

Unofficial Translation

Announcement of the Board of Investment

No. Sor. 8 / 2564

Subject: Amendment of Investment Promotion Policy for Manufacture of Electric Vehicles

Subsequent to the Announcement of the Board of Investment No. 2/2557 dated December 3, 2014, regarding Policies and Criteria for Investment Promotion;

To promote investment in the electric vehicle industry which is a target industry of the country according to the national strategy, by virtue of Section 16, Section 18, Section 31, and Section 31/1 of the Investment Promotion Act B.E. 2520 (1977), the Board of Investment hereby announces as follows:

Clause 1. Eligible activities for promotion shall be amended with the repeal of the terms in activities 4.24, 4.26, 4.27 of the List of Activities appended to the Announcement of the Board of Investment No. 2/2557 dated 3 December 2014, regarding the Policy and Criteria for Investment Promotion. as amended by the Announcement of the Board of Investment No. 3/2564 dated January 13, 2021, and shall be replaced by the following terms:

| Activities | Conditions | Incentives |
|---|--|------------|
| 4.24 Manufacture of Battery Electric Vehicle (BEV), Plug-In Hybrid Electric Vehicle (PHEV), Hybrid Electric Vehicle (HEV), and BEV Platform | 1. The plans must be proposed in package covering at least a manufacture project of BEVs and/or BEV platforms; a manufacture project of electric batteries (own project or other manufacturer's project); machinery importation and installation plans ; manufacture plans of BEVs and/or BEV platforms in year 1-3; manufacture or procurement plans of other parts; electric charging station development plans (only for BEV production); used battery management plans; and plans for developing local suppliers of raw materials and parts, with Thai shareholding of not less than 51%, in providing technology training and technical assistance. | |

| Activities | Conditions | Incentives |
|------------|---|------------|
| | <p>2. Electric vehicles to be marketed in the country must conform to the following standards and specifications:</p> <p>2.1 The safety standard of the electrical power transmission system according to UN R100.</p> <p>2.2 The active safety standard with ABS and ESC at the minimum (UN R13HW/ABS & ESC).</p> <p>2.3 The standard for protection of occupants in the event of frontal and side collisions (UN R94 & UN R95)</p> <p>2.4 The pollution standard of EURO 5 and above (UN R83) (only for HEVs and PHEVs)</p> <p>2.5 Other standards and specifications as stipulated by relevant agencies such as the Thai Industrial Standards Institute and the Department of Land Transport, etc.</p> <p>For BEV platforms, irrelevant product standards are waived such as the standard for occupant protection in the event of frontal and side collisions (UN R94 & UN R95).</p> <p>3. The platform must consist of an energy storage system, charging module, and a front & rear axle module.</p> <p>4. The manufacture of all approved categories of electric vehicles and/or BEV platforms, and electric batteries from the module production process must be started within 3 years from the issuance date of the investment promotion certificate.</p> <p>5. At least one of the three key parts (traction motor, battery management system (BMS), and drive control unit (DCU)) must be additionally manufactured within 3 years after the starting production date of electric vehicles and/or BEV platforms.</p> | |

| Activities | Conditions | Incentives |
|------------|---|--|
| | <p>6. For HEVs and PHEVs, at least 2 additional parts according to activity category 4.8.3. (manufacture of parts and equipment for electric vehicles) must be additionally manufactured within 3 years after the starting date of electric vehicle manufacture.</p> <p>7. No extension of machinery importation schedule shall be allowed, except for justifiable reasons.</p> <p>8. In the case of the combined investment capital of not less than 5,000 million baht, excluding land costs and working capital, of the project package including the BEVs and/or BEV platforms manufacture, and key parts (electric battery, traction motor, BMS, and DCU) of the project and the suppliers, the following incentives shall be granted:</p> <ul style="list-style-type: none"> - for PHEVs - for BEVs and BEV Platforms. The projects may apply for additional incentives for competitiveness enhancement under the categories of research and development of technology and innovation, and/or advanced technology training according to the specified criteria. <p>9. In the case of an investment capital less than 5,000 million baht, excluding land costs and working capital, of the project package including the production of BEV vehicles and/or BEV platforms and the production of key parts (electric battery, traction motor, BMS and DCU), of the project and the suppliers, the following incentives shall be granted:</p> <ul style="list-style-type: none"> - for PHEVs - for BEVs and BEV platforms | <p>A4</p> <p>A2</p> <p>A4</p> <p>A 4</p> |

