



**ICW LAW CORPORATION**

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**MEMORANDUM OF AUTHORITIES AND POINTS**

**TO:**

**Newtrend Group Holding Co., Ltd. (新琪安集團股份有限公司)  
Jinggangshan Economic and Technological  
Development Zone  
Ji'an, Jiangxi, PRC**

**Cc:**

**CMBC International Capital Limited  
45/F, One Exchange Square  
8 Connaught Place  
Central, Hong Kong (the "Sole Sponsor")**

**AND**

**CMBC Securities Company Limited  
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**AND**

**China Industrial Securities International Capital Limited  
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**AND**

**Guosen Securities (HK) Capital Company Limited  
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88 Queensway  
Hong Kong ("Guosen Securities")**

(CMBC Securities, CISI and Guosen Securities together, the "Overall Coordinators", for and on behalf of the Hong Kong Underwriters)

**FROM: ICW Law Corporation  
DATE: May 30, 2025  
RE: U.S. Anti-Dumping and Countervailing Legal Risks**

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## **I. Introduction**

### New Trend Group

New Trend Group (the “**Group**”) is a leading food-grade glycine and sucralose manufacturer in the world, with over 20 years of history. Its products have both pharmaceutical and food-grade applications in PRC and worldwide. The Group ranked first in the global food-grade glycine manufacturing industry in terms of sales volume and sales revenue for 2023, with global market share of approximately 5.1% and 3.1%. It is also one of the top five sucralose manufacturers in the world in terms of sales volume and sales revenue for 2023, with market share of approximately 4.8% and 4.5%.

With a strong commitment to research and development, the Group has been actively engaging in the advancement of food additives and fine chemicals. It has established long-term, cooperative partnerships with numerous renowned international food companies, underscoring its reputation and reliability in the industry.

The Group has a solid, stable and diversified customer base across the world with over [300] customers during the Track Record Period (“**TRP**”) and from a wide range of industries. Among which included reputable multinational corporations such as (i) American Beverage Customer, a world-renowned multinational corporation manufacturing one of the world’s most popular carbonated beverages; (ii) Swiss Food and Beverage Customer, a world-famous multinational corporation which is famous for its branded coffee, chocolate and cereals; (iii) American Oral Care Products Customer, one of the world’s largest oral care products manufacturers; (iv) American Confectionary Customer, a globally-leading confectionary manufacturer; and (v) American Snacks Customer, a top snacks manufacturer in the world. These reputable multinational corporations have approximately [10] to [20] years of business relationship with our Group.

### New Trend Group’s Presence in Indonesia

As of 21 May 2025 (“**LPD**”), the Group had five production plants located in the PRC, Thailand and Indonesia. The Group also possess a comprehensive warehouse and sales network with warehouses in the PRC, Thailand and Indonesia, serving customers all over the world.

The Group currently owns one production plant in Indonesia:

- PT New Trend Nutrition Ingredient Indonesia (*Blok E No.3, Karawang, Jawa Barat 41361*) (“**PTNNI**”);

The Group also has one other subsidiary in Indonesia:

- PT NTFC Trading Indonesia.

PTNNI focuses on the production of high-quality nutritional ingredients and trading operations, particularly food-grade glycine. It typically procures monochloroacetic acid (“**MCA**”), an



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essential product in producing glycine, directly from raw material suppliers, and starts from the ammonization stage for the production of food-grade glycine. It usually takes around [10] days for the production of food-grade glycine in the Group's Indonesia Plant.

PT NTFC Trading has not been actively engaging in international trading activities as at the LPD.

New Trend Group's Hong Kong Presence

NTFC (Hong Kong) Co. Ltd. ("NTFC"), is the controlling shareholder of PTNNI.

**II. Applicable Laws**

U.S. Import Tariff Regulation

The United States tariff import regulation system is governed by a comprehensive legal framework. All goods imported into the United States are classified for tariff purposes under the *Harmonized Tariff Schedule of the United States* ("HTSUS"). The HTSUS is maintained by the United States International Trade Commission ("USITC") and is regularly updated to reflect changes in international trade and tariff policy.

