OVERVIEW OF LAWS AND REGULATIONS IN THE PRC

We are subject to a variety of PRC laws, rules and regulations across a number of aspects of our business. This section sets forth a summary of the most significant laws and regulations that are applicable to our current business activities within the territory of the PRC.

REGULATIONS RELATING TO FOOD PRODUCTION, OPERATION AND FOOD SAFETY

Food Production License

The General Administration of Quality Supervision, Inspection and Quarantine of the PRC (now merged into SAMR) promulgated the Measures for the Administration of Food Production Licensing (the "Food Production Measures") (《食品生產許可管理辦法》) and last amended on January 2, 2020, which came into effect on March 1, 2020. According to the Food Production Measures, a food production license shall be obtained in accordance with the law to engage in food production activities within the PRC. The SAMR shall be responsible for the supervision and guidance of the nationwide food production licensing administration. Local departments for market regulation at or above the county level shall be responsible for the food production licensing supervision and administration within their respective administrative areas. The validity term for a food production license is 5 years. If the enterprise that has the food production license needs to extend the validity term of its food production license, it shall file an application for renewal of the license with the original licensing authority within 30 business days prior to the expiry of the validity term of the food production license.

Food Operation License and Record Filing

According to the Administrative Measures for Food Operation Licensing and Record-filing (the "Food Operation Measures") (《食品經營許可和備案管理辦法》), which was promulgated by the SAMR on June 15, 2023 and became effective on December 1, 2023, entities and/or individuals engaging in the operation of food shall obtain a food operation license. The food operation license is issued by the administration for market regulation at or above the county level and is valid for five years. An entity trading in food but only for sale of prepackaged food does not require a food operation license, but shall be filed with the competent market supervision authority at or above county level in accordance with the law. Food producers that have already obtained a food production license and sell only food they produce either at their production and processing premises or through online channels are not required to obtain a food operation license. Those who have obtained food operation licenses are not required to go through the record-filing where the business scope is extended to include the sale of prepackaged food.

Food Safety

According to the Food Safety Law of the PRC (《中華人民共和國食品安全法》), or the Food Safety Law, which was promulgated by the NPCSC and last amended on September 12, 2025, which came into effect on December 1, 2025, and the Implementation Regulations for the Food Safety Law of the PRC (《中華人民共和國食品安全法實施條例》) promulgated by the State Council and last amended on October 11, 2019, which came into effect on December 1, 2019, anyone who engages in food production, food selling, or catering services shall obtain the license according to the Food Safety Law. Food producers and business operators shall take and conform to the measures specified in the Food Safety Law and its Implementation The Food Safety Law sets out, as penalties for violation, various legal liabilities in the form of warnings, orders to rectify, confiscations of illegal gains, confiscations of utensils, equipment, raw materials and other articles used for illegal production and operation, fines, recalls and destructions of food in violation of laws and regulations, orders to suspend production and/or operation, revocations of production and/or operation license, and even criminal punishment.

Food Recall System

According to the currently effective Administrative Measures for Food Recalls (《食品召回管理辦法》), which was promulgated by the SAMR and came into effect on October 23, 2020, a food producer or business operator shall assume primary responsibilities for food safety, by establishing a sound management system, collecting and analysing food safety information and performing legal duties of the cease of production and operation of as well as recall and disposal of unsafe food. Further, where the food producer or business operator fails to forthwith cease production or business operation, to make a voluntary recall, to start a recall within the prescribed time limit, to recall according to its recall plan or to dispose of unsafe food as required, the local administration for market regulation shall give a warning and concurrently impose a fine of not less than RMB10,000 but not more than RMB30,000.

Food Labeling Management

According to the Food Safety Law, prepackaged food shall be labeled. The labels shall include, among other things, the following information: (i) name, specification, net weight, and production date, (ii) content or ingredient table, (iii) name, address and contact information of the manufacturer, (iv) expiration date, (v) the standard code of the product, (vi) storage conditions, (vii) generic names of food additives used according to the national standards, (viii) the production license number, and (ix) other information as required by laws, regulations and food safety standards. Food operators shall sell food products in accordance with warning marks, warning specifications or cautions stated on labels thereof.

The Provisions on the Administration of Food Labels (《食品標識管理規定》) promulgated by the General Administration of Quality Supervision, Inspection and Quarantine and came into effective on October 22, 2009 applies to the labeling and administration of food produced (including repackaging) and sold within the territory of the PRC. On March 14, 2025, the SAMR promulgated the Measures for the Supervision and Administration of Food Labels (《食品標識監督管理辦法》), which shall come into force on March 16, 2027 and repeal the above Provisions on the Administration of Food Labels upon effectiveness, which further standardized, among other things, the basic requirements for food labeling, the labeling method of food additives, and the classification and labeling of the ingredient list.

