

MEMORANDUM

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To Medcaptain Medical Technology Co., Ltd

Morgan Stanley Asia Limited
Huatai Financial Holdings (Hong Kong)
Limited

(together as the **"Joint Sponsors"**)

FROM Hogan Lovells Cadwalader International
LLP (formerly Hogan Lovells International
LLP)

DATE August 28, 2026

By Electronic Mail
Privileged and confidential

SUBJECT Memorandum of Advice – International laws and Regulations relating to Trade
Sanctions analysis in accordance with the Chapter 4.4. Guidance

INTRODUCTION AND SCOPE

- 1.1 Hogan Lovells Cadwalader International LLP (formerly Hogan Lovells International LLP, **"Hogan Lovells Cadwalader"**, or **"We"**) have acted as the international sanctions counsel to Medcaptain Medical Technology Co., Ltd (the **"Company"**) in connection with the proposed initial public offering (the **"Offering"**) and listing of shares on the Main Board of The Stock Exchange of Hong Kong Limited (the **"HKEX"**) of the Company.
- 1.2 In light of the Chapter 4.4 of the Guide for New Listing Applicants (the **"Chapter 4.4 Guidance"**) effective from January 2024 issued by HKEX, this memorandum assesses whether (i) the Company and its subsidiaries (the Company and its subsidiaries together, the **"Group"**) engaged in Primary Sanctioned Activity (as defined below) that violates applicable laws or regulations in the Relevant Jurisdiction(s) (as defined below), and/or results in any material sanctions risk to the Relevant Persons (as defined below); (ii) the Group engaged in Secondary Sanctionable Activity (as defined below) that would likely result in the imposition of any sanctions against the Relevant Persons; and (iii) the Group is a Sanctioned Target (as defined below), is located, incorporated, organized or resident in a Sanctioned Country (as defined below), or is a Sanctioned Trader (as defined below).
- 1.3 This memorandum is provided for the purposes of the Offering only. However, our advice is applicable whether or not the Company proceeds with the Offering.
- 1.4 For the purpose of this memorandum and consistent with the Chapter 4.4 Guidance, the following terms and expressions shall have the respective meanings set out below:

"International Sanctions" means rules and regulations related to economic sanctions programs and export controls administered by the Relevant Jurisdictions.

"Primary Sanctioned Activity" means any activity in a Sanctioned Country or (i) with; or (ii) directly or indirectly benefiting, or involving the property or interests in property of, a Sanctioned Target by the Company incorporated or located in a Relevant Jurisdiction (if applicable) or which otherwise has a nexus with such jurisdiction with respect to the relevant activity, such that it is subject to the relevant sanctions law or regulation. This definition is in line with the definition of Primary Sanctioned Activity as set out in the Chapter 4.4 Guidance.

"Relevant Jurisdiction" means any jurisdiction that is relevant to the Company and has sanctions related law or regulation restricting, among other things, its nationals and/or entities which are incorporated or located in that jurisdiction from directly or indirectly making assets or services available to or otherwise dealing in assets of certain countries, governments, persons or entities targeted by such law or regulation. For the purpose of this memorandum, the Relevant Jurisdictions include United States ("**U.S.**"), European Union ("**EU**"), United Nations ("**UN**"), the UK Overseas Territories and Australia. Throughout the Track Record Period as specified below, the United Kingdom ("**UK**") was an EU Member State and EU sanctions fully applied thereto. For the purposes of this memorandum, EU sanctions are understood as covering and being applicable to the UK. No separate reference to UK sanctions is warranted.

"Relevant Persons" means the Company, together with its investors and shareholders and persons who might, directly or indirectly, be involved in permitting the listing, trading, clearing and settlement of its shares, including the HKEX and related group companies.

"Sanctioned Activity" means Primary Sanctioned Activity and Secondary Sanctionable Activity.

"Sanctioned Country" means any country or territory subject to a general and comprehensive export, import, financial or investment embargo under sanctions related law or regulation of the Relevant Jurisdiction.

"Sanctioned Target" means any person or entity (i) designated on any list of targeted persons or entities issued under the sanctions-related law or regulation of a Relevant Jurisdiction; (ii) that is, or is owned or controlled by, a government of a Sanctioned Country; or (iii) that is the target of sanctions under the law or regulation of a Relevant Jurisdiction because of a relationship of ownership, control, or agency with a person or entity described in (i) or (ii). This definition is in line with the definition of Sanctioned Target as set out in the Chapter 4.4 Guidance.

"Sanctioned Trader" means any person or entity that does a material portion (10% or more) of its business with Sanctioned Targets and Sanctioned Country entities or persons. This definition is in line with the definition of Sanctioned Trader as set out in the Chapter 4.4 Guidance.

"Secondary Sanctionable Activity" means certain activity by the Company that may result in the imposition of sanctions against the Relevant Person(s) by a Relevant Jurisdiction (including designation as a Sanctioned Target or the imposition of penalties), even though the Company is not incorporated or located in that Relevant Jurisdiction and does not otherwise have any nexus with that Relevant Jurisdiction. This definition is in line with the definition of Secondary Sanctionable Activity as set out in the Chapter 4.4 Guidance.

- 1.5 This memorandum provides preliminary analysis in accordance with the Chapter 4.4 Guidance based on the facts provided to date to assess the Group's compliance with the International Sanctions and, where appropriate, sets forth certain recommendations in regard to Sanctioned Activities. This memorandum is not intended as a full due diligence review of these issues, nor is it intended to provide any assessment of the Group's existing policies or wider procedures implemented to manage its compliance with rules and regulations related to economic sanctions programs and export controls administered by the Relevant Jurisdictions (the "**International Sanctions**").
- 1.6 In preparing this memorandum, Hogan Lovells Cadwalader reviewed the Company's responses to the "International Sanctions Due Diligence Checklist" dated April 16, 2024 (the "**Sanctions DD Checklist**"), prepared by Hogan Lovells Cadwalader, and related e-mail correspondence. We have also reviewed the information contained in the Company's prospectus prepared in connection with the Offering, as that document being amended from time to time during the Offering (the "**Prospectus**"). We have also screened the list of customers and counterparties in the Relevant Regions provided by the Group using Accuity screening tool against the lists of Sanctioned Persons maintained by the Relevant Jurisdictions. The Group's responses to the Sanctions DD Checklist have included various spreadsheets of sales records and other documents that relate to the subject matter of the Sanctions DD Checklist, and we have reviewed those documents as part of our preparation of this memorandum. As to matters of fact material to the conclusion stated herein, we have relied on the representations and statements of fact made in the documents we reviewed or made by the Group. We have not independently verified or established the facts so relied on.
- 1.7 As of the date of this memorandum, Sanctioned Countries within the meaning of the Chapter 4.4 Guidance include: Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine/Russia, and the so-called Donetsk People's Republic ("**DPR**") and Luhansk People's Republic ("**LPR**") regions of Ukraine, Kherson region and Zaporizhzhia region. Based on the information available to us, we have identified the Group's limited historical activities with Iran and Syria from 2019 to 2023 (these activities are referred as Primary Sanctioned Country Transactions as defined in paragraph 3.2(a)(ix)) from April 2019 up to the Track Record Period (the "**Review Period**").
- 1.8 We have also identified the Group's business activities during the three years ended December 31, 2025 and the three months ended March 31, 2026 (the "**Track Record Period**") with the following countries or territories for which Relevant Jurisdictions maintain various forms of sanctions programs in place (albeit not a "general and comprehensive export, import, financial or investment embargo" within the meaning of the Chapter 4.4 Guidance): Belarus, Egypt, Iraq, Lebanon, Libya, Myanmar, Nicaragua, Russia (excluding the Crimea region), South Sudan, Somalia, Tunisia, Turkey, Ukraine (excluding the Crimea region), Venezuela and Yemen (these countries together with Iran and Syria are collectively referred as the "**Relevant Regions**", and each a "**Relevant Region**").
- 1.9 This memorandum is based on the understanding and assumptions detailed herein. Hogan Lovells Cadwalader relies on the completeness and accuracy of the information given to it by the Company. If any of the assumptions are incorrect, or any changes occur in or correction to the information given, the Company is recommended to inform Hogan Lovells Cadwalader so that it can confirm the content of this analysis.
- 1.10 This memorandum is given only with respect to International Sanctions in force up to the date of this memorandum. Hogan Lovells Cadwalader underlines that sanctions measures adopted by the international community remain under constant review. Therefore, the scope and application of the measures discussed below are subject to change and should

be carefully monitored. We, however, have no obligation to notify any recipient or other person of any change in International Sanctions or their applications after the date of this memorandum. No opinion and/or advice is expressed or implied as to the laws of any other territory, or as to matters of fact, except for International Sanctions discussed below.

CONCLUSION

- 1.11 On the basis of the information received from the Company and after carrying out its procedures and analysis set out below, Hogan Lovells Cadwalader is of the view that the Company:
 - (a) Except for the Primary Sanctioned Country Transactions with Iran and Syria as defined in paragraph 3.2(a) below, the Group has not engaged during the Track Record Period in Primary Sanctioned Activity because it had no business activities in a Sanctioned Country or (i) with; or (ii) directly or indirectly benefiting, or involving the property or interests in property of, a Sanctioned Target. For the reasons listed out in paragraph 3.2(a) below, the Group's Primary Sanctioned Country Transactions with Iran and with Syria did not violate International Sanctions. As such, although during the Review Period (including the Track Record Period) the Group had engaged in Primary Sanctionable Activities (i.e. the Primary Sanctioned Country Transactions, as defined below), given that the Primary Sanctioned Activities do not represent a violation of the applicable International Sanctions, the Company would not appear to have violated applicable sanctions law or regulation in the Relevant Jurisdictions nor could that result in any material sanctions risk to the Relevant Persons;
 - (b) The Group has not engaged during the Track Record Period in Secondary Sanctionable Activity because it had no business activities targeted by extra-territorial provisions of sanctions laws or regulations in the Relevant Jurisdictions. As such, it does not appear likely that the Company's activities would result in the imposition of sanctions on the Relevant Persons;
 - (c) The Company has not been designated as a Sanctioned Target, nor is it located, incorporated, organised or resident in a Sanctioned Country; and
 - (d) The Company is not a Sanctioned Trader because it did not derive a material portion of its revenue (10% or more) during the Track Record Period from business activities with Sanctioned Country entities or persons in Cuba, Iran, Sudan and Syria, or with Sanctioned Targets.
- 1.12 As no material sanctions risks appear to be present notwithstanding the Group's Primary Sanctioned Country Transactions, the Company is not required to make undertakings pursuant to the Chapter 4.4 Guidance but has taken certain steps, as outlined in paragraph 2.3 below, to strengthen internal controls on International Sanctions risks.
- 1.13 In connection with the potential sanctions risk, we understand the Company implemented the following internal control measures to ensure compliance with International Sanctions as of July 1, 2024:
 - (a) Cessation of all business transactions involving customers in, and deliveries to, the Sanctioned Countries; and
 - (b) Implementation of Sanctions Compliance Policy.

- 1.14 The Company confirmed on behalf of the Group that there are no material changes to the business activities subsequent to the Relevant Period up to the Latest Practicable Date (i.e. August 21, 2026, as defined in the Prospectus).
- 1.15 Hogan Lovells Cadwalader's assessment is that, subject to the strict implementation to the Sanctions Compliance, such policy is effective and adequate to mitigate sanctions compliance risks for the Group.

EXECUTIVE SUMMARY

- 1.16 The Group is a global medical device provider, serving clinical needs across a wide range of clinical departments, wards and offices within medical institutions, as well as community health centers, testing facilities and home care scenarios. During the Track Record Period, the Group sold its medical devices to the Relevant Regions.

United States

- (a) On the basis of our due diligence conducted and the Company's confirmations that:
- (i) The Group engaged a U.S. company to distribute the Group's products in the United States ("**U.S. Agent**");
 - (ii) No U.S. persons employed or otherwise engaged by the Company (including the U.S. Agent) or its Group entities have been involved in any way (either directly or indirectly), including in the negotiation or approval of, or with the on-going performance of, any activities of the Company or its Group entities involving the Relevant Regions in general, and with the Primary Sanctioned Country Transactions in particular;
 - (iii) no financing or financial assistance has been received by the Group, either directly or indirectly, from any company, entity or body incorporated or located in the United States;
 - (iv) save for certain products subject to the EAR were sold to Iran during the Review Period, as discussed under paragraph 3.2(a)(ix) below, no products supplied, sold, exported or otherwise transferred by the Group to the Relevant Regions incorporate 10% or more (by value) of U.S.-origin content nor are a direct product of controlled U.S. technology;
 - (v) other than the Primary Sanctioned Country Transactions as discussed in more detail in this memorandum, during the Review Period, the Company has not undertaken, either directly or indirectly, any contract or any other activity with a counterparty, nor has otherwise provided goods or services to any person, in Sanctioned Countries;
 - (vi) no products have been exported (either directly or indirectly) to any persons or entities identified on the U.S. Department of Commerce, Bureau of Industry and Security's Entity List, Denied Parties List, Unverified List, Military End User List, or Military-Intelligence End User List (collectively, "**BIS List**");
 - (vii) save for the transactions with Joint Stock Company Novosibirsk Instrument Making Plant prior to its designation on the list of Specially Designated Nationals and Blocked Persons ("**SDNs**"), no SDNs have been identified as being involved in the Group's transactions involving the Relevant Regions,

in any transaction conducted by the Company during the Track Record Period;

- (viii) As discussed in detail below, the EO 14024 provides grounds for OFAC to designate entities viewed to be operating in certain targeted sectors of the Russian Federation. On the basis that the products that the Group sold to Russia were “medical devices” within the definition of General License No.6D (“**GL 6D**”), and the humanitarian nature of the medical devices, it is unlikely that OFAC would view the Group sales of medical devices to Russia being operating in the targeted sectors. The Group's sale of products did not involve industries or sectors that are currently subject to specific sanctions by the United States;
- (ix) the Group has identified the following historic transactions relating to Sanctioned Countries in USD and/or medical devices and other medical-related (as parts of the medical devices) subject to the EAR:
 - (1) Sales and deliveries of medical devices and other medical-related products that incorporated approximately 9.25%¹ to 27.9% of U.S.-origin content to Iran between 2019 to 2024 denominated in USD and EUR totalling approximately RMB 26,330,000 (the “**Iranian Transactions**”);
 - (2) Sales and deliveries of non-U.S. origin products to Syria between 2019 and 2024 denominated in USD totalling approximately RMB 441,000 (the “**Syrian Transactions**”),

referred to together as the “**Primary Sanctioned Country Transactions**”;

- (x) the goods involved in the Primary Sanctioned Country Transactions to Syria were all non-U.S. origin infusion pumps, syringe pumps, vein illuminator and their accessories developed by the Group, these products would be medical devices classified as EAR99 under the EAR if they were subject to the EAR;
- (xi) the goods involved in the Primary Sanctioned Country Transactions to Iran were all medical devices, including infusion pumps, syringe pumps and other medical devices subject to the EAR because of the value of U.S.-origin content incorporated in the subject products under the de minimis rule;
- (xii) the Company has reviewed all transaction records since January 2019 and has not identified any payments in U.S. dollars related to Sanctioned Countries during that time except for the Primary Sanctioned Country Transactions. With respect to the Primary Sanctioned Country Transactions, all of these payments were denominated in USD due to the lack of the Company's awareness that such activities implicated the applicability of U.S. sanctions and, to the Company's knowledge, were

¹ Only products incorporated with 10% or more of U.S.-origin content are classified as “subject to the EAR” under the *de minimis* rule when exporting to Iran. Out of prudence, products incorporated with 9% or more of U.S.-origin content are viewed as subject to the EAR when exporting to Iran in this memorandum, and included in as part of the Iranian Transactions. Further, only payments in EUR were involved in exports of products incorporated with 10% or more of U.S.-origin content. Thus, if these product incorporated 9% or more but less than 10% of U.S.-origin content were not viewed to be subject to the EAR by the competent authority, transactions involved in these transactions do not otherwise involved any U.S. nexus (including U.S. dollars, U.S. products or U.S. persons).

processed through the U.S. financial system before they were received or paid by the Company; and

- (xiii) the Company did not instruct its customers to use any particular payment route. However, all products involved in the Primary Sanctioned Country Transactions, were quoted in U.S. dollars and/or Euros, and were paid in USD and/or EUR by the third-party intermediaries on behalf of customers in Iran and Syria (those intermediaries were not engaged by the Company),

Hogan Lovells Cadwalader's assessment is that

- (xiv) for such Primary Sanctioned Country Transactions:

- (1) USD payments for the Syrian Transactions did not represent a violation as the transactions were authorized by an OFAC specific license, an OFAC general license or an exemption in the regulations. OFAC issued a general license at 31 C.F.R. § 542.525 in the Syrian Sanctions Regulations ("**SySR**"), which authorizes U.S. banks to process USD payments as services that are ordinarily incident to the exportation or reexportation to Syria, including to the Government of Syria, of non-U.S.-origin medicine and medical devices that would be designated as EAR99 under the EAR, if they were subject to the EAR (we understand that the Group's non-U.S. origin infusion pumps, syringe pumps, vein illuminator and their accessories would be classified as EAR99 if they were subject to the EAR). OFAC had issued several FAQ (including FAQ 867 and FAQ 885) stating its commitment to ensure that humanitarian assistance can flow to the people of Syria and support to the critical work of governments, certain international organizations, NGOs, and individuals delivering food, medicine, medical supplies, and humanitarian assistance to civilians in Syria. These historic sales to Syria for which payment was received in USD appear to be inconsistent with the SySR, given the humanitarian nature of the sales, it is not likely that there is a material risk for the imposition of significant penalties on the Group even if OFAC were to pursue an enforcement action in that case. Further, we note the Group's sales to Syria are unlikely to be viewed as "knowingly provides significant financial, material, or technological support to, or knowingly engages in a significant transaction with" activities described in section 102 of the Caesar Syria Civilian Protection Act of 2019 ("**Caesar Act**"), as such, it is unlikely that the Group's sales of medical devices to Syria would result in designation;
- (2) the Iranian Transactions that involve payments in USD and/or medical products subject to the EAR did not represent violations of U.S. primary sanctions involving Iran, because the Iranian Transactions were authorized by a general license in the Iranian Transactions and Sanctions Regulations ("**ITSR**"). The Group's underlying sales to Iran appear to be consistent with the OFAC general license for sales of certain medical devices to Iran set forth in 31 CFR § 560.530(a)(3) (the "**General License**") of the ITSR as the medical devices in these transactions were subject to the EAR thus making the Group a "covered person" within the meaning of section 560.530(e)(4) of the ITSR for these exports to Iran.

Specifically, that General License in section 560.530(a)(3) authorizes the export or reexport of eligible medical devices by a "covered person" as well as services that are ancillary to such export/reexport by a covered person (for example, the conduct of related transactions, including the making of shipping and cargo inspection arrangements, obtaining of insurance, arrangement of financing and payment, shipping of the goods, receipt of payment, and entry into contracts). For purposes of that General License, the term "covered person" is defined in section 560.530(e)(4) to mean (a) with respect to the exportation or reexportation of items subject to the EAR, a US person or a non-US person, and (b) for purposes of items not subject to the EAR, a US person, wherever located, or an entity owned or controlled by a US person and established or maintained outside the United States. Based on information provided by the Company, on behalf of the Group, (i) the Group's operating entity in these Iranian Transactions was not a U.S. person; (ii) the value of U.S.-origin content involved in the medical devices varies from 9.25%² to 27.9%, are subject to the EAR because of the value of U.S.-origin content incorporated in these transactions; and (iii) the medical devices sold to Iran were not on the OFAC List of Medical Devices Requiring Specific Authorization. Therefore, the Group should be viewed as a "covered person" for purposes of the Iranian Transactions and the General License could be relied upon by the Group and US persons (such as US banks) to process the sales of products subject to the EAR and USD payments related to such sales. In addition, a US clearing bank could rely on OFAC's general license in section 560.516(a) that authorizes US banks to process Iran-related payments when "an underlying transaction that has been authorized by a specific or general license issued pursuant to" the ITSR because in the Iranian Transactions would be authorized under the General License. Therefore, the Iranian Transactions do not appear to be a violation of the primary U.S. sanctions.

- (xv) On the basis of our due diligence process and confirmations of the Company, given that (i) section 1244(e) of IFCA contains a humanitarian exception under secondary sanctions for sale of medicine and medical devices to Iran; (ii) the Group's sales to Syria is unlikely to be viewed as activities described in section 102 of the Caesar Act (ii) during the Track Record Period, the counterparties in the Group's sales with the Relevant Regions had not been identified as SDNs except as explained in section 4.1; and (iii) the nature of the Group's sales should not trigger U.S. secondary sanctions targeting certain industries or products, Hogan Lovells Cadwalader's assessment is the Group's business dealings do not appear to implicate secondary U.S. sanctions.

² As covered under footnote 1 – As a matter of fact, only products incorporated with 10% or more of U.S.-origin content are classified as "subject to the EAR" under the *de minimis* rule when exporting to Iran. Out of prudence, products incorporated with 9% or more of U.S.-origin content are viewed as subject to the EAR when exporting to Iran in this memorandum, and included in as part of the Iran Transactions. Further, only payments in EUR were involved in exports of products incorporated with 10% or more of U.S.-origin content, thus, if these product incorporated 9% or more but less than 10% of U.S.-origin content were not viewed to be subject to the EAR by the competent authority, transactions involved in these transactions do not otherwise involved any U.S. nexus (including U.S. dollars, U.S. products or U.S. persons).

- (xvi) U.S. export control laws do not appear to have been implicated by the Company's activities during the Track Record Period.

UN

- (b) On the basis that:
 - (i) the Group's activities involving the Relevant Regions were limited to sales of medical products, and did not involve any products that are not export-controlled; and
 - (ii) the Company, for and on behalf of the Group, has confirmed that it does not have business dealings with parties targeted by UN sanctions,

Hogan Lovells Cadwalader's assessment is that the Group's business dealings do not implicate restrictive measures adopted by the UN.

European Union, UK and UK Overseas Territories

- (c) On the basis of our due diligence conducted and the Company's confirmations that:
 - (i) all activities involving the Relevant Regions were negotiated, entered into and performed without any involvement (including in any approval or decision making capacity) by any national of or entity incorporated, domiciled, or otherwise located in either the territories of the EU, including the UK, or the UK Overseas Territories;
 - (ii) the Company's activities are limited to the sales of medical products, and did not involve any products that are subject to sectoral sanctions in the EU or UK Overseas Territories;
 - (iii) neither the Company nor any of its affiliates, agents, directors, officers, or employees has or is engaged in transactions, business or financial dealings that directly or indirectly involve or benefit a person or entity listed under EU or UK Overseas Territories sanctions, or has or is engaged in any other activity subject to restrictions under sectoral EU sanctions; and
 - (iv) the Company has not been, directly or indirectly, involved in the export from the EU, the UK and/or UK Overseas Territories of any items listed in the EU Common Military List or the EU Dual Use list (Annex I to Regulation (EU) 2021/821) or the UK Military List destined to any of the Relevant Regions,

Hogan Lovells Cadwalader's assessment, based on a review of the declarations provided by the Company on behalf of the group, is that the prohibitions and wider restrictions under EU sanctions measures as applicable during the Track Record Period, including those extended to the UK Overseas Territories, are not implicated by the Group's business activities with the Relevant Regions.