Every product imported into the United States must be classified under a specific HTSUS subheading. These subheadings consist of a ten-digit code that identifies the product and determines its duty rate. Glycine is currently classifiable under HTSUS subheading 2922.49.4300, which specifically provides for "glycine (Aminoacetic acid)". Sucralose is classifiable under HTSUS subheading 2932.14.0000, which specifically provides for "sucralose."

The U.S. adopts *ad valorem* (based on the value of the goods) systems to determine tariff rates to be applied on imported goods. The value of imported goods is determined according to the customs valuation rules, which primarily use the transaction value (the price actually paid or payable for the goods) as the basis for duty assessment.

U.S. Customs & Border Protection ("CBP") is an agency of the U.S. Department of Homeland Security. The CBP is responsible for the collection and assessment of all customs duties. A person importing a product into the United States for consumption is required to file a customs declaration with CBP, known as the CBP Form 7501, for each import shipment. The declaration on the CBP Form 7501 must state the description of the product, the HTSUS subheading, the duty rate, value, country of origin, and total amount of import duties that must be lawfully paid on the imported product.

U.S. Anti-Dumping Laws

U.S. anti-dumping laws regulate the imposition of antidumping duties on imports that are being "dumped" into the United States. The statutory definition of dumping is "the sale or likely sale of goods at less than fair value" (19 U.S.C. §1677 (34)). Fair value is often known as the



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product's normal value, and represents, for instance, the price of the import in its home market. Alternatively, a product's normal value can be its price in a third-country market, a constructed value, or—if the product originates from a non-market economy—the *aggregate* value of its factors of production.

U.S. anti-dumping laws are designed to protect domestic industries from foreign producers selling goods at less than fair market value, which can harm domestic manufacturers. The U.S. considers dumping an unfair trade practice. U.S. anti-dumping laws are enacted at the federal level, and are enforced by federal agencies the U.S. Department of Commerce (“**DOC**”) and the International Trade Commission (“**ITC**”). When an industry petitioner believes that it is being harmed by unfairly priced imports, i.e. products that are “dumped”, it can file a petition with the DOC and ITC. If these bodies determine that dumping has occurred and caused material injury to the domestic industry, anti-dumping duties are imposed on the imports in question. To be successful, the petitioners requesting imposition of antidumping duties must show that the imported products they claim are being “dumped” are sold in the United States at “export prices” that are less than its normal value and that such sales injure, or threaten to injure, the U.S. industry.

During the investigative proceeding, the DOC is responsible for determining the extent to which there are sales at export prices that are less than normal value (e.g., by how much are the foreign producers and exporters “dumping” their products) and the ITC is responsible for assessing the extent of any injury or threat of injury to the U.S. industry that is caused by the dumping. If both government agencies make affirmative findings (e.g., DOC determines there are sales at export prices that are less than normal value and ITC determines that there is injury, or a threat of injury, from those sales), then the DOC issues an antidumping duty order and U.S. Customs & Border Protection (“**CBP**” or “Customs”) is charged with collecting antidumping duties from importers of the product that is subject to the antidumping duty order.

The importer is obligated to state on the CBP Form 7501 any antidumping duty case number and antidumping duty rate applicable to the imported product. The total duties due, including antidumping duties, must be paid to CBP at the time the Form 7501 is filed. CBP relies upon the information on the CBP Form 7501 to ensure collection and assessment of the lawfully correct amount of import duties.

Since at least March 29, 1995, the DOC has imposed an antidumping duty on imports of glycine from China. For the period from 1 January 2021 to 31 December 2023, the anti-dumping duty rates on glycine imported from China is 155.89% *ad valorem*. Currently, the U.S. does not impose antidumping duty on imports of glycine and/or sucralose from Indonesia. For details of the impact on our business, financial condition and results of operation, please refer to the paragraph headed “Risk Factors” in this prospectus.

Hong Kong’s Trade Law Status



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As of July 14, 2020, the U.S. no longer treats Hong Kong as a separate economy from China. President Trump signed Executive Order 13936, which required the U.S. to “suspend or eliminate different and preferential treatment for Hong Kong.” Producers in and imports from Hong Kong now share the China-wide rate in antidumping duty investigations.