Food Advertisement

According to the Advertising Law of the PRC (《中華人民共和國廣告法》) promulgated by the NPCSC and last amended on April 29, 2021, no advertisement shall contain any false or misleading information, and shall not deceive or mislead consumers. Any advertiser, advertising agent or advertisement publisher shall, when engaging in advertising activities, comply with laws and administrative regulations, act in good faith, and conduct fair competition. In any advertisement, where there are statements regarding the performance, function, place of origin, purpose, quality, ingredients, price, producer, shelf life and guarantees of the product, or the content, provider, form, quality, price and guarantees of the service, such statements shall be accurate, clear and explicit.

Online Food Operation

According to the Measures for the Investigation and Punishment of Illegal Acts Concerning Online Food Safety (《網絡食品安全違法行為查處辦法》) promulgated by the SAMR and last amended on March 18, 2025, which came into effect on May 1, 2025, online food producers and operators must conduct business within their licensed scope. Food producers with a food production license do not need a separate food operation license for online sales of their own products. All online food operators must display their food production and food operation license prominently: on the main business page for third-party platform sellers, and on the homepage for self-built website operators.

Health Food Registration, Filing

According to the Administrative Measures for Health Food (《保健食品管理辦法》), which was promulgated by the original Ministry of Health of the PRC on March 15, 1996 and came into effect on June 1, 1996, and the Administrative Measures for Health Food Registration and Filing (《保健食品註冊與備案管理辦法》), as last amended by SAMR on October 23, 2020, health food refers to the food with specific health care functions, which is suitable for specific groups due to its body regulating functions and not for the purpose of disease treatment. The production and import of the following products shall be subject to an application for health food registration: (i) health foods using raw materials not included in the Catalogue of Health Food Raw Materials; and (ii) health foods imported for the first time (excluding those that supplement nutrients such as vitamins and minerals). The production and import of the following health foods shall be subject to filing in accordance with the law: (i) health foods whose raw materials used have been included in the Catalogue of Health Food Raw Materials; and (ii) health foods imported for the first time that are intended to supplement nutrients such as vitamins and minerals, and such nutrients shall be substances included in the Catalogue of Health Food Raw Materials.

REGULATIONS RELATING TO PRODUCT QUALITY AND PROTECTION OF CONSUMER RIGHTS AND INTERESTS

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) last amended and came into effect on December 29, 2018 and the Civil Code of the PRC (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020 and came into effect on January 1, 2021, for damages arising from a defective product, the infringed party may seek compensation from either the producer or seller of the said product. If the product defect is caused by the producer, the seller shall be entitled to seek reimbursement from the producer upon compensation. If the product defect is caused through the fault of the seller, the producer shall be entitled to seek reimbursement from the seller upon compensation. If a defect is found in a product after it has been put into circulation, the producer and the seller shall take remedial measures in a timely manner including stopping sales, issuing warnings, and conducting recalls.

According to 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》), which was promulgated by the NPCSC, last amended on October 25, 2013 and became effective on March 15, 2014, where a business operator engages in fraudulent conduct in providing goods or services, it shall, at the request of the consumer, increase compensation for the losses suffered by the consumer. The amount of such additional compensation shall be three times the price of the goods purchased by the consumer or the cost of the services received; if the amount of additional compensation is less than 500 yuan, it shall be 500 yuan. Where otherwise provided by law, such provisions shall prevail. Where a business operator, clearly aware of defects in the goods or services, nevertheless provides them to consumers, causing death or serious bodily injury to consumers or other victims, the victims shall have the right to require the business operator to compensate for the losses in accordance with the relevant provisions of this Law, and shall also have the right to claim punitive damages of not more than two times the losses suffered.

REGULATIONS RELATING TO FOOD IMPORT AND EXPORT

Food Import and Export

According to the Measures for the Administration of Import and Export Food Safety of the PRC (《中華人民共和國進出口食品安全管理辦法》) promulgated by the General Administration of Customs on April 12, 2021 and came into effect on January 1, 2022, overseas exporters or agents exporting food to the territory of China shall file with the General Administration of Customs. Food importers shall file with the customs authorities at their place of domicile. Food export production enterprises shall file with the Customs at their place of domicile. Export food shall be subject to inspection and quarantine by the Customs at the place of origin in accordance with the law.

Foreign Trade

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》), promulgated by the NPCSC and last amended on December 27, 2025, which came into effect on March 1, 2026, no registration of foreign trade operators is required. The PRC government allows the free import and export of goods and technologies, unless otherwise provided by laws and administrative regulations.

Customs Declaration

According to the Customs Law of the PRC (《中華人民共和國海關法》), and the Regulations of PRC Customs on Administration of Recordation of Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), all transports, goods and articles entering or exiting the PRC must pass through a designated customs office. Customs declaration and duty payment may be handled by the consignees or consignors of imported and exported goods, or their entrusted customs clearing enterprises. Such entities shall duly complete and obtain customs declaration entity recordation. The recordation of the customs declaration entities is valid for an indefinite period of time, while the temporary recordation is valid for one year, after the expiry reapplication of recordation can be made.