Australia

- (d) On the basis that:
 - (i) the Group or any of its subsidiaries is not:
 - (1) a person in Australia;
 - (2) an Australian citizen or Australian-registered body;

- (3) owned or controlled by Australians or persons in Australia;
 - (4) a person using an Australian flag vessel or aircraft to transport goods or transact services subject to Australian autonomous sanctions; or
 - (5) engaged in any activities in Australia; and
- (ii) the Group's dealings do not involve products or services that are restricted under Australian export controls,

Hogan Lovells Cadwalader's assessment is that International Sanctions measures administered and enforced by the Government of Australia do not appear to be implicated by the Group's activities.

COMPANY BACKGROUND

- 1.17 Medcaptain Medical Technology Co., Ltd, formerly registered under the name Shenzhen Yusheng Medical Technology Co., Ltd., a joint stock company with limited liability established in the PRC on April 26, 2011. We have relied on the Prospectus for the Group's shareholding structure immediately prior to the Reorganization, immediately before the completion of the Global Offering and Capitalization Issue, immediately upon completion of the Capitalization Issue and the Global Offering, respectively.
- 1.18 The Company has confirmed that it is not owned 50% or more, or controlled, by one or more U.S. persons as defined under U.S. economic sanctions laws and regulations.
- 1.19 The Company has confirmed that none of its, its subsidiaries, or the Group's Directors or Shareholders is a U.S., EU, UK or Australian national.
- 1.20 The following table sets out the information regarding Directors of the Medcaptain Medical Technology Co., Ltd.

Director	Name	Nationality
Executive Directors	Mr. LIU Jie	Canadian
	Mr. ZHONG Yaoqi (鍾要齊)	Chinese
	Mr. YAN Renzhong (顏仁仲)	Chinese
Non-executive Directors	Ms. LI Hui (李輝)	Chinese
	Mr. ZHANG Jiecheng (張劼誠)	Chinese
	Dr. Zhou Yi (周伊)	Chinese
Independent Non-executive Directors	Dr. SHAO Liyang (邵理陽)	Chinese
	Mr. ZHANG Hanbin (張漢斌)	Chinese
	Mr. TAM Man Hong (譚文康)	Chinese (Hong Kong)

- 1.21 Based on the confirmations provided by the Company, other than limited products subject to the EAR involved in the Iranian Transactions, none of the products transported by the

Group are of U.S.-origin; the U.S. origin content contained in the products transported by the Group to the Relevant Regions are not export controlled and the amount of such U.S. origin content does not exceed 10% of the value of the products and do not incorporate U.S.-origin content.

- 1.22 Based on the information provided by the Company, we note among the customers of the Group's sales and deliveries to the Relevant Regions, a customer, Joint Stock Company Novosibirsk Instrument Making Plant, was designated by the by OFAC on December 12, 2023, as an SDN. The Group last transaction with Joint Stock Company Novosibirsk Instrument Making Plant was in 2022, and have no outstanding payables or receivables with Joint Stock Company Novosibirsk Instrument Making Plant. On the basis of that the Group transactions with Joint Stock Company Novosibirsk Instrument Making Plant were prior to its designation as an SDN, sanctions restrictions do not appear to be implicated by the Group's activities with it.
- 1.23 The Company has confirmed on behalf of all entities in the Group that, to its best knowledge, other than the medical devices involved in the Iranian Transactions, none of the products or services supplied, sold or exported or transferred by the Group are controlled under U.S. export controls or are otherwise restricted for transfer, either directly or indirectly, from the United States (or by U.S. persons) to or for use in any third country. On the basis of this confirmation and our understanding of the nature of the Group's products formed by our due diligence process, an analysis of the Group's products against U.S. export control and trade related sanctions restrictions, other than the Iranian Transactions, has not been undertaken by Hogan Lovells Cadwalader.
- 1.24 Based on the information provided by the Company, the Company believes that none of the products supplied, sold, exported or transferred by the Group are controlled or otherwise restricted for transfer either directly or indirectly, from the EU (or by EU persons), including the UK, or from the UK Overseas Territories (or by UK Overseas Territories nationals) to or for use in any Relevant Regions. On this basis and our understanding of the nature of the Group's products and services, an analysis of the Group's products against EU, UK and/or UK Overseas Territories export control and trade related sanctions restrictions has not been undertaken by Hogan Lovells Cadwalader.
- 1.25 The Company confirms that:
 - (a) none of the goods supplied, sold, exported or transferred by the Group are controlled under Australian export controls or are otherwise restricted for supply, sale, export or transfer, either directly or indirectly, from Australia (or by Australian citizens) to or for use in any Relevant Regions; and
 - (b) no goods were supplied, sold, exported or transferred by the Group to any country subject to International Sanctions from (or via) Australia.

On the basis of the above confirmations and our understanding of the nature of the Group's business, an analysis of the services supplied to the Relevant Regions under Australian export control and sanctions laws has not been undertaken by Hogan Lovells Cadwalader.

- 1.26 The table below sets forth the revenues received by the Group from business activities with/in the Relevant Regions and the corresponding percentage of the Group's total revenues during the Track Record Period.

Year/Period Ended	Total consolidated revenues (RMB'000)	Consolidated revenues attributable to the Relevant Regions (RMB '000)	Percentage of the Group's total revenues (%)
Year ended December 31, 2023	1,313,297	31,258	2.38%
Year ended December 31, 2024	1,399,361	35,516	2.54%
Year ended December 31, 2025	1,619,152	31,359	1.94%
Three months ended March 31, 2026	422,322	12,070	2.86%

U.S. SANCTIONS: ECONOMIC SANCTIONS AND EXPORT CONTROLS

U.S. Economic Sanctions

- (a) There are two types of U.S. economic sanctions potentially applicable to the Group:
- (i) "Primary" U.S. sanctions applicable to "U.S. persons" or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency or activities involving U.S.-origin goods, software, technology or services even if performed by non-U.S. persons);
 - (ii) "Secondary" U.S. sanctions applied extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus;

Primary Sanctions Applicable to U.S. Persons

- (iii) The U.S. Treasury Department's OFAC administers primary U.S. sanctions programs against targeted countries, entities, and individuals. As the economic sanctions are intended to further the foreign policy goals of the United States, they vary considerably from program to program. Likewise, OFAC has wide latitude to interpret and enforce its regulations based on the foreign policy goals of the U.S. Government.
- (iv) When the U.S. Government imposes economic sanctions against a foreign country, entity, or individual, U.S. law prohibits (with limited exceptions that do not apply in this case) U.S. companies or U.S. persons from engaging in any transaction with or providing almost any goods or services for the benefit of the targeted country, entity or individual. Depending on the sanctions program and/or parties involved, U.S. law also may require a U.S. company or a U.S. person to "block" any assets/property interests owned, controlled or held for the benefit of a Sanctioned Country, entity, or individual when such assets/property interests are in the United States or within possession or control of a U.S. person. A "blocked" asset means no

transaction may be undertaken or effected with respect to the asset/property interest – no payments, benefits, provision of services or other dealings or other type of performance (in case of contracts/agreements) – except pursuant to an authorization or license from OFAC.

(v) **Persons Governed by U.S. Sanctions**

- (1) In general, U.S. economic sanctions apply to "U.S. persons". The term "U.S. persons" includes:
 - (A) entities organized under U.S. Law (such as U.S. companies and their U.S. subsidiaries);
 - (B) any U.S. company's domestic and foreign branches;
 - (C) any individual who is a U.S. citizen or permanent resident alien ("green card" holder), regardless of his or her location in the world;
 - (D) any individual, regardless of his or her nationality, who is physically present in the United States; and
 - (E) U.S. branches or U.S. subsidiaries of non-U.S. companies.
- (2) In the case of U.S. sanctions applicable to Iran and Cuba, primary sanctions specifically apply to all foreign subsidiaries of U.S. companies and any other entities owned or controlled by U.S. persons (such as 50/50 joint ventures, for example). See Section 218 of the Iran Threat Reduction and Syria Human Rights Act of 2012, H.R. 1905 (PL 112-158), implemented by OFAC as section 560.215 of the Iranian Transactions and Sanctions Regulations ("ITSR"), which makes parent companies liable for their foreign subsidiaries' Iranian sanctions violations, and Section 515.329 of the Cuban Assets Control Regulations ("CACR").
- (3) In the case of U.S. sanctions applicable to other countries in the Relevant Regions, such primary sanctions only apply to U.S. persons as defined above, not to their foreign subsidiaries or to non-U.S. companies.
- (4) In addition, primary sanctions prohibit U.S. persons, wherever located, from approving, financing, facilitating, or guaranteeing any transaction by a foreign person where the transaction by that foreign person would be prohibited if performed by a U.S. person or within the United States. This is generally known as the "facilitation" prohibition and is a broad extension of the jurisdictional reach of U.S. sanctions applicable to U.S. persons in countries subject to comprehensive sanctions prohibitions. See, e.g., ITSR, 31 C.F.R. § 560.208. The processing of payments by U.S. banks or U.S. payment processors for Iran-related trade by non-U.S. companies would constitute "facilitation" of such trade and is prohibited.
- (5) The facilitation concept is broad. In general, a U.S. person is not permitted to facilitate in any way activities of a third party with a Sanctioned Country or a sanctioned person if the U.S. person itself

could not directly engage in the underlying activity. Usually it arises in the context of parent companies and their subsidiaries or between affiliates, where one entity is jurisdictionally required to comply but the other is not. The issue may also arise in the dealer/sub-dealer context, where the dealer is dependent on support from its supplier/partner. "Facilitation" may include the following activities:

"...a prohibited facilitation or approval of a transaction by a foreign person occurs, among other instances, when a U.S. person:

- (A) Alters its operating policies or procedures, or those of a foreign affiliate, to permit a foreign affiliate to accept or perform a specific contract, engagement or transaction involving a party in or the government of Iran without the approval of the U.S. person, where such transaction previously required approval by the U.S. person and such transaction by the foreign affiliate would be prohibited by this part if performed directly by a U.S. person or from the United States;
- (B) Refers to a foreign person purchase orders, requests for bids, or similar business opportunities involving a party in or the government of Iran to which the U.S. person could not directly respond as a result of U.S. sanctions laws or regulations; or
- (C) Changes the operating policies and procedures of a particular affiliate with the specific purpose of facilitating transactions that would be prohibited by this part if performed by a U.S. person or from the United States." ITSR § 560.417.

(vi) **Targets of Primary U.S. Sanctions Programs**

- (1) There are two types of primary U.S. sanctions programs – country-based programs (which are territorial in nature) and list-based programs (which are not territorial in nature, as they do not apply to the entire country or all of its territory). Violations of either type of primary U.S. sanction program can result in "strict" civil liability (not a negligence standard) where fines and penalties may be imposed. In addition, wilful violations may result in criminal liability punishable by imprisonment and elevated fines.
 - (A) Country-based sanctions programs. U.S. sanctions programs targeting specific countries fall into two categories: programs that are comprehensive in scope and programs that are limited in scope.
 - (I) Comprehensive sanctions programs prohibit U.S. persons from dealing in any manner with Sanctioned Countries and their governments, as well as with any persons or entities in those countries or territories. Currently, the United States maintains comprehensive sanctions against: Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine/Russia

and LPR or DPR regions (comprehensive OFAC sanctions against Sudan were terminated as of October 12, 2017). Generally, comprehensive country sanctions prohibit transactions with or services in, from or benefitting the targeted country or any persons/entity in it. However, the comprehensive country sanctions may also be applicable to transactions outside the country (for example, restricting dealings in goods or services originating from a Sanctioned Country, or with persons who ordinarily reside in the Sanctioned Country).

- (II) Limited sanctions programs prohibit U.S. persons from participating in certain types of transactions with sanctioned countries and/or governments, such as the provision of services, financing, investments, exports, and/or imports. Prohibited activities vary from program to program, and they generally are not as broad (for example, they do not target activities with all persons or entities in that country). Currently, the U.S. government maintains limited sanctions programs in relation to countries such as Iraq and Libya, and OFAC has issued a series of general licenses authorizing numerous activities.
- (B) List-based sanctions programs. In addition to country-based sanctions programs, primary U.S. sanctions include list-based sanctions that prohibit U.S. persons from dealing with or facilitating dealings with individuals, entities and organizations that have been designated as SDNs by OFAC for a variety of reasons. Although some of these programs reflect the name of a particular country in its title (e.g., Belarus, Burundi, Central African Republic, the Democratic Republic of Congo, Lebanon, Somalia, South Sudan, Yemen, Zimbabwe), these sanctions are not territorial in nature and do not apply to the country as a whole, and they do not target the government of such country as a whole nor all persons and entities in the country. Instead, the restrictions apply only to persons and entities that are on the SDN List, which may include some government officials or other parties designated for a variety of reasons (the restrictions also apply to entities owned, at 50% or higher level, by designated SDNs). The names of these designated parties are published on the OFAC SDN List; they include persons or entities targeted for a variety of reasons including but not limited to:
- (I) terrorists and terrorist organizations;
 - (II) narcotics traffickers;
 - (III) persons involved in the proliferation of weapons of mass destruction;

- (IV) persons or entities undermining democratic processes, freedom of expression, or those involved in human rights abuses or censorship activities, among other targeted activities; and
 - (V) individuals and entities that the U.S. Government considers to be "arms" of the sanctioned governments identified above.
- (C) U.S. persons are not permitted to have any dealings whatsoever with or facilitate dealings with parties designated on the SDN List (or entities owned at 50% or higher level, directly or indirectly, by SDNs) unless authorized by OFAC. The SDN List is updated often, and is available on OFAC's website at <https://sdnsearch.ofac.treas.gov/>. Numerous vendors also provide screening solutions that can be tailored to fit a particular business' needs and IT systems.

(vii) **Application to Belarus**

- (1) Currently, the U.S. government maintains targeted list-based sanctions against Belarus. These sanctions only block the property and interests in property of SDNs, as well as entities owned at 50% or greater level by SDNs. These regulations are set forth at 31 C.F.R. Part 548. For purpose of Belarus sanctions, persons and entities can be designated as SDNs for having engaged in the following activities in violation of Executive Order 13405:
 - (A) to be responsible for, or to have participated in, actions or policies that undermine democratic processes or institutions in Belarus;
 - (B) to be responsible for, or to have participated in, human rights abuses related to political repression in Belarus;
 - (C) to be a senior-level official, a family member of such an official, or a person closely linked to such an official who is responsible for or has engaged in public corruption related to Belarus;
 - (D) to have materially assisted, sponsored, or provided financial, material or technological support for, or goods and services in support of, any person engaged in the activities listed above.
- (2) Under Executive Order 13405, with certain exceptions, transactions by U.S. persons, or in or involving the United States, are prohibited if they involve dealing with, or involving property of, a person or entity designated as an SDN under Executive Order 13405 and appearing on the OFAC SDN List with the identifier "[BELARUS]". The property and interests in property of an entity that is 50% or more owned, directly or indirectly by a person on the OFAC SDN List is also blocked, regardless of whether the entity itself appears on the OFAC SDN List.

- (3) On August 9, 2021, President Biden issued Executive Order 14038, "Blocking Property of Additional Persons Contributing to the Situation in Belarus," which broadens the legal basis for designating parties as SDNs to include those found:
- (A) to be or have been a leader, official, senior executive officer, or member of the board of directors of: (A) an entity that has, or whose members have, engaged in any of the activities described in subsections (E)(A)-(E) below or section 1(a)(ii)(A)-(C) of Executive Order 13405; or (B) an entity whose property and interests in property are blocked pursuant to this order or Executive Order 13405;
 - (B) to be a political subdivision, agency, or instrumentality of the Government of Belarus;
 - (C) to be or have been a leader or official of the Government of Belarus;
 - (D) to operate or have operated in the defense and related materiel sector, security sector, energy sector, potassium chloride (potash) sector, tobacco products sector, construction sector, or transportation sector of the economy of Belarus, or any other sector of the Belarus economy as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State;
 - (E) to be responsible for or complicit in, or to have directly or indirectly engaged or attempted to engage in, any of the following:
 - (A) actions or policies that threaten the peace, security, stability, or territorial integrity of Belarus;
 - (B) actions or policies that prohibit, limit, or penalize the exercise of human rights and fundamental freedoms (including freedoms of expression, peaceful assembly, association, religion or belief, and movement) by individuals in Belarus, or that limit access to the Internet or print, online, or broadcast media in Belarus;
 - (C) electoral fraud or other actions or policies that undermined the electoral process in a Republic of Belarus election;
 - (D) deceptive or structured transactions or dealings to circumvent any United States sanctions by or for or on behalf of, or for the benefit of, directly or indirectly, the Government of Belarus or any person whose property and interests in property are blocked pursuant to this order or Executive Order 13405; or

(E) public corruption related to Belarus.

(v) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, any activity described above or any SDN blocked pursuant to this order; or

(vi) to be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, the Government of Belarus or any person whose property and interests in property are blocked pursuant to this order.

- (4) OFAC has designated several new SDNs pursuant to EO 13405.
- (5) BIS also imposed strict export controls on items destined for Belarus and a license is now required for: (a) any item identified in any Export Control Classification Number ("ECCN") on the Commerce Control List ("CCL") in Categories 1 through 9; (b) any item subject to U.S. law, including EAR99 food and medicine, that is destined to an military end user ("MEU") in Belarus; (c) certain foreign-made items that are now subject to US law for purposes of export and reexport to Belarus due to the expanded application of the foreign direct product rule; and (d) "luxury goods" subject to US law as defined by BIS.

(viii) **Application to Egypt**

- (1) During the Track Record Period, the United States has not imposed any sanctions on Egypt. Certain SDNs may reside in Egypt, and U.S. persons are prohibited from dealings with such parties and entities they own at 50% or greater level, directly or indirectly.

(ix) **Application to Iran**

(1) **Primary Sanctions**

- (A) The Iranian Assets Control Regulations, 31 C.F.R. Part 535, The Iranian Transaction and Sanctions Regulations, 31 C.F.R. Part 560, The Iranian Financial Sanctions Regulations, 31 C.F.R. Part 561, and the Iranian Human Rights Abuses Sanctions Regulations, 31 C.F.R. Part 562 broadly implement comprehensive country sanctions against Iran. U.S. persons, including foreign subsidiaries of U.S. corporations, are prohibited from engaging in any transaction involving the purchase, sale, transportation, financing or brokering of goods or services to or from Iran.
- (B) In addition, multiple U.S. Executive Orders block the property of specified Iranian persons and entities identified as SDNs, including the Government of Iran, the Central Bank of Iran, the Iranian Republic Guard Corps, the Iranian Republic Shipping Line, and Mahan Airlines, among others. U.S. persons are prohibited from dealing in the property of these SDNs. Additionally, a number of Iranian banks were

designated under Executive Order 13902. OFAC also issued a General License L to authorize banks designated under EO 13902 to participate in humanitarian transactions.

(2) **Secondary Sanctions**

- (A) Beginning in 1996, the U.S. has passed legislation establishing "secondary sanctions" applicable to non-U.S. persons and entities who engage in certain defined economic activity with Iran. This legislation includes the Iran Sanctions Act of 1996, as amended, 50 U.S.C. § 1701; the Comprehensive Iran Sanctions Accountability and Divestment Act of 2010 ("**CISADA**"), PL 111-195; the Iran Threat Reduction and Syria Human Rights Act of 2012, H.R. 1905 (PL 112-158) ("**ITRA**"); the National Defense Authorization Act For Fiscal Year 2012 PL 112-81; and the Iran Freedom and Counter-Proliferation Act of 2012 ("**IFCA**") (PL 112-239).
- (B) Secondary sanctions legislation grants broad discretion to the President and his delegated representatives to deny access to the U.S. economic system to non-U.S. persons who have been determined to engage in certain specified transactions involving the Iranian banking, energy, shipping and shipbuilding sectors. Under Section 1244(e) of IFCA, there is no secondary sanctions exposure for persons conducting or facilitating a transaction for the sale of agricultural commodities, food, medicine or medical devices to Iran, or for the provision of humanitarian assistance to the people of Iran.
- (C) In January 2016, the United States, Iran, and other powers signed the Joint Comprehensive Plan of Action ("**JCPOA**"), which vastly eased secondary sanctions in exchange for Iranian actions in relation to its nuclear program.
- (D) On May 8, 2018, the Trump Administration announced that the United States would withdraw from JCPOA. As such, the nuclear-related secondary sanctions that had been eased pursuant to the JCPOA were re-imposed on August 7, 2018 after a 90-day wind down period with the second round of sanctions re-imposed on November 5, 2018 after a 180-day wind down period, depending on the sector the sanctions target.
- (E) Additionally, secondary sanctions programs, involving certain specified activities and dealings with SDNs, that had not been eased pursuant to the JCPOA are still in force. Such transactions include proliferation of weapons of mass destruction, support for human rights abuses in Iran and Syria, support for terrorism, dealings with the Islamic Revolutionary Guard Corps, and others.

