employers shall register with the competent housing provident fund management center and deposit the housing provident fund for their employees. Where the employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the housing provident management center shall order it to make the payment and deposit within a prescribed time limit; if the employer fails to pay within the prescribed time limit, the housing provident management center may apply for compulsory enforcement to the people's court.

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REGULATIONS ON TAX

Corporate Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) promulgated by the NPC on March 16, 2007, last amended on December 29, 2018 and took effect on the same date, and the Regulations on the Implementation of the Enterprise Income Tax Law of the PRC (《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, last amended on December 6, 2024 and took effect on January 20, 2025, domestic enterprises established in China according to the law shall be regarded as resident enterprises. Resident enterprises shall pay the enterprise income tax at the rate of 25% on their income derived from sources within or outside China, the enterprise income tax shall be levied at the reduced rate of 20% for qualified small and low-profit enterprises, and 15% for qualified high-tech enterprises.

Value-added Tax

According to the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) promulgated by the SCNPC on December 25, 2024 and implemented on January 1, 2026, for taxpayers who sell goods, and provide processing, repair and replacement services and rental services of tangible movable properties as well as import goods, unless otherwise stipulated by the above regulations, the tax rate shall be 13%. For taxpayers who sell transportation, postal, basic telecommunications, construction, or immovable properties leasing services, sell immovable properties, transfer land use rights, or sell or import the following goods, unless otherwise stipulated by the above regulations, the tax rate shall be 9%.

REGULATIONS ON ANTI-UNFAIR COMPETITION AND ANTI-MONOPOLY

According to the Anti-Monopoly Law of the PRC (《中華人民共和國反壟斷法》) promulgated by the SCNPC on August 30, 2007, last amended on June 24, 2022, and took effect on August 1, 2022, prohibited monopolistic conducts include monopoly agreements reached between undertakings, abuse of dominant market position by undertakings and concentration of undertakings that lead, or may lead to elimination or restriction of competition. The authorities responsible for enforcement of the Anti-Monopoly Law specified by the State Council shall be in charge of such enforcement in accordance with the provisions of this Law. Where an undertaking violates the provisions of the Anti-Monopoly Law, the authority for enforcement of the Anti-Monopoly Law shall order it to discontinue such violation and impose on it a fine.

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by the SCNPC on September 2, 1993, last amended on June 27, 2025 and took effect on October 15, 2025, undertakings shall, in their production and operation activities, abide by the principles of voluntariness, equality, fairness and good faith, and comply with laws and business ethics. Undertakings shall not disturb the market competition order or impair the lawful rights and interests of other undertakings and consumers. Any undertaking who violates the Anti-Unfair Competition Law of the PRC by engaging in the foregoing unfair competition activities shall be subject to civil, administrative and criminal liabilities. Where its property is insufficient to make the payments, they shall be used first to bear civil liabilities.

Protection of Consumer Rights and Interests

On October 31, 1993, the SCNPC promulgated the Law of the PRC on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) (the “**Law on the Protection of Consumer Rights and Interests**”), which was last amended on October 25, 2013 and took effect on March 15, 2014. On March 15, 2024, the State Council promulgated the Regulations for Implementation of the Law of the PRC on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法實施條例》), which came into effect on July 1, 2024. Pursuant to

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the Law on the Protection of Consumer Rights and Interests, consumers shall, in their purchasing and using commodities or receiving services, enjoy the right of the inviolability of their personal and property safety. Business operators shall guarantee that the commodities and services they supply (including providing commodities or services free of charge in the form of rewards, gifts, or trials) meet the requirements for personal or property safety. Where business operators provide commodities or services in violation of the Law on the Protection of Consumer Rights and Interests and relevant implementation regulations, thereby infringing upon the legitimate rights and interests of consumers, they shall bear civil liability in accordance with the law.

Advertisement

On October 27, 1994, the SCNPC promulgated the Advertisement Law of the PRC (《中華人民共和國廣告法》) (the “**Advertisement Law**”), which was last amended on April 29, 2021 and took effect on the same date. According to the Advertisement Law, advertisements shall not contain any false or misleading content, and shall not deceive or mislead consumers. Advertisers shall be responsible for the authenticity of the content of advertisements. Where any false advertisement is published, the market supervision and administration department shall order the cessation of the publication of the advertisement and order the advertiser to eliminate the influence within a corresponding scope, and a fine shall be imposed. Where a false advertisement causes damage to the legitimate rights and interests of consumers who purchase commodities or receive services, the advertiser shall bear civil liability in accordance with the law.

REGULATIONS ON CYBERSECURITY AND DATA PROTECTION

Regulations on Cybersecurity

Pursuant to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), which was promulgated by the SCNPC on November 7, 2016, amended on October 28, 2025 and came into effect on January 1, 2026, the PRC has implemented a hierarchical network security protection system, and network operators shall comply with the provisions of laws and regulations as well as the mandatory requirements of the national and industry standards, formulate an internal security management system, and adopt technical measures and other necessary measures to protect the security and stable operation of the network. Personal information and important data collected and generated by the critical information infrastructures during their operations shall be stored within the PRC. Where it is necessary to provide them to overseas recipients due to business needs, security assessments shall be conducted in accordance with the requirements of the relevant departments. Network operators violating the provisions of such law shall be subject to penalties, including being ordered to rectify, issued a warning, fines, confiscation of illegal gains, ordered to suspend business, suspension for rectification, shutting down the website, revocation of business license and others.

Regulations on Data Protection

Pursuant to the Measures on Security Assessment of Outbound Data Transfer (《數據出境安全評估辦法》) promulgated by the Cyberspace Administration of China (the “**CAC**”) on July 7, 2022 and came into effect on September 1, 2022, the Measures for the Standard Contract for the Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》) implemented on June 1, 2023, the Announcement on the Implementation of Personal Information Protection Certification (《關於實施個人信息保護認證的公告》) implemented on November 4, 2022, and the Regulations on Promoting and Standardizing Cross-border Data Flows (《促進和規範數據跨境流動規定》) issued by the CAC on March 22, 2024, data processors that transfer data overseas shall, unless they satisfy exemption conditions, perform relevant regulatory procedures for cross-border data transfer in accordance with the provisions of relevant laws and regulations.

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According to the Regulations on Promoting and Standardizing Cross-border Data Flows, under any of the following circumstances, a data processor shall undergo a security assessment by the CAC before transferring important data and personal information overseas: (1) where a critical information infrastructure operator intends to provide important data or personal information overseas; (2) where a data processor other than a critical information infrastructure operator intends to provide important data overseas; (3) where a data processor other than a critical information infrastructure operator, which has cumulatively provided personal information (excluding sensitive personal information) of at least 1 million individuals or sensitive personal information of at least 10,000 individuals to overseas recipients since January 1 of any given calendar year, intends to provide personal information overseas; and (4) other circumstances where a security assessment for outbound data transfer is required as prescribed by the CAC.