REGULATIONS RELATING TO CORPORATION, FOREIGN INVESTMENT AND OVERSEAS INVESTMENT

The establishment, operation and management of corporate entities in the PRC are governed by the PRC Company Law (《中華人民共和國公司法》), which was promulgated by the NPCSC and last amended on December 29, 2023, which came into effect on July 1, 2024.

According to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) which became effective on January 1, 2020, China has adopted a system of national treatment which includes a negative list with respect to foreign investment administration. Foreign investments beyond the negative list are entitled to national treatment which 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 sets forth industries in which foreign investments are prohibited or restricted, which will be issued, amended or released upon approval by the State Council from time to time. The currently effective negative list is 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)》), which was promulgated by the NDRC and the MOFCOM on September 6, 2024 and came into effect on November 1, 2024.

In addition, the State, in accordance with the needs of national economic and social development, encourages and guides foreign investors to invest in specified industries, fields, and regions. According to the Catalog of Industries for Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》) ("Encouraging Catalog"), which was promulgated by the NDRC and the MOFCOM on December 15, 2025 and came into effect on February 1, 2026, as of the Latest Practicable Date, confectionery production belongs to the encouraged industries for foreign investment.

REGULATIONS RELATING TO INFORMATION SECURITY AND DATA PRIVACY

On November 7, 2016, the NPCSC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) ("Cybersecurity Law"), which was last amended on October 28, 2025 and came into effect on January 1, 2026. In accordance with the Cybersecurity Law, network operators must comply with applicable laws and regulations and fulfill their obligations to safeguard network security in conducting business and providing services. Network service providers must take technical and other necessary measures as required by laws, regulations and mandatory requirements to safeguard the operation of networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data.

On August 20, 2021, the NPCSC promulgated the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) ("Personal Information Protection Law"), which came into effect on November 1, 2021. The Personal Information Protection Law integrates the scattered rules with respect to personal information rights and privacy protection.

On June 10, 2021, the NPCSC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) ("Data Security Law"), which came into effect on September 1, 2021. In accordance with the Data Security Law, the conduct of data processing activities shall be in compliance with the provisions of laws and administrative regulations, establishing and completing a data security management system for the entire workflow, organizing and conducting data security education and training, adopting corresponding technical measures and other necessary measures to ensure data security, strengthening risk monitoring, taking immediate disposition measures and promptly reporting to relevant authorities when data security incidents occur.

On September 24, 2024, the State Council promulgated the Regulation on Network Data Security Management (《網絡數據安全管理條例》), which came into effect on January 1, 2025. The Regulations on Network Data Security Management prescribes several key obligations, including requiring network data handlers to specify the purpose and method of personal information processing, as well as the types of personal information involved, before any personal information is processed. It also clarifies definitions for important data, outlines the obligations of those handling important data, establishes broader contractual requirements for data sharing between data handlers, and introduces a new exemption for regulatory obligations regarding cross-border data transfers. The regulation also provides that network data processors conducting any data processing activities that affect or may affect national security shall undergo national security review in accordance with relevant national regulations.

REGULATIONS RELATING TO THE LAND AND DEVELOPMENT AND CONSTRUCTION PROJECTS

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》), which was last amended on August 26, 2019 and came into effect on January 1, 2020, land users can obtain land use rights for construction land in accordance with the Land Administration Law. Under relevant PRC laws and regulations on urban and rural planning, construction administration and quality management, for construction projects involving the transfer of the right to use State-owned land or located within urban or town planning areas, the project owner shall obtain a land use planning permit and a construction project planning permit from the competent authorities, and, unless exempted, a construction permit before commencing works. Upon completion, the construction unit must organize the relevant design, construction, and supervision entities to conduct a completion inspection, and, after passing such inspection, file the completion record with the competent construction department of the local people's government at or above the county level.

REGULATIONS RELATING TO THE MANAGEMENT OF LEASE HOUSING

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》) and the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), when leasing premises, the lessor and lessee are required to enter into a written lease contract. Both the lessor and the lessee shall complete property leasing registration and filing formalities within 30 days from the execution of the property lease contract with the real estate administration department where the leased property is located. If the lessor and lessee fail to go through the registration and filing procedures, both lessor and lessee may be subject to fines ranging from RMB1,000 to RMB10,000.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Trademark

The Trademark Law of the PRC (《中華人民共和國商標法》) was last amended on April 23, 2019 and came into effect on November 1, 2019. The Regulations for the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) were last amended on April 29, 2014 and came into effect on May 1, 2014. According to these laws and regulations, the validity period of a registered trademark is 10 years from the date of approval. Each renewal extends the validity period for 10 years, starting from the day following the expiration of the last validity period.

Patent

The Patent Law of the PRC (《中華人民共和國專利法》) was last amended on October 17, 2020 and came into effect on June 1, 2021. The Detailed Rules for the Implementation of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) was last amended on December 11, 2023 and came into effect on January 20, 2024. According to the foregoing provisions, patents in China are categorized into three types: invention patents, utility model patents and design patents. The term of an invention patent right is 20 years, the term of a utility model patent is 10 years, and the term of a design patent is 15 years, all of which are calculated from the filing date.

