

Tax Policy of Dynamic Group

Tax strategy of the group

Dynamic Group's tax strategy is to pursue optimal and equitable tax burden in the world and ensure the rights and interests of shareholders under the precondition of compliance with regulations and corporate governance, and contribute to society by paying reasonable taxes and fees.

Tax affair compliance

We are committed to complying with tax laws and related regulations, including disclosing relevant information and applying for applicable and reasonable tax incentives. Based on Dynamic's transfer pricing policy, profit allocation is accordant with the value created, and corresponding taxes are paid. We do not engage in any inappropriate tax arrangements without commercial justification. As a multinational enterprise, we deal with complex tax laws and requirements of various countries. All key operating locations have experienced professional tax personnel assigned to ensure that the group's operations comply with local tax laws.

Tax planning

The main purpose of tax planning is to ensure that the operation of business and business strategies complies with relevant regulations. Before a significant transaction, dedicated personnel at each operating location will conduct a comprehensive tax analysis and ensure that all relevant regulations are fully considered. They also focus on avoiding double taxation and adopting compliant tax incentives to improve efficiency.

We promise not to engage in any improper tax arrangements that are intended to reduce tax burdens or transfer profits to any low-tax area or tax haven and that have no economic substance or commercial reasons.

Tax governance and risk control

In line with the Base Erosion and Profit Shifting ("BEPS") principles, our transfer pricing policy is formulated based on regular trading principles derived from transfer pricing reports and benchmarking analysis. Under the wave of globalization, our value chain, including R&D, manufacturing and sales, extends to various countries. This also requires us to face complex tax laws and regulations in different countries, which may also lead to double taxation.

Therefore, we ensure that we meet local tax requirements through internal SOPs, training, etc., and provide relevant personnel with the necessary training to ensure that they have the most up-to-date tax knowledge and trends. We also consult with external experts to obtain new tax regulations and tax trend information. Tax governance is accomplished together with relevant management and supervised by the Board of Directors.

Relationship with tax collection authorities

We maintain a good and transparent cooperative relationship with the tax bureau, which allows us to better understand tax laws and regulations and follow relevant regulations to avoid tax disputes. When there is a tax dispute, we also actively provide the documents requested by the tax bureau. We reached consensus through effective communication to make a satisfactory result for both parties.

Tax report

There is no connection between the amount of tax paid and the KPI of Dynamic's management or tax affair related personnel. We believe that effective management of the effective tax rate is to ensure shareholder rights and pursue the optimal and equitable tax burden in the world.

Approval by the Board of Directors

Tax policy is an important part of operations. The formulation and implementation of tax-related decisions in company decisions shall be carried out in accordance with the requirements of internal supervision or external regulations while being supervised and approved by the Board of Directors.