REGULATIONS ON OVERSEAS INVESTMENTS BY DOMESTIC ENTERPRISES

Regulations of the Development and Reform Commission on Overseas Investment by Domestic Enterprise

According to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated on December 26, 2017 and took effect on March 1, 2018, when domestic enterprises conduct overseas investment, they should fulfill the procedures for approving and filing overseas investment projects, report relevant information, and cooperate with supervision and inspection. The scope of approval management includes sensitive projects carried out by the investment entity directly or through its controlled overseas enterprises, which specifically include projects involving sensitive countries and regions and sensitive industries. The scope of filing administration is non-sensitive projects directly carried out by the investment entity, i.e., non-sensitive projects where the investment entity directly commits assets, equity or provides financing or guarantees.

Regulations of the Commerce Department on Overseas Investment by Domestic Enterprises

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated on September 6, 2014 and came into effect on October 6, 2014, the MOFCOM and the competent provincial departments of commerce shall be responsible for the filing registration and approval respectively, depending on different circumstances of overseas investment by the enterprise. Overseas investment involving sensitive countries and regions as well as sensitive industries, shall be subject to approval administration; overseas investment that falls under any other circumstances shall be subject to filing administration.

Regulations of the Foreign Exchange Administration on Overseas Investment by Domestic Enterprises

According to the Circular on Further Simplifying and Improving Policies for Foreign Exchange Administration for Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by the SAFE on February 13, 2015 and came into effect on June 1, 2015, it has cancelled the registration and verification of foreign exchange under overseas direct investment, instead, banks shall, in accordance with this Circular and the Operating Guidelines for Foreign Exchange Transactions for Direct Investment (《直接投資外匯業務操作指引》), directly verify and handle the registration of foreign exchange under overseas direct investment, while the SAFE and its branches shall conduct through banks indirect regulation over registration of foreign exchange for direct investment.

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REGULATIONS ON OVERSEAS OFFERING AND LISTING OF DOMESTIC ENTERPRISES

Regulations Relating to Overseas Listing

According to the Securities Law of the PRC (《中華人民共和國證券法》) promulgated by the SCNPC on December 29, 1998, last amended on December 28, 2019 and came into effect on March 1, 2020, domestic enterprises that directly or indirectly issue securities overseas or list their securities for trading overseas must comply with the relevant regulations of the State Council.

Regulations Relating to Foreign Exchange Administration of Overseas Listing

According to the Notice of the State Administration of Foreign Exchange on Issues Concerning Foreign Exchange Administration for Overseas Listings (Huifa [2014] No. 54) (《國家外匯管理局關於境外上市外匯管理有關問題的通知》(匯發[2014]54號)) promulgated on December 26, 2014, where a joint stock limited company incorporated in the PRC issues shares overseas and is publicly listed and traded on overseas stock exchanges upon the approval by the CSRC, it shall, within 15 working days after the date of the conclusion of its overseas issuance, register the overseas listing with the foreign exchange authority at the place of its establishment, and present its registration certificate for overseas listing to open a special foreign exchange account for its overseas listing at a domestic bank to handle the exchange, remittance and transfer of funds for the business concerned.

The Guidelines on Foreign Exchange Business under the Capital Account (2024 Edition) (《資本項目外匯業務指引(2024年版)》) stipulate guidelines for securities investment management and other related foreign exchange business, providing guidance on foreign exchange procedures for new registration, alteration and cancellation of registration, registration of domestic shareholders' shareholdings, full circulation and other related matters of domestic companies' overseas listings.

OVERVIEW OF GERMAN LAWS AND REGULATIONS

This section sets out a summary of certain aspects of laws and regulations of Germany and/or the EU, which are relevant to our business and operations in Germany. It does not claim to provide a complete and comprehensive presentation of all relevant legal regulations.

Product Liability and Consumer Protection

Manufacturers and sellers placing their products into the European or German market must ensure that their products are designed, manufactured and provided with appropriate user information so that any hazardous situation during product use can be avoided. Products that do not comply with the regulations on product safety may not be placed on the market or made available on the market in Germany or the EU. The most important legal framework relating to product safety and compliance are currently the European General Product Safety Regulation (“GPSR”) together with the German Product Safety Act (*Produktsicherheitsgesetz*; “ProdSG”), the German Act on Liability for Defective Products (*Produkthaftungsgesetz*; “ProdHaftG”) and the German Civil Code (*Bürgerliches Gesetzbuch* — “BGB”). These rules and regulations are compulsory and cannot be excluded nor modified by contractual agreement. Other than that, a product could be subject to further specific product safety legislation or other legal requirements imposing formal requirements on the economic operators.

Product Liability Law

Under the ProdHaftG, either the seller or the producer, or both jointly, can be held liable if a product turns out to be defective. The harmed person may assert claims arising from product liability, producer liability, and warranty for defects. If a product has caused injury to persons or

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damage to items (other than the defective product itself), the producer is strictly liable pursuant to the ProdHaftG. Liability under the ProdHaftG can neither be restricted nor excluded contractually in advance. The ProdHaftG applies if the defective product was placed on the German market and (i) the harmed person has his habitual residence in Germany, or (ii) the defective product was bought in Germany or (iii) the harm arose in Germany. It is sufficient that the producer could reasonably foresee that a product might be placed on the German market by another market participant, e.g. one of its customers, to be liable under the ProdHaftG. Thus, it is not necessary that the defective product was imported to Germany by the producer. Comparable regulations also apply in the other member States of the EU.

On December 8, 2024, the new EU Product Liability Directive (2024/2853) came into force, repealing the former Product Liability Directive (85/374/EEC). The new Product Liability Directive modernizes the European product liability regime to adapt it to advancing technologies and the globalization of supply chains. It also seeks to remove obstacles for consumers in claiming damages for defective products. The new Product Liability Directive therefore will significantly change the current liability landscape for economic operators who manufacture or distribute products in the EU. This new Product Liability Directive must be implemented in the member states by December 9, 2026. The old Product Liability Directive 85/237/EEC will continue to apply even after that date to products that have already been placed on the market before December 9, 2026.

Additionally, the German law recognizes an additional manufacturer liability under tort (so-called manufacturer’s liability under Sec. 823 (1) BGB (*Produzentenhaftung*)).

Product Safety Law

The General Product Safety Regulation (EU) 2023/988 (General Product Safety Regulation, “GPSR”), which has been directly applicable since December 13, 2024, focuses on regulating the safety-related requirements and obligations regarding consumer products (B2C products) that are not subject to other specific product safety legislation. The aim of European product safety legislation remains to ensure that only ‘safe’ products are placed or made available on the European market. The aim remains to improve the functioning of the internal market while ensuring a high level of consumer protection. To achieve a high level of consumer protection, the GPSR is particularly aimed at countering new product- and distribution-related hazards and closing corresponding regulatory gaps in a digitalised and globalised product world. New technologies and the digitalisation of products and distribution channels have been identified as the specific challenges that have ultimately provided the impetus and legal policy background for the revision of product safety law. The GPSR also covers new product phenomena that are not separately regulated based on a risk-based concept that is open to technology, thereby acting as a catch-all. The stated aim was therefore to optimize the interaction of GPSR as a general part of European product safety law with the specific (sectoral) product safety regulations. In doing so, the declared aim was to achieve improved coherence, particularly regarding European harmonisation legislation and the so-called EU Market Surveillance Regulation (EU) 2019/1020.