Copyright

The Copyright Law of the PRC (《中華人民共和國著作權法》) (the "Copyright Law") was last amended on November 11, 2020, and came into effect on June 1, 2021. According to the Copyright Law, Chinese citizens, legal entities or other organizations own copyright in their copyrightable works (whether published or not), including ingenious intellectual achievements in the fields of literature, art and science that are original and can be expressed in certain forms.

Domain Name

The Internet Domain Name Management Measures (《互聯網域名管理辦法》) were issued on August 24, 2017 and came into effect on November 1, 2017. According to the foregoing provisions, domain name registration is conducted through domain name root servers and their operating institutions, domain name registration management institutions and domain name registration service institutions established in accordance with the relevant regulations.

REGULATIONS RELATING TO WORK SAFETY

Pursuant to the Work Safety Law of the PRC (《中華人民共和國安全生產法》) (the "Work Safety Law") promulgated by the NPCSC on June 29, 2002 and last amended on June 10, 2021, which came into effect on September 1, 2021, entities shall strengthen the management, establish and improve responsibility systems and policies, improve conditions, strengthen the standardized and information technology development of work safety and improve the production level to ensure their production safety. The principal persons in charge of the production and operation entities are fully responsible for the production safety of their entities. Violation of the Work Safety Law may result in fines and penalties, suspension of operation, an order to cease operation, or even criminal liability in severe cases.

REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

Pursuant to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) promulgated by the NPCSC and last amended on April 24, 2014, which came into effect on January 1, 2015, any entity which releases or will release pollutants during the course of operations or other activities must implement effective environmental protection safeguards and procedures to control and properly treat waste gas, waste water, waste residue, dust, malodorous gases, radioactive substances, noise, vibrations, electromagnetic radiation, and other hazards produced during such activities.

On March 12, 2026, the NPCSC promulgated the Ecological Environment Code of the PRC (《中華人民共和國生態環境法典》) ("**Ecological Environment Code**"), which will come into effect on August 15, 2026, and will repeal the current Environmental Protection Law of the PRC. As a comprehensive and fundamental legal framework for ecological and environmental protection, the Ecological Environment Code systematically integrates existing environmental laws and regulations. It strengthens the legal mechanisms for environmental impact assessments, pollution control, and the promotion of green and low-carbon transformation.

Pursuant to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) promulgated by the NPCSC and last amended, which came into effect on December 29, 2018, for construction projects that have an impact on the environment, entities shall prepare an environmental impact report, report form or registration form in accordance with the severity of the impact that the project may have on the environment.

Pursuant to the Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and came into effect on March 1, 2021, entities that generate or release significant volumes of pollutants, or which cause a substantial environmental impact, shall apply for pollutant discharge permits. Entities that generate and release only minor volumes of pollutants and cause a limited environmental impact, shall fill out pollutant discharge registration forms, and are not required to apply for a pollutant discharge permit.

REGULATIONS RELATING TO EMPLOYMENT AND SOCIAL WELFARE

Employment

The major PRC laws and regulations that govern employment relationships are the PRC Labor Law (《中華人民共和國勞動法》), the PRC Labor Contract Law (《中華人民共和國勞動合同法》) and its implementation regulations, which impose stringent requirements on the employers in relation to entering into employment contracts, hiring of part-time employees and dismissal of employees.

The Interpretation II of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》(the "New Judicial Interpretation") was enacted by the Supreme People's Court on July 31, 2025 and came into effect on September 1, 2025. According to the Article 19 of the New Judicial Interpretation, if an employer and an employee agree or the employee commits that social insurance contributions are not required to be paid, the People's Court shall deem such agreement or commitment invalid, and where an employer fails to pay social insurance contributions, and the employee requests to terminate the labor contract and claims economic compensation from the employer in accordance with the PRC Labor Contract Law, the People's Court shall support such claims.

Social Insurance

The PRC Social Insurance Law (《中華人民共和國社會保險法》) (the "Social Insurance Law"), which was issued by the NPCSC and last amended on December 29, 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council and last amended on March 24, 2019, enterprises shall register for social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of their employees. Any employer who fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and a late payment surcharge at a rate of 0.05% per day shall be imposed starting from the date of the arrears. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

Housing Provident Fund

Pursuant to the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》), which was promulgated by the State Council and last amended on March 24, 2019, employers in China shall provide their employees with housing provident fund. Employers who fail to contribute to the above housing provident funds may be ordered to make full payment within a prescribed time period by the housing provident fund management center. If an employer fails to make the payment towards the housing provident fund within a prescribed time limit, an application may be made to the people's court for enforcement.

REGULATIONS RELATING TO FOREIGN EXCHANGE

Pursuant to the Foreign Exchange Administrative Regulations of the PRC (《中華人民共和國外匯管理條例》), which was promulgated by the State Council and last amended on August 5, 2008, and the Administrative Regulations on Foreign Exchange Settlement, Sales and Payment (《結匯、售匯及付匯管理規定》) promulgated by the PBOC on June 20, 1996 and came into effect on July 1, 1996, Renminbi is freely convertible for payments of current account items such as trade and service-related foreign exchange transactions and dividend payments after the relevant financial institutions have reasonably examined the authenticity of the transaction documents and their consistency with foreign exchange receipts and payments, but is not freely convertible for capital expenditure items such as direct investment, loans or investments in securities outside the PRC unless the approval of the SAFE or its local counterparts is obtained in advance.