Transshipping

Under U.S. anti-dumping laws, evasion is defined as “the entry of covered merchandise into the customs territory of the United States for consumption by means of any document or electronically transmitted data or information, written or oral statement, or act that is material and false, or any omission that is material, and that results in any cash deposit or other security or any amount of applicable antidumping or countervailing duties being reduced or not being applied with respect to the merchandise.” Under 19 USC § 1517(c)(1)(A) and 19 C.F.R. 165.27(a), to reach a determination as to evasion, CBP must “make a determination, based on *substantial evidence*, with respect to whether such *covered merchandise* entered into the customs territory of the United States through evasion.” “Covered merchandise” is defined by 19 C.F.R. 165.1 as “merchandise that is subject to a CVD order ... and/or an AD order.”

Countervailing

U.S. countervailing laws regulate the imposition of countervailing duties on imports that are being “subsidized” in another country. If the U.S. administering authority determines that the government of a country or any public entity within the territory of a country is providing, directly or indirectly, a countervailable subsidy with respect to the manufacture, production, or export of a class or kind of merchandise imported, or sold (or likely to be sold) for importation, into the United States, there shall be imposed upon such merchandise a countervailing duty (“CVD”), in addition to any other duty imposed.

HTSUS Classification of Glycine and Sucralose

Glycine is a free-flowing crystalline material, like salt or sugar. Glycine is produced at varying levels of purity and is used as a sweetener/taste enhancer, a buffering agent, re-absorbable amino acid, chemical intermediate, and a metal complexing agent. Glycine is currently classified under subheadings 2922.49.43.00 of the HTSUS, which includes glycine of all purity levels.

Sucralose is a chlorinated derivative of sucrose and is commonly used as a non-caloric artificial sweetener in a variety of food and beverage products. Sucralose is classifiable under HTSUS subheading 2932.14.00.00, which specifically provides for “sucralose.”

Anti-Dumping Duty Rates Applicable to Glycine Imported from China

Glycine produced in China is imported into the U.S. market at a column 1-general duty rate of 4.2 % *ad valorem*. Since at least March 29, 1995, the DOC has imposed an antidumping duty on imports of glycine from PRC. Between 1995 and 2011, the DOC imposed a duty of 155.89%



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on imports of glycine originating from PRC. In 2000, 2005, 2011 and 2017, the DOC and ITC conducted five-year reviews of the antidumping duty order regarding glycine from China.

On April 8, 2013, the DOC increased the antidumping duty rate on imports of glycine from China to 453.79%, which was nearly three times the previous duty.

In 2022, the DOC and ITC conducted a final five-year (sunset) review concerning glycine imported from China. The DOC and ITC determined that revocation of the order would likely lead to continuation or recurrent of material injury to the domestic industry, and continued to impose an antidumping duty of 155.89% on imports of glycine from China. For the period from 1 January 2021 to 21 May 2025, the anti-dumping duty rates on glycine imported from China is 155.89%.

In May 2024, the DOC has initiated a review investigation of antidumping duty on imports of glycine from India, Japan and Thailand. In November 2024, based on the investigations conclude by the DOC, the United States International Trade Commission determines that pursuant to the Tariff Act of 1930, that the antidumping duty applied on glycine products imported from India, Japan, and Thailand will remain in effect.

Countervailing Rate Applicable to Glycine Imported from China

On April 17, 2018, DOC. initiated the CVD investigations of Glycine from China, India, and Thailand. In 2019, an affirmative final determination was made. In the China CVD investigation, DOC assigned a subsidy rate of 144.01% mandatory Chinese respondents not including the Group. The rate for all other Chinese producers and exporters (including the Group) was also set to 144.01% *ad valorem*.

In November 2024, based on the investigations conclude by the DOC, the United States International Trade Commission determines that pursuant to the Tariff Act of 1930, that the countervailing duty applied on glycine products imported from China remain in effect. On January 28, 2025, DOC published an order confirming the continuation of said CVD duty.