- (F) Executive Order 13846 (August 6, 2018) includes secondary sanctions for any person who has engaged in a significant transaction for the sale, supply, or transfer to Iran of significant goods or services used in connection with Iran's automotive sector.
- (G) On November 5, 2018, the United States re-imposed the remaining nuclear-related secondary sanctions administered by OFAC against Iran that previously had been lifted pursuant to the United States' commitment to JCPOA. This action includes the designation of 50 Iranian banks and their foreign and domestic subsidiaries; the identification of more than 400 targets, including over 200 persons and vessels in Iran's shipping and energy sectors, and an Iranian airline and more than 65 of its aircraft; and the placement on the list of SDN List of nearly 250 persons and associated blocked property that appeared until today on the List of Persons Identified as Blocked Solely Pursuant to Executive Order (E.O.) 13599 (E.O. 13599 List).
- (H) On May 8, 2019, the Executive Order 13871 includes secondary sanctions for persons determined to be operating in the iron, steel, aluminium or persons that own, control or operate an entity that is part of those sectors; to have knowingly engaged in a significant transactions for the sale, supply, or transfer to Iran of significant goods or services used in connection with those sectors, to have materially assisted, sponsored, or provided financial, material, or technological support for or goods or services in support of any SDNs; or to be owned or controlled by, or to have acted or purported to act for or on behalf of directly or indirectly by SDNs.
- (I) On January 10, 2020, the Executive Order 13902 includes secondary sanctions for persons determined to be operating in the construction, mining, manufacturing, or textiles sectors of the Iranian economy, or any other sector of the Iranian economy as determined by the Secretary of the Treasury; to have knowingly engaged in a significant transaction for the sale, supply, or transfer to or from Iran of significant goods or services used in connection with a sector of the Iranian economy specified in, or determined by the Secretary of the Treasury; to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, any SDN blocked pursuant to these sanctions; or to be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any SDN blocked pursuant to these sanctions. On October 8, 2020, the Secretary of the Treasury identified the financial sector of the Iranian economy and designated eighteen major Iranian banks.
- (J) On September 21, 2020, the Executive Order 13949 includes secondary sanctions on any person determined by the Secretary of State, in consultation with the Secretary of

the Treasury, to engage in any activity that materially contributes to the supply, sale, or transfer, directly or indirectly, to, or from Iran, or for the use in or benefit of Iran, of arms and related material, including spare parts; any person determined by the Secretary of State, in consultation with the Secretary of the Treasury, to provide to Iran any technical training, financial resources or services, advice, other services, or assistance related to the supply, sale, transfer, manufacture, maintenance, or use of arms and related material described above; any person determined by the Secretary of State, in consultation with the Secretary of the Treasury, to have engaged, or attempted to engage, in any activity that material contributes to, or poses a risk of materially contributing to, the proliferation of arms or related materiel or items intended for military end-uses or military end-users, including any efforts to manufacture, acquire, possess, develop, transport, transfer, or use such items, by the Government of Iran (including persons owned or controlled by, or acting for or on behalf of the Government of Iran) or paramilitary organizations financially or militarily supported by the Government of Iran; any person determined by the Secretary of the Treasury, in consultation with the Secretary of State, to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, any person whose property and interests in property are blocked pursuant to these sanctions; or any person determined by the Secretary of the Treasury, in consultation with the Secretary of State, to be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to these sanctions.

(x) **Application to Iraq**

- (1) In response to Iraq's invasion of Kuwait on August 2, 1990, the United States imposed comprehensive sanctions, including a trade embargo against Iraq and a freeze of the assets of the then-Iraqi government, which were implemented in the Iraqi Sanctions Regulations, 31 C.F.R. Part 575. In the following years, a series of Executive Orders adjusted the sanctions in response to events in Iraq. On September 13, 2010, OFAC published final rules removing the Iraqi Sanctions Regulations from 31 C.F.R. Chapter V and adding a more limited set of restrictions in the Iraq Stabilization and Insurgency Sanctions Regulations, 31 C.F.R. Part 576 (the "**ISISR**"), in implementation of Executive Order 13303 of May 22, 2003, Executive Order 13315 of August 28, 2003, Executive Order 13350 of July 29, 2004, Executive Order 13364 of November 29, 2004, and Executive Order 13438 of July 17, 2007. The ISISR contain the current limited OFAC restrictions involving Iraq and Iraqi property but they do not broadly prohibit all trade with Iraq.
- (2) During the Track Record Period, there have been no broad-based sanctions in place against Iraq, but there are certain prohibitions and

asset freezes against SDNs (e.g., specific individuals and entities associated with the former Saddam Hussein regime, as well as parties determined to have committed, or to pose a significant risk of committing, an act of violence that has the purpose or effect of threatening the peace or stability of Iraq or the Government of Iraq or undermining efforts to promote economic reconstruction and political reform in Iraq or to provide humanitarian assistance to the Iraqi people). In addition to these targeted sanctions, the ISISR impose some specific prohibitions designed to protect certain Iraqi property and contain certain provisions dealing with residual restrictions from the 1990 Iraqi sanctions.

- (3) The ISISR also prohibit the trade in or transfer of ownership or possession of Iraqi cultural property or other items of archaeological, historical, cultural, rare scientific, and religious importance that were illegally removed, or for which a reasonable suspicion exists that they were illegally removed, from the Iraq National Museum, the National Library, and other locations in Iraq since August 6, 1990.
- (4) With certain exceptions, U.S. persons are prohibited from dealing with persons listed on the SDN List, and all property in which any blocked person has an interest is blocked if it is in the United States or in the possession or control of a U.S. person, wherever located. Entities which a designated party owns (defined as an ownership interest of 50% or more, individually or in the aggregate) are also blocked, regardless of whether that entity is separately named on OFAC's SDN List.
- (5) Property and interests in property that come under the control of U.S. military forces and their coalition partners in Iraq under the command or operational control of the commander of the U.S. Central Command are authorized and exempt from the blocking provisions. Moreover, ISISR do not prohibit sale to non-SDNs in Iraq of non-U.S. origin consumer products and the other items in which the Group trades.

(xi) **Application to Lebanon**

- (1) Currently, the U.S. government maintains targeted list-based sanctions against the Lebanon. These sanctions only block the property and interests in property of SDNs as well as those entities which an SDN owns (defined as an ownership interest of 50% or more, individually or in the aggregate). These regulations are set forth at 31 C.F.R. Part 549. For Lebanon sanctions purposes, persons and entities can be designated as SDNs for having engaged in the following activities in violation of Executive Order 13441:
 - (A) to have taken, or to pose a significant risk of taking, actions, including acts of violence, that have the purpose or effect of undermining Lebanon's democratic processes or institutions, contributing to the breakdown of the rule of law in Lebanon, supporting the reassertion of Syrian control or

otherwise contributing to Syrian interference in Lebanon, or infringing upon or undermining Lebanese sovereignty;

- (B) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, such actions, including acts of violence, or any person described above; or
 - (C) to be a spouse or dependent child of any person described above.
- (2) Under Executive Order 13441, with certain exceptions, transactions by U.S. persons, or in or involving the United States, are prohibited if they involve dealing with, or involving property of, a person or entity designated as an SDN under Executive Order 13441 and appearing on the OFAC SDN List with the identifier "[LEBANON]". The property and interests in property of an entity that is 50% or more owned, directly or indirectly by a person on the OFAC SDN List is also blocked, regardless of whether the entity itself appears on the OFAC SDN List.

(xii) **Application to Libya**

- (1) As of December 16, 2011, there are no broad-based sanctions against Libya. Broad sanctions were imposed on February 25, 2011, on the Government of Libya and members of Colonel Gadhafi's family who are designated as SDNs. However, after the change of power in Libya, OFAC initially eased and then ultimately lifted substantially all of the restrictions that were imposed on dealings with property in which the Government of Libya or its agencies or instrumentalities had an interest. Pursuant to OFAC's General License 11, virtually all transactions with the Government of Libya are now permitted.
- (2) On April 19, 2016, the United States issued new sanctions under Executive Order (Executive Order 13726). These sanctions only block the property and interests in property of SDNs. For Libya sanctions purposes, persons and entities can be designated as SDNs for having engaged in the following activities in violation of Executive Order 13726:
 - (A) being responsible for or complicit or engaging in actions or policies that threaten the peace, security, or stability of Libya, the supply of arms or related materiel; actions or policies that obstruct, undermine, delay, or impede, or pose a significant risk of obstructing, undermining, delaying, or impeding, the adoption of or political transition to a Government of National Accord or a successor government; actions that may lead to or result in the misappropriation of state assets of Libya; or threatening or coercing Libyan state financial institutions or the Libyan National Oil Company;
 - (B) to be planning, directing, or committing, or to have planned, directed, or committed, attacks against any Libyan state facility or installation (including oil facilities), against any air,

land, or sea port in Libya, or against any foreign mission in Libya; to be involved in, or to have been involved in, the targeting of civilians through the commission of acts of violence, abduction, forced displacement, or attacks on schools, hospitals, religious sites, or locations where civilians are seeking refuge, or through conduct that would constitute a serious abuse or violation of human rights or a violation of international humanitarian law;

- (C) to be involved in, or to have been involved in, the illicit exploitation of crude oil or any other natural resources in Libya, including the illicit production, refining, brokering, sale, purchase, or export of Libyan oil;
 - (D) being a leader of entities engaged in the above or SDNs designated under the Executive Order; or
 - (E) to have materially assisted, sponsored, or provided financial, material or technological support for, or goods and services in support of, any person engaged in the activities listed above.
- (3) Under Executive Order 13726, with certain exceptions, transactions by U.S. Persons, or in or involving the United States, are prohibited if they involve dealing with, or involving property of, a person or entity designated as an SDN under Executive Order 13726 and appearing on the OFAC SDN List with the identifier "[LIBYA3]" (and other designees may appear with the identifier "[LIBYA2]"). The property and interests in property of an entity that is 50% or more owned, directly or indirectly by a person on the OFAC SDN List is also blocked, regardless of whether the entity itself appears on the OFAC SDN List.
 - (4) Additionally, any transactions involving funds, including cash, securities, bank accounts, and investment accounts, and precious metals of the Libyan Investment Authority ("**LIA**") and entities owned or controlled by the LIA that were blocked as of September 19, 2011 (that property remains blocked but this prohibition only relates to property frozen by U.S. persons prior to Sept. 19, 2011 pursuant to the executive order from Feb. 25, 2011).

(xiii) **Application to Myanmar/Burma**

- (1) The United States historically had imposed comprehensive sanctions against Myanmar/Burma, which primarily prohibited new investment in the country and exports of financial services (exports of goods to non-SDNs were not widely restricted even in the past). Responding to democratic reforms in Myanmar/Burma, the United States eased these sanctions in 2012, allowing for the export of financial services and certain new investment, while generally continuing to prohibit transactions involving SDNs.
- (2) Under the Burmese Sanctions Regulations ("**BSR**"), 31 C.F.R. 537, after 2012, U.S. persons were generally not prohibited from exporting goods, software or technology to Myanmar/Burma unless

an SDN is involved. Property and interest in property belonging to SDNs generally may not be transferred, paid, exported, withdrawn or otherwise dealt with by U.S. persons.

- (3) New investment in Myanmar/Burma and the exportation of financial services to Myanmar/Burma were authorized after the 2012 easing under the general licenses contained in the regulations. However, given human rights considerations, the general licenses imposed certain restrictions on transactions involving the Burmese Ministry of Defense, state or non-state armed groups (which includes the military), or entities owned by these organizations.
- (4) On December 7, 2015, in an effort to facilitate the flow of trade with Myanmar/Burma, OFAC further authorized most transactions ordinarily incident to the export of goods, technology, or non-financial services to or from Myanmar/Burma when an SDN is involved indirectly (not as a recipient/sender of the goods). However, transactions to, from, or on behalf of any SDN were still prohibited.
- (5) On October 7, 2016, OFAC's sanctions against Myanmar/Burma were lifted in their entirety. There are no remaining sanctions against Myanmar/Burma, although certain restricted parties in the country may continue to be designated by OFAC for their involvement in narcotics trafficking or other illicit activities. On August 17, 2018, OFAC added four Burmese Military and Border Guard Police ("**BGP**") commanders and two Burmese military units to the SDN List. Effective June 16, 2017, the BSR have been removed from the OFAC's regulations in Part V of the Code of Federal Regulations.
- (6) On February 10, 2021, OFAC issued Executive Order 14014, which provides the Secretary of the Treasury with authority to designate persons
 - (A) determined to be operating in the defense sector of the Burmese economy or any other sector of the Burmese economy as may be determined by the Secretary of the Treasury;
 - (B) who have been responsible for, complicit in, or engaged or attempted to engage in:
 - (I) actions or policies that undermine democratic processes or institutions in Burma;
 - (II) actions or policies that threaten the peace, security, or stability of Burma;
 - (III) actions or policies that prohibit, limit, or penalize the exercise of freedom of expression or assembly by people in Burma, or that limit access to print, online, or broadcast media in Burma; or

- (IV) the arbitrary detention or torture of any person in Burma or other serious human rights abuse in Burma;
- (C) to be a leader or official of:
 - (I) the military or security forces of Burma, or any successor entity to any of the foregoing;
 - (II) the Government of Burma on or after February 2, 2021;
 - (III) an entity that has, or whose members have, engaged in any activity described in subsection (B) above relating to the leader's or official's tenure; or
 - (IV) an entity whose property and interests in property are blocked pursuant to this order as a result of activities related to the leader's or official's tenure;
- (D) to be a political subdivision, agency, or instrumentality of the Government of Burma;
- (E) to be a spouse or adult child of any person whose property and interests in property are blocked pursuant to EO 14014;
- (F) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of any person whose property and interests in property are blocked pursuant to EO 14014; or
- (G) to be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, the military or security forces of Burma or any person whose property and interests in property are blocked pursuant to EO 14014.
- (7) OFAC has designated as SDNs several persons and entities under EO 14014. Restrictions extend to any entity which such SDNs own at 50% or greater level, directly or indirectly.

(xiv) **Application to Nicaragua**

- (1) Since November 27, 2018, pursuant to Executive Order 13851 the U.S. government has maintained targeted list-based sanctions against Nicaragua. These sanctions only block the property and interests in property of SDNs, as well as entities owned at 50% or greater level by SDNs. These regulations are set forth at 31 C.F.R. Part 582. For purpose of Nicaragua sanctions, persons and entities can be designated as SDNs for having engaged in the following activities in violation of Executive Order 13851:
 - (A) to be responsible for, complicit in, or have directly or indirectly engaged or attempted to engage in
 - (I) serious human rights abuses in Nicaragua;

- (II) Actions or policies that undermine democratic processes or institutions in Nicaragua;
 - (III) actions or policies that threaten the peace, security or stability of Nicaragua;
 - (IV) any transaction or series of transactions involving deceptive practices or corruption by, on behalf of, or otherwise related to the Government of Nicaragua, or a current or former official of the Government of Nicaragua;
 - (B) to be a leader or official of an entity described above;
 - (C) to be an official of the Government of Nicaragua or to have served as an official of the Government of Nicaragua at any time on or after January 10, 2007;
 - (D) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of
 - (I) any of the activities described above; or to be owned by, or to have acted or purported to act for or on behalf of, directly or indirectly, or
 - (II) any person whose property and interests in property are blocked pursuant to these sanctions;
 - (E) to be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to Executive Order 13851.
- (2) The Nicaragua Human Rights and Anticorruption Act of 2018 requires the President to impose sanctions on any foreign persons, including any current or former official of the Government of Nicaragua or any person acting on behalf of the Government that the President determines
- (A) To be responsible for or complicit in, or responsible for ordering, controlling, or otherwise directing, or to have knowingly participated in, directly or indirectly, any activity described in section (v) below;
 - (B) To be a leader of
 - (I) An entity that has, or whose members have, engaged in any activity described in section (v) below; or
 - (II) An entity whose property and interests in property are blocked under this Act as a result of activities related to the tenure of the leader;

- (C) to have knowingly materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of
 - (I) an activity described in section (v); or
 - (II) a person whose property and interests in property are blocked under this Act;
 - (D) to be owned or controlled by, or to have knowingly acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked under this Act.
 - (E) An activity described in this subsection is any of the following in or in relation to Nicaragua on or after April 18, 2018:
 - (I) Significant acts of violence or conduct that constitutes a serious abuse or violation of human rights against persons associated with the protests in Nicaragua that began on April 18, 2018.
 - (II) Significant actions or policies that undermine democratic processes or institutions.
 - (III) Acts of significant corruption by or on behalf of the Government of Nicaragua or a current or former official of the Government of Nicaragua, including—
 - (A) the expropriation of private or public assets for personal gain or political purposes;
 - (B) corruption related to government contracts;
 - (C) bribery; or
 - (D) the facilitation or transfer of the proceeds of corruption.
 - (F) The arrest or prosecution of a person, including an individual or media outlet disseminating information to the public, primarily because of the legitimate exercise by such person of the freedom of speech, assembly, or the press.
- (3) Under Executive Order 13851, with certain exceptions, transactions by U.S. persons, or in or involving the United States, are prohibited if they involve dealing with, or involving property of, a person or entity designated as an SDN under Executive Order 13851 and appearing on the OFAC SDN List with the identifier "[NICARAGUA]". Under the Nicaragua Human Rights and Anticorruption Act of 2018, transactions by U.S. persons, or in or involving the United States, are prohibited if they involve dealing with, or involving property of, a person or entity designated as an SDN under Executive Order 13851 and appearing on the OFAC SDN List with the identifier "[NICARAGUA-NHRAA]." Under

Executive Order 13851 and the Nicaragua Human Rights and Anticorruption Act of 2018, property and interests in property of an entity that is 50% or more owned, directly or indirectly by a person on the OFAC SDN List is also blocked, regardless of whether the entity itself appears on the OFAC SDN List.

(xv) **Application to Russia (excluding Crimea and DPR/LPR, Kherson and Zaporizhzhia)**

- (1) The U.S. President has issued several Executive Orders: Executive Order 13660 of March 6, 2014, Executive Order 13661 of March 16, 2014, Executive Order 13662 of March 20, 2014, Executive Order 13685 of December 19, 2014, Executive Order 13849 of September 20, 2018, Executive Order 13883 of August 3, 2019, Executive Order 14024 of April 15, 2021, Executive Order 14039 of August 20, 2021, Executive Order 14065 of February 21, 2022, Executive Order 14066 of March 8, 2022, Executive Order of March 11, 2022, and Executive Order 14071 of April 6, 2022, finding that the actions and policies of the Government of Russia, including its purported annexation of Crimea and its use of force in Ukraine, and purported recognition of the so-called Donetsk People's Republic (DPR) or Luhansk People's Republic (LPR) regions of Ukraine continue to undermine democratic processes and institutions in Ukraine; threaten its peace, security, stability, sovereignty, and territorial integrity; and contribute to the misappropriation of its assets, and thereby constitute an unusual and extraordinary threat to the national security and foreign policy of the United States. These Executive Orders impose comprehensive restrictions on dealings with SDNs (including entities owned, at 50% or higher level, by SDNs directly or indirectly, individually or in the aggregate), comprehensive trade embargo on the Crimea, LPR, and DPR regions, prohibitions on the import into the United States of Russian-origin fish, seafood, or preparations thereof, alcoholic beverages, non-industrial diamonds, or other Russian-origin products as determined by the U.S. Government, prohibition on import into the United States of Russian-origin oil, gas, and coal, prohibition on new investment in the Russian energy sector by U.S. persons or other sectors as determined by the United States Government, prohibition on direct or indirect supply of luxury goods as defined by the U.S. Government, a more general prohibition on new investment in Russia by U.S. persons, and more limited restrictions (so-called "**sectoral sanctions**") on certain types of dealings with designated parties in Russia's energy, financial and defense sectors (including entities owned by them, at 50% or higher level, directly or indirectly, individually or in the aggregate).
- (2) With certain exceptions, U.S. persons are prohibited from dealing with certain Russian persons and entities listed on OFAC's SDN List (or entities owned by them, as noted above); from dealing in any property in the U.S. or in the possession or control of a U.S. person in which any SDN has an interest; and in making any new investment in or exporting or importing any product, service or technology to or from the Crimea, DPR or LPR regions. In addition, there are export restrictions on certain U.S.-origin products as well

as restrictions on U.S. persons' ability to provide any products or services to certain parties in Russia targeted by sectoral sanctions if such items would be used for one of the three types of targeted oil/gas production or exploration projects (irrespective of the origin of such goods or services).

- (3) Pursuant to Executive Order 13662 ("**EO 13662**") and the Ukraine-Related Sanctions Regulations ("**URSR**"), OFAC promulgated financial restrictions on companies operating in specific sectors of the Russian economy, and the restrictions apply whenever there is a U.S. nexus to the transaction (including U.S. Dollar payments). The entities listed on the Sectoral Sanctions Identifications List ("**SSIL**") have not been added to the SDN List so these SSIs are not subject to blocking requirements noted above. Instead, OFAC has prohibited certain types of transactions with the SSIs. Specifically, OFAC issued four "directives" as outlined below (certain of these have since been amended, as described in further detail below):
 - (A) Directive 1: The following transactions by U.S. persons or within the United States involving targeted companies are prohibited by Directive 1: "all transactions in, provision of financing for, and other dealings in new debt of longer than 14 days maturity or new equity of [these] persons..., their property, or their interests in property..." The 14-day term is for new debt or new equity issued on or after November 28, 2017. For new debt or new equity issued on or after July 16, 2014 and before September 12, 2014, the term is 90 days. For new debt or new equity issued on or after September 12, 2014 and before November 28, 2017, the term is 30 days. All other transactions with these persons are permitted, provided such transactions are not otherwise prohibited by any other sanctions programs implemented by OFAC.
 - (B) Directive 2: The following transactions by U.S. persons or within the United States involving targeted companies are prohibited by Directive 2: "all transactions in, provision of financing for, and other dealings in new debt of longer than 60 days (for new debt issued after November 28, 2017 but the term is 90 days for new debt issued between July 16, 2014 and before November 28, 2017) maturity of [these] persons..., their property, or their interests in property..." All other transactions with these persons are permitted, provided such transactions do not otherwise involve any other sanctions programs implemented by OFAC. Unlike Directive 1, Directive 2 does not place restrictions on transacting in, providing financing for, or otherwise dealing in new equity of the entities listed pursuant to Directive 2.
 - (C) Directive 3: The following transactions by U.S. persons or within the United States involving targeted companies are prohibited by Directive 3: "all transactions in, provision of financing for, and other dealings in new debt of longer than 30 days maturity of [these] persons..., their property, or their interests in property..." All other transactions with these

persons are permitted, provided such transactions do not otherwise involve any other sanctions programs implemented by OFAC. Unlike Directive 1, Directive 3 does not place restrictions on transacting in, providing financing for, or otherwise dealing in new equity of the entities listed pursuant to Directive 3.

- (D) Directive 4: The following transactions by U.S. persons or within the United States involving targeted companies are prohibited by Directive 4: "the provision, exportation, or re-exportation, directly or indirectly, of goods, services (except for financial services), or technology in support of exploration or production for deepwater (more than 500 feet), Arctic offshore, or shale projects (i) that have the potential to produce oil in the Russian Federation, or in maritime area claimed by the Russian Federation and extending from its territory" or (ii) "that are initiated on or after January 29, 2018, that have the potential to produce oil in any location, and in which any person determined to be subject to this Directive or any earlier version thereof, their property, or their interests in property has (a) a 33 percent or greater ownership interest, or (b) ownership of a majority of the voting interests."
- (4) The SSIL restrictions apply not only to U.S. persons' dealings with the designated under the directives above, but also to entities directly or indirectly owned 50% or more by entities, listed on the SSIL (the "**SSI**").
- (5) "Debt" in the SSIL context includes bonds, loans, extensions of credit, loan guarantees, letters of credit, drafts, bankers' acceptances, discount notes or bills, or commercial paper. "Equity" includes stocks, share issuances, depositary receipts, or any other evidence of title or ownership. OFAC has advised that these lists are illustrative, not exhaustive. OFAC has confirmed that the term "extension of credit" would include providing an SSI customer with payment terms that exceed 30 or 90 days, depending on the Directive under which the SSI is designated.
- (6) In addition, there are export restrictions on certain U.S.-origin products as well as restrictions on U.S. person's ability to provide any products or services to certain parties in Russia targeted by sectoral sanctions if such items would be used for one of the three types of targeted oil/gas production or exploration projects (irrespective of the origin of such goods or services).
- (7) On August 2, 2017, President Trump signed into law the "Countering America's Adversaries Through Sanctions Act" ("**CAATSA**"), which amended some of the existing U.S. primary sanctions against Russia and added secondary sanctions targeting certain activities involving Russia. For example, CAATSA required OFAC to amend Directive 1 by reducing the maturity term from 30 to 14 days, and Directive 2 by reducing the maturity term from 90 to 60 days, tightening restrictions on the extension of credit to SSI entities

targeted by these directives. On September 29, 2017, OFAC issued amended Directives 1 and 2, indicating that the reduction of maturity term to 14 and 60 days, respectively, would be effective as of November 28, 2017. CAATSA also required OFAC to amend Directive 4, which targets certain energy projects, expanding its territorial reach beyond Russia to any location in the world where one of the targeted exploration/production projects is located so long as a Russian SSI party has at least a 33% interest in such project (this took effect on January 29, 2018). CAATSA also authorizes the U.S. Government to designate state-owned entities in the Russian railway sector and impose sectoral sanctions upon such designations.