According to the Notice on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《關於境外上市外匯管理有關問題的通知》) promulgated by the SAFE on December 26, 2014, a domestic company shall, within 15 working days after the completion of its overseas listing, go through the registration of overseas listing with the foreign exchange bureau at its place of registration.

According to the Guidance on Foreign Exchange Business for Capital Account (2024 Edition) (《資本項目外匯業務指引(2024年版)》), proceeds raised by domestic companies through overseas listings shall, in principle, be repatriated to China in a timely manner, either in Renminbi or foreign currency. The use of proceeds must be consistent with the relevant content disclosed in public documents such as prospectuses, corporate bond offering circulars, shareholders' circulars, board of directors or shareholders' meeting resolutions. Where domestic companies use proceeds raised from overseas listings to engage in activities such as outbound direct investment, overseas securities investment, or overseas lending, they must comply with the relevant foreign exchange regulations.

According to (1) the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies for the Administration over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated by SAFE which came into effect on June 9, 2016, and was last amended on December 4, 2023; (2) the Notice of the State Administration of Foreign Exchange on Further Deepening Reform to Promote Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) announced which came into effect on December 4, 2023; and (3) the Circular of the State Administration of Foreign Exchange on Matters Concerning Deepening the Reform of Foreign Exchange Administration for Cross-Border Investment and Financing (《國家外匯管理局關於深化跨境投融資外匯管理改革有關事宜的通知》) promulgated by SAFE which came into effect on September 12, 2025, the foreign exchange receipts under capital accounts of domestic institutions are subject to discretionary settlement policies. The foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of the domestic institutions for business operation. Domestic institutions may, at their discretion, settle up to 100% of foreign exchange receipts under capital accounts for the time being, SAFE may adjust the above proportion in due time according to the balance of payments. While eligible for the discretionary settlement of foreign exchange receipts under capital accounts, domestic institutions may also opt to use their foreign exchange receipts according to the payment-based settlement system. A bank shall, in handling each transaction of foreign exchange settlement for a domestic institution according to the principle of payment-based settlement, review the authenticity and compliance of the use of the funds settled in the previous foreign exchange settlement (including discretionary settlement and payment-based settlement) of such domestic institution. Domestic institutions' foreign exchange receipts under the capital account and the Renminbi funds obtained from the settlement thereof shall not (i) directly or indirectly, be used for expenditure beyond the enterprise's business scope or expenditure prohibited by laws and regulations of the state, (ii) unless otherwise expressly specified, directly or indirectly, be used for investments in securities or other investments or wealth management (excluding financial products with a risk rating no higher than level II and structured deposits), and (iii) be used for the granting of loans to non-affiliated enterprises (except where it is expressly permitted in the business scope).

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business by the State Administration of Foreign Exchange (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using receipts under capital accounts, such as their capital funds, foreign credits and the income from overseas listing, without the need to provide the evidentiary materials concerning authenticity on a transaction-by-transaction basis to banks in advance, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of receipts under capital accounts. Local foreign exchange authorities shall strengthen monitoring analysis and interim and post regulation.

The Circular of the People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds Raised through Overseas Listings by Domestic Enterprises (《中國人民銀行、國家外匯管理局關於境內企業境外上市募集資金管理有關事項的通知》), or the Circular, came into effect on April 1, 2026, replacing the Notice on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《關於境外上市外匯管理有關問題的通知》), and materially revise the regulatory regime governing the administration of funds raised through overseas listings. According to the Circular, the overseas listing registration deadline will be extended to 30 working days from the first trading day or the completion of over-allotment and the registration authority will be changed from the SAFE to designated banks. Proceeds raised by domestic enterprises through overseas listings shall, in principle, be repatriated to China in a timely manner. Where such proceeds are to be retained offshore for purposes such as outbound direct investment, overseas securities investment, or overseas lending, the enterprise shall obtain the approval or filing documents from the competent authorities prior to the conclusion of the overseas listing issuance or the completion of over-allotment, and shall comply with the relevant regulations on cross-border capital management.

REGULATIONS RELATING TO TAXATION

Enterprise Income Tax ("EIT")

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "EIT Law") which was promulgated by the NPCSC and last amended on December 29, 2018, a unified income tax rate of 25% will be applied to foreign investment and foreign enterprises which have set up institutions or facilities in the PRC as well as PRC enterprises. Under the EIT Law, enterprises established outside China whose "de facto management bodies" are located in China are considered "resident enterprises" and will generally be subject to the unified 25% enterprise income tax rate as to their global income.