In other words, the existing EU regulations for product safety will remain in force (see Art. 2 of the GPSR: “**Scope**”). The GPSR is therefore aimed primarily at products that have not been subject to specific EU harmonisation legislation intended for consumers or — and this could be important with regard to drill burs, milling tools or brushes, for example — used by them and for which there are no special requirements in separate legal acts, such as the Machinery Directive. However, there are also individual new provisions that apply to projects, that have been subject to specific EU harmonisation legislation, such as the provisions on the right to information and to remedy (see Chapter VIII GPSR).

It should also be noted that large parts of the former national ProdSG have been superseded as a result of the directly applicable European regulation, and the Member States’ scope for decision-making in those areas has therefore been considerably reduced. While the ProdSG continues to apply where the GPSR does not intervene, its role today is largely confined to

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implementing national provisions, including administrative and enforcement rules (such as fines) for breaches of GPSR obligations that must be established under national law. In this context, it should be noted that an updated legislative draft to amend the Product Safety Act and other product safety regulations was presented by the Federal Government in October 2025 (as part of the ongoing law-making process to bring national product safety law in line with the GPSR. And this draft continues to be under parliamentary consideration. Until such amendments are formally adopted and enter into force, the ProdSG remains in effect in its currently applicable version alongside the GPSR.

Sales Law under the German Civil Code

The sale of products in Germany is governed by German sales law (§§ 433 et seq. BGB). Under these provisions, the seller is obliged to deliver goods that are free from material and legal defects and to transfer ownership to the buyer, while the buyer is required to pay the agreed purchase price and accept the goods. In the event of defects, statutory warranty rights apply, including the right to subsequent performance, withdrawal from the contract, reduction of the purchase price, or compensation for damage. In commercial transactions, the buyer is also subject to inspection and notification obligations pursuant to § 377 German Commercial Code (*Handelsgesetzbuch*). Ownership and risk typically transfer according to the agreed Incoterms or, absent such agreement, according to statutory rules.

REACH, SCIP and Related Chemicals Laws

REACH Regulation

Under Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (“**REACH**”), products made of copper and copper alloys in the form of pressed and drawn tubes, rods and profiles qualify as “articles” within the meaning of Article 3(3) REACH. As such, they are neither substances nor mixtures within the meaning of Regulation (EC) No. 1272/2008 on Classification, Labelling and Packaging (“**CLP**”), which implements the UN Globally Harmonized System for the classification and labelling of chemicals (“**GHS**”). Nevertheless, manufacturers, importers and downstream users of copper and copper alloy articles are subject to specific obligations under REACH. These include compliance with the communication obligations for substances of very high concern (SVHC) in articles pursuant to Article 33 REACH, any applicable notification obligations for SVHCs under Article 7(2) REACH and the restriction on substances laid down in Annex XVII REACH. Depending on the manufacturing process, authorization or other REACH obligations may apply to the use of substances during production, even though the finished articles themselves are not subject to authorization.

Packaging and Waste/ELV/WEEE

EU packaging rules (Directive 94/62/EC) and waste rules (Directive 2008/98/EC) govern packaging composition, recyclability, and waste notifications. End-of-life vehicle rules (“**ELV**”) and the Waste Electrical and Electronic Equipment Directive (“**WEEE**”), which regulates the collection, recycling, and recovery of electrical and electronic equipment at the end of its life. For semi-finished products, the WEEE Directive is not applicable. Companies must comply with packaging obligations and with SCIP-related obligations, where SCIP (Substances of Concern In articles, as such or in complex objects) is the EU database operated by the (ECHA) under Directive 2008/98/EC, which collects information on Substances of Very High Concern in articles to support safe waste management and the circular economy.

The EU packaging rule (Directive 94/62/EG) was replaced by packaging and packaging waste Regulation (“**PPWR**”) (EU 2025/40) as of 12 August 2026, and implemented EU-wide mandatory sustainability requirements for packaging. The regulation addresses inter alia material bans, mandatory recyclability based on performance levels, minimum recycled content requirements, packaging minimization goals, prohibited packaging formats, harmonized labeling and a formal conformity assessment procedure. The PPWR redefines the roles of the companies involved, includes more stakeholders, and assigns material, labeling, and documentation obligations to the respective responsible companies depending on their stage in the supply and distribution chain, distinguishing between producers, suppliers, importers, distributors, and manufacturers.

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EURATOM/Radiation Checks

Directive 2013/59/EURATOM sets basic safety standards for protection from ionizing radiation. Articles produced from recycled metals must be checked for possible residual radiation prior to leaving the factory, in line with EURATOM obligations.

Environmental Permits

The operation of production facilities in Germany requires an environmental permit in accordance with the Federal Immission Control Act (*Bundes-Immissionsschutzgesetz, BImSchG*) if the facility falls under the types specified in the Fourth Federal Immission Control Ordinance (*Vierte Verordnung zur Durchführung des Bundes-Immissionsschutzgesetzes*). Such permits are typically subject to numerous ancillary conditions that regulate and balance the interests of the public and surrounding area, including the protection of neighbors from noise, air, or odor emissions and the safeguarding of protected areas and species. Even after a permit has been granted, authorities may impose operational restrictions or additional requirements in subsequent orders to ensure ongoing compliance with state-of-the-art standards and the principle of proportionality.

Where applicable, the permit application process for facilities may involve public participation, including the opportunity for local residents and environmental NGOs to submit objections. This involvement can delay or complicate permit procedures and may open the process to legal challenges from third parties in accordance with the EU public participation directive and its German implementation (*Umweltrechtsbehelfsgesetz*).

Non-compliance with the requirements of such permits and their ancillary conditions may result in administrative measures, including orders for information provision, monitoring, sample submission, restoration, or technical modifications to processes, as well as administrative fines. Responsible individuals may also be subject to personal liability in the event of violations.

Antitrust and Competition laws

Companies are subject to national and European antitrust and competition laws, which protect free and fair competition. Authorities such as the German Federal Cartel Office (*Bundeskartellamt*) and the European Commission monitor compliance and may initiate investigations in cases of suspected violations, including anti-competitive agreements or abuse of a dominant market position.

Regulations Relating to Personal Privacy and Personal Information Protection

The processing, including the collection and other use, of personal data is extensively regulated by European and national legislation, especially by Regulation (EU) 2016/679 (General Data Protection Regulation, “**GDPR**”) and the German Federal Data Protection Act (*Bundesdatenschutzgesetz, “BDSG”*). In general, European data protection and data privacy laws regulate the processing of personal data in the European Union including its collection, storage, transfer and use. Under the GDPR, the concept of “personal data” is very broad and covers any information relating to an identified or identifiable individual, i.e., the related data subject.