- (8) In addition to changes to sectoral sanctions, there are also secondary sanctions that were imposed by CAATSA, so any persons (U.S. or non-U.S.) who engage in these activities could face exposure to restrictive U.S. measures, even if the underlying activity has no U.S. nexus. These new Russia-related secondary sanctions include (but are not limited to):
 - (A) Making of an investment that directly and significantly contributes to the enhancement of the ability of the Russian Federation to construct energy export pipelines; or selling, leasing or providing to the Russian Federation, for the construction of Russian energy export pipelines, goods, services, technology, information, or support that could directly and significantly facilitate the maintenance or expansion of the construction, modernization, or repair of energy export pipelines by the Russian Federation, and which meet either of the following criteria:
 - (I) Any of which have a fair market value of US\$1,000,000 or more; or
 - (II) That, during a 12-month period, have an aggregate fair market value of US\$5,000,000 or more.
 - (B) Making an investment, with actual knowledge, of US\$10,000,000 or more (or any combination of investments of not less than US\$1,000,000 each, which in the aggregate equals or exceeds US\$10,000,000 in any 12-month period), or facilitates such an investment, if the investment directly and significantly contributes to the ability of the Russian Federation to privatize state-owned assets in a manner that unjustly benefits:
 - (I) Officials of the Government of the Russian Federation; or
 - (II) Close associates or family members of those officials.
 - (C) Knowingly engaging in a "significant" transaction with a Russian sanctioned person as defined in Section 228, or with a person that is part of, or operates for or on behalf of,

the Russian defense or intelligence sectors as defined in Section 231 of CAATSA. For purposes of Section 231, the U.S. Government issued a list of "persons that are part of, or operate for or on behalf of, the defense and intelligence sectors of the Government of the Russian Federation" so foreign parties have additional clarity as to who in Russia is targeted by this measure and can avoid engaging in "significant" transactions with such parties unless such foreign parties want to face exposure under secondary U.S. sanctions.

- (D) Foreign financial institutions determined to have knowingly facilitated certain defense- and energy-related transactions on behalf of the Russian Government, or have knowingly facilitated a significant financial transaction on behalf of any Russian SDN.
- (9) Non-U.S. companies engaging in these sanctionable activities are potentially subject to the imposition of several restrictions by the U.S. Government, such as visa denials, prohibition on importation of products into the United States, restrictions on accessing U.S. financing or processing USD payments, and even a designation as an SDN.
- (10) Moreover, CAATSA also required the President to submit a list identifying "the most significant senior foreign political figures and oligarchs in the Russian Federation, as determined by their closeness to the Russian regime and their net worth." This list was submitted on January 29, 2018, but did not result in the imposition of sanctions on the individuals listed.
- (11) The U.S. Government has issued guidance to clarify broad language used in Section 228. A broad reading of Section 228 would have allowed the U.S. Government to impose restrictive measures on any non-U.S. person who facilitates a "significant" transaction with an SSI entity, even if such transaction is not prohibited by primary U.S. sanctions. The term "significant" is not defined in CAATSA, and the U.S. Government could use multiple factors in deciding what is significant. The OFAC guidance made it clear that the term "significant transaction" will not include transactions that do not require a U.S. person to obtain a specific license from OFAC to participate in them (such guidance was recently incorporated into amended regulations issued by OFAC). As such, the activities with SSIs that are not prohibited by sectoral sanctions should also not trigger exposure under Section 228. The OFAC guidance indicates that a transaction in which a party is on the SSI list "must also involve deceptive practices (i.e., attempts to obscure or conceal the actual parties or true nature of the transaction(s), or to evade sanctions) to potentially be considered significant." Therefore, even if a U.S. person would need a license from OFAC to engage in an activity with an SSI, a non-U.S. person engaging in the same transaction will not face secondary sanctions exposure under Section 228 so long as there are no deceptive practices.

- (12) On September 20, 2018, OFAC issued Executive Order 13849 ("EO 13849") to implement the CAATSA sanctions. EO 13849 prohibits U.S. financial institutions from making loans or providing credits to designated persons totalling more than \$10 million USD in any 2-month period (unless such person is engaged in activities to relieve human suffering and the loans or credits are provided for such activities; prohibit any transactions in foreign exchange that are subject to U.S. jurisdiction in which the sanctioned person has any interest; prohibit any transfers of credit or payments between financial institutions, or by, through, or to any financial institution, to the extent such transfers or payments are subject to U.S. jurisdiction and involve the sanctioned person; block all property and interests in property of sanctioned persons; prohibit any U.S. person from investing in or purchasing significant amounts of equity or debt instruments of the sanctioned person; and impose similar measures on the principal executive officer or officers of sanctioned persons or any persons performing similar functions or with similar authorities
- (13) On August 1, 2019, the U.S. Government issued EO 13883, which provides for sanctions against Russia for violations of the Chemical and Biological Weapons Act.
- (14) On March 2, 2021, the U.S. Government announced additional restrictions related to Russia, including designating parts of the Russian government (Federal Security Bureau and Main Intelligence Directorate) as SDNs under a different sanctions program. There are also new export control restrictions on certain items to Russia under both the EAR and the International Traffic in Arms Regulations ("ITAR"), and new designations on the BIS Entity List.
- (15) On April 15, 2021, OFAC issued Executive Order 14024 ("**EO 14024**") that provides new authorities to designate persons as SDNs, including among others those found by OFAC to be operating in Russia's technology and defense (and related materiel) sectors (in February 2022, Russia's financial services sector was also added to the list of targeted sectors under EO 14024, creating risks for those found to be operating in such sector). On April 15, 2021, Directive 1 was issued under EO 14024 which provides targeted financial sanctions related to purchases by U.S. financial institutions of Russian sovereign debt (we note that this Directive 1 under EO 14024 is distinct from Directive 1 issued under EO 13662 referenced above). On February 22, 2022, Directive 1 was superseded by Directive 1A and OFAC also issued Directives 2, 3, and 4 pursuant to EO 14024:
 - (A) Directive 1A: as of June 14, 2021, U.S. financial institutions are prohibited in participating in the primary market for ruble or non-ruble denominated bonds issued after June 14, 2021 by the Central Bank of the Russian Federation ("**CBR**"), the National Wealth Fund of the Russian Federation, or the Ministry of Finance of the Russian Federation; as of March 1, 2022, U.S. financial institutions are prohibited from

participating in the secondary market for ruble or non-ruble denominated bonds issued after March 1, 2022 by the CBR, the National Wealth Fund of the Russian Federation, or the Ministry of Finance of the Russian Federation.

- (B) Directive 2: prohibits U.S. financial institutions from (i) opening or maintaining of a correspondent account or payable-through account for or on behalf of foreign financial institutions determined to be subject to the prohibitions of Directive 2, or their property or interests in property; and (ii) the processing of a transaction involving foreign financial institutions determined to be subject to the prohibitions of Directive 2, or their property or interests in property. Directive 2 prohibits such transactions not only with an institution identified in Annex I to Directive 2 but also any foreign financial institution owned 50% or more, directly or indirectly, individually or in the aggregate by one or more foreign financial institutions determined to be subject to Directive 2.
 - (C) Directive 3: prohibits U.S. persons from all transactions, provision of financing for, other dealings in, and providing new debt of longer than 14 days maturity or new equity to entities listed under Directive 3 where such new debt or new equity is issued after 12:01 a.m. ET on March 26, 2022 (or 30 days after a new entity is designated under Directive). Directive 3 applies both to any entity listed in Annex I or otherwise determined to be subject to Directive 3 and entities 50 percent or more owned, directly or indirectly, individually or in the aggregate, by one or more entities determined to be subject to Directive 3.
 - (D) Directive 4: prohibits U.S. persons from any transaction involving the CBR, the National Wealth Fund of the Russian Federation, or the Ministry of Finance of the Russian Federation, including any transfer of assets to such entities or any foreign exchange transaction for or on behalf of such entities.
- (16) The Directives above are not full blocking sanctions like those that apply to SDNs so U.S. persons generally are only prohibited from engaging in transactions with entities listed under the Directives set forth above that are specifically prohibited under any of the Directives. OFAC has also issued several general licenses authorizing certain transactions involving parties subject to various Directives and/or certain SDNs.
- (17) OFAC has also issued six determinations pursuant to EO 14024:
- (A) The February 22, 2022 determination provides OFAC authority to designate persons in the financial services sector of the Russian Federation economy;

- (B) The March 31, 2022 determination provides OFAC authority to designate persons in the aerospace, electronics, and marine sectors of the Russian Federation Economy;
 - (C) The May 8, 2022 determination provides OFAC authority to designate persons in the accounting, trust, and corporate formation services, and management consulting sectors of the Russian Federation economy;
 - (D) The September 15, 2022 determination provides OFAC authority to designate persons in the quantum computing sector in Russia; and
 - (E) The February 24, 2023 determination provides OFAC authority to designate persons in the metals and mining sector in Russia.
 - (F) The May 19, 2023 determination provides OFAC authority to designate persons in the architecture, engineering, construction, manufacturing, and transportation sectors in Russia
 - (G) By virtue of these determinations, OFAC can impose sanctions on any individual or entity determined to operate or have operated in any of these sectors in Russia.
- (18) On February 21, 2022, the President issued **EO 14065** which prohibits
- (A) New investment in DPR or LPR by a U.S. person;
 - (B) Import into the United States, directly or indirectly, of any goods, services, or technology from DPR or LPR;
 - (C) Export, reexport, sale, or supply, directly or indirectly, from the United States or by a U.S. person of any goods, services, or technology to DPR or LPR; or
 - (D) U.S. person approval, financing, facilitation, or guarantee of a transaction by a foreign person that would be prohibited as noted above.
- (19) On March 8, 2022, the President issued **EO 14066** which prohibits:
- (A) the importation into the United States of the following products of Russian Federation origin: crude oil; petroleum; petroleum fuels, oils, and products of their distillation; liquefied natural gas; coal; and coal products;
 - (B) new investment in the energy sector in the Russian Federation by a United States person, wherever located; and
 - (C) any approval, financing, facilitation, or guarantee by a United States person, wherever located, of a transaction by a foreign person where the transaction by that foreign

person would be prohibited by this section if performed by a United States person or within the United States.

- (20) On March 11, 2022, the President issued **EO 14068** which prohibits:
- (A) the importation into the United States of the following products of Russian Federation origin: fish, seafood, and preparations thereof; alcoholic beverages; non-industrial diamonds; and any other products of Russian Federation origin as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State and the Secretary of Commerce;
 - (B) the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of luxury goods, and any other items as may be determined by the Secretary of Commerce, in consultation with the Secretary of State and the Secretary of the Treasury, to any person located in the Russian Federation;
 - (C) new investment in any sector of the Russian Federation economy as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State, by a United States person, wherever located;
 - (D) the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of U.S. dollar-denominated banknotes to the Government of the Russian Federation or any person located in the Russian Federation; and
 - (E) any approval, financing, facilitation, or guarantee by a United States person, wherever located, of a transaction by a foreign person where the transaction by that foreign person would be prohibited by this section if performed by a United States person or within the United States.
- (21) BIS also imposed strict export controls on items destined for Russia and a license is now required for: (a) any item identified in any Export Control Classification Number ("**ECCN**") on the Commerce Control List ("**CCL**") in Categories 3 through 9; (b) any item subject to U.S. law (except EAR99 food and medicine) that is destined to a military end user or for military end use ("**MEU**") in Russia; (c) certain foreign-made items that are now subject to US law for purposes of export and reexport to Russia due to the expanded application of the foreign direct product rule, and (d) "luxury goods" subject to US law as defined by BIS in implementing the March 11 EO.
- (22) On April 6, 2022, OFAC issued **EO 14071** which prohibited
- (A) new investment in the Russian Federation by a United States person, wherever located;

- (B) the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of any category of services as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State, to any person located in the Russian Federation (on May 8, 2022, OFAC identified accounting, trust/corporate formation and management consulting services, and subsequently quantum computing services, metals and mining sectors were added as well); and
- (C) any approval, financing, facilitation, or guarantee by a United States person, wherever located, of a transaction by a foreign person where the transaction by that foreign person would be prohibited by this section if performed by a United States person or within the United States.
- (D) Effective December 5, 2022, OFAC issued a determination that prohibits US persons from providing (or facilitating the provision) of the following services that relate to the maritime transport of crude oil of Russian Federation origin (collectively, the "**Covered Services**") unless they relate to such oil purchased at or below the relevant price cap (subsequently, the same Covered Services were targeted if they relate to the maritime transport of Russian-origin petroleum products purchased above the relevant price cap):
 - (I) Trading/commodities brokering;
 - (II) Financing;
 - (III) Shipping;
 - (IV) Insurance, including reinsurance and protection and indemnity;
 - (V) Flagging; and
 - (VI) Customs brokering.
- (23) The May 19, 2023 determination prohibits the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of architecture services or engineering services to any person located in the Russian Federation
- (24) BIS also imposed strict export controls on items destined for Russia and a license is now required for: (a) any item identified in any Export Control Classification Number ("**ECCN**") on the Commerce Control List ("**CCL**") in Categories 1 through 9; (b) any item subject to U.S. law, including EAR99 food and medicine, that is destined to an military end user ("**MEU**") in Russia; (c) certain foreign-made items that are now subject to US law for purposes of export and reexport to Russia due to the expanded application of the foreign

direct product rule; and (d) "luxury goods" subject to US law as defined by BIS or any other items subject to the EAR identified in Supplements 2, 4, 5 or 6 of the EAR's Part 746.

- (25) The EAR applies to (i) exports of commodities, software and technology from the U.S. to foreign countries and to re-export from one foreign country to another; and (ii) shipments from one foreign country to another of foreign-made products that incorporate more than de minimis amount (varying from 25% to less than 10%) of controlled U.S. origin parts, components or materials, or the foreign direct product with certain controlled U.S. technology.
- (26) The EAR applies to (i) exports of commodities, software and technology from the U.S. to foreign countries and to re-export from one foreign country to another; and (ii) shipments from one foreign country to another of foreign-made products that incorporate more than de minimis amount (varying from 25% to less than 10%) of controlled U.S. origin parts, components or materials, or the foreign direct product with certain controlled U.S. technology.
- (27) On December 22, 2023, OFAC issued a determination on December 22, 2023 pursuant to the amendment of EO 14024 ("**Russia Critical Items Determination**") specifying the items or classes of items ("**Russia Critical Items**") for which transactions would be sanctionable under Section 11(a)(ii) of the amended EO 14024. The specific items are listed in the Annex to the Russia Critical Items Determination and include the following categories:
 - (A) certain machine tools and manufacturing equipment;
 - (B) certain manufacturing materials for semiconductors and related electronics;
 - (C) certain electronic test equipment;
 - (D) certain propellants, chemical precursors for propellants and explosives;
 - (E) certain lubricants and lubricant additives;
 - (F) certain bearings;
 - (G) certain advanced optical systems; and
 - (H) certain navigation instruments.
- (28) On December 22, 2023, President Biden issued Executive Order 14114 ("**EO 14114**") on authorizing sanctions against foreign financial institutions ("**FFIs**") that support Russia's military industrial complex. EO 14114 amended EO 14024 by adding a new section 11 that provides authority to the Secretary of Treasury, in consultation with the Secretary of State and the Secretary of Commerce, to impose secondary sanctions on FFIs that are determined to have:

- (A) conducted or facilitated any significant transaction or transactions for or on behalf of any person designated for operating or having operated in certain Russian Federation military-industrial sectors; or
 - (B) conducted or facilitated any significant transaction or transactions, or provided any service, involving Russia's military-industrial base, including the sale, supply, or transfer, directly or indirectly, to the Russian Federation of any item or class of items as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State and the Secretary of Commerce.
- (29) On December 22, 2023, OFAC issued the Guidance for Foreign Financial Institutions on OFAC Sanctions Authorities Targeting Support to Russia's Military-Industrial Base (the "FFIs Advisory"). The FFIs Advisory provided examples of activities that could expose FFI to secondary sanctions, including:
- (A) Maintaining accounts, transferring funds, or providing other financial services (i.e., payment processing, trade finance, insurance) for
 - (B) any persons designated for operating in the specified sectors; or
 - (C) any persons, either inside or outside Russia, that support Russia's military-industrial base, including those that operate in the specified sectors of the Russian Federation economy.
 - (D) Facilitating the sale, supply, or transfer, directly or indirectly, of Russia Critical Items to Russian importers or companies shipping the items to Russia.
 - (E) Helping companies or individuals evade U.S. sanctions on Russia's military-industrial base (including by offering to set up alternative/non-transparent payment mechanisms; changing/removing customer names/other relevant information from payment fields; obfuscating the true purpose of parties involved in payments; or otherwise taking steps to hide the ultimate purpose of transactions to evade sanctions).

(xvi) **Application to South Sudan**

- (1) Currently, the U.S. government maintains targeted list-based sanctions against South Sudan. These sanctions only block the property and interests in property of SDNs, as well as entities owned at 50% or greater level by SDNs. These regulations are set forth at 31 C.F.R. Part 558. For purpose of South Sudan sanctions, persons and entities can be designated as SDNs for having engaged in the following activities targeted by Executive Order 13664:

- (A) to be responsible for or complicit in, or to have engaged in, directly or indirectly, any of the following in or in relation to South Sudan:
 - (I) actions or policies that threaten the peace, security, or stability of South Sudan;
 - (II) actions or policies that threaten transitional agreements or undermine democratic processes or institutions in South Sudan;
 - (III) actions or policies that have the purpose or effect of expanding or extending the conflict in South Sudan or obstructing reconciliation or peace talks or processes;
 - (IV) the commission of human rights abuses against persons in South Sudan;
 - (V) the targeting of women, children, or any civilians through the commission of acts of violence (including killing, maiming, torture, or rape or other sexual violence), abduction, forced displacement, or attacks on schools, hospitals, religious sites, or locations where civilians are seeking refuge, or through conduct that would constitute a serious abuse or violation of human rights or a violation of international humanitarian law;
 - (VI) the use or recruitment of children by armed groups or armed forces in the context of the conflict in South Sudan;
 - (VII) the obstruction of the activities of international peacekeeping, diplomatic, or humanitarian missions in South Sudan, or of the delivery or distribution of, or access to, humanitarian assistance; or
 - (VIII) attacks against United Nations missions, international security presences, or other peacekeeping operations;
 - (B) to be a leader of (A) an entity, including any government, rebel militia, or other group, that has, or whose members have, engaged in any of the activities described above or (B) an entity whose property and interests in property are blocked;
 - (C) to have materially assisted, sponsored, or provided financial, material or technological support for, or goods and services in support of, any person engaged in the activities listed above.
- (2) Under Executive Order 13664, with certain exceptions, transactions by U.S. persons, or in or involving the United States, are prohibited

if they involve dealing with, or involving property of, a person or entity designated as an SDN under Executive Order 13664 and appearing on the OFAC SDN List with the identifier "[SOUTH SUDAN]". The property and interests in property of an entity that is 50% or more owned, directly or indirectly by a person on the OFAC SDN List is also blocked, regardless of whether the entity itself appears on the OFAC SDN List.

- (3) Current Somalia sanctions block the property and interests in property of persons identified as having engaged in the following activities in violation of Executive Order 13396, as amended by Executive Order 13620 ("**Somalia Sanctions Orders**"):
 - (A) Acts that directly or indirectly threaten the peace, security, or stability of Somalia;
 - (B) Obstruction of the delivery, access to, or distribution of humanitarian assistance to Somalia;
 - (C) The supply, sale, or transfer to Somalia, or to have been the recipient in the territory of Somalia of, arms or any related materiel, or any technical advice, training or assistance, including financing and financial assistance, related to military activities;
 - (D) The ordering, controlling, or otherwise directing, or to have participated in, the commission of acts of violence targeting civilians in Somalia, including killing and maiming, sexual and gender-based violence, attacks on schools and hospitals, taking hostages, and forced displacement;
 - (E) To be a political or military leader recruiting or using children in armed conflict in Somalia;
 - (F) To have engaged, directly or indirectly, in the import or export of charcoal from Somalia on or after February 22, 2012;
 - (G) To have materially assisted, sponsored, or provided financial, material, or technological support for, or goods and services in support of, any person engaged in the activities listed above.
- (4) Under the Somalia Sanctions Orders, with certain exceptions, transactions by U.S. persons, or in or involving the United States, are prohibited if they involve dealing with property or interests in property of an entity or individual identified as violating the Somalia Sanctions Orders and appearing on the OFAC SDN List with the identifier "[SOMALIA]". The property and interests in property of an entity that is 50% or more owned, directly or indirectly, by a person on the OFAC SDN List is also blocked, regardless of whether the entity itself appears on the OFAC SDN List.

(xvii) **Application to Syria**

- (1) OFAC's Syrian Sanctions Regulations, 31 C.F.R. Part 542, broadly implement comprehensive country sanctions against Syria (the "**SySR**"). U.S. persons, including foreign subsidiaries of U.S. corporations, are prohibited from engaging in any transaction involving the purchase, sale, transportation, financing or brokering of goods or services to Syria. The exportation or reexportation to Syria of goods, technology, or services from the U.S. or by a U.S. person or the facilitation of such activities is prohibited.
- (2) Executive Order 13582 prohibits the following activities:
 - (A) New investment in Syria by a U.S. person, wherever located;
 - (B) The direct or indirect exportation, reexportation, sale, or supply of any services to Syria from the United States or by a U.S. person, wherever located;
 - (C) The importation into the United States of petroleum or petroleum products of Syrian origin;
 - (D) Any transaction or dealing by a U.S. person, wherever located, in or related to petroleum or petroleum products of Syrian origin; and
 - (E) Any approval, financing, facilitation, or guarantee by a U.S. person, wherever located, of a transaction by a foreign person where the transaction by that foreign person would be prohibited if performed by a U.S. person or within the United States.
- (3) In addition, multiple U.S. Executive Orders block the property of specified Syrian persons and entities identified as SDNs. For example, Executive Order 13399 of April 25, 2006, issued in response to the assassination of the Lebanese prime minister, targeted Syrian involvement in the perpetration of the assassination, and Executive Order 13573 of May 18, 2011 blocked the property of senior officials of the Syrian Government. Executive Orders 13338, 13460, 13572, 13606, and 13608 also target Syrian individuals and entities. U.S. persons are prohibited from dealing in the property of these SDNs.
- (4) Under section 542.525 of the Syrian Sanctions Regulations, there is a general licence that authorizes U.S. financial institutions to process U.S.-dollar payments for shipment of non-U.S. origin medical devices to Syria, if such products would be classified as "EAR99" under the United States Export Administration Regulations if they were of U.S. origin.
- (5) The Caesar Syria Civilian Protection Act of 2019 (the "**Caesar Act**") became law on December 20, 2019 and stated that sanctions would be imposed 180 days after the date of enactment, June 17, 2020. The Caesar Act provides the U.S. Government authority to impose sanctions on foreign persons who engage in certain activities involving Syria, and those sanctions can include designation as an

SDN and denying admission or parole to the United States and revoking current visas.