Section 301 of the Trade Act of 1974

Effective September 24, 2018, glycine produced in China was subject to an additional 10% *ad valorem* duty under Section 301 of the Trade Act of 1974, increasing to 25% as of May 10, 2019. As of the LPD, glycine imported from China continues to be subject to a 25% *ad valorem* tariff under Section 301.

Trump 2025 China Tariffs

On February 1, 2025, President Donald Trump announced an 10% tariff on all Chinese imports, effective February 4, 2025, citing national security concerns related to the fentanyl crisis. Subsequently, the tariff rate was escalated in stages, reaching a cumulative rate of up to 145% on certain categories of Chinese-origin goods. Nonetheless and following successful bilateral negotiations, said tariffs were temporarily reduced to 30% *ad valorem* rate for a 90-day period,



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effective May 14, 2025. This suspension is set to expire on August 12, 2025, unless extended through further negotiations.

**Tariff Rate Applicable to Glycine Imported from Indonesia**

Currently, the U.S. does not impose antidumping duty or countervailing duty on imports of glycine from Indonesia. On April 2, 2025, President Trump declared a national emergency under the IEEPA, leading to the imposition of a universal 10% tariff on all imports into the United States effective April 5, 2025. In addition, the Trump administration also announced elevated "reciprocal" tariffs targeting 57 countries, including Indonesia. Indonesia was assigned a 32% tariff rate, scheduled to take effect on April 9, 2025. Nonetheless, such elevated reciprocal tariffs for most countries, including Indonesia were postponed for 90-day or July 9, 2025. In response, Indonesia has entered into trade negotiations with the U.S., which are still ongoing.

As of the LPD, imports of glycine from Indonesia is still subject to a general tariff rate of 4.2% *ad valorem*, pending further updates.

U.S. imports of glycine from Indonesia appeared for the first year in 2021—amounting to 1.9 million pounds—but CBP initiated an investigation under the Enforce and Protect Act (“EAPA”) in October 2021 against several U.S. importers as to whether these U.S. imports were transshipments from Thailand, potentially evading the U.S. antidumping duty order on glycine from Thailand.

**III. Review of Records**

**Materials Reviewed:**

In forming our legal opinion (“**Opinion**”), following materials from the Group were reviewed:

- PT New Trend Nutrition Ingredient’s glycine purchase orders during the TRP;
- PT New Trend Nutrition Ingredient’s glycine commercial invoices during the TRP;
- Relevant Bills of Landing reports during the TRP;
- Relevant Forms 7501 during the TRP;
- *Audit factory glycine production* (July 2023 Final Report) of PTNNI prepared by SGS Indonesia;
- Internal production records of PTNNI;
- Notice of Determination as to Evasion – EAPA Consolidated Case Number 7647 by the U.S. CPB Trade Remedy Law Enforcement Directorate (“TRLD”).

**Indonesia Export during the TRP**





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PTNNI's all declared shipments of glycine into the United States during the TRP were reviewed. A total of 35 shipments were reviewed. Among the 35 shipments, 18 were from 2021, 8 were from 2022 and 9 were from 2023. Out of the 35 shipments, 34 were directly shipped from PTNNI to the U.S., and 1 was shipped from the NTFC to the U.S. The information contained in the commercial invoices were consistent with the information contained in the Bills of Lading prepared by corresponding ocean carriers.

From transactions were reviewed, the 2021 price of glycine import into the U.S. was between \$3.95/kg and \$4.16/kg, the 2022 price of glycine import into the U.S. was between \$8.80/kg and \$9.47/kg, the 2023 price of glycine import into the U.S. was between \$4.90/kg and \$13.50/kg, the 2024 price of glycine import into the U.S. was at or about \$4.80/kg. The 2025 price of glycine import into the U.S. was at or about \$4.55-\$4.80/kg.

According to Business Analytics, the retail price range for Indonesia glycerol was between \$0.76/kg and \$2.04/kg during the TRP. Based on evidence presented by the Group and in consideration of the retail price offered by PTNNI's U.S. imports during the TRP, it can not be concluded by the preponderance of evidence that PTNNI engaged in dumping. At the price PTNNI offered to sell to its U.S. importers, the Group could make a profit.