Generally, processing under the GDPR is only lawful if and to the extent it can be supported by a specific legal basis for such processing, e.g., in case of a consent by the respective data subject or where processing is necessary for the performance of a contract to which the data subject is a party, for compliance with a legal obligation to which the controller is subject to or for the purposes of the legitimate interests pursued by the controller, except where such interests are overridden by the interests or fundamental rights and freedoms of the data subject which require the protection of the personal data.

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Non-compliance with the GDPR may result in severe fines. Depending on the individual infringement, fines of up to 4% of the annual worldwide turnover for the last year or up to EUR 20.0 million may be imposed, whichever is higher. In addition, the GDPR grants individual data subjects the right to claim damages for violations of their rights under the GDPR.

Labor and Employment Laws

The most important specific laws regarding the German employment relationships are, among others, the following:

German Protection Against Unfair Dismissal Act

An employer's ability to (unilaterally) terminate an employment relationship is substantially restricted by the German Protection Against Unfair Dismissal Act (*Kündigungsschutzgesetz*; "**KSchG**"). The KSchG is applicable if an operating business location employs more than 10 full-time equivalent employees and the employee to be dismissed has been employed for more than 6 months. Under the KSchG, an ordinary dismissal (i.e. with notice) can only become effective if it is based on one of the three reasons for termination explicitly permitted by the KSchG. These include conduct-related dismissal, dismissal for reasons connected with the individual employee and dismissal for operational reasons.

Federal Vacation Act

The Federal Vacation Act (*Bundesurlaubsgesetz*; "**BUrlG**") sets forth the rules regarding the minimum vacation entitlement of employees, the granting of vacation as well as the expiry of vacation entitlement.

German Part-Time and Limited Term Employment Act

The German Part-Time and Limited Term Employment Act (*Teilzeit- und Befristungsgesetz*; "**TzBfG**") sets forth rules to promote part-time work, to define the requirements for the permissibility of employment agreements for part-time and limited terms and to prevent discrimination against part-time and limited term employees.

German Works Constitution Act

The German Works Constitution Act (*Betriebsverfassungsgesetz*; "**BetrVG**") stipulates employee codetermination within an operating business location. The most important codetermination body under the BetrVG is the works council, an elected employee representative body which has rights of its own towards the employer. It exercises most of the code-termination rights governed by the BetrVG for the employees.

German Collective Bargaining Agreements Act

The German Collective Bargaining Agreements Act (*Tarifvertragsgesetz*) regulates the right to and content of collective bargaining agreements. Collective bargaining agreement, *inter alia*, set forth a minimum standard for working conditions, such as remuneration, working hours and vacation entitlement.

Regulations Relating to Health and Safety at Work

Under German and European provisions, German companies must take measures related to health and safety at work. *Inter alia*, German companies are subject to EU regulations on occupational health and safety, in particular Council Directive 89/391/EEC of June 12, 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work, as amended and Council Directive 91/383/EEC of June 25, 1991 supplementing the measures to

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encourage improvements in the safety and health at work of workers with a fixed-duration employment relationship or a temporary employment relationship, as amended. These rules require employers to provide for their employees' safety. The applicable occupational safety regulatory regime also includes various other EU directives. In Germany, these directives were transposed into German law by the German Act on Occupational Protection (*Arbeitsschutzgesetz*) and the German Act on Occupational Safety (*Arbeitssicherheitsgesetz*). The general obligation to provide for the employees' safety is substantiated in several ordinances under the respective laws, which are further detailed in technical guidelines. The applicable occupational safety regulatory regime also includes the German Ordinance on Facility Safety (*Betriebssicherheitsverordnung*), the German Ordinance on Requirements for Workplaces (*Arbeitsstättenverordnung*) and several technical guidelines enacted under these ordinances. In general, compliance with employment safety regulations is subject to regulatory supervision.

Tax Laws

The German tax system comprises two basic categories, namely direct and indirect taxes. For direct taxes, the taxable entities bear the ultimate tax burden, e.g. income tax, corporation tax and trade tax. For indirect taxes, the tax debtor transfers the tax burden to another party.

Direct tax

The taxation of German companies depends on the entity's legal form. Corporations are treated as non-transparent for tax purposes, i.e. that the taxable profit is subject to taxation at the level of the corporation itself. Profits of corporations are subject to corporation tax (*Körperschaftsteuergesetz*; "**KStG**"), solidarity surcharge and trade tax (*Gewerbsteuergesetz*; "**GewStG**").

(a) Corporation Tax Act (KStG)

Corporation tax is the income tax for corporations such as a liability limited company (*Gesellschaft mit beschränkter Haftung*; "**GmbH**") or a stock corporation (*Aktiengesellschaft*, "**AG**"). The tax is calculated based on the taxable income earned during the calendar year. Corporation tax is levied at the rate of 15% on taxable profits. In addition, a solidarity surcharge of 5.5% is applied to the corporation tax, resulting in an effective total tax rate of 15.825%.

(b) Trade Tax Act (GewStG)

All commercial businesses operating in Germany are also subject to trade tax (*Gewerbsteuer*). A business is considered to operate in Germany if it maintains a permanent establishment, i.e. a place of business, in the country. The activities of a corporation such as a GmbH are always regarded as commercial business operations. Trade tax is assessed and collected by the relevant local authority, which also sets the applicable tax rate. Consequently, rates vary by municipality, ranging from approximately 13 % to 18 % of taxable business income, with smaller towns generally applying lower rates and larger cities higher rates.

Indirect tax, Value Added Tax

In addition, all sales of goods and services are subject to value-added tax (VAT). Standard VAT under the Value Added Tax Act (*Umsatzsteuergesetz*; "**UStG**") in Germany is 19%, with a reduced rate of 7% applicable to certain goods and services. Intra-EU deliveries and exports are subject to special VAT rules to ensure proper tax treatment across borders.

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Regulations on the Importation and Distribution of Products in Germany

Imports and exports of goods such as copper and copper alloy semi-finished products are subject to German and EU foreign-trade and customs law (notably the Foreign Trade and Payments Act (*Außenwirtschaftsgesetz*) and the Foreign Trade and Payments Ordinance (*Außenwirtschaftsverordnung*) and the Union Customs Code), which provide for permit, notification and documentation obligations and may impose restrictions or controls for certain goods or countries. Failure to comply with these rules can lead to administrative measures, delays and additional costs.

Regulations Relating to Intellectual Property Rights

Patents

German companies can protect new inventions that involve an inventive step and are industrially applicable through German patents under the German Patent Act (*Patentgesetz*), granted by the German Patent and Trademark Office (*Deutsches Patent- und Markenamt* — “DPMA”). Companies may also apply for European patents via the European Patent Office, which can provide protection in selected contracting states of the European Patent Convention. In addition, German companies can also file for protection in the form of European patents with unitary effect (“Unitary Patents”). Unitary Patents grant the right holder one single patent right covering all states that ratified the Agreement on a Unified Patent Court, instead of a bundle of national patents.