| Activities | Conditions | Incentives |
|---|--|------------|
| | <p>Additional incentives :</p> <p>(1) If the manufacture of BEVs and/or BEV Platforms is started within the year 2022, additional 2 years of corporate income tax exemption shall be granted.</p> <p>(2) If key parts of BEVs and/or BEV platforms, except electric batteries are manufactured in addition to the basic criteria within 3 years after the starting date of manufacturing electric vehicles and/or BEV platforms, an additional 1-year corporate income tax exemption shall be granted for each part.</p> <p>(3) If, in any year within 3 years as from the start of the manufacture, the actual production of BEVs and/or BEV platforms is more than 10,000 cars (units) per year, an additional 1-year corporate income tax exemption shall be granted.</p> <p>(4) The approved projects may apply for additional incentives to enhance competitiveness in the category of research and development of technology and innovation and/or advanced technology training under the prescribed criteria.</p> <p>10. No additional incentives shall be granted on the merit of industrial area development.</p> <p>11. The promoted projects in eco-car production can include all types of electric vehicles manufactured under the project as the actual production quantity of international standard eco-cars. The vehicles produced for the domestic market must have environmental qualifications following the international standard for eco-car manufacture.</p> | |
| 4.26 Manufacture of Battery Electric Tricycle and | 1. The plans must be proposed in package covering a manufacture project of battery electric tricycles and/or battery electric tricycle platforms; a manufacture project of | A4 |

| Activities | Conditions | Incentives |
|---|--|------------|
| <p>Battery Electric Tricycle Platform</p> | <p>electric batteries (own project or of other manufacturer's project); machinery importation and installation plans; charging station networking plans (only for battery electric tricycle production); manufacture plans of battery electric tricycle and/or battery electric tricycle platforms for year 1-3; manufacture or procurement plans of other parts; used battery management plans; and plans for developing local suppliers of raw materials and parts, with Thai shareholding of not less than 51%, in providing technology training and technical assistance.</p> <ol style="list-style-type: none"> 2. The platforms must consist of an energy storage system, charging module, and front and rear axle module. 3. The battery electric tricycles and/or battery electric tricycle platforms, and electric batteries must be manufactured within 3 years from the issuance date of the investment promotion certificate 4. The battery electric tricycles and the battery electric tricycle platforms to be marketed in the country must conform to the following standards and specifications: <ol style="list-style-type: none"> 4.1 The safety standard of the electrical power transmission according to UN R136 4.2 Other standards and specifications as stipulated by relevant agencies such as the Thai Industrial Standards Institute and the Department of Land Transport etc. 5. No extension of the machinery importation schedule shall be allowed except for justifiable reasons. 6. Additional incentives: <ol style="list-style-type: none"> 6.1 If the manufacture of electric batteries from the module production process is started within 3 years from the issuance date of the investment promotion | |

| Activities | Conditions | Incentives |
|---|--|------------|
| | <p>certificate, an additional 1-year corporate income tax exemption shall be granted.</p> <p>6.2 If any additional key parts such as traction motor, BMS, and DCU are manufactured within 3 years from the issuance date of the promotion certificate, additional corporate income tax exemption for 1 year per part shall be granted.</p> <p>6.3 The projects may apply for additional incentives to enhance competitiveness under the category of research and development of technology and innovation, and/or advanced technology training under the prescribed criteria.</p> <p>7. No additional incentives shall be granted on the merit of industrial area development.</p> | |
| <p>4.27 Manufacture of Battery Electric Bus and Truck; and Battery Electric Bus or Truck Platform</p> | <p>1. The plans must be proposed in package covering a manufacture project of battery electric buses or battery electric trucks and/or battery electric bus or truck platforms; a manufacture project of electric batteries (own project or of other manufacturer’s project); machinery importation and installation plans; manufacture plans of battery electric buses and trucks and/or battery electric bus or truck platforms in year 1-3; production or procurement plans of other parts; electric charging station development plans (for the production of battery electric buses and trucks only); used battery management plans; and plans for developing local suppliers of raw materials and parts, with Thai national shareholding of not less than 51%, in providing technology training and technical assistance.</p> <p>2. The platforms must consist of an energy storage system, charging module, and front and rear axle module.</p> | <p>A4</p> |