According to the Announcement of the Ministry of Finance and the State Taxation Administration on Preferential Income Tax Policies for Small and Low-Profit Enterprises and Self-Employed Individuals (《財政部稅務總局關於小微企業和個體工商戶所得稅優惠政策的公告》) (No. 6 [2023]) issued by the MOF and the STA on March 26, 2023, for the period from January 1, 2023 to December 31, 2024, the portion of the annual taxable income of a small and low-profit enterprise that does not exceed RMB1 million shall be included in the taxable income at a reduced rate of 25% and subject to corporate income tax at the rate of 20%. According to the Announcement on Relevant Tax Policies for Further Supporting the Development of Micro and Small-sized Enterprises and Individually Owned Businesses (《關於進一

步支持小微企業和個體工商戶發展有關稅費政策的公告》) (No. 12 [2023]), the policy of computing taxable income amount at a reduced rate of 25% for small and low-profit enterprises and paying corporate income tax at a tax rate of 20% continues to apply until December 31, 2027.

Value-Added Tax ("VAT")

According to the Provisional Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例》) (the "VAT Provisional Regulations"), the Notice on the Adjustment of Value-added Tax Rates (《財政部、國家稅務總局關於調整增值稅稅率的通知》) (Cai Shui [2018] No. 32), and the Announcement on Relevant Policies for Deepening the Value-added Tax Reform (《關於深化增值稅改革有關政策的公告》), the applicable value-added tax rates for general taxpayers are 13%, 9% and 6% respectively, and the applicable value-added tax rate for small-scale taxpayers is 3%.

On December 25, 2024, the NPCSC promulgated the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》) (the "VAT Law"), which came into effect on January 1, 2026 and replaced and repealed VAT Provisional Regulations. According to the VAT Law, entities and individuals that sell goods, services. intangible assets, real estate, and import goods within the territory of China are regarded as value-added tax payers and shall pay value-added tax in accordance with the said Law. The term "selling goods, services, intangible assets. and real estate" refers to the transfer of ownership of goods and real estate for consideration, the provision of services, and the transfer of ownership or the right to use intangible assets. The value-added tax rates are set at 13%, 9%, 6%, and 0%, depending on the nature of the transactions. The tax rate applicable under the simplified tax calculation method is 3%. Taxpayers calculate VAT payable mainly by offsetting input tax against output tax, unless otherwise provided by law.

According to the Circular on VAT and Consumption Tax Policies for Exported Goods and Labour Services (Caishui [2012] No. 39) (《關於出口貨物勞務增值稅和消費稅政策的通知》), which was promulgated by the MOF and the STA, manufacturing enterprises exporting self-produced goods, deemed self-produced goods, providing external processing, repair and maintenance services, and listed manufacturing enterprises exporting non-self-produced goods shall be exempted from VAT, the corresponding input tax credits shall be offset against the payable VAT amount, and any unoffset portion shall be refunded; foreign trade enterprises or other entities exporting goods and labour services shall be exempted from VAT and granted a refund of the corresponding input tax credits.

Furthermore, on January 30, 2026, the MOF and the STA promulgate the Announcement on the Value-Added Tax and Consumption Tax Policies for Export Business (《關於出口業務增值稅和消費稅政策的公告》), which came into effect on January 1, 2026, for the purpose of ensuring a smooth policy transition following the implementation of the Value-Added Tax Law of the PRC and the Regulations for the Implementation of the Value-Added Tax Law of the PRC, and continue the existing systems and practices. The Circular on VAT and Consumption Tax Policies for Exported Goods and Labour Services (Caishui [2012] No. 39) (《關於出口貨物勞務增值稅和消費稅政策的通知》) has been repealed.

According to the Provisions on the Application of VAT Zero Rate and Exemption Policies to Cross-border Taxable Activities (《跨境應稅行為適用增值稅零稅率和免稅政策的規定》), domestic entities and individuals that provide eligible cross-border services and transfers of intangible assets are entitled to VAT exemption.

Tax on Dividends

For Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), or the Individual Income Tax Law, amended by the NPCSC on August 31, 2018 and came into effect on January 1, 2019, and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) amended by the State Council on December 18, 2018, and came into effect on January 1, 2019, dividends paid by PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅

發[1993]045號文件廢止後有關個人所得税徵管問題的通知》) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong.

According to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》), or the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, executed on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷税漏税的安排》第五議定書) (the "**Fifth Protocol**") came into effect on December 6, 2019, provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

For Enterprise Investors

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), or the EIT Law, last amended by the NPCSC and came into effect on December 29, 2018, and the Implementation Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》), or the Implementation Rules of the EIT Law, last amended by the State Council and came into effect on January 20, 2025, a non-resident enterprise is subject to a reduced rate of 10% enterprise income tax on PRC-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if such non-resident enterprise does not have an establishment or place of business in the PRC or has an establishment or place of business in the PRC but the PRC-sourced income is not actually connected with such establishment or place of business in the PRC. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted according to an applicable treaty for the avoidance of double taxation.

According to the Notice from the STA on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《國家税務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) promulgated by the STA and came into effect on November 6, 2008, a PRC resident enterprise is required to withhold enterprise income tax at a rate of 10% on dividends paid to non-PRC resident enterprise holders of H Shares which are derived out of profit generated since 2008.