The term of protection for German, European and Unitary patents is 20 years.

Utility Models

Technical inventions can additionally be protected via German utility models under the Utility Model Act (*Gebrauchsmustergesetz*). These rights are effective upon registration with the DPMA and are faster and less costly than patents, but not examined for novelty or inventive step, making them easier to challenge. The protection lasts 10 years.

Designs

The appearance of products of German companies is protected and regulated by the German Act on the Legal Protection of Designs (*Gesetz über den rechtlichen Schutz von Design*). To obtain protection, German companies may apply for the registration of design rights with the DPMA if the designs are new and of individual character. Design rights registered with the DPMA are only valid in Germany.

For EU-wide coverage, German companies may file an EU design application to the European Union Intellectual Property Office (“EUIPO”). An EU design offers protection in all member states of the EU. The protection of EU designs is regulated by the European Union Design Regulation (Regulation (EU) No. 2024/2822). The term of protection is up to 25 years (renewable in 5-year increments).

Trademarks

Trademarks, business names, and geographical indications can be protected in Germany under the German Trademark Act (*Markengesetz*) via the DPMA. For EU-wide protection, companies may register EU trademarks under the EU Trade Mark Regulation (Regulation (EU) 2017/1001) with the EUIPO covering all EU member states. Applications are examined for distinctiveness and descriptiveness. Registered trademarks grant exclusive rights for the designated goods or services for an initial term of 10 years, renewable indefinitely in 10-year periods. Third parties may oppose or seek cancellation; infringement claims are handled by national courts with EU-wide effect, while validity disputes are addressed by the EUIPO.

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U.S. LAWS AND REGULATIONS

Regulations on Tariff

The U.S. government, under various legal authorities, maintains different tariff programs. These measures include, but are not limited to tariff measures imposed under: (i) Section 301 of the Trade Act of 1974 (the “**Section 301 Tariffs**”); (ii) Section 232 of the Trade Expansion Act of 1962 (the “**Section 232 Tariffs**”); and (iii) the International Emergency Economic Powers Act (“**IEEPA**”) addressing the synthetic opioid supply chain (“**Fentanyl Tariffs**”) and persistent U.S. trade deficits (“**Reciprocal Tariffs**”) (collectively, the “**Executive Branch Tariffs**”).

U.S. Section 301 Tariffs

On August 24, 2017, the Office of the United States Trade Representative (“**USTR**”) initiated an investigation under Section 301 of the Trade Act of 1974 into China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property and Innovation. On April 6, 2018, the USTR determined these practices were unreasonable or discriminatory and burdened U.S. commerce. As a result, the USTR imposed tariffs through a series of actions: the July 6, 2018, action (List 1) and the August 23, 2018, action (List 2), which applied 25% tariffs on certain Chinese products. Subsequent modifications introduced List 3, initially subject to a 10% tariff effective September 24, 2018, later increased to 25% on May 10, 2019, and Lists 4A and 4B, which imposed a 15% tariff effective September 1, 2019, later reduced to 7.5% on February 14, 2020. Tariffs that were to be imposed under List 4B and take effect on December 15, 2019 were suspended on December 13, 2019, pursuant to the Economic and Trade Agreement Between the Government of the United States of America and the Government of the People’s Republic of China (the “**Phase One Agreement**”).

As the four-year statutory review approached in 2022, the USTR commenced a reassessment of the Section 301 actions, after which the USTR recommended maintaining and strengthening Section 301 tariffs. On May 14, 2024, President Biden directed the USTR to maintain existing tariffs and increase rates on certain strategic products. On May 28, 2024, the USTR proposed modifications, including higher tariffs and five statistical reporting numbers. On September 18, 2024, the USTR issued a notice imposing additional duties or increasing existing rates on products in strategic sectors. Further, on October 24, 2025, the USTR announced a new Section 301 investigation into China’s implementation of the Phase One Agreement.

U.S. Section 232 Tariffs on Copper Products

Section 232 of the Trade Expansion Act of 1962 authorizes the U.S. President to impose tariffs or other trade restrictions on imports that threaten to impair U.S. national security. Before such measures can be implemented, the U.S. Department of Commerce (the “**Commerce**”) must investigate and determine whether imports pose a risk to national security. If the Commerce makes an affirmative finding in its report to the President, the President has 90 days to decide on appropriate actions, which may include tariffs, quotas, or exclusions, and must implement them within 15 days.

Under Section 232, significant actions have been taken in recent years. Following the conclusion of a Section 232 investigation into The Effects of Imports of Copper on National Security initiated on March 10, 2025, the United States imposed a tariff of 50% on certain copper imports via Proclamation 10962 on July 30, 2025. The tariff, effective with respect to goods entered for consumption or withdrawn from warehouse for consumption, on or after 12:01 a.m. EST on August 1, 2025, applies to U.S. imports of semi-finished copper products and intensive copper derivative products as described in the Annex to Proclamation 10962. Further, while Proclamation 10962 ordered that the Commerce Secretary establish an inclusions process for derivative copper products to be included within the scope of the 50% tariff, the Administration has not yet launched such a process.

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U.S. Fentanyl Tariffs

In early 2025, the U.S. government introduced a new tariff regime targeting China under IEEPA as part of efforts to combat the fentanyl crisis. On February 1, 2025, President Trump issued an executive order declaring a national emergency and imposing an additional 10% ad valorem tariff on all Chinese-origin goods (“**Fentanyl Tariffs**”). This measure was intended to disrupt supply chains for fentanyl precursors and signal a strong policy response to synthetic opioid trafficking.

The Fentanyl Tariffs became effective on February 4, 2025 on imports from China at a rate of 10%. On March 3, 2025, the U.S. government increased the Fentanyl Tariffs to 20%. On October 30, 2025, following an agreement reached between the United States and China on various trade-related measures, the U.S. government announced in Executive Order 14357 that the Fentanyl Tariffs would be reduced to 10% until further modified, effective November 10, 2025.

U.S. Reciprocal Tariffs

On April 2, 2025, the U.S. government launched its “Reciprocal Tariffs” initiative through Executive Order 14257, “Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits”, finding that persistent trade deficits posed an extraordinary threat to U.S. national security and economic stability. This order established a baseline reciprocal tariff of 10% on imports from most countries, effective April 5, 2025. Annex I of Executive Order 14257 set forth an additional ad valorem tariff for 57 countries, including a rate of 34% for China. Since the U.S. government announced the Reciprocal Tariffs policy in April 2025, the tariff rates applied to different countries have undergone multiple adjustments. Negotiations between the United States and China are ongoing. Subject to any new development, and pursuant to the agreement between the United States and China on October 30, 2025, the applicable Reciprocal Tariffs rate for China remains at 10% until November 10, 2026.