- (6) Sanctions can be imposed on foreign persons who knowingly provide financial, material, or technology support to, or knowingly engage in a significant transaction with:
 - (A) the Government of Syria (including any entity owned or controlled by the Government of Syria) or a senior political figure of the Government of Syria;
 - (B) a foreign person that is a military contractor, mercenary, or a paramilitary force knowingly operating in a military capacity inside Syria for or on behalf of the Government of Syria, the Government of the Russian Federation, or the Government of Iran; or
 - (C) a foreign person subject to sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) with respect to Syria or any other provision of law that imposes sanctions with respect to Syria.
- (7) Sanctions can also be imposed on foreign persons who engage in certain activities related to (1) the Government of Syria's domestic production of natural gas petroleum, or petroleum products; (2) provision of aircraft or spare aircraft parts used for military purposes in Syria for or on behalf of the Government of Syria to any foreign person operating in an area directly or indirectly controlled by the Government of Syria or foreign forces associated with it; or (3) significant construction or engineering services to the Government of Syria.
- (8) Executive Order 13894 (dated October 14, 2019), in part, provides authority to impose sanctions on any person determined to be involved in actions or policies that threaten the peace, security, stability, or territorial integrity of Syria or the commission of serious human rights abuses. On June 17, 2020, the date the Caesar Act's sanctions were imposed, foreign persons were designated pursuant to the Caesar Act and EO 13894 and it is expected that the U.S. Government will continue to designate persons pursuant to one or both authorities.

(xviii) **Application to Tunisia**

- (1) During the Track Record Period, the United States has not imposed any sanctions on Tunisia. Certain SDNs targeted under other OFAC sanctions programs may reside in Tunisia, and U.S. persons are prohibited from dealings with such parties and entities they own at 50% or greater level, directly or indirectly.

(xix) **Application to Turkey**

- (1) The United States do not maintain comprehensive sanctions against Turkey nor any sanctions that are territorial in nature and that apply to Turkey as a country. Pursuant to Executive Order

13894, OFAC maintains "Syria-related" sanctions that provide authority to designate certain parties, including officials or agencies of the Turkish government, who are found to contribute to the destabilization of situation in Syria or are involved in human rights abuses. On October 14, 2019, OFAC designated as SDNs the Turkish Ministry of National Defense and the Turkish Ministry of Energy and Natural Resources, as well as several individual Turkish government officials. At the same time, OFAC issued general license providing temporary authorization to wind-down activities with these SDNs. Before that general license expired, these Turkish government entities and officials were removed from the SDN List so the restrictions never become effective against them in practical terms.

- (2) On December 14, 2020, the U.S. Government imposed certain sanctions on the Turkish Presidency of Defense Industries (Savunma Sanayii Başkanlığı, or SSB), a Turkish government entity but did not designate it as an SDN; its president, Dr. Ismail Demir; SSB Vice President Faruk Yigit; SSB Head of Air Defense and Space Department Serhat Genecoglu; and SSB Program Manager for Air Defense Systems Mustafa Alper Deniz pursuant to Section 231 of CAATSA. Pursuant to Section 231, the measures imposed on SSB include: a prohibition on U.S. export licenses and authorization for any goods or technology transferred to SSB; a prohibition on loans or credits by U.S. financial institutions to SSB totaling more than \$10 million in any 12-month period; a ban on U.S. Export-Import Bank assistance for exports to SSB; and a requirement for the United States to oppose loans benefitting SSB by international financial institutions. With respect to individual Turkish officials, a visa denial was imposed on Dr. Demir, Mr. Yigit, Mr. Genecoglu, and Mr. Deniz. These individuals have also been designated as SDNs and are subject to broad restrictions associated with such designation.

(xx) **Application to Ukraine (excluding Crimea)**

- (1) The U.S. President issued four recent Executive Orders: Executive Order 13660 of March 6, 2014, Executive Order 13661 of March 16, 2014, Executive Order 13662 of March 20, 2014, and Executive Order 13685 of December 19, 2014, finding that the actions and policies of the Government of Russia, including its annexation of Crimea and its use of force in Ukraine, continue to undermine democratic processes and institutions in Ukraine; threaten its peace, security, stability, sovereignty, and territorial integrity; and contribute to the misappropriation of its assets, and thereby constitute an unusual and extraordinary threat to the national security and foreign policy of the United States.
- (2) With certain exceptions, U.S. persons are also prohibited from dealing with certain Ukrainian persons and entities listed on OFAC's SDN List (as well as entities owned at 50% or greater level by SDNs), and from dealing in any property in the U.S. or in the possession or control of a U.S. person in which any blocked person has an interest.

(xxi) **Application to Venezuela**

- (1) On March 8, 2015, the United States imposed targeted sanctions against Venezuela under Executive Order 13692 in response to anti-democratic events. The sanctions do not constitute a broad or territorial embargo against trade with Venezuela, but instead froze the assets of the seven targeted officials, heads of the country's security agencies or law enforcement officials.
- (2) Under Executive Order 13692, with certain exceptions, transactions by U.S. Persons, or in or involving the United States, are prohibited if they involve dealing with, or involving property of, a person or entity designated as an SDN under Executive Order 13692 and appearing on the OFAC SDN List with the identifier "[VENEZUELA]". The property and interests in property of an entity that is 50% or more owned, directly or indirectly by a person on the OFAC SDN List is also blocked, regardless of whether the entity itself appears on the OFAC SDN List.
- (3) OFAC has also imposed sanctions on various other designated Venezuelan businesses and individuals. With certain exceptions, U.S. persons are prohibited from dealing with persons listed on OFAC's SDN List, and all property in which any blocked person has an interest is blocked if it is in the United States or in the possession or control of a U.S. person, wherever located.
- (4) On August 25, 2017, the U.S. imposed more limited restrictions targeting the debt (in excess of specific maturity terms) and equity of the Government of Venezuela ("**GOV**"). The restrictions apply to the GOV's and Petroleos de Venezuela, S.A.'s ("**PdVSA**") ability to access capital from the United States including profits and dividends from its U.S. assets, such as CITGO Holdings, Inc., the PdVSA-owned American subsidiary. These restrictions were largely superseded by Executive Order 13884 discussed below, which is much broader in scope of restrictions imposed on GOV. Additionally, PdVSA was designated as an SDN on January 28, 2019.
- (5) On November 1, 2018, the U.S. issued Executive Order 13850, to target corrupt practices in Venezuela and imposed sanctions on any person determined by the Secretary of the Treasury, in consultation with the Secretary of State,
 - (A) to operate in the gold sector of the Venezuelan economy or in any other designated sector of the Venezuelan economy (after the issuance of EO 13850, OFAC subsequently issued designations of three additional sectors of Venezuelan economy as targeted by this order: oil, financial and defense/security sectors);
 - (B) to be responsible for or complicit in, or to have directly or indirectly engaged in, deceptive or corrupt transactions involving the GOV or projects or programs it administers, or to be an immediate adult family member of such a person;

- (C) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, any activity described in section (ii); or
 - (D) to be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property were blocked pursuant to Executive Order. 13850.
- (6) On August 5, 2019, the United States issued Executive Order 13884, which blocks all property and interest in property of the GOV; prohibits any transactions with the GOV that would involve a U.S. nexus (i.e. U.S.-origin goods or services, U.S. person involvement, USD-denominated transactions);³ and blocks the property of persons who, after determination by the Secretary of the Treasury, in consultation in the Secretary of State,
- (A) Have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of persons included on the SDN List whose property or interests in property are blocked pursuant to Executive Order 13884; or
 - (B) Are owned or controlled by, or have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to Executive Order 13884.
- (7) OFAC has issued several general licenses authorizing certain limited transactions with GOV including for example, activities related to issuance of local permits, payment of local taxes and similar administrative activities that are incidental to day-to-day operations of a non-sanctioned entity in Venezuela as well as dealings with customs authorities and ports for shipments of goods to Venezuela. Most types of transactions involving GOV that have any U.S. nexus remain prohibited, with the exception of specific activities identified in various OFAC general licenses that are authorized if terms and conditions of such general licenses are met.

(xxii) **Application to Yemen**

- (1) On May 16, 2012, the President of the United States issued Executive Order 13611, declaring a national emergency to deal with the unusual and extraordinary threat to the national security and foreign policy of the United States posed by the actions and policies of certain members of the Government of Yemen and other individuals and entities that threaten Yemen's peace, security, or stability. Such actions and policies include obstructing the

³ EO 13884 defines "GOV" broadly to include: (1) "any political subdivision, agency, or instrumentality" of the state and government of Venezuela, including the Central Bank of Venezuela and PdVSA, (2) any person owned or controlled, directly or indirectly, by an entity described in (1); and (3) any person who has "acted or purported to act directly or indirectly for or on behalf of, any of the foregoing, including as a member of the Maduro regime."⁴ *An analysis of the parameters of what amounts to a controlled product is outside the scope of this advice memorandum. Hogan Lovells can provide further advice on this point as required.*

implementation of the November 23, 2011 agreement between the Government of Yemen and those in opposition to it, which provides for a peaceful transition of power that meets the legitimate demands and aspirations of the Yemeni people, and obstructing the political process in Yemen. Executive Order 13611 does not impose broad-based sanctions against the country of Yemen or its government or people.

- (2) Executive Order 13611 authorizes the blocking of property and interests in property of individuals and entities determined by the Secretary of the Treasury, in consultation with the Secretary of State, to:
 - (A) have engaged in acts that directly or indirectly threaten the peace, security, or stability of Yemen;
 - (B) be a political or military leader of an entity that has engaged in such acts;
 - (C) have provided support for such acts or to a person whose property and interests in property are blocked by Executive Order 13611; or
 - (D) be owned or controlled by, or have directly or indirectly acted for or on behalf of, such blocked persons.
- (3) Under Executive Order 13611, with certain exceptions, transactions by U.S. Persons, or in or involving the United States, are prohibited if they involve dealing with, or involving property of, a person or entity designated as an SDN under Executive Order 13611 and appearing on the OFAC SDN List with the identifier "[YEMEN]". The property and interests in property of an entity that is 50% or more owned, directly or indirectly by a person on the OFAC SDN List is also blocked, regardless of whether the entity itself appears on the OFAC SDN List.

(xxiii) **Application to the Group**

- (1) The Group consists of companies incorporated in the Mainland China, Hong Kong SAR, Netherland, United Kingdom, Indonesia, Colombia and Thailand. All of these companies are not U.S. persons for purposes of U.S. sanctions. As such, these entities are not subject to any of the above described primary U.S. sanctions administered by OFAC, either country-based or list-based, when the activity otherwise has no U.S. nexus.
- (2) The Group engaged a U.S. company to distribute the Group's products in the United States.
- (3) No U.S. persons employed or otherwise engaged (including the U.S. Agent) by the Company or its Group entities have been involved in any way (either directly or indirectly), including in the negotiation or approval of, or with the on-going performance of, any activities of the Company or its Group entities involving the Relevant Regions.

- (4) The Group has identified the Primary Sanctioned Country Transactions, which comprises of the following transactions involving Iran and Syria:
 - (A) sales and deliveries of medical devices and other medical-related products that incorporated approximately 9.25% to 27.9% of U.S.-origin content to Iran between 2019 to 2024 denominated in USD and EUR totalling approximately RMB 26,330,000; and
 - (B) sales and deliveries of non-U.S. origin products to Syria between 2019 and 2024 denominated in USD totalling approximately RMB 441,000.
- (5) The Company has reviewed all transaction records since January 2019 and has not identified any payments in U.S. dollars related to Sanctioned Countries during that time except for the Primary Sanctioned Country Transactions. With respect to the Primary Sanctioned Country Transactions, all of these payments were denominated in U.S. dollars and, to the Group's knowledge, were processed through the U.S. financial system before they were received or paid by the Company.
- (6) The Company did not instruct its customers to use any particular payment route. However, all products involved in the Primary Sanctioned Country Transactions were quoted in USD and/or EUR due to the lack of the Company's awareness that such activities implicated the applicability of U.S. sanctions, and were paid by the third-party intermediaries on behalf of customers in Iran and Syria (those intermediaries were not engaged by the Company).

Hogan Lovells Cadwalader is of the view that, regarding the Primary Sanctioned Country Transactions:-

- 1) The USD payments for the Syrian Transactions appear to be consistent with OFAC's general license at 31 C.F.R. § 542.525 in SySR, which authorizes U.S. banks to process USD payments as services that are ordinarily incident to the exportation or reexportation to Syria, including to the Government of Syria, of non-U.S.-origin medicine and medical devices that would be designated as EAR99 under the EAR, if they were subject to the EAR (we understand that the Group's non-U.S. origin infusion pumps, syringe pumps, vein illuminator and their accessories would be classified as EAR99 if they were subject to the EAR). OFAC had issued several FAQ (including FAQ 867 and FAQ 885) stating its commitment to ensure that humanitarian assistance can flow to the people of Syria and support to the critical work of governments, certain international organizations, NGOs, and individuals delivering food, medicine, medical supplies, and humanitarian assistance to civilians in Syria. These historic sales to Syria for which payment was received in USD appear to be consistent with the SySR, therefore, it is not likely that there is a material risk for the imposition of significant penalties on the Group even if OFAC were to pursue an enforcement action in that case. Further, we note the Group's sales to Syria is unlikely to be viewed as "knowingly provides

significant financial, material, or technological support to, or knowingly engages in a significant transaction with" activities described in section 102 of the Caesar Act, as such, it is unlikely that the Group's sales of medical devices to Syria would result in designation.

- 2) The Iranian Transactions that involve payments in USD and/or medical products subject to the EAR did not represent violations of U.S. primary sanctions involving Iran, because the Iranian Transactions were authorized by a general license in the regulations. The Group's underlying sales to Iran appear to be consistent with the OFAC general license for sales of certain medical devices to Iran set forth in 31 CFR § 560.530(a)(3) (the "General License") of the Iranian Transactions and Sanctions Regulations ("ITSR") as the medical devices in these transactions were subject to the EAR thus making the Group a by a "covered person" within the meaning of section 560.530(e)(4) of the ITSR for these exports to Iran. Specifically, that General License in section 560.530(a)(3) authorizes the export or reexport of eligible medical devices by a "covered person" as well as services that are ancillary to such export/reexport by a covered person (for example, the conduct of related transactions, including the making of shipping and cargo inspection arrangements, obtaining of insurance, arrangement of financing and payment, shipping of the goods, receipt of payment, and entry into contracts). For purposes of that General License, the term "covered person" is defined in section 560.530(e)(4) to mean (a) with respect to the exportation or reexportation of items subject to the EAR, a US person or a non-US person, and (b) for purposes of items not subject to the EAR, a US person, wherever located, or an entity owned or controlled by a US person and established or maintained outside the United States. Based on information provided by the Company, on behalf of the Group, (i) the Group's operating entity in these Iranian Transactions was not a U.S. person; (ii) the value of U.S.-origin content involved in the medical devices varies from 9.25% to 27.9%, are subject to the EAR because of the value of U.S.-origin content incorporated in these transactions; and (iii) the medical devices sold to Iran were not on the OFAC List of Medical Devices Requiring Specific Authorization. Therefore the Group should be viewed as a "covered person" for purposes of the Iranian Transactions and the General License could be relied upon by the Group and US persons (such as US banks) to process the sales of products subject to the EAR and USD payments related to such sales. In addition, a US clearing bank could rely on OFAC's general license in section 560.516(a) that authorizes US banks to process Iran-related payments when "an underlying transaction that has been authorized by a specific or general license issued pursuant to" the ITSR because in the Iranian Transactions would be authorised under the General License. Therefore, the Iranian Transactions appear to be consistent with the ITSR and thus did not represent a violation of the primary U.S. sanctions.

Secondary Sanctions Applicable to Non-U.S. Persons

- (xxiv) The U.S. has also enacted secondary sanctions targeting non-U.S. persons who are engaged in certain defined activities, including:
 - (1) those who are dealing in "confiscated" property in Cuba;

- (2) those who are engaging in certain Syria- or Iran-related activities, including certain targeted sectors of Iranian, North Korean, Belarussian, Burmese, Russian and Venezuelan economy;
 - (3) those who are found to "operate in" the Crimea, DPR or LPR region or in the targeted sectors of Venezuelan economy (gold, oil, financial, defense/security), Russian economy (energy, architecture, engineering, construction, manufacturing, transportation, metals and mining, quantum computing, defense, technology, financial services, aerospace, marine, electronics, accounting, management consulting and trust/corporate formation sectors), North Korean (construction, energy, financial services, fishing, information technology, manufacturing, medical, mining, textiles, or transportation), Burmese (defense), or Belarussian (defense and related materiel, security, energy, potassium chloride (potash) sector, tobacco products, construction, or transportation);
 - (4) those engaging in a "significant" importation from or exportation to North Korea of any goods, services, or technology;
 - (5) those engaging in "significant" transactions with Iranian or Russian SDNs; and
 - (6) those who are engaging in the provision of "material assistance" or support to most types of SDNs (including SDNs designated under the Ukraine/Russia sanctions programs, among others).
- (xxv) The Company has, for and on behalf of the Group has confirmed that based on their due diligence process, except for the Primary Sanctioned Country Transactions, it has no dealings involving Kherson region, Zaporizhzhia region, Crimea, DPR/LPR regions of Ukraine, Cuba, Iran, North Korea, Sudan, Syria, and Venezuela or with any SDNs, except as described in section 4.1 involving Joint Stock Company Novosibirsk Instrument Making Plant prior to its designation as a SDN. As the Primary Sanctioned Country Transactions do not involve targeted sectors in Iran and Syria or SDNs, and the nature of the products is such that they would be covered by the "humanitarian exception" under the IFCA for Iran-related secondary sanctions, they would not create exposure to secondary sanctions related to such Sanctioned Countries. The nature of the Group's business with Relevant Regions should not trigger U.S. secondary sanctions targeting certain industries. The activities with Joint Stock Company Novosibirsk Instrument Making Plant were prior to its designation as a SDN, thus did not implicate sanctions applicable to Joint Stock Company Novosibirsk Instrument Making Plant. Accordingly, secondary sanctions are not likely to be triggered by the Group's business operations, based on our due diligence process, the Group's due diligence in this respect, as well as the information provided by the Group. For those reasons, Hogan Lovells Cadwalader's assessment is that the Group or Relevant Persons are unlikely face exposure to secondary U.S. sanctions.

The Offering

- (xxvi) The Group will be required to make standard representations, warranties and covenants to the Sponsors in the Hong Kong Underwriting Agreement

and International Underwriting Agreement that the proceeds of the offering will not be used in any manner that could be found to violate any International Sanctions laws or regulations, including representing that the Group will not make any of the proceeds of the offering, directly or indirectly, available to (i) a person on the SDN List or (ii) fund any activity that is prohibited by International Sanctions laws or regulations.

(xxvii) We note from the Prospectus dated August 28, 2026 under which the Group's intended uses of the proceeds of the offering are set out in detail, and we have relied on those statements in connection with our analysis; the Group has confirmed that such statements are accurate in all respects. In those statements, the Group confirms that the proceeds will be used:

- (1) for ongoing and planned R&D to further enrich the Group's product lines to build a competitive portfolio;
- (2) to develop the Group's manufacturing centers to expand the Group's production capacity, including investments in production facilities and upgrades of production lines;
- (3) to further enhance the Group's sales and marketing capabilities to support scalable business growth;
- (4) to fund potential strategic investment and acquisitions globally that could complement and expand the Group's product portfolio and technologies, and in turn further drive our business growth;
- (5) to upgrade the Group's IT infrastructure and digital platform; and
- (6) for the Group's working capital and general corporate purposes.

(xxviii) As such, the Company has not engaged during the Track Record Period in Secondary Sanctionable Activity because it had no business activities targeted by extra-territorial provisions of sanctions law or regulation in the Relevant Jurisdictions. As such, it does not appear likely that the Company's activities would result in the imposition of sanctions on the Relevant Persons.

(xxix) We also note that none of the Company and its subsidiaries, their respective shareholders, directors or officers disclosed in the Prospectus is a person or entity named on the SDN List.

UN SANCTIONS

1.27 UN sanctions measures are adopted via a Resolution of the UN Security Council ("**UNSC**"). The UNSC can take action to maintain or restore international peace and security under Chapter VII of the United Nations Charter. UN Security Council Resolutions are binding upon all members of the UN, including the United States, Member States of the European Union and Australia. UN Member States are required to bring into force (i.e. implement, administer and enforce) national measures to ensure compliance with the measures prescribed in the UN Resolution. The main aim of UN sanctions measures, as set out in the UN Charter, is to maintain or restore international peace and security. Sanctions measures encompass a broad range of enforcement options that do not involve the use of armed force. Since 1966, the UNSC has established 30 sanctions regimes. Decision of UNSC bind members of the UN and override other obligations of UN member states.

- 1.28 The UNSC sanctions have taken a number of different forms, in pursuit of a variety of goals. The measures have ranged from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions. The UNSC has applied sanctions to support peaceful transitions, deter non-constitutional changes, constrain terrorism, protect human rights and promote non-proliferation. There are 14 ongoing sanctions regimes which focus on supporting political settlement of conflicts, nuclear non-proliferation, and counter-terrorism. Each regime is administered by a sanctions committee chaired by a non-permanent member of the UNSC. There are ten monitoring groups, teams and panels that support the work of the sanctions committees. United Nations sanctions are imposed by the UNSC, usually acting under Chapter VII of the United Nations Charter.

Application to Belarus

- (a) During the Track Record Period, the UN does not maintain sanctions against Belarus.

Application to Egypt

- (b) During the five year period prior to the date of this memorandum, the UN has not imposed any sanctions on Egypt.