According to the Fifth Protocol, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Tax related to equity transfer income

For Individual Investors

Under the Individual Income Tax Law and its implementation rules, individuals are subject to individual income tax at a rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. According to the Circular on Continuing the Temporary Exemption of Individual Income Tax on Gains from Share Transfers by Individuals (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》), which was promulgated by the MOF and the STA and came into effect on March 30, 1998, from January 1, 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax. According to the Announcement of the MOF and the STA on the Catalogue of Continuing Effective Preferential Individual Income Tax Policies (《財政部國家稅務總局關於繼續有效的個人所得稅優惠政策目錄的公告》) promulgated by the MOF and the STA on December 29, 2018, the Circular on Continuing the Temporary Exemption of Individual Income Tax on Gains from Share Transfers by Individuals (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) shall continue to be effective. As of the Latest Practicable Date, the foregoing provisions did not explicitly provide for the imposition of individual income tax on non-PRC resident individuals in respect of the equity transfer of PRC resident enterprises listed on overseas stock exchanges.

For Enterprise Investors

Under the EIT Law and its implementation rules, a non-PRC resident enterprise is subject to enterprise income tax at the rate of 10% with respect to PRC-sourced income, including gains derived from the disposal of shares in a PRC resident enterprise, if it does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not actually connected with such establishment or premises in the PRC. The aforementioned income tax payable by non-PRC resident enterprises is subject to source withholding, and the payer is the withholding agent. The tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted under applicable tax treaties or arrangements.

Shanghai-Hong Kong Stock Connect Taxation Policy

According to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《財政部、國家稅務總局、中國證券監督管理委員會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the MOF, the STA and the CSRC on October 31, 2014 and came into effect on November 17, 2014, transfer spread income derived by mainland enterprises from stock investment listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be included in their total income and subject to enterprise income tax according to law. For dividends and bonuses received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the H-share companies shall apply to CSDC for providing the register of mainland individual investors to the H-share companies and withhold individual income tax at the rate of 20% on behalf of the H-share companies. According to the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) which was promulgated on August 21, 2023 and came into effect on the same date, the transfer spread income derived by mainland individual investors from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be exempted from individual income tax from December 5, 2019 to December 31, 2027. According to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《財政部、國家稅務總局、中國證券監督管理委員會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》), dividends derived by mainland enterprises from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect are included in their total income and subject to Enterprise Income Tax according to law. According to this Notice, dividend income obtained by mainland resident enterprises from holding H shares for 12 consecutive months shall be exempted from enterprise income tax according to law. H-share companies shall not withhold income tax on dividends and bonus income for mainland enterprises investors. The tax payable shall be declared and paid by the enterprise itself.

Shenzhen-Hong Kong Stock Connect Taxation Policy

According to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the MOF, the STA and the CSRC on November 5, 2016 and came into effect on December 5, 2016, transfer spread income derived by mainland enterprises from stock investment listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be included in their total income and subject to enterprise income tax according to law. For dividends and bonuses received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the H-share companies shall apply to CSDC for providing the register of mainland individual investors to the H-share companies and the H-share companies shall withhold individual income tax at the rate of 20% on behalf of the investors. According to the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》), promulgated on August 21, 2023 and came into effect on the same date, the transfer spread income derived by mainland individual investors from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be exempted from individual income tax from December 5, 2019 to December 31, 2027. According to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》), dividends derived by mainland enterprises investors from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect are included in their total income and subject to Enterprise Income Tax according to law. In particular, dividend and bonus income obtained by mainland resident enterprises from holding H shares for 12 consecutive months shall be exempted from enterprise income tax according to law. H-share companies shall not withhold income tax on dividends and bonus income for mainland enterprises. The tax payable shall be declared and paid by the enterprise itself.

REGULATIONS RELATING TO OVERSEAS OFFERING AND LISTING

Overseas Listing

According to the Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall file in accordance with the provisions of the first paragraph of this article. Moreover, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the supplementary issuer required within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

The Overseas Listing Trial Measures also set forth the issuer's reporting obligations in the event of occurrence of material events ("Material Events") after the Overseas Offering and Listing. Upon the occurrence of any of the Material Events specified below after the Overseas Offering and Listing, the issuer shall make a detailed report to the CSRC within three working days after the occurrence and public announcement of the relevant event: (i) change in controlling rights; (ii) being subject to investigation, punishment or other measures by overseas securities regulatory authorities or the relevant authorities; (iii) changing listing status or changing the listing board; or (iv) voluntary or compulsory termination of listing. Besides, if any material change in the principal business and operation of the issuer after its Overseas Offering and Listing makes the issuer no longer within the scope of record-filing, the issuer shall submit a special report and a legal opinion issued by a PRC domestic law firm to the CSRC within three working days after the occurrence of the relevant change to provide an explanation of the relevant situation. According to the Overseas Listing Trial Measures, the PRC domestic enterprises engaging in Overseas Offering and Listing activities shall strictly comply with the PRC laws, administrative regulations, and relevant provisions on foreign investment, state-owned assets, industry regulation, overseas investment, etc., shall not disrupt domestic market order, and shall not harm national interests, public interests and the legitimate rights and interests of domestic investors.