Regulations on Labor and Employment

Labor and employment laws in the United States stem from a combination of federal, state, and local laws and regulations. Federal statutes generally establish baseline requirements applicable to covered employers and employees, while state and local laws supplement these requirements by addressing matters not covered at the federal level or by providing heightened protections. Key federal laws include, among others, Title VII of the Civil Rights Act (“**Title VII**”), the Americans with Disabilities Act (“**ADA**”), the Age Discrimination in Employment Act (“**ADEA**”), the Fair Labor Standards Act (“**FLSA**”), the Family and Medical Leave Act (“**FMLA**”), the Occupational Safety and Health Act (“**OSH Act**”), the National Labor Relations Act (“**NLRA**”), the Genetic Information Nondiscrimination Act (“**GINA**”), the Equal Pay Act (“**EPA**”), and the Pregnant Workers Fairness Act (“**PWFA**”) together with relevant state and local laws.

Employment discrimination laws, such as Title VII, ADA, GINA, EPA, and ADEA, prohibit various forms of discrimination based on protected characteristics including race, sex (including sexual orientation and gender identity), age, religion, color, national origin, genetic information, and disability, among others. Various federal and state laws prohibit retaliation against employees for engaging in protected activity. The FLSA establishes nationwide minimum wage and overtime rules for covered, nonexempt employees. The FMLA grants eligible employees of covered employers unpaid, job-protected leave for specified family and medical reasons. Employee privacy rights are governed by a combination of federal and state laws, with applicable requirements varying by jurisdiction and context. The OSH Act sets workplace safety and health standards, while the NLRA regulates labor-management relations and employees’ rights to organize, bargain collectively, and engage in certain protected concerted activities. State right-to-work laws generally prohibit agreements requiring employees to join a union or pay union dues or fees as a condition of employment. Harassment and retaliation are also prohibited under various federal and state anti-discrimination laws. Restrictive covenant agreements are primarily governed by state law, and the applicable requirements and restrictions vary significantly by state. With respect to the foregoing, state and local laws may impose additional requirements on a state-by-state basis.

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OVERVIEW OF THAI LAWS AND REGULATIONS

Regulation on Foreign Business in Thailand

The primary legislation governing foreign participation in business activities in Thailand is the Foreign Business Act, B.E. 2542 (1999) (“**FBA**”) which restricts the rights of foreigners to engage in certain business activities in Thailand. In order for a foreigner to conduct operations in the business categories specified under the FBA, it must first obtain a Foreign Business License (“**FBL**”).

The FBA categorizes restricted business activities into the following three (3) lists:

- List 1: Businesses in which foreigners are strictly prohibited from operating for special reasons. No permission shall be granted under any circumstances.
- List 2: Businesses related to national safety or security, businesses affecting arts, culture, traditions, customs and folk handicrafts, or businesses affecting natural resources or the environment, in which foreigners are prohibited from operating unless they obtain an FBL from the Minister of Commerce (“**MOC**”) with the approval of the Cabinet. In order for a foreign legal entity to operate businesses under List 2, the FBA further requires that Thai nationals or non-foreign legal entities hold not less than 40% of the capital of such foreign legal entity and that at least two-fifths of the total number of directors be Thai nationals.
- List 3: Businesses in which foreigners are prohibited from operating on the basis that Thai nationals are not yet ready to compete with foreigners, unless such foreigners obtain an FBL from the Director-General of the Department of Business Development under the MOC.

Under the FBA, the following categories of natural persons and juristic persons are classified as ‘foreigner’ and are therefore subject to the restrictions set forth therein:

- (i) a natural person who does not possess Thai nationality;
- (ii) a juristic person not registered in Thailand;
- (iii) a juristic person registered in Thailand in which at least one-half of the share capital is held by persons described in (i) or (ii) above; and
- (iv) a juristic person registered in Thailand in which at least one-half of the share capital is held by persons described in (i), (ii), or (iii) above.

Notwithstanding the foregoing, foreigners may be exempted from the FBL requirements if they are able to secure:

- (i) an investment promotion certificate from the Board of Investment (“**BOI**”) under the Investment Promotion Act, B.E. 2520 (1977) (“**IPA**”);
- (ii) a permit allowing foreigners to carry on an industry or trade for export under the Industrial Estate Authority of Thailand Act, B.E. 2522 (1979) (“**IEAT Act**”); or
- (iii) the benefit of a treaty or international trade agreement to which Thailand is a party or by which it is bound, including the ASEAN Framework Agreement in Services (“**AFAS**”), the Treaty of Amity and Economic Relations between Thailand and the

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United States of America (“**Thai-US Treaty**”), the ASEAN Comprehensive Investment Agreement (“**ACIA**”), the Thailand-Australia Free Trade Agreement (“**TAFTA**”), and the Japan-Thailand Economic Partnership Agreement (“**JTEPA**”) (collectively, the “**FBL Exemptions**”).

A foreigner who operates any restricted business activity under the FBA without first obtaining an FBL from the MOC shall be subject to imprisonment for a term not exceeding 3 (three) years or a fine ranging from THB 100,000 (approximately USD3,100) to THB 1,000,000 (approximately USD31,000), or both. The court may also order the cessation of such restricted business operations or the divestiture of shareholding, as applicable. In the event of non-compliance with such court order, the foreigner shall be subject to a daily fine ranging from THB 10,000 (approximately USD310) to THB 50,000 (approximately USD1,600) for the duration of such non-compliance.

Where the foreigner committing such offence is a juristic person, any director or authorized representative of such juristic person who connived in the commission of such offence or failed to take reasonable steps to prevent such offence shall be subject to imprisonment for a term not exceeding 3 (three) years or to a fine of THB 100,000 (approximately USD3,100) to THB 1,000,000 (approximately USD31,000) or to both.

Regulations on Investment

The BOI operates under the Office of the Prime Minister and is the principal government agency responsible for promoting investment in Thailand. Eligible business categories include those that are (i) important and beneficial to the economic and social development, and security of the country, (ii) involve production for export, (iii) have a high content of capital, labor, or services, or (iv) utilize agricultural produce or natural resources as raw materials.

Under the IPA, the BOI grants tax incentives to BOI-promoted persons, which vary depending on the applicable BOI-promoted business category. In addition, the BOI grants non-tax incentives, such as permission to own land, permission to take out or remit money abroad in foreign currency, and the issuance of work permits and visas for foreign nationals working on the BOI-promoted project without being subject to the quota and minimum capital requirements typically applicable to private limited companies, which otherwise mandate the employment of 4 (four) Thai nationals for every 1 (one) foreign national employed.

By securing an investment promotion certificate from the BOI under the IPA, a BOI-promoted person that is a foreigner is granted an exemption from the FBL requirements and is permitted to be wholly foreign-owned under the FBA.

BOI-promoted persons are required to comply with the conditions set forth in their respective investment promotion certificates, including, but not limited to, restrictions on the use of machinery, the permitted scope of business activities, applicable environmental standards, and periodic reporting obligations to the BOI. Failure to comply with such conditions may result in the partial or full revocation of the incentives granted under the IPA.