Export from Hong Kong During the TRP

Among the 35 shipments reviewed, 1 was shipped from PTNNI to NTFC, and then shipped from NTFC to the U.S. The price of glycine import to NTFC was set at \$3.50/kg and was transactions between related companies. The price of glycine import into the U.S. was \$4.90/kg for the shipment. There was no inconsistency between commercial invoices issued by NTFC, commercial invoice issued by the transaction's U.S. importer (Wysdom U.S. Co. Ltd.), and Bills of Lading prepared by corresponding ocean carriers. For the shipment the glycine produced by the Group's Indonesian plant was transshipped through Hong Kong, and the country of origin was Indonesia.

As the U.S. does not impose antidumping duty on imports of glycine from Indonesia, NTFC (Hong Kong)'s one transaction is unlikely to trigger any anti-dumping violations.

Evasion through Transshipping

Given the Group's strategy is to produce glycine in Indonesia and exporting it to the US through Indonesian subsidiaries, it is crucial to verify that these operations are not indirectly subject to U.S. anti-dumping duties imposed on Chinese glycine.

Under U.S. anti-dumping laws, evasion is defined as "the entry of covered merchandise into the customs territory of the United States for consumption by means of any document or electronically transmitted data or information, written or oral statement, or act that is material and false, or any omission that is material, and that results in any cash deposit or other security or any amount of applicable antidumping or countervailing duties being reduced or not being applied with respect to the merchandise." Under 19 USC § 1517(c)(1)(A) and 19 C.F.R.





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165.27(a), to reach a determination as to evasion, CBP must “make a determination, based on *substantial evidence*, with respect to whether such *covered merchandise* entered into the customs territory of the United States through evasion.” “Covered merchandise” is defined by 19 C.F.R. 165.1 as “merchandise that is subject to a CVD (countervailing) order ... and/or an AD (anti-dumping) order.”

During the TRP, covered merchandise includes glycine of all purity levels, which covers all forms of crude or technical glycine including, but not limited to, sodium glycinate, glycine slurry and any other forms of amino acetic acid or glycine. Subject merchandise also includes glycine and precursors of dried crystalline glycine that are processed in a third country, including, but not limited to, refining or any other processing that would not otherwise remove the merchandise from the scope of these orders if performed in the country of manufacture of the in-scope glycine or precursors of dried crystalline glycine.

On April 30, 2021, and September 7, 2021, Geo Specialty Chemicals, Inc, a U.S. producer of covered merchandise, submitted an allegation to CBP that PTNNI’s U.S. importers were evading the AD/CVD orders on glycine from China. The allegations asserted that the importers purchased glycine from PTNNI, one Indonesian affiliate of the Chinese Newtrend Group.

On October 26, 2021, the CPB commenced a formal investigation under Title IV, Section 421 of the *Trade Facilitation and Trade Enforcement Act of 2015*, commonly referred to as the Enforce and Protect Act (“EAPA”), against several of PTNNI’s U.S. importers, including but not limited to Newtrend USA Co., Ltd. (“NUSA”). Specifically, CBP is investigating whether the importers including NUSA have evaded *AD order A-570-836 and CVD order C-570-081* by entering into the United States Chinese-origin glycine that was transshipped through Indonesia, without declaring the merchandise as subject to the Orders. The investigation was concerned with covered merchandise imported into the U.S. through October 2021.

CBP engaged in intensive investigation of the allegations. CBP engaged in internet search of publicly available information and publicly available databases, conducted examinations of cargo entry, an onsite verification of PTNNI’s factory in Indonesia, interviewed PTNNI employees then on site, and asked for additional information about the PTNNI’s corporate structures, accounting/financial practices, and sales of the importers and the manufacturer. CBP also asked for more detailed production records from PTNNI. PTNNI failed to provide some of the information requested. Because the allegation involved the transshipment of Chinese-origin glycine through PTNNI in Indonesia, CBP’s focus at the verification was to examine whether PTNNI could have produced the quantity of glycine that importers imported into the United States.