Confidentiality and Archives Administration Concerning Overseas Listing

The Provisions on Strengthening the Confidentiality and File Management of Domestic Enterprises Related to Overseas Issuance of Securities and Listing (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) were promulgated by the CSRC together with the MOF, the National Administration of State Secrets Protection (國家保密局) and the National Archives Administration of the PRC (國家檔案局) on February 24, 2023 and came into effect on March 31, 2023. According to which, during the overseas offering and listing activities of domestic enterprises, domestic enterprises, securities companies and securities service providers providing corresponding services shall strictly abide by the relevant PRC laws and regulations as well as the requirements of the provisions, enhance legal awareness of guarding state secrets and strengthening the management of archives, establish and complete systems for confidentiality and archives work, take necessary measures to implement the responsibility for confidentiality and archives management, and shall not divulge state secrets and work secrets of state organs, and shall not harm the interests of state and the public. If domestic enterprises provide or publicly disclose to relevant securities companies, securities service providers, overseas regulatory agencies and other parties, or provide or publicly disclose documents and materials involving state secrets or state organ work secrets through the issuer, they shall report the matters to the competent authorities for examination and approval, and file them with the department for the administration and management of state secrets at the same level for the record.

Full Circulation of H Shares

According to the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請"全流通"業務指引》) ("Full Circulation" Guidelines), promulgated by the CSRC on August 10, 2023, "Full circulation" represents listing and circulating on the Stock Exchange of the domestic unlisted shares of a domestic H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders.

According to the "Full Circulation" Guidelines, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for "full circulation". Pursuant to the Overseas Listing Trial Measures, shareholders holding unlisted shares in the PRC shall comply with the relevant requirements of the CSRC and appoint a domestic enterprise to file report with the CSRC.

On December 31, 2019, CSDC and Shenzhen Stock Exchange jointly announced the Measures for Implementation of H-share "Full Circulation" Business (《H股"全流通"業務實施細則》) ("Measures for Implementation"). The businesses of cross-border share transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. in relation to the H-share "full circulation business", are subject to these Measures for Implementation.

In order to fully promote the reform of H-shares "full circulation" and clarify the business arrangement and procedures for the relevant shares' registration, custody, settlement and delivery, Shenzhen Branch of CSDC has issued the Guidelines to the Program for "Full Circulation" of H-shares (《中國證券登記結算有限責任公司深圳分公司H股"全流通"業務指南》) in September, 2024, which was last amended in June, 2025, and specified the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc.

LAWS AND REGULATIONS IN THE U.S.

Businesses operating in the United States are subject to a range of federal, state and local laws and regulations. Regulations that may be material to the Company's operations include those relating to food safety and compliance, customs and import requirements, and U.S. taxation.

Food Regulation

The U.S. Food and Drug Administration regulates food products marketed in the United States under the Federal Food, Drug, and Cosmetic Act, as amended (the "FD&C Act"), and related regulations.

Subject to applicable exemptions, facilities engaged in the manufacturing, processing, packing, or holding of food for consumption in the United States may be required to register with the FDA and comply with applicable regulatory requirements. Such registration is an establishment requirement and does not constitute FDA approval of products.

Food products marketed in the United States are required to comply with applicable labeling requirements, including ingredient disclosure and other mandatory labeling standards. The FDA does not generally pre-approve food labels.

To the extent the Company is considered the importer of food products into the United States, it may be subject to the Foreign Supplier Verification Program (FSVP) requirements under the Food Safety Modernization Act, which require importers to verify that their foreign suppliers produce food in compliance with applicable U.S. food safety standards.

Failure to comply with applicable FDA requirements may result in regulatory or enforcement actions, including inspections, product detention, refusal of admission, recalls or other administrative measures.

International Trade and Customs (Imports)

Importation of goods into the United States is administered by U.S. Customs and Border Protection. Importers are responsible for exercising "reasonable care" in connection with customs compliance, including the accuracy of import declarations.

U.S. law prohibits the entry of merchandise into U.S. commerce through material false statements or omissions and provides for civil penalties based on the level of culpability (including fraud, gross negligence or negligence) under 19 U.S.C. § 1592.

U.S. tariffs and other trade measures may apply to certain imported goods and are subject to change based on U.S. trade policy developments.

U.S. Corporate Income Tax and Transfer Pricing

U.S. federal corporate income tax is imposed on corporations at a rate of 21% under 26 U.S.C. § 11 (subject to applicable state and local taxes).

U.S. transfer pricing rules require that transactions between related parties be conducted on an arm's length basis. Section 482 of the Internal Revenue Code and applicable Treasury regulations are intended to ensure that taxable income reflects the results that would have been realized if uncontrolled parties had engaged in the same transactions under similar circumstances.