Application to Iran

- (c) The UN first adopted sanctions against Iran on July 31, 2006, pursuant to UN Security Council Resolution 1696. These measures targeted Iran's nuclear and enrichment related activities and imposed an asset freeze on a list of persons involved in proliferation-sensitive activities. The measures were extended on December 23, 2006, pursuant to UN Security Council Resolution 1737.
- (d) In 2007, UN sanctions measures were extended to introduce wide ranging asset freezes targeting specifically named Iranian persons and entities, and a ban on Iran's arms exports. These measures were introduced via UN Security Council Resolution 1747, which was adopted on March 24, 2007.
- (e) In 2008, UN sanctions measures were extended by UN Security Council Resolution 1803 which established a travel ban on some individuals, added further individuals and entities to the list of persons subject to assets freezes, and extended the scope of the embargo on proliferation-sensitive items by adding dual use items.
- (f) On June 9, 2010, UN sanctions measures were significantly extended pursuant to UN Security Council Resolution 1929. These measures specifically targeted Iran's oil and gas sector and Iranian financial institutions.
- (g) On July 20, 2015, the UN adopted UN Security Council Resolution 2231 endorsing the international community's agreement with Iran concluded on July 14, 2015 in respect of the Iranian nuclear issue (the "JCPOA") and providing for the eventual removal of all UN Security Council resolutions against Iran. On January 16, 2016, the UN terminated the provisions of previous UN Security Council resolutions including UN Security Council Resolutions 1696, 1737, 1747, 1803 and 1929.
- (h) UN Security Council Resolution 2231 establishes specific restrictions on Iran which include:
 - (i) a requirement for UN Security Council approval for nuclear-related activities and transfers to or with Iran;

- (ii) a requirement for UN Security Council approval of ballistic missile related activities with and transfers to Iran;
- (iii) a requirement for UN Security Council approval of arms-related transfers to and from Iran;
- (iv) asset freezes on individuals and entities designated on the 2231 list; and
- (v) travel bans on individuals designated on the 2231 list.

Application to Iraq

- (i) On August 6, 1990, the UN Security Council adopted Resolution 661 (1990) imposing comprehensive sanctions on the regime of Saddam Hussein in response to Iraq's invasion of Kuwait on August 2, 1990. Most sanctions against Iraq were lifted by the adoption of Resolution 1483 (2003) on May 22, 2003, with the exception of an embargo against weapons and a prohibition on dealing in stolen Iraqi cultural property. The sanctions regime has subsequently been modified by additional resolutions, including Resolutions 1511 (2003), 1518 (2003) and 1546 (2004). Pursuant to Resolution 1518 (2003), the UN Security Council Committee ("**1518 Committee**") was established on November 24, 2003 to continue identifying senior officials of the former Iraqi regime and their immediate family members, including entities owned or controlled by them or by persons acting on their behalf, who are subject to the measures imposed by Resolution 1483 (2003).
- (j) Subject to certain exceptions, the sanctions imposed against Iraq include:
 - (i) a prohibition on the export of arms and related material to any person in Iraq; and
 - (ii) an assets freeze against the previous government of Iraq (i.e. that existed prior to May 22, 2003) and any person designated by the 1518 Committee.

Application to Lebanon

- (k) On October 31, 2005, the UNSC adopted Resolution 1636 (2005) imposing travel and financial sanctions in relation to Lebanon, in response to the terrorist bombing in Beirut on February 14, 2005 that killed former Lebanese Prime Minister Rafiq Hariri and 22 others. Additional sanctions measures were introduced with the adoption of Resolution 1701 (2006) following the conflict between Israel and Hezbollah in July 2006. These measures prohibit:
 - (i) the unauthorized supply, sale or transfer to Lebanon of arms or related material;
 - (ii) the unauthorized provision to Lebanon of any technical training or assistance related to the provision, manufacture, maintenance or use of goods referred to above; and
 - (iii) the use or dealing with the assets of, and the making available of assets to, persons and entities listed by the UNSC or by the Committee established by the UNSC sanctions pursuant to Resolution 1636.
- (l) To date, the relevant UN Security Council Sanctions Committee has not designated any targets under the relevant Lebanon related UNSCRs.

Application to Libya

- (m) On 26 February 2011, the UN Security Council passed Resolution 1970(2011) imposing an arms embargo, a travel ban and asset-freezing measures in connection with the situation in the Libyan Arab Jamahiriya. On March 19, 2014, UN Security Council Resolution 2146 extended the sanctions regime to authorise inspections of vessels suspected of carrying illicit crude oil exports from Libya. The latest UN Security Council Resolution maintaining these measures is UN Security Council Resolution 2441 of November 5, 2018.

Application to Myanmar/Burma

- (n) During the Track Record Period, the UN has not maintained sanctions on Myanmar/Burma. This means that the Group would not have been able to breach any UN sanctions in its activities with Myanmar/Burma.

Application to Nicaragua

- (o) During the Track Record Period, the UN has not imposed any sanctions with respect to Nicaragua.

Application to Russia (excluding Crimea and DPR/LPR, Kherson and Zaporizhzhia)

- (p) During the Track Record Period, the UN has not imposed any sanctions with respect to Russia/Ukraine.

Application to Somalia

- (q) Pursuant to UNSCR 751 (1992), supplemented by UNSCR 1844 (2008), UNSCR 1907 (2009), 1916 (2010), UNSCR 2036 (2012), UNSCR 2498 (2019) and UNSCR 2552 (2020), the UN imposed an asset freeze and a travel ban on persons engaging in or providing support for acts that threaten the peace, security or stability of Somalia, including acts that threaten the Djibouti Agreement of August 18, 2008, threaten the Transitional Federal Institutions (TFIs) or African Union Mission in Somalia (AMISOM) by force, or obstruct the delivery or access to humanitarian assistance in Somalia. UN sanctions on Somalia also provide for an arms embargo to Somalia and to listed parties, a ban on the direct or indirect import of charcoal from Somalia, and a ban on the export or transfer of explosive materials and technology to or for use in Somalia.

Application to South Sudan

- (r) UN Security Council restrictive measures on South Sudan have been adopted in response to the human rights abuses following the conflict in the country through Resolution 2206 (2015) of March 3, 2015, Resolution 2290 (2016) of May 31, 2016, Resolution 2428 (2018) of July 13, 2018, Resolution 2521 (2020) of May 29, 2020, and most recently renewed through Resolution 2577(2021) of May 28, 2021.
- (s) UN sanctions on South Sudan include asset-freezing measures against designated persons and a travel ban of designated persons, an arms embargo on South Sudan and a prohibition to provide technical assistance related to arms and related materiel, as well as the obligation on Member States to inspect all cargo to South Sudan if there are reasonable grounds to suspect that it might contain restricted items.

Application to Syria

- (t) During the Track Record Period, the UN has not imposed any sanctions with respect to Syria.

Application to Tunisia

- (u) During the Track Record Period, the UN has not imposed any sanctions with respect to Tunisia.

Application to Turkey

- (v) During the Track Record Period, the UN has not imposed any sanctions with respect to Turkey.

Application to Ukraine (excluding Crimea)

- (w) During the Track Record Period, the UN has not imposed any sanctions with respect to Ukraine.

Application to Venezuela

- (x) During the Track Record Period, the UN has not imposed any sanctions with respect to Venezuela.

Application to Yemen

- (y) On February 26, 2014, the UN Security Council adopted Resolution 2140 (2014) imposing a sanctions regime in response to the on-going political, security, economic and humanitarian challenges in Yemen, including on-going violence. Pursuant to Resolution 2140 (2014), the UN Security Council Committee was established on February 26, 2014 to oversee the relevant sanctions measures. UN sanctions on Yemen were supplemented by Resolution 2216 (2015) and Resolution 2511 (2020) which set out a targeted arms embargo, asset-freezing measures against parties threatening the peace, security or stability of Yemen, engaging in sexual violence in armed conflict and obstructing the delivery of humanitarian assistance in Yemen, as well as a travel ban.
- (z) All member states shall freeze without delay all funds, other financial assets and economic resources which are on their territories, which are owned or controlled, directly or indirectly, by the designated individuals or entities or by individuals or entities acting on their behalf or at their direction. All member states should also ensure that any funds, financial assets or economic resources are prevented from being made available by their nationals or by any individuals or entities within their territories, to or for the benefit of the designated individuals or entities. The UN also implemented a travel ban by dictating that all member states shall take the necessary measures to prevent the entry into or transit through their territories of designated individuals. An arms embargo is also in place, prohibiting the export or transfer of arms to Yemen or for use in Yemen.

Application to the Group

- (aa) On the basis of the Company's confirmations that neither the Company nor any of its affiliates, agents, directors, officers, or employees is engaged in transactions that directly or indirectly involve or benefit a person on the sanctions list of the UN;

- (bb) Based on the Company's confirmations that the Group's business dealings in the Relevant Regions do not implicate the restrictive measures adopted by UN because the Group does not have any business dealings with persons on the list of persons and entities designated by the UN with whom member states of the UN are prevented from doing business with; and
- (cc) Based on the Company's confirmations that all of the Company's business in relation to the Relevant Regions was in relation to the sales medical devices, which were not conducted in relation to, or otherwise involve any export-controlled products,

Hogan Lovells Cadwalader's assessment is therefore that the Company's business dealings do not implicate restrictive measures adopted by the UN and implemented by the United States, European Union, UK Overseas Territories and Australia.

EU AND UK SANCTIONS

Overview of EU Sanctions Measures

Sanctions are one of the EU's tools to promote the objectives of its Common Foreign and Security Policy ("**CFSP**"), being peace, democracy and the respect for the rule of law, human rights and international law.

- (dd) Sanctions applicable in the EU stem from:
 - (i) sanctions adopted by the UN; or
 - (ii) autonomous sanctions regimes adopted by the EU without any UN action.
- (ee) The EU implements sanctions measures via a unanimous decision of the Council of the European Union (the "**Council**"). Members States of the EU are then legally bound to act in conformity with the decision.
- (ff) Certain sanctions, such as arms embargoes and travel bans, are implemented directly by EU Member States. Such measures only require a decision by the Council. Economic sanctions measures require separate implementing legislation in the form of a Council Regulation.
- (gg) Council Regulations are directly applicable in EU Member States. However, some Member States may nevertheless enact national legislation implementing the EU sanctions measures. In addition, individual Member States are responsible for establishing measures to set and impose penalties and their implementation and enforcement, and for establishing relevant competent licensing authorities.
- (hh) EU sanctions regimes are generally targeted, meaning that the relevant prohibitions or restrictions are focused on individual people or organizations, certain sectors of the target's economy, specified goods, technology, technical assistance and wider associated services, or specific activities.

As of January 1, 2021, the UK is no longer an EU Member State. Pursuant to the terms of Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (Withdrawal Agreement), EU law including sanctions law continued to apply to and in the UK until December 31, 2020. The UK was still an EU Member State during part of the Track Record Period and the EU sanctions analysis fully

applies thereto until December 31, 2020. For the part of the Track Record Period starting on January 1, 2021, UK applied its own sanctions programs.

- (ii) Overview of UK sanctions
- (jj) Sanctions are one of the UK's tools to promote the objectives of its foreign policy, being peace, democracy and the respect for the rule of law, human rights and international law.
- (kk) As of January 1, 2021, sanctions applicable in the UK stem from:
 - (i) Sanctions adopted by the UN; or
 - (ii) Autonomous sanctions regimes adopted by the UK; Some of which have been retained from EU legislation and have been transitioned into UK law.
- (ll) UK sanctions are in force under the Sanctions and Anti-Money Laundering Act 2018 ("the UK Sanctions Act"), which enables the transition of existing EU sanctions programs and the establishment of autonomous UK regimes. The UK Sanctions Act is implemented through regulations setting out the specific measures under each UK sanctions regime.
- (mm) Specifically, Section 63(3)(c) of the UK Sanctions Act provides that the UK may by way of Order extend the application of the sanctions regulations to any of the Channel Islands, the Isle of Man, and any of the British Overseas Territories. UK sanctions measures have also been extended by the UK on a regime by regime basis to apply to and in the UK Overseas Territories (without requiring enactment of any further legislation by them), including the Cayman Islands as of January 1, 2021.

Application of Sanctions Measures

- (nn) EU and UK sanctions measures broadly apply to: (i) any company incorporated under the laws of the EU or the UK; (ii) any EU or UK national; and (iii) any business done in whole or in part within the EU or the UK.
- (oo) EU and UK sanctions measures will therefore apply to:
 - (i) The Company as a company incorporated in the Cayman Islands and any of the Group's subsidiaries or affiliates incorporated in the EU, UK or a UK Overseas Territory;
 - (ii) any EU and UK nationals employed by or otherwise engaged on behalf of the Group regardless of where they are located, in the EU, the UK or in any other country;
 - (iii) any business of the Group conducted within the EU or the UK;
 - (iv) any counterparty incorporated in the EU or the UK with whom the Group does business including for example, suppliers, customers, distributors, agents, manufacturers, shipping agents and freight forwarders;
 - (v) any EU or UK incorporated financial institution that the Group or any of its companies uses to provide payment processing services, trade finance services, short or long term debt financing or any other service; and

- (vi) any entity incorporated in the EU or the UK, or national of these regions who subscribes for shares in the Group.
- (pp) EU and UK sanctions will not apply to:
 - (i) Non-EU and non-UK nationals in their personal capacity, including the Company's Directors (to the extent that they are not carrying out business of the Group in the territory of the EU or the UK); and
 - (ii) any company subsidiary that is not incorporated under the laws of an EU Member State or the UK, which acts in a wholly independent manner from its parent company and which does not carry out any activities in the EU or the UK.

Restrictions under EU and UK Sanctions Measures

- (qq) The restrictions applied under an EU or UK sanctions regime depend on the jurisdiction targeted by the regime. However, there are broadly four main offences:
 - (i) making any funds or economic resources (see below) directly or indirectly available to or for the benefit of a sanctioned person or entity (a "**Designated Person**");
 - (ii) dealing with any funds or economic resources that are owned, held or controlled by a Designated Person;
 - (iii) exporting, selling, transferring or making certain controlled or restricted products⁴ available (either directly or indirectly) to, or for use in, a jurisdiction subject to sanctions measures (a "**Prohibited Activity**"); and
 - (iv) participating knowingly and intentionally in activities the object or effect of which is to: (i) directly or indirectly circumvent the offences listed above; or, (ii) enable or facilitate the commission of the offences.
- (rr) The meaning of "economic resources" is defined widely to be "assets of every kind, whether tangible or intangible, movable or immovable, which are not funds, but may be used to obtain funds, goods or services". Therefore, the Group's products would fall within the definition of "economic resources".
- (ss) Under EU and UK sanctions measures, there is no "blanket" ban on doing business in or with a jurisdiction targeted by sanctions measures. While it is prohibited for a person or entity to whom EU or UK sanctions apply to make any product of the Group available directly or indirectly to or for the benefit of a Designated Person, or to finance such activity, it is not generally prohibited (or otherwise restricted) for that person or entity to do business (involving non-controlled or restricted items) with a counterparty in a country subject to EU or UK sanctions that is not a Designated Person or engaged in non-Prohibited Activities.

EU and UK sanctions: Dealing with Relevant Jurisdictions

- (tt) As noted above, under EU and UK sanctions legislation it is prohibited for any person or entity to whom EU sanctions apply to:

⁴ An analysis of the parameters of what amounts to a controlled product is outside the scope of this advice memorandum. Hogan Lovells can provide further advice on this point as required.

- (i) make any product of the Group directly or indirectly available to, or for the benefit of, a Designated Person; or
- (ii) export, finance, or facilitate the transfer of any controlled or restricted products to a third country including a Relevant Jurisdiction.

Application to Belarus

- (iii) The EU has imposed restrictive measures on Belarus by Council Decision 2012/642/CFSP of October 15, 2012, as last amended through Council Decision (CFSP) 2021/2125 of December 2, 2021 and by Council Regulation (EC) 765/2006 of May 18, 2006, as last amended by Council Regulation (EU) 2021/2124 of December 2, 2021.
- (iv) The EU restrictive measures include an arms embargo, a travel ban, a prohibition on the export of certain listed equipment that might be used for internal repression, on the provision of technical assistance related to goods listed in the EU Common Military List or to listed goods which might be used for internal repression, as well as asset-freezing measures against persons and entities responsible for serious violations of human rights or the repression of civil society and democratic opposition, as well as for the forced landing of a Ryanair flight in Minsk on May 23, 2021 endangering aviation safety and the detention of journalist Raman Pratasevich.
- (v) In June 2021, the EU imposed comprehensive restrictions on the country, which do not apply to the activities of the Company during the Track Record Period, i.e., prior to their adoption. These restrictions include:
 - (1) Prohibition to directly or indirectly sell, supply, transfer or export equipment, technology or software intended primarily for use in the monitoring or interception of the internet and of telephone communications by or on behalf of the Belarusian authorities. Listed items not used for these uses require an export licence before they are exported to any party in Belarus or for use in Belarus. An export licence is required for the provision of technical assistance or brokering services related to listed equipment, software and technology or to the installation, provision, manufacture, maintenance and use of such listed items. An export licence is required for the provision of any telecommunication or internet monitoring or interception services of any kind to, or for the direct or indirect benefit of, the Belarusian Government, public bodies, corporations and agencies or any natural or legal person or entity acting on their behalf or at their direction.
 - (2) Prohibition to directly or indirectly sell, supply, transfer or export to anyone in Belarus dual-use goods and technologies for military end-use. Additionally, it is prohibited to sell, supply or transfer dual-use items to certain listed parties in Belarus, as well as on the provision of related technical assistance, brokering services, financing or financial assistance or other related services to listed parties. At the time of writing this update, the EU has not identified the Belarusian parties subject to this prohibition. This prohibition does not apply to the export of dual-use goods and technology or the provision of related technical or financial assistance for the

maintenance and safety of existing civil nuclear capabilities for non-military use or for a non-military end-user

- (3) Restrictions on trade in potassium chloride ('potash') and tobacco products, as follows: It is prohibited to sell, supply, transfer or export certain listed items used for the production or manufacturing of tobacco products to any person, entity or body in Belarus or for use in Belarus. Listed goods include filters, papers for cigarettes, flavours for tobacco and machinery for preparing or making up of tobacco. It is prohibited to import, purchase or transfer, directly or indirectly, certain listed products of potassium chloride and chemical or mineral fertilisers containing potassium from Belarus, regardless of their origin.
- (4) Restrictions on trade in petroleum products, as follows: It is prohibited to (a) import certain listed petroleum products originating in Belarus or exported from Belarus; (b) purchase petroleum products located in or originating in Belarus; (c) transport petroleum products originating in Belarus, or are being exported from Belarus to any other country; or (d) provide, directly or indirectly, technical assistance, brokering services, financing or financial assistance, including financial derivatives, as well as insurance and re-insurance, related to listed petroleum products. An exception is made for purchases of listed petroleum products which are required in order to meet the essential needs of the purchaser in Belarus or of humanitarian projects in Belarus.
- (5) It is prohibited to directly or indirectly purchase, sell, provide investment services for or assistance in the issuance of, or otherwise deal with transferable securities and money-market instruments with a maturity exceeding 90 days, issued after 29 June 2021 by the Belarussian government and Belarusian public bodies and entities, or Belarusbank, Belinvestbank and Belagroprombank (or any non-EU legal entity directly or indirectly owned by more than 50% by these three credit institutions or any legal entity acting on behalf of or at the direction of the above entities or bodies).

It is also prohibited to directly or indirectly make or be part of any arrangements to provide new loans or credit with a maturity exceeding 90 days, after 29 June 2021 to the Republic of Belarus, its Government, its public bodies, corporations or agencies, or Belarusbank, Belinvestbank and Belagroprombank (or any non-EU legal entity directly or indirectly owned by more than 50% by these three credit institutions or any legal entity acting on behalf of or at the direction of the above entities or bodies).

EU Member States may grant an authorisation for the purpose of providing support to the Belarussian population (humanitarian assistance, environmental projects, nuclear safety). There are exceptions concerning legitimate trade financing between the EU and third countries, as well as drawdowns or disbursements made under pre-existing contracts (i.e., contracts concluded before June 25, 2021).

- (6) It is prohibited to provide insurance and re-insurance to the Belarussian government and Belarusian public bodies and entities, while there are certain restrictions on the European Investment Bank (EIB) in relation to projects in the public sector. The EIB will stop any disbursement or payment under any existing agreements in relation to projects in the public sector, and any existing Technical Assistance Service Contracts. Member states will also be required to take actions to limit the involvement in Belarus of multilateral development banks of which they are members.
- (vi) During part of the Track Record Period ending December 31, 2020, EU sanctions measures targeting Belarus were extended to cover UK Overseas Territories, including the Cayman Islands, by the Belarus (Restrictive Measures) (Overseas Territories) Order 2006 and 2011, as last amended by the Belarus (Restrictive Measures) (Overseas Territories) (Amendment) Order 2011.
- (vii) As of January 1, 2021, the UK replaced the EU Belarus sanctions by the Republic of Belarus (Sanctions) (EU Exit) Regulations 2019, as amended through the Sanctions (EU Exit) (Miscellaneous Amendments) (No. 2) Regulations 2020, the Sanctions (EU Exit) (Miscellaneous Amendments) (No. 4) Regulations 2020 and the Republic of Belarus (Sanctions) (EU Exit) (Amendment) (No. 2) Regulations 2021. These regulations have been extended to apply to and in the UK Overseas Territories, including Cayman Islands, through the Republic of Belarus (Sanctions) (Overseas Territories) Order 2020 as amended by the Republic of Belarus (Sanctions) (Overseas Territories) (Amendment) Order 2021.

Application to Egypt

- (viii) On March 21, 2011, the EU introduced targeted sanctions, in the form of freezing of assets, against individual members of the former government and those close to them who are subject to legal measures by the Egyptian authorities.
- (ix) The sanctions were set out in Council Decision 2011/172/CFSP of March 21, 2011, as last amended through Council Decision (CFSP) 2020/418 of March 19, 2020, and Council Regulation (EU) 270/2011, as last amended by Council Implementing Regulation (EU) 2020/416 of March 19, 2020.
- (x) EU sanctions included the following restrictions:
 - (1) all funds belonging to persons alleged to be responsible for embezzlement of Egyptian public assets, and natural or legal persons, entities or bodies that are associated with them and that are placed on the EU's sanctions list are to be frozen; and
 - (2) no funds or financial resources are to be made available to these persons.
- (xi) On March 12, 2021, the EU revoked its sanctions framework against Egypt and de-listed the then nine persons subject to asset-freezing measures. Currently, the EU does not maintain any sanctions against Egypt, but the above restrictions were in place during the Track Record Period.

As of January 1, 2021, the UK had imposed asset freezing measures against certain persons in Egypt through the Misappropriation (Sanctions) (EU Exit) Regulations 2020, which came into effect on December 31, 2020.