In its *Notice of Determination as to Evasion – EAPA Consolidated Case Number 7647* (“Determination”) dated July 22, 2022, CBP determined that the importers evaded the AD/CVD orders by transshipping Chinese glycine through Indonesia because there is substantial evidence that demonstrates the purported Indonesian manufacturer could not have



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produced the volume of glycine it supplied the importers. CBP then concluded based on the totality of the evidence that China was the true country of origin and that PTNNI could not have produced all the glycine sold to the importers indicates that the importers purchased glycine from PTNNI that was covered by the orders.

PTNNI's U.S. importers filed an appeal from CBP's Determination on December 23, 2022 (*Newtrend USA v. United States*). In the Complaint of *Newtrend USA*, importers argued that, among others, insufficient due process was afforded during the CBP investigation related to the Determination, insufficient evidence was gathered, and said agency determination was erroneous and arbitrary. Importers requested the U.S. Court of International Trade ("CIT") to set aside the Determination. As of the LAD, the case is still fully litigated in front of the CIT and a final judgment of the CIT has not been rendered.

According to the SGS Audit report dated July 2023, SGS Indonesia conducted onsite inspection of PTNNI for its glycine production process. It conducted an overview of the PTNNI production factory facility, reviewed its manufacture data, quality assurance protocols, standard operating procedures, and other relevant documents and records. It concludes that PTNNI has complete facilities with effective production lines for machine placement for the glycine production process. It also concludes that PTNNI manufacture and production data are under control and properly recorded.

The Audit Report includes a big number of photos, which show outside and inside looks of PTNNI factories and laboratories. These photos include images of views of the factor, office building, production area, and inside looks of the production building. It notes that the production building has 3 floors with lifting equipment facilities in the form of a hoist crane and transfer of raw materials to production machines with the help of forklifts and transfer using the pumps.

The Audit Report includes an image of PTNNI's *Quality Operating Instruction* and *Production Operating Instruction* issued on July 1, 2020. It also displays images of essential raw materials that are used to produce glycine, including MCA, hexamine, and methanol. It also contains PTNNI production records containing several intermediate stages dated from March 2023 to July 2023. The evidence shows that at least starting March 2023, there is no substantial evidence to conclude that PTNNI could not have produced all the glycine sold to the importers indicates that the importers purchased glycine from PTNNI that was covered by the orders.

This summary provides a foundational understanding of the US anti-dumping laws and rates

According to the Group's internal records, PINNI has maintained sufficient manpower and production capacity since the PINNI's establishment in Indonesia. The information is summarized into **Table 1**. According to CPB's statistics, when glycine was first imported into the U.S. from Indonesia in 2021, the annual import quantity was around 1.9 million pounds (950 tons). According to the Group's internal records, its annual glycine production in 2021 exceeded 950 tons.



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<b>Year</b>	<b>Annual Glycine Production (Ton)</b>	<b>Number of Employees</b>	<b>Insurance Date of MCA Certificate of Import</b>
<b>2021</b>	1145.039	147	Jan 12, 2021
<b>2022</b>	1034.955	115	March 18, 2022
<b>2023</b>	782.1	148	September 29, 2023

***Table 1 Production Statistics of PTNNI***

**IV. Opinions and Risk Factors**

**1. Anti-Dumping Duties Generally**

Imports of Chinese origin glycine have been the subject of a DOC antidumping duty order since 1995. The antidumping duty rate has been approximately 155.89% from 1995 until April 2013, when the DOC increased the rate from approximately 155.89% to approximately 453.79%, effective for imports made on/after March 2011. Currently, the applicable antidumping duty for glycine products from China is 155.89% and is likely to retain for the next five years or so.

Currently, the U.S. does not impose antidumping duty on imports of glycine from Indonesia. Imports of glycine from Indonesia is subject to a general tariff rate of 4.2%.

During the TRP, there is no substantial evidence that PTNNI's U.S. imports would lead to violations of U.S. anti-dumping laws *if* the covered merchandise is determined to be of Indonesian origin. However, during the TRP and up until October 2021, there is a risk that PTNNI's U.S. imports could result in U.S. anti-dumping law violations if the covered merchandise is found to be of Chinese origin, pending appeal. From October 2021 until February 2025, there is again no substantial evidence suggesting that PTNNI's U.S. imports would lead to U.S. anti-dumping law violations.