| Activities | Conditions | Incentives |
|------------|--|------------|
| | <p>3. Battery electric buses and trucks, and/or platforms of battery electric buses or trucks, and electric batteries must be manufactured within 3 years from the issuance date of the investment promotion certificate.</p> <p>4. Battery electric buses or trucks and battery electric bus or truck platforms to be marketed in the country must conform to the following standards and specifications:</p> <p>4.1 The safety standard of the electrical power transmission system according to UN R 100.</p> <p>4.2 Other standards and specifications as stipulated by relevant agencies such as the Thai Industrial Standards Institute and the Department of Land Transport etc.</p> <p>5. No extension of the machinery importation schedule shall be allowed except for justifiable reasons.</p> <p>6. Additional incentives:</p> <p>6.1 If the manufacture of electric batteries from the module production is started within 3 years from the issuance date of the investment promotion certificate, an additional 1-year corporate income tax exemption shall be granted.</p> <p>6.2 If any additional key parts such as traction motor, BMS, and DCU are produced within 3 years from the issuance date of the investment promotion certificate, an additional 1-year corporate income tax exemption shall be granted for each part.</p> <p>6.3 The projects may apply for additional incentives to enhance competitiveness under the category of research and development of technology and innovation and/or advanced technology training according to the prescribed criteria.</p> | |

| Activities | Conditions | Incentives |
|------------|---|------------|
| | 7. No additional incentives shall be granted on the merit of industrial area development. | |

\Clause 2. The following terms shall be added in Section 6 of the list attached to Announcement of the Board of Investment No. 2/2557 dated 3 December 2014, specifying the activities, conditions, and incentives as follows:

| Activities | Conditions | Incentives |
|--|---|------------|
| 4.28 Manufacture of Electric Bicycles (E-BIKE) | <ol style="list-style-type: none"> 1. The plans must be proposed in package covering (1) a manufacture project of electric bicycles, (2) a manufacture project of electric batteries (own project or other manufacturer's project); and (3) used battery management plans. 2. Electric bicycles and electric batteries must be manufactured within 3 years from the issuance date of the investment promotion certificate. 3. The projects must use electric bicycle frames from lightweight materials such as aluminum alloy, chromium-molybdenum alloy steel (Chrome Moly), titanium alloy and carbon fiber, etc. 4. Electric bicycles manufactured by the project must comply with the EN15194 standard or equivalent. 5. The battery used in electric bicycles must be of an environmentally friendly technology. 6. Bicycles can be produced together with electric bicycles in the project. However, the manufacture of bicycles is not eligible for the benefits of corporate income tax exemption. 7. No extension of the machinery importation schedule shall be allowed except for justifiable reasons. 8. Additional incentives: | A.4 |

| Activities | Conditions | Incentives |
|-------------------|---|-------------------|
| | <p>8.1 If the manufacture of traction motors is started within 3 years from the issuance date of the investment promotion certificate, an additional 1-year corporate income tax exemption shall be granted.</p> <p>8.2 If the manufacture of electric bicycle frames with lightweight materials is started within 3 years from the issuance date of the investment promotion certificate, an additional 1-year corporate income tax exemption shall be granted.</p> <p>8.3 The approved projects may apply for additional incentives to enhance competitiveness under the category of research and development of technology and innovation according to the specified criteria.</p> <p>9. Additional incentives shall not be granted on the merit of industrial area development.</p> | |

This announcement shall be effective from September 6, 2021, onwards.

Announced on November 17, 2021

General Prayut Chan-ocha

(Prayut Chan-ocha)

Prime Minister

Chairman of the Board of Investment