Application to Iran

- (xii) The EU economic sanctions on Iran are set out in two sets of regulations:
 - (1) Council Decision 2010/413/CFSP of July 26, 2010, as last amended by Council Decision (CFSP) 2021/1252 of July 29, 2021, and Council Regulation (EU) 267/2012 of March 23, 2012, as last updated by Council Implementing Regulation (EU) 2021/1242 of July 29, 2021 ("**EU Iran Nuclear Sanctions**"), which aims to disrupt Iran's nuclear weapons program; and
 - (2) Council Decision 2011/235/CFSP of April 12, 2011, as last amended by Council Decision (CFSP) 2021/595 of April 12, 2021, and Council Regulation (EU) 359/2011 of April 12, 2011, as last amended by Council Implementing Regulation (EU) 2021/587 of April 12, 2021 ("**EU Iran Human Rights Sanctions**"), which relates to Iran's violations of human rights.
- (xiii) The EU Iran Nuclear Sanctions in the past included a ban on exports to Iran, a ban on the export of oil products, as well as certain prohibition on the transfer of funds to and from Iran using Iranian banks and financial institutions. These restrictions were lifted on October 18, 2015 through Council Decision (CFSP) 2015/1863 and Council Regulation 2015/1861, which terminated all nuclear-related economic and financial restrictive measures, following the conclusion of the Joint Comprehensive Plan ("**JCPOA**") of Action of July 14, 2015. Council Decision (CFSP) 2015/1836 took effect as of January 16, 2016, by virtue of Council Decision 2016/37, bringing into force regulations providing for sanctions relief that were previously issued pursuant to the EU's commitments under JCPOA. By virtue of these legislative acts, the EU lifted most of its restrictions under the EU Iran Sanctions Regulation. Consequently, these restrictions were not applicable during the Track Record Period.
- (xiv) While the overall ban on exports to Iran has been broadly lifted, three categories of items remain restricted under the EU Iran Nuclear Sanctions:
 - (1) listed goods, technology and software on the Nuclear Suppliers Group list;
 - (2) any goods and technology that could contribute to activities related to reprocessing, enrichment, production of heavy water, or other activities inconsistent with the JCPOA; and
 - (3) listed goods and technology on the Missile Technology Control Regime list.
- (xv) A certain number of key Iranian persons and entities, including banks and Government entities remain subject to asset freezing measures.
- (xvi) The EU Iran Human Rights Sanctions includes restrictions on the transfer of internet monitoring and telecommunications equipment and related

services to Iran, as well as additional asset-freezing measures. In particular:

- (1) Prohibition on EU persons and entities to export, directly or indirectly, certain listed equipment, technology or software that can be used for internal repression, and telecommunication equipment that can be used to intercept communications to any person or entity in Iran or for use in Iran, unless authorised by the competent authorities of the relevant EU Member State.
 - (2) An asset-freeze against certain listed persons and entities and the prohibition to make available, directly or indirectly, funds or economic resources to or for the benefit of listed parties.
- (xvii) As of January 1, 2021, the EU Iran Nuclear Sanctions have been replaced in the UK by the Iran (Sanctions) (Nuclear) (EU Exit) Regulations 2019, as amended by the Sanctions (EU Exit) (Miscellaneous Amendments) Regulations 2019, the Sanctions (EU Exit) (Miscellaneous Amendments) Regulations 2020 and the Sanctions (EU Exit) (Miscellaneous Amendments) (No. 3) Regulations 2020.
- (xviii) As of January 1, 2021, the EU Human Rights Sanctions have been replaced in the UK by the Iran Human Rights (Sanctions) (EU Exit) Regulations 2019, as amended by the Sanctions (EU Exit) (Miscellaneous Amendments) (No. 2) Regulations 2020 and the Sanctions (EU Exit) (Miscellaneous Amendments) (No. 4) Regulations 2020.

Application to Iraq

- (xix) The EU issued its own arms embargo on Iraq, following the UN Security Council's resolutions condemning the invasion of Kuwait in 1990. On July 7, 2003, the EU adopted Common Position 2003/495/CFSP, which implements the UN Security Council Resolution 1483 (2003). The sanctions that are currently still in force are:
- (1) the sale or supply to Iraq of arms and related material, other than those arms and related material required by the Government of Iraq or the multinational force as established by the restrictive measures in force against Iraq, remains prohibited;
 - (2) all funds, financial assets or economic resources of the previous Government of Iraq or its State bodies, corporations or agencies located outside Iraq as of May 22, 2003, or that have been removed from Iraq, or acquired by Saddam Hussein or other senior officials of the former Iraqi regime and their immediate family members, including entities owned or controlled directly or indirectly by them or by persons acting on their behalf or at their direction, shall be frozen without delay; and
 - (3) all appropriate steps will be taken to facilitate the safe return to Iraqi institutions of Iraqi cultural property and other items of archaeological, historical, cultural, rare scientific, and religious importance illegally removed from the Iraq National Museum, the National Library, and other locations in Iraq.

- (xx) On July 22, 2014, the EU amended the Common Position 2003/495/CFSP by expanding the scope on the freezing of funds, financial assets or economic resources such that no funds or economic resources shall be made available, directly or indirectly, to or for the benefit of the persons and entities referred to above (Council Decision 2014/484/CFSP). This decision is implemented through Council Regulation (EC) No 1210/2003 as last amended by Commission Implementing Regulation (EU) 2021/2203 of December 10, 2021.
- (xxi) During part of the Track Record Period ending December 31, 2020, EU sanctions measures targeting Iraq were extended to apply to the UK Overseas Territories, including the Cayman Islands, pursuant to the Iraq (Sanctions) (Overseas Territories) Order 2015/1383 which came into force on July 8, 2015.
- (xxii) As of January 1, 2021, EU sanctions on Iraq have been replaced in the UK by the Iraq (Sanctions) (EU Exit) Regulations 2020. These measures have been extended to apply to the UK Overseas Territories, including Cayman Islands, through the Iraq (Sanctions) (Overseas Territories) Order 2020.

Application to Lebanon

- (xxiii) On September 15, 2006, the EU adopted Council Common Position 2006/625/CFSP and Council Regulation (EC) No 1412/2006 of September 25, 2006, establishing an embargo on all arms transfers to Lebanon not authorized by the Government of Lebanon or the UN peacekeeping force in Lebanon. The embargo mirrored a UN embargo established on August 11, 2006. As with the UN embargo, the EU prohibition covers the provision of any technical training or assistance related to the supply, manufacture, maintenance or use of arms and related equipment.
- (xxiv) The EU has also imposed asset-freezing measures against Designated Persons through Council Common Position 2005/888/CFSP of December 12, 2005 and Council Regulation (EC) No 305/2006 of February 21, 2006, as last amended through Commission Implementing Regulation (EU) 2019/1163 of July 5, 2019. More recently, the EU adopted additional targeted restrictive measures to address the deteriorating situation in Lebanon which provide for the possibility of asset-freezing measures against parties undermining democracy or the rule of law in Lebanon. These measures are set out in Council Decision (CFSP) 2021/1277 of 30 July 2021 and Council Regulation (EU) 2021/1275 of 30 July 2021.
- (xxv) As of January 1, 2021, the UK replaced the EU sanctions on Lebanon with the Lebanon (Sanctions) (EU Exit) Regulations 2020, as amended by the Sanctions (EU Exit) (Miscellaneous Amendments) (No. 3) Regulations 2020, and the Lebanon (Sanctions) (Assassination of Rafiq Hariri and others) (EU Exit) Regulations 2020, which came into effect on December 31, 2020, as amended by the Sanctions (EU Exit) (Miscellaneous Amendments) (No. 3) Regulations 2020.

Application to Libya

- (xxvi) On February 28, 2011, the EU adopted Council Decision 2011/137 imposing sanctions on Libya in line with UN Security Council Resolution 1970, as well as additional autonomous sanctions. These measures

included an arms embargo and asset-freezing measures on members of the government / armed forces. These measures were implemented by Council Regulation No 204/2011 of March 2, 2011.

- (xxvii) On July 31, 2015, in response to the conflict situation in Libya, as well as the measures introduced in UN Security Council Resolution 2146, the EU adopted Council Decision 2015/1333 of July 31, 2015, last amended by Council Implementing Decision (CFSP) 2022/189 of February 10, 2022, which repealed Decision 2011/137, and expanded the scope of sanctions to include the export of crude oil and further asset-freezing measures. These measures were consolidated and implemented by Council Regulation No 2016/44 of January 18, 2016, as last amended by Council Implementing Regulation (EU) 2022/183 of February 10, 2022.
- (xxviii) As of January 1, 2021, the UK replaced the EU sanctions on Libya with the Libya (Sanctions) (EU Exit) Regulations 2020.

Application to Myanmar/Burma

- (xxix) The EU sanctions on Myanmar (Burma) are set out in Council Decision 2013/184/CFSP of April 22, 2013, as last amended through Council Decision (CFSP) 2022/243 of February 21, 2022, and Council Regulation (EU) No 401/2013 of May 2, 2013, as last amended by Council Implementing Regulation (EU) 2022/239 of February 21, 2022.
- (xxx) The EU Myanmar sanctions restrict:
 - (1) the sale, supply, transfer or export, directly or indirectly, equipment which might be used for internal repression, whether or not originating in the EU, to any natural or legal person, entity or body in, or for use in Myanmar/Burma;
 - (2) the provision of technical assistance related to military activities and to the provision, manufacture, maintenance and use of arms and related materiel of any type, including weapons and ammunition, military vehicles and equipment, paramilitary equipment, and spare parts for the aforementioned, directly or indirectly to any natural or legal person, entity or body in, or for use in Myanmar/Burma;
 - (3) the provision of technical assistance related to the equipment which might be used for internal repression, directly or indirectly to any natural or legal person, entity and/or body in, or for use in Myanmar/Burma;
 - (4) the provision of financing or financial assistance related to military activities, including, in particular, grants, loans and export credit insurance for any sale, supply, transfer or export of arms and related materiel, directly or indirectly to any natural or legal person, entity or body in, or for use in Myanmar/Burma;
 - (5) the export of dual-use goods for military and Border Guard Police end-users;
 - (6) the export of equipment for monitoring communications that might be used for internal repression; and

- (7) Impose asset-freezing measures against certain natural persons from the Myanmar Armed Forces (Tatmadaw) and the Border Guard Police.
- (xxxi) As of January 1, 2021, the UK replaced the EU sanctions on Myanmar by the Burma (Sanctions) (EU Exit) Regulations 2019 which came into effect on December 31, 2020, as amended by the Sanctions (EU Exit) (Miscellaneous Amendments) (No. 2) and (No. 4) Regulations 2020. On April 29, 2021, the Burma (Sanctions) (EU Exit) Regulations 2019 have been replaced by the Myanmar (Sanctions) Regulations 2021.

Application to Nicaragua

- (xxxii) EU sanctions on Nicaragua are set out in Council Decision (CFSP) 2019/1720 of 14 October 2019, as last amended by Council Decision (CFSP) 2022/24 of January 10, 2022; and Council Regulation (EU) 2019/1716 of 14 October 2019, as last amended by Council Implementing Regulation (EU) 2022/22 of January 10, 2022.
- (xxxiii) EU sanctions on Nicaragua provide for asset-freezing measures on certain listed parties that have been identified as responsible for serious human rights violations or abuses for the repression of civil society in Nicaragua. Asset-freezing measures entail a prohibition on EU persons to make available, directly or indirectly, funds and economic resources to or for the benefit of listed parties.
- (xxxiv) During part of the Track Record Period ending December 30, 2020, EU sanctions on Nicaragua were extended to the UK Overseas Territories by virtue of the Nicaragua (Sanctions) (Overseas Territories) Order 2020.
- (xxxv) As of January 1, 2021, the UK replaced the EU sanctions on Nicaragua by the Nicaragua (Sanctions) (EU Exit) Regulations 2020, as amended by the Sanctions (EU Exit) (Miscellaneous Amendments) and (No. 4) Regulations 2020. These regulations have been extended to apply to the UK Overseas Territories by the Nicaragua (Sanctions) (Overseas Territories) (No. 2) Order 2020.

Application to Russia (excluding Crimea and DPR/LPR, Kherson and Zaporizhzhia)

The existing framework for EU Sanctions targeting Russia and certain Russian Persons, in view of the current situation in Ukraine, is implemented through Council Decision 2014/512/CFSP of July 31, 2014, as last amended by Council Decision (CFSP) 2024/746 of February 23, 2024, and Council Regulation (EU) No 833/2014 of July 31, 2014, as last amended by Council Regulation (EU) 2024/745 of February 23, 2024. These restrictions include: :

- (1) Prohibition on the sale, supply, export or transfer of dual-use goods and technology to Russia or for use in Russia and the provision of related technical assistance, brokering services, financing or financial assistance (with certain exemptions and licences; licenses with regard to certain listed entities will be rejected);
- (2) Prohibition on the sale, supply, export or transfer of certain listed items that might contribute to Russia's military and technological

enhancement or the development of the defence and security sectors, including mass-market encryption products not intended for personal use of individuals ("**Targeted Goods**") to Russian parties or for use in Russia, and the provision of related technical assistance, brokering services, financing or financial assistance (with certain exemptions and licences; licenses with regard to certain listed entities will be rejected);

- (3) Prohibition to provide technical assistance, financing or financial assistance related to military goods to any Russian person or for use in Russia (with certain exemptions and licenses);
- (4) Prohibition to sell, supply, transfer or export to Russia, civilian firearms and their parts and essential components and ammunition. The prohibition includes the provision of technical assistance, brokering services, financing or financial assistance, or other services related to these goods;
- (5) Prohibition on the transit of dual-use items and firearms, their parts and essential components and ammunition via the territory of Russia, except for dual-use items if the transit is intended for certain purposes such as humanitarian, medical or pharmaceutical use;
- (6) Prohibition on the sale, supply, export or transfer of certain listed items suited for oil exploration and production, as well as the provision of technical assistance, brokering services, financing or financial assistance or other services (with certain exemptions and licenses);
- (7) Prohibition on the sale, supply, export or transfer of certain listed goods and technology suited for oil refining and the liquefaction of natural gas to any person in Russia or for use in Russia and the provision of related technical assistance, brokering services, financing or financial assistance, is prohibited (with certain exemptions and licenses);
- (8) Prohibition on the sale, supply, export or transfer of certain listed goods and technology suited for use in aviation or the space industry, and jet fuel and fuel additives, to any person in Russia or for use in Russia. The prohibition extends to the provision of related technical assistance, brokering services, financing or financial assistance, insurance and re-insurance and the following activities: overhaul, repair, inspection, replacement, modification or defect rectification of an aircraft or component, with the exception of pre-flight inspection (with certain exemptions and licenses);
- (9) Prohibited to provide public financing or financial assistance for trade with or investment in Russia is prohibited after 26 February 2022, except for assistance up to EUR 10,000,000 to small- and medium-sized enterprises established in the EU, as well as for trade in food and for agricultural, medical or humanitarian purposes;
- (10) Prohibited to make any new investments or expand existing investments in, or to provide investments services to, entities active in the Russian energy, mining and quarrying sector. Member States

may authorize investments that are necessary for ensuring critical supply of energy in the EU or that exclusively concern EU-owned or controlled entities established in Russia

- (11) Prohibited to invest, participate or contribute to projects co-financed by the Russian Direct Investment Fund;
- (12) Capital market restrictions, which include:
 - (A) Prohibition on the purchase, sale, provision of investment services for or assistance in the issuance of, or otherwise dealing with transferable securities and money market instruments with a maturity exceeding 90 days issued after August 1, 2014 to September 12, 2014, or with a maturity exceeding 30 days issued after September 12, 2014 to April 12, 2022, or any transferable securities and money market instruments issued after April 12, 2022 by certain Russian banks and entities; and
 - (B) Prohibition to make or be part of any arrangement to make new loans or credit with a maturity exceeding 30 days after September 12, 2014 to February 26, 2022, or any new loan or credit after February 26, 2022 to certain Russian banks and entities.
 - (C) Prohibition on the purchase, sale, provision of investment services for or assistance in the issuance of, or otherwise dealing with transferable securities and money market instruments issued after March 9, 2022 by Russia and its Government, the Central Bank of Russia or entities acting on behalf or at the direction of the Central Bank of Russia;
 - (D) Prohibition to make or be part of any arrangement to make new loans or credit after February 23, 2022 to Russia and its Government, the Central Bank of Russia or entities acting on behalf or at the direction of the Central Bank of Russia;
 - (E) Prohibition on the listing and provision of services as of April 12, 2022, and to admit to trading as of January 29, 2023, on trading venues registered or recognised in the Union for the transferable securities of any entity established in Russia with over 50% public ownership;
 - (F) Prohibited to accept any deposits from Russian nationals or residents in Russia, or entities established in Russia, if the total value of deposits of the natural or legal person, entity or body per credit institution exceeds 100,000 EUR;
 - (G) Prohibition on Union central securities depositories to provide any financial services for transferable securities issued after April 12, 2022 to any Russian national or resident in Russia or entity established in Russia;

- (H) Prohibition on transactions related to the management of reserves and assets of the Central Bank of Russia, including with entities acting on behalf or at the direction of the Central Bank of Russia. EU persons must also report assets and reserves of the Central Bank of Russia which they hold, control or are counterparty to;
 - (I) Prohibition to sell transferable securities denominated in any official currency of an EU Member State issued after April 12, 2022 or units in collective investment undertakings providing exposure to such securities, to any Russian national or resident in Russia or any entity established in Russia;
 - (J) Prohibition to sell banknotes denominated in any official currency of an EU Member State to Russia or to any party in Russia, including the government and the Central Bank of Russia, or for use in Russia;
 - (K) Prohibition to provide crypto-asset wallet, account or custody services to Russian nationals or residents or Russian entities. Licenses are available;
 - (L) Prohibition to provide credit rating services (including access to any subscription services in this regard) to or on any Russian national or resident or any Russian entity. The prohibition does not apply to EU nationals or residents;
 - (M) Prohibition to provide specialized financial messaging services which are used to exchange financial data (i.e., SWIFT) to certain listed Russian financial institutions and entities owned for more than 50% by those listed institutions;
- (13) Prohibition on operators to broadcast or enable, facilitate or otherwise contribute to broadcast any content by certain listed Russian media. It is also prohibited to advertise products or services in any content produced or broadcast by these listed Russian media;
 - (14) Prohibition on Russian air carriers, Russian-registered aircraft and any aircraft owned or chartered or otherwise controlled by any Russian party to land in, take off from or overfly the territory of the EU. The prohibition does not apply to an emergency landing or an emergency overflight. Authorisations are available for flights required for humanitarian purposes;
 - (15) No access to ports and locks in the EU for any vessel registered under the flag of Russia or certified by the Russian Maritime Register of Shipping, or a vessels that have changed their Russian flag or their registration, to the flag or register of any other State after 24 February 2022, with the exception for the purpose of leaving the territory of the EU (with certain additional exemptions and licenses);

- (16) Prohibition on the sale, supply, transfer or export of, and provision of technical assistance, brokering services, financing, financial assistance, or other services in relation to, certain listed maritime navigation goods and technology to Russian persons or for use in Russia, or for placing on board of a Russian-flagged vessel (with exemption and license possibility);
- (17) Restrictions on trade of iron and steel products, as follows. It is prohibited to (a) import certain listed iron and steel products originating in Russia or exported from Russia; (b) purchase iron and steel products located in Russia; (c) transport iron and steel products originating in Russia or which are being exported from Russia to any other country; (d) provide, directly or indirectly, technical assistance, brokering services, financing or financial assistance, including financial derivatives, as well as insurance and re-insurance related to listed iron and steel products;
- (18) Prohibition on the import of certain listed goods which generate significant revenues for Russia originating in Russia or exported from Russia. The prohibition also includes the provision of technical assistance, brokering services, financing, financial assistance, or other services. There is an import quota for potassium chloride imports;
- (19) Prohibition to import certain listed coal and other solid fossil fuels originating in Russia or exported from Russia. The prohibition also includes the provision of technical assistance, brokering services, financing, financial assistance, or other services;
- (20) Prohibition on the sale, supply, transfer, export, directly or indirectly, of certain listed luxury goods to any person in Russia or for use in Russia, insofar these goods exceed the value of EUR 300 per item unless otherwise specified (with certain exemptions and licenses);
- (21) Prohibition on the sale, supply, transfer, export, directly or indirectly, of certain listed goods which could contribute to the enhancement of Russian industrial capacities to any person in Russia or for use in Russia. The prohibition also includes the provision of technical assistance, brokering services, financing, financial assistance, or other services. There are certain exemptions and licenses;
- (22) It is prohibited for any Russian road transport undertaking to transport goods within the territory of the EU, including in transit. The prohibition does not apply to the universal mail service and to goods in transit between the EU and Kaliningrad. Member State authorities may authorize certain transportation in the EU;
- (23) Prohibition on the import, directly or indirectly, of crude oil or petroleum products originating in Russia or exported from Russia. There are exemptions for: (a) one-off transactions within a certain winddown period; (b) seaborne crude oil or petroleum products originating in a third country that are departing from or transiting through Russia; (c) pipeline crude oil to landlocked Member States.

There are also certain exemptions and licenses for specific Member States;

- (24) Prohibition to provide, directly or indirectly, technical assistance, brokering services or financing or financial assistance, related to the transport, including through ship-to-ship transfers, to third countries of crude oil or petroleum products originating in Russia or exported from Russia. Subject to a winddown period, it will be prohibited to transport to third countries crude oil and petroleum products. Prohibition does not apply as of 5 December 2022 for crude oil and as of 5 February 2023 for petroleum products provided that the purchase price per barrel of such products does not exceed the price cap agreed by the Price Cap Coalition;
- (25) Prohibition to import certain listed gold items originating in Russia or exported from Russia to the EU or any third country after 22 July 2022. The prohibition also includes the provision of technical assistance, brokering services, financing, financial assistance, or other services. There are certain exceptions and authorisations;
- (26) Transaction ban with regard to certain listed state-owned entities (including Rosneft and Gazprom Neft), their non-EU 50%+ subsidiaries and any entity acting on their behalf or direction. Certain exemptions are available;
- (27) Prohibition to hold any posts in the governing bodies of state-owned entities as of January 16, 2023. Certain licenses are available;
- (28) Prohibition to award or continue the execution of any public or concession contract with: (i) Russian nationals, residents or entities established in Russia, (ii) entities owned for more than 50% by a Russian national, resident or entity established in Russia, (iii) or persons acting on behalf of those referred to in (i) and (ii). Licenses are available;
- (29) Prohibition to provide direct or indirect support under an EU, Euratom or Member State national programme to any Russian entity with more than 50% public ownership. Exemptions are available;
- (30) Prohibition to register, provide a registered office, business or administrative address as well as management services to a trust having a trustor or beneficiary: (i) Russian nationals or residents; (ii) Russian entities; (iii) entities owned for more than 50% by Russian nationals, residents or entities; (iv) entities controlled by any of the above; (v) entities acting on behalf or at the direction of any of the above. It is also prohibited to act as or arrange for another person to act as a trustee, nominal shareholder, director, secretary or similar position for a trust as described above. Certain exemptions and licenses are available; and
- (31) Prohibition to provide professional services (accounting, auditing, including statutory audit, bookkeeping or tax consulting services, or business and management consulting or public relations services, architecture, engineering, IT consultancy or legal advisory services,

market research and public opinion polling services, technical testing and analysis services and advertising services) to the government of Russia or Russian entities. Certain exemptions (including for EU, EEA, Swiss owned entities and entities owned by partner countries which at the time of writing are: UK, US, Japan, South Korea, Australia, New Zealand, Norway) and licenses (including for divestment or winddown of business in Russia) are available.