**2. There is minimal risk CPB's Determination in Consolidated Case No. 7647 will impact the Group's overall financial status.**

Even though in its Determination in Consolidated Case No. 7646, CBP determined that PTNNI's several U.S. importers evaded the AD/CVD orders by transshipping Chinese glycine through Indonesia because there is substantial evidence that demonstrates the purported Indonesian manufacturer could not have produced the volume of glycine it supplied the importers, PTNNI's U.S. importers did not agree with the determination and are actively appealing the determination.



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Even if CPB's Determination is unsuccessfully challenged, any assessed penalties of U.S. anti-dumping duties fall on PTNNI's U.S. importers, which is less likely to impact on the Group's overall financial status. In addition, currently, PTNNI faces no competition in Indonesia in terms of glycine production or glycine imports into the U.S. Therefore, for PTNNI's U.S. importers, any benefits of continuing importing Made in Indonesia glycine from PTNNI may outweigh any associated costs.

**3. The Group is subject to risks associated with continued glycine import into the United States.**

PTNNI is currently the biggest supplier of Made in Indonesia glycine import to the U.S. PTNNI has a stable production capacity and may expand its glycine imports to the U.S. in the future. Due to CPB's Determination in EAPA Consolidated Case Number 7647 (under appeal), PTNNI's U.S. importers may face certain financial liabilities. It is also determined that CBP will require that for any future imports of glycine from PTNNI, the importers deposit estimated duties at the time of entry. This determination might impact overall financial status of the Group's U.S. importers, PTNNI's business relationship with any its existing U.S. importers, or any other U.S.'s importers new business relationship with PTNNI, making import Indonesian glycine from PTNNI more expensive.

Additionally, this situation may increase PTNNI's vulnerability to similar anti-dumping claims alleged by PTNNI's U.S. competitors in the future, which often arise during adverse economic conditions. The return of President Donald Trump to White House in 2025 has ushered in a new era of aggressive trade enforcement. His policies introduce uncertainty for multinational businesses and supply chain operators. The uncertainty surrounding the appeal and potential financial repercussions could adversely affect PTNNI's business, financial condition, and results of operations. As a result, any inability to mitigate these financial liabilities or secure favorable terms in new business dealings could have adverse effects on PTNNI's market position and the Group's future prospects in the U.S. market.

**4. If PTNNI fails to main adequate records of its production capacity, manpower, manufacturing, financial and accounting records, among others, PTNNI and its U.S. importers maybe subject to various international trade regulations, quotas, tariffs and duties, including anti-dumping, which may adversely affect the Group's business, financial condition and results of operations.**

When the Group makes sales to overseas markets, it is subject to various government policies and trade restriction in the corresponding jurisdictions. Protective measures imposed by foreign countries to regulate import and subsidize local businesses, such as anti-dumping, tariffs or quota fees, could affect the prices of the Group's products sold in such countries and as a result weaken the competitiveness of its products.

U.S. anti-dumping laws are designed to protect domestic industries from foreign producers selling goods at less than fair market value, which can harm domestic manufacturers. The U.S.



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considers dumping an unfair trade practice. U.S. anti-dumping laws also prohibits the entry of covered merchandise into the customs territory of the United States for consumption by means of any document or electronically transmitted data or information, written or oral statement, or act that is material and false, or any omission that is material, and that results in any cash deposit or other security or any amount of applicable antidumping or countervailing duties being reduced or not being applied with respect to the merchandise.

U.S. anti-dumping laws and regulations are constantly evolving, and new products and new countries are regularly investigated and are determined to be subject to new AD/CVD orders. Further, new requirements or restrictions could come into effect which might increase the scrutiny of the Group's business or result in one or more of our business activities being deemed to have violated certain anti-dumping regulations.

Going forward, if PTNNI fails to maintain adequate business records, or fail to obtain any of the necessary licenses to produce glycine in Indonesia or to import essential raw materials, it may be subject to additional allegations of U.S. anti-dumping regulations, which could materially and adversely affect the Group's reputation, brand image, business and results of operations.



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