Operational Licenses on Manufacturing

1. *Factory License*

The Factory Act B.E. 2535 (1992) (“**FA**”) governs factory operations in Thailand. Under this FA, a “factory” is defined as a building, location, or vehicle that either: (i) uses machinery with a combined capacity of 50 (fifty) horsepower or more (or its equivalent), or (ii) employs 50 (fifty) or more workers, regardless of machinery use.

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The FA classifies factories into 3 (three) categories based on operational requirements:

- (i) Type 1 Factories: No prior notification or permission is required for operation.
- (ii) Type 2 Factories: Operators must notify the relevant authorities before commencing operations.
- (iii) Type 3 Factories: Operators must secure a license from the relevant authorities prior to operation.

Non-compliance with these requirements may result in penalties, including fines and/or imprisonment, depending on the type of factory and the nature of the violation.

Under Ministerial Regulation issued by virtue of the FA, a factory engaged in operations of smelting, alloying, refining, melting, casting, rolling, drawing, or the primary production of metals other than iron or steel is classified as a Type 3 Factory under Factory Category No. 60, and the factory operator is required to obtain a Type 3 Factory License from the Department of Industrial Works (“**DIW**”).

Factory operators are also obligated to comply with regulations issued by the Ministry of Industry or the Department of Industrial Works. These regulations, established under the authority of the Factory Act, are designed to regulate and oversee various aspects of factory operations. The specific requirements vary based on industry types and factory sizes. They may include provisions related to the location and surrounding environment of the factory, the types or specifications of machinery used, the qualifications of personnel or workers employed, and standards and methods for waste management, among other factors.

Key compliance obligations for license holders of Type 3 Factory License include obtaining prior approval before making significant changes to operations, implementing proper environmental and safety measures, conducting regular inspections and maintenance, and submitting periodic reports to the DIW. They must also ensure compliance with relevant environmental in respect to water, soil and groundwater, air, industrial waste, personnel, and safety.

Failure to comply with these requirements or regulations can result in penalties, such as fines being imposed on the factory operator.

2. *Business Detrimental to Health License*

Under the Public Health Act B.E. 2535 (1992) and the Notification of the Ministry of Public Health Re: Detrimental to Health Business, B.E. 2558 (2015), businesses involved in smelting ore and melting or casting metals must obtain a License for Operating Business Detrimental to Health from local authorities (i.e., district office or municipality) where the business is located.

Key compliance obligations for the license holder of License for Operating Business Detrimental to Health include maintaining a safe and orderly workplace by controlling dust, noise, waste, and air pollution, ensuring proper ventilation, providing personal protective equipment, managing raw materials, and offering occupational health education. Other obligations shall be subject to the local regulations depending on the area of operation.

If the business which is subject to the License for Operating Business Detrimental to Health is operated without this license, the business operator can be subject to a fine of up to THB 50,000 (approximately USD1,594) or an imprisonment of up to 6 months, or both, and can be subject to a penalty prescribed by local authorities where the business is located, as the case may be. In addition, if the business fails to comply with the obligations as prescribed by the Ministry of Public Health, it can be subject to a fine of up to THB 50,000 (approximately USD1,594) and can be subject to a penalty prescribed by local authorities where the business is located, as the case may be.

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3. *Import and Export Registration*

Under Thai law, the importation and exportation of certain categories of goods is subject to control or restriction, and a specific registration, permit or license may be required. The relevant legislation includes the Export and Import of Goods Act B.E. 2522 (1979) and ministerial notifications issued thereunder.

To import or export products into or from Thailand, the importer/exporter must register with the Customs Department of Thailand as an importer/exporter and comply with customs clearance procedures, including the preparation and submission of a Goods Declaration, payment of applicable duties and taxes, and completion of cargo inspection and release processes.

In the case of exportation, exporters must also consider the laws and regulations of the jurisdictions of destination, including any import restrictions or product standards applicable in those jurisdictions. Exporters are responsible for obtaining the necessary licenses and ensuring compliance with customs, tariff and documentation requirements. Failure to comply with applicable export control laws may result in penalties such as fines, confiscation of goods or revocation of export privileges.

4. *Industrial Standards*

In Thailand, the regulation of industrial product standards is governed by the Industrial Product Standards Act B.E. 2511 (1968) (“**IPS Act**”) and its subsequent amendments, administered by the Thai Industrial Standards Institute (“**TISI**”) under the Ministry of Industry. The IPS Act authorizes the TISI to establish and enforce Thailand Industrial Standards (“**TIS**”), which apply to both mandatory and voluntary product standards to ensure the safety, quality, and performance of industrial products within the country.

Under the IPS Act, there are 2 (two) types of standards:

(a) **Mandatory Thailand Industrial Standards:**

These standards apply to industrial products that are subject to a Royal Decree issued under the authority of the IPS Act. Such products must comply with the relevant TIS and obtain a mandatory TIS mark before they are manufactured, imported, or sold in Thailand. Manufacturers and importers of these products are required to obtain a license from TISI prior to the production or importation of these goods.

Failure to comply with the mandatory standards can result in penalties, including fines of up to THB 2 million (approximately USD63,000), imprisonment for up to 2 (two) years, or both, depending on the severity of the violation.

(b) **Voluntary Thailand Industrial Standards:**

These standards apply to industrial products that are not explicitly subject to a Royal Decree. Manufacturers may voluntarily choose to comply with TIS and apply for a voluntary TIS mark if they believe their products meet the applicable standards. While compliance with voluntary standards is not legally required, obtaining a voluntary TIS mark can enhance a product’s credibility and market competitiveness.

5. *Hazardous Substances*

Under the Hazardous Substance Act B.E. 2535 (1992) (“**HSA**”), any person who wishes to produce, import, export, possess or order a regulated hazardous substance into Thailand is subject to compliance with the criteria and conditions as stipulated by the responsible Minister of Ministry of Industry.

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Regulated hazardous substances are divided into 4 (four) categories under Section 18 of the HSA as follows:

- (a) Category 1: production, importation, exportation or possession of which shall be in accordance with the prescribed criteria and procedure;
- (b) Category 2: production, importation, exportation or possession of which requires an advance notification to be made to the competent officer, and shall be in accordance with prescribed criteria and procedures;
- (c) Category 3: production, importation, exportation, or possession of which requires license; and
- (d) Category 4: production, importation, exportation, or possession of which is prohibited.

Notifications of the Ministry of Industry prescribe the lists of hazardous substances, which are classified under Categories 1 – 4 as mentioned above and are subject to regulations and supervision under the specific governmental agencies being responsible governmental authorities or agencies overseeing, supervising, and controlling the production, importation/exportation or possession of such regulated hazardous substances. For instance, where Notification of the Ministry of Industry Re: List of Hazardous Substance specifies that certain controlled substances are under regulation of Department of Agriculture, Ministry of Agriculture and Cooperative, the Department of Agriculture would be the responsible governmental agencies in overseeing the production, importation/exportation, or possession of such controlled substances.

If the hazardous substances which are regulated under the HSA are produced, imported, exported, or possessed without complying with the prescribed criteria and procedure, registration, or licensing requirements, the penalty, such as a fine, an imprisonment, or both, can be imposed. The penalty varies, depending on the category of hazardous substances and the severity of the violation.

Environmental Requirements

For the business of manufacturing copper and copper products, the relevant environmental reporting requirements would be as follows, (i) environmental impact assessment (“EIA”); (ii) environmental and health impact assessment (“EHIA”); (iii) environmental safety assessment (“ESA”).

1. EIA

The EIA requirements fall under the supervision of the Office of Natural Resources and Environmental Policy and Planning of Thailand (“ONEP”), by virtue of the Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992) (“**Environment Quality Act**”).

Only certain types of projects are subject to the EIA requirements. Where an EIA is required, the operator must prepare and submit the EIA report to ONEP at the Ministry of Environment and Natural Resources. ONEP will preliminarily review the EIA report and, if ONEP is of the view that the EIA report is complete, it will submit the report to the Expert Committee for further review.

The EIA must be prepared by a licensed environmental specialist and approved by ONEP prior to applying for other relevant permits and licences, including building construction permits and operational licences applicable to the project.

However, business which is already subject to the EHIA requirement, as further elaborated below, is exempted from the EIA reporting requirement.

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2. EHIA

Under the Environment Quality Act, an EHIA report is required for the operation of the determined projects which could have severe impact on environment health, sanitation and quality of life of the community. These determined projects include, among others, smelting or melting metals in the size as prescribed by ONEP.

The approval procedures for EHIA are similar to those of the EIA, whereby the application must be submitted to and approved by ONEP prior to the submission of any application of the operational licenses applicable to the project.

3. ESA

An ESA is an environmental impact assessment specifically required for operation of certain types of regulated factories under the FA. The applicable types of factories include Type 3 Factory under Category No. 60 only for factories which operate mineral smelting, ore dressing, or metal melting industries, excluding iron or steel industries, with a production capacity of 25 to less than 50 tons per day.

If an ESA is required, the ESA report must be submitted at the time of applying for the Factory License. The factory operator must submit a draft ESA report together with the factory license application and other supporting documents to the relevant authority, namely, the Provincial Industry Office for factories located outside Bangkok, or the DIW for factories located in Bangkok.

Regulations on Employment and Labour

The primary legislation governing employment and labor in Thailand includes the following, together with their respective amendments:

Civil and Commercial Code ("CCC") and Labor Protection Act B.E. 2541 (1998) ("LPA")

The CCC and the LPA constitute the 2 (two) principal legislative frameworks governing employment matters in Thailand. The CCC sets forth general provisions governing and defining the hire of services contract (i.e., the employment contract), while the LPA prescribes more specific regulations imposing obligations on employers and establishing minimum entitlements for employees in Thailand, including provisions concerning minimum entitlements relating to working hours, overtime, holidays, severance pay, and other fundamental employee rights.

Social Security Act B.E. 2533 (1990) ("SSA") and Workmen's Compensation Act B.E. 2537 (1994) ("WCA")

The SSA and the WCA establish frameworks for the provision of pension, welfare including healthcare, and compensation to employees who sustain injuries or illnesses arising out of or in the course of their employment. Employers are required to make contributions to both the Social Security Fund and the Workmen's Compensation Fund in order to ensure the provision of benefits to employees and to mitigate the financial risks associated with workplace injuries and occupational illnesses. Non-compliance with these contribution obligations constitutes a criminal offence, and may subject the employer to fines, imprisonment, or both.

Labour Skill Development Act B.E. 2545 (2002) ("LSDA")

The LSDA establishes a framework for the development and enhancement of labour skills in Thailand. Employers having 100 (one hundred) or more employees are required to provide skills development trainings to not less than 50% of their total workforce annually. Employers who fail

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to meet this training requirement are obligated to make financial contribution to the Skills Development Fund at the rate prescribed by law. Non-compliance with the contribution obligations under the LSDA may result in the imposition of surcharges and penalties.

Occupational Safety, Health and Environment Act B.E. 2554 (2011) ("OSHEA")

The OSHEA establishes a framework for occupational safety, health, and environmental standards in the workplace. Employers are required to maintain safe working conditions, implement appropriate safety measures, and ensure compliance with ministerial regulations issued thereunder. Employers with the prescribed number of employees are required to appoint qualified safety officers and establish occupational safety committees. In addition, employers are obligated to conduct workplace risk assessments, provide occupational safety and health training to employees, and report certain workplace accidents and incidents to the relevant authorities. Non-compliance with the requirements under the OSHEA may result in penalties, including fines and, in serious cases, imprisonment of responsible persons.

Promotion of the Quality of Life of Persons with Disabilities Act B.E. 2550 (2007) ("PQLPDA")

The PQLPDA establishes a framework to promote equal employment opportunities for persons with disabilities in Thailand. Employers having 100 (one hundred) or more employees are required to employ persons with disabilities at a ratio of not less than 1 (one) person with disabilities for every 100 (one hundred) employees. Employers who do not meet this employment quota may alternatively make financial contribution to the Fund for the Empowerment of Persons with Disabilities at the prescribed rate for each person with disabilities not employed. Employers who fail to comply with the employment quota requirement and do not fulfill the compliance may be subject to penalties and surcharges as prescribed under the PQLPDA.

Regulations on Tax

The principal legislation governing taxation and tax compliance in Thailand is the Thai Revenue Code ("TRC"), together with ministerial regulations, revenue rulings and notifications issued thereunder.

A company incorporated in Thailand is generally subject to corporate income tax ("CIT") on its net taxable profits at the prevailing statutory rate of 20%. Companies that are promoted by the BOI may be granted exemptions from CIT for a specified period, subject to compliance with the conditions stipulated in the relevant BOI promotion certificate.

Under the TRC, a company is required to deduct and remit withholding tax ("WHT") on certain categories of payments, including but not limited to service fees, interest, royalties and rental payments. The applicable WHT rates vary depending on the nature of the payment and the tax residency and status of the income recipient.

Value Added Tax ("VAT") is imposed on the sale of goods, the provision of services in Thailand and the importation of goods at the reduced statutory rate of 7%. The export of goods from Thailand is subject to VAT at a 0%. A business operator with annual turnover of THB 1.8 million or more is required to register as a VAT registrant under the TRC. Once registered, a VAT registrant is required to file monthly VAT returns regardless of whether VAT is payable for the relevant tax period.

Stamp duty is imposed on certain instruments expressly listed in the stamp duty schedule to the TRC, with the applicable rates determined by reference to the type and value of the instrument. Instruments not specified in the stamp duty schedule, including sale of goods agreements, are not subject to stamp duty under Thai law. Stamp duty is payable on the share transfer documents at the rate of 0.1% on the greater of paid-up value of shares or share consideration.