- (32) As of 27 March 2023, prohibition to have Russian nationals hold any posts in governing bodies of owners/operators of critical infrastructures and entities;
 - (33) Prohibition to provide storage capacity in an underground storage facility, except for the part of liquefied natural gas facilities used for storage, to Russian persons, entities owned or controlled, directly or indirectly, for more than 50% by Russian persons or entities acting on their behalf or at their direction;
- (xxxvi) The existing framework for EU Sanctions targeting Russia (asset freezing measures), in view of the current situation in Ukraine, is implemented by Council Decision 2014/145/CFSP of March, 17 2014, as last amended by Council Decision (CFSP) 2022/432 of February 25, 2023 and Council Regulation (EU) No 269/2014 of March 17, 2014, as last amended by Council Implementing Regulation (EU) 2023/429 of February 25, 2023. These restrictions include:
- (1) Freezing of all funds or economic resources belonging to, owned, held or controlled, by a person or entity listed in Annex I or by a person or entity owned for more than 50% or controlled, directly or indirectly, by a person or entity listed in Annex I;
 - (2) Prohibition to make available funds or economic resources, directly or indirectly, to a person or entity listed in Annex I, or to a person or entity owned for more than 50% or controlled, directly or indirectly, by a person or entity listed in Annex I.

In total, 205 entities and 1,473 individuals are currently subject to asset freezing measures under the EU sanctions regime against Russia.

- (xxxvii) The existing framework for EU Sanctions targeting Russia (asset freezing measures), in view of the current situation in Ukraine, is implemented by Council Decision 2014/145/CFSP of March, 17 2014, as amended by Council Decision (CFSP) 2023/2874 of December 18, 2023 and Council Regulation (EU) No 269/2014 of March 17, 2014, as amended by Council Implementing Regulation (EU) 2023/2875 of December 18, 2023. These restrictions include:
- (1) Prohibition on Russian nationals to own, control or hold posts in the governing bodies of entities providing crypto-asset wallet, account or custody services;
 - (2) Prohibition on the purchase, import, or transfer of diamonds and products, like jewellery and watches, incorporating diamonds

originating in or exported from Russia or diamonds of any origin transiting Russia;

- (3) Prohibition on imports of Russian diamonds when they are processed (cut and polished) in third countries that will be phased in. In particular, measures include a phased import ban (i) on diamonds and jewellery made from Russian diamonds as from 1 January 2024, (ii) on Russian diamonds of certain higher weight processed in third countries as from 1 March 2024 (based on a G7-coordinated traceability mechanism) and (iii) on smaller Russian stones processed in third countries as from 1 September 2024;
- (4) Inclusion of an obligation for companies to include a contractual clause in export transactions with customers in third countries that prohibits the buyers of certain goods from re-exporting them to Russia ("**No Russia Clause**");

(xxxviii) The existing framework for EU Sanctions targeting Russia (asset freezing measures), in view of the current situation in Ukraine, is implemented by Council Decision 2014/145/CFSP of March, 17 2014, as last amended by Council Decision (CFSP) 2023/2874 of 2024/746 of February 23, 2024 and Council Regulation (EU) No 269/2014 of March 17, 2014, as last amended by Council Implementing Regulation (EU) 2024/745 of February 23, 2024. These restrictions include:

- (1) Designation of 106 individuals and 88 entities to its restricted parties list;
- (2) Inclusion of "aluminium electrolytic fixed electrical capacitors" (excluding power capacitors) which have military applications (CN Code 8532 22) into the list of advanced technology items in Annex VII of Regulation 833/2014;
- (3) Extension of the list of goods which could contribute in particular to the enhancement of Russian industrial capacities listed in Annex XXIII of Regulation 833/2014 to cover every item with the tariff position 8504, including all "electrical transformers, static converters (for example, rectifiers) and inductors".

(xxxix) As of January 1, 2021, the UK replaced the EU Russia sanctions, with substantially the same effect, by the Russia (Sanctions) (EU Exit) Regulations 2019, which came into effect on December 31, 2020, as amended by the Sanctions (EU Exit) (Miscellaneous Amendments) (No. 2) and (No. 4) Regulations 2020, the Russia (Sanctions) (EU Exit) (Amendment) Regulations 2022 (as amended) (together, the "UK Russia Regulations"). The regulations have been extended to apply to the UK Overseas Territories by the Russia (Sanctions) (Overseas Territories) Order 2020, the Russia (Sanctions) (Overseas Territories) (Amendment) Order 2021, the Russia (Sanctions) (Overseas Territories) (Amendment) Order 2022, the Russia (Sanctions) (Overseas Territories) (Amendment) (No. 2) Order 2022, the Russia (Sanctions) (Overseas Territories) (Amendment) (No. 3) Order 2022, the Russia (Sanctions) (Overseas Territories) (Amendment) (No. 4) Order 2022 and the Russia (Sanctions) (Overseas Territories) (Amendment) Order 2023.

- (xi) On 10 February 2022, the UK enacted the Russia (Sanctions) (EU Exit) (Amendment) Regulations 2022 (amending the Russia (Sanctions) (EU Exit) Regulations 2019), which expanded the UK's criteria for designating Russian individuals and entities.
- (xli) Further, throughout 2022, the UK published new amendment regulation which introduce new financial, trade and shipping sanctions against Russia (summarised below):
 - (1) The Russia (Sanctions) (EU Exit) (Amendment) (No. 2) Regulations 2022 introduce the following restrictions:
 - (A) Prohibition on dealing with securities or money-market instruments issued by, or providing loans/credit to a person connected with Russia (including Russian incorporated entities and residents) or the Russian Government. The aforementioned prohibitions also apply to all entities listed in Schedule 2, including their UK subsidiaries.
 - (B) Prohibition on UK credit or financial institutions from establishing or continuing a correspondent banking relationship and from processing sterling payments to, from or via, a "designated person" or a credit or financial institution owned or controlled by them.
 - (2) The Russia (Sanctions) (EU Exit) (Amendment) (No. 3) Regulations 2022 prohibit the following:
 - (A) the export, supply, delivery and making available of dual-use goods and critical-industry goods;
 - (B) the making available and transfer of dual-use technology and critical-industry technology; and
 - (C) the provision of technical assistance, financial services, funds and brokering services, in relation to dual-use goods and technology and critical-industry goods and technology.
 - (D) Critical industry goods and technology include certain listed electronics, computers, telecommunications equipment, information security, sensors and lasers, navigation and avionics, marine and aerospace and propulsion (in each case with related software and technology also subject to controls).
 - (3) The Russia (Sanctions) (EU Exit) (Amendment) (No. 4) Regulations 2022 prohibit Russian ships, and other ships to be specified by the Secretary of State, from entering UK ports. The registration of ships on the UK Ship Register is also prohibited where they are owned, controlled, chartered or operated by a designated person or persons connected with Russia, or where they are a specified ship.
 - (4) The Russia (Sanctions) (EU Exit) (Amendment) (No. 5) Regulations 2022 prohibit a UK individual or entity from providing financial services for the purpose of foreign exchange reserve and asset

management to the Central Bank of the Russian Federation; the National Wealth Fund of the Russian Federation; the Ministry of Finance of the Russian Federation; a person owned or controlled directly or indirectly by any of the persons above; or a person acting on behalf of or at the direction of any of the persons above.

- (5) The Russia (Sanctions) (EU Exit) (Amendment) (No. 6) Regulations 2022 prohibit Russian aircraft from overflying or landing in the United Kingdom. The Regulations also confer powers on the Secretary of State, air traffic control and airport operators to issue directions for the purpose of preventing Russian aircraft from entering the airspace over the United Kingdom or from landing in the United Kingdom, or requiring aircraft to leave the airspace over the United Kingdom. The Regulations also confer powers on the CAA to refuse, suspend or revoke permissions in respect of Russian aircraft. The registration of aircraft on the register kept by the CAA is prohibited where they are owned, operated or chartered by demise by a designated person. The Regulations also amend the trade measures in the 2019 Regulations to add new categories of aviation and space goods and technology, based on items falling within chapter 88 of the Tariff of the United Kingdom.
- (6) The Russia (Sanctions) (EU Exit) (Amendment) (No. 7) Regulations 2022:
 - (A) extend the existing finance, shipping and trade sanctions relating to the Autonomous Republic of Crimea and city of Sevastopol ("Crimea") to the non-government controlled areas of the Donetsk oblast and Luhansk oblast of Ukraine;
 - (B) extend the relevant exceptions and licensing provisions to the non-government controlled areas of the Donetsk and Luhansk oblasts;
 - (C) prohibit the provision to, or for the benefit of, a designated person of technical assistance relating to aircraft and ships. This includes a power to designate persons for the purposes of that sanctions measure; and
 - (D) amend regulation 19 (circumventing etc. prohibitions) of the 2019 Regulations to include within the scope of those prohibitions regulation 18A (provision of financial services relating to foreign exchange reserve and asset management).
- (7) The Russia (Sanctions) (EU Exit) (Amendment) (No. 8) Regulations 2022 introduced new restrictions in relation to trade in:
 - (A) oil refining goods and technology,
 - (B) quantum computing and advanced materials goods and technology;
 - (C) luxury goods, and

- (D) iron and steel goods.
- (8) The Russia (Sanctions) (EU Exit) (Amendment) (No. 9) Regulations 2022 introduced a requirement on providers of social media services, internet access services (i.e. internet service providers) and application stores to take reasonable steps to prevent their users in the United Kingdom from encountering or accessing online content generated by designated persons. Further, additional powers were conferred on OFCOM for the purpose of monitoring compliance with the new requirement and for imposing monetary penalties for failure to comply with the new requirement.
- (9) The Russia (Sanctions) (EU Exit) (Amendment) (No. 11) Regulations 2022 introduced additional restrictions in relation to trade in:
 - (A) maritime goods and maritime technology;
 - (B) military goods and technology with non-government controlled Ukrainian territory;
 - (C) defence and security goods and technology;
 - (D) interception and monitoring services;
 - (E) banknotes;
 - (F) jet fuel and fuel additives; and
 - (G) goods which generate significant revenues for Russia.
- (10) The Russia (Sanctions) (EU Exit) (Amendment) (No. 12) Regulations 2022 introduced additional financial restrictions regarding investments (and services directly related to those investments) in respect of land located in Russia, persons connected with Russia, relevant entities, joint ventures, opening a representative office or establishing a branch or subsidiary located in Russia. The Russia (Sanctions) (EU Exit) (Amendment) (No. 13) Regulations 2022 specified additional activities for which a person may be designated under the UK Russia Regulations. Further, the amending regulation introduced a new exception from trade sanctions measures for humanitarian assistance activity in non-government controlled areas of the Donetsk and Luhansk oblasts.
- (11) The Russia (Sanctions) (EU Exit) (Amendment) (No. 14) Regulations 2022 introduced additional restrictions in relation to trade in:
 - (A) professional and business services;
 - (B) miscellaneous essential goods required for the functioning of the Russian economy;
 - (C) oil and oil products means;
 - (D) gold; and

- (E) coal and coal products.
- (12) The Russia (Sanctions) (EU Exit) (Amendment) (No. 16) Regulations 2022 introduced a prohibition on direct or indirect supply or delivery by ship of certain oil and oil products which originate in or are consigned from Russia (i) from a place in Russia to a third country; or (ii) from one third country to another third country.
- (13) The Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022 introduced a prohibition on providing trust services to a designated person or for the benefit of a person connected with Russia. The regulations also introduce a number of additional professional and business services restrictions. In addition to accounting, business management and consulting and PR services, it is prohibited to provide advertising services, architectural services, auditing services, engineering services and IT consultancy and design services.
- (xlii) Under the UK Russia Regulations, it is prohibited to export the following products to or for use in Russia.
- (1) military goods and technology to non-government controlled Ukrainian territory;
 - (2) energy-related goods;
 - (3) luxury goods;
 - (4) sterling or European Union denominated banknotes; and
 - (5) jet fuel and fuel additives.
- (xlili) Pursuant to the UK Russia Regulations, it is prohibited to import the following goods that are consigned or originate from Russia:
- (1) Arms and related material;
 - (2) iron and steel products;
 - (3) revenue generating goods;
 - (4) oil and oil products; and
 - (5) coal and coal products.
- (xliv) The UK Russia Regulations prohibit the supply or delivery of the following goods:
- (1) Prohibition on supply or delivery of restricted goods, energy related goods, luxury goods, jet fuel and fuel additives and dependency and further goods from a third country to Russia.
 - (2) Prohibition on supply or delivery of iron and steel products from Russia to a third country.

- (3) Prohibition on supply or delivery or making available of sterling banknotes or any banknotes denominated in any official currency of the EU to a person connected with Russia or for use in Russia.
 - (4) Prohibition on supply or delivery of revenue generating goods, oil and oil products and coal and coal products from a place in Russia to a third country.
- (xlv) The UK Russia Regulations prohibit the making available of certain goods or technology for use in Russia or to a person connected with Russia. Some prohibitions also prohibit acquiring certain goods or technology which originate in Russia, are located in Russia or from a person connected with Russia.
- (1) Prohibition on the acquisition of oil and oil products, gold and coal and coal products that originate or are located in Russia, with the intention of those goods entering the United Kingdom.
 - (2) Prohibition on making energy related goods available to a person connected with Russia.
 - (3) Prohibition on making infrastructure-related goods available for use in non-government controlled Ukrainian territory.
- (xlv) Pursuant to the UK Russia Regulations sanctions regulations it is prohibited to transfer certain technology to a place in Russia or a person connected with Russia. The transfer of restricted technology is also prohibited from a place in Russia to persons or places outside the UK.
- (xlvii) Pursuant to the UK Russia Regulations technical support is prohibited in relation to certain specified goods or technology.
- (1) Prohibition to provide technical support relating to the repair, development, production, assembly, testing, use or maintenance of the goods or technology, or any other technical service relating to the goods or technology.
 - (2) The prohibition applies to technical assistance to persons connected with Russia or for use in Russia.
 - (3) The provision of technical assistance to in connection with specific arrangements, as specified in the UK Russia Regulations, is prohibited.
- (xlviii) Pursuant to the UK Russia Regulations the provision of financial services and funds related to certain goods and technology is prohibited.
- (1) The prohibitions in the Regulations apply to the direct and indirect provision of financial services and making available of funds to persons connected with Russia.
 - (2) The prohibitions also prohibit the direct or indirect provision of financial services or funds in pursuance of or in connection with specific arrangements involving Russia.

- (xlix) Pursuant to the UK Russia Regulations the provision of brokering services is prohibited.
- (1) It is prohibited to directly or indirectly provide brokering services where they relate to specific arrangements as specified in the Pursuant to UK Russia Regulations.

Application to Syria

- (i) EU sanctions on Syria were imposed through Council Decision 2013/255/CFSP of May 31, 2013, as last amended by Council Implementing Decision (CFSP) 2022/306 of February 24, 2022 and Council Regulation (EU) 36/2012 of January 18, 2012 as last amended by Council Implementing Regulation (EU) 2022/299 of February 24, 2022.
- (ii) The measures include a prohibition to sell, supply, transfer or export certain dual-use goods and technology to any person or entity in Syria, as well as the provision of related technical assistance or brokering services, financing or financial assistance; licensing requirements for the export of goods or technology that may be used for internal repression and telecommunications monitoring and interception equipment and a ban on provision of certain related services; an import ban on crude oil and petroleum products, a ban on provision of certain services (related to crude oil and petroleum products); an embargo on key equipment and technology for the oil and natural gas industries and a ban on provision of certain services (to the oil and natural gas industries); a ban on provision of new Syrian banknotes and coins; an embargo on equipment used in the construction of new power plants for electricity production and a ban on provision of certain services (related to the construction of such power plants); a ban on certain investment (in the oil and natural gas industries, in construction of power plants for electricity production); a ban on the export of certain luxury goods; a ban on diamonds, gold and precious metals to the Government of Syria, its public bodies, corporations and agencies and the Central Bank of Syria, or any person and entity controlled by them; freezing of funds and economic resources of certain persons, entities and bodies; restrictions on issuance of and trade in certain bonds, restrictions on establishment of branches and subsidiaries of and cooperation with Syrian banks, restrictions on provision of insurance and re-insurance, prohibition to satisfy claims made by certain persons, entities or bodies.
- (iii) As of January 1, 2021, the UK replaced the EU Syria sanctions by the Syria (Sanctions) (EU Exit) Regulations 2019, as amended by the Sanctions (EU Exit) (Miscellaneous Amendments) (No.2) Regulations 2020 and the Sanctions (EU Exit) (Miscellaneous Amendments) (No. 4) Regulations 2020.

Application to Somalia

- (iii) EU sanctions measures targeting Somalia are imposed pursuant to Council Decision 2010/231/CFSP of April 26, 2010 as last amended through Council Decision (CFSP) 2021/560 of April 6, 2021, and Council Regulation (EU) No 356/2010 of April 26, 2010, as last amended by Council Regulation (EU) 2021/48 of January 22, 2021.

EU sanctions on Somalia provide for an export ban on arms, asset-freezing measures against certain listed parties and the prohibition to make available funds or economic resources to or for their benefit, a travel ban, an import, purchase, transport prohibition on certain listed charcoal products originating in Somalia or exported therefrom and a licensing requirement for the export or supply of certain listed explosive devices to Somalia.

- (liv) During part of the Track Record Period ending December 2021, EU sanctions on Somalia were extended to the UK Overseas Territories, including the Cayman Islands, pursuant to the Somalia (Sanctions) (Overseas Territories) Order 2012, amended by the Somalia (Sanctions) (Overseas Territories) (Amendment) Order 2013 and the Burma and Somalia (Sanctions) (Overseas Territories) (Amendment) Order 2018. As of January 1, 2021, the UK replaced the EU sanctions on Somalia by the Somalia (Sanctions) (EU Exit) Regulations 2019, which came into effect on December 31, 2020, as amended by the Sanctions (EU Exit) (Miscellaneous Amendments) (No. 3) Regulations 2020 and the Somalia (Sanctions) (EU Exit) (Amendment) Regulations 2021. These regulations have been extended to apply to the UK Overseas Territories, including the Cayman Islands, through the Somalia (Sanctions) (Overseas Territories) Order 2020.

Application to South Sudan

- (lv) EU sanctions on South Sudan are set out in Council Decision (CFSP) 2015/740 of May 7, 2015, as last amended by Council Implementing Decision (CFSP) 2019/1211 of July 15, 2019, and Council Regulation (EU) 2015/735 of May 7, 2015, as last amended by Council Implementing Regulation (EU) 2019/1208 of July 15, 2019.
- (lvi) EU sanctions on South Sudan include the following measures:
 - (1) A prohibition to provide technical assistance, brokering services, financing or financial assistance related to military goods and activities;
 - (2) An export ban on arms and military equipment;
 - (3) Asset-freezing measures against Designated Persons and the prohibition to make available, directly or indirectly, funds or economic resources to or for the benefits of Designated Persons; and
 - (4) Travel bans on Designated Persons.
- (lvii) During part of the Track Record Period ending December 31, 2021, EU sanctions on South Sudan were extended to apply to and in the UK Overseas Territories, including Cayman Islands, pursuant to the South Sudan (Sanctions) (Overseas Territories) Order 2014, as last amended by the South Sudan (Sanctions) (Overseas Territories) (Amendment) Order 2015.
- (lviii) As of January 1, 2021, the UK replaced the EU South Sudan sanctions by the South Sudan (Sanctions) (EU Exit) Regulations 2019, as amended by

the Sanctions (EU Exit) (Miscellaneous Amendments) and the Sanctions (EU Exit) (Miscellaneous Amendments) (No. 3) Regulations 2020. These regulations have been extended to apply to the UK Overseas Territories, including the Cayman Islands, through the South Sudan (Sanctions) (Overseas Territories) Order 2020.

Application to Tunisia

- (lix) The existing framework for EU Sanctions targeting Tunisia is implemented pursuant to Council Regulation (EU) 101/2011 of February 5, 2011, as last amended through Council Regulation (EU) 2022/149 of February 3, 2022, and Council Decision 2011/72/CFSP of January 31, 2011, as last amended through Council Decision (CFSP) 2022/154 of February 3, 2022.
- (lx) The EU Tunisia sanctions include asset-freezing measures against certain listed persons and entities. Asset-freezing measures also entail a prohibition to make available of funds or economic resources to the listed persons.

Application to Turkey

- (lxi) Turkey is not subject to comprehensive sanctions imposed by the EU. The sanctions framework for Turkey-related measures was adopted on November 11, 2019, through Council Regulation (EU) 2019/1890, as last amended by Council Implementing Regulation (EU) 2021/1960 of November 11, 2021, and Council Decision (CFSP) 2019/1894, as last amended by Council Decision (CFSP) 2021/1966 of November 11, 2021. EU sanctions on Turkey are limited to asset freezing measures and travel ban on parties in Turkey. It does not prohibit activities with the entire country of Turkey (and everyone in it), nor does it prohibit activities with the Turkish government.
- (lxii) At present, there are only individuals at executive positions at the Turkish Petroleum Corporation (TPAO) who are subject to asset freezing measures pursuant to Council Implementing Regulation (EU) 2020/274 of February 27, 2020.
- (lxiii) As of January 1, 2021, in the UK, EU sanctions on Turkey have been replaced by the Unauthorised Drilling Activities in the Eastern Mediterranean (Sanctions) (EU Exit) Regulations 2020.

Application to Ukraine (excluding Crimea and DPR/LPR)

- (lxiv) The EU sanctions on Ukraine excluding the Crimea region are set out in Council Decision 2014/119/CFSP of March 5, 2014, as last amended through Council Decision (CFSP) 2021/394 of March 4, 2021, and Council Regulation (EU) No 208/2014 of March 5, 2014, as last amended through Council Implementing Regulation (EU) 2021/2152 of December 6, 2021.
- (lxv) EU sanctions on Ukraine provide for asset-freezing measures against certain persons and entities responsible for the misappropriation of funds of the Ukrainian state, and persons responsible for human rights violations in Ukraine, and natural or legal persons, entities or bodies associated with them.

- (lxvi) As of January 1, 2021, the UK replaced the EU sanctions on Ukraine by the Misappropriation (Sanctions) (EU Exit) Regulations 2020, which came into effect on December 31, 2020.

Application to Venezuela

- (lxvii) The EU imposed sanctions by Council Decision (CFSP) 2017/2074 of November 13, 2017, as last amended through Council Decision (CFSP) 2021/1965 of November 11, 2021, and Council Regulation 2017/2063 of November 13, 2017, as last amended by Council Implementing Regulation (EU) 2021/1959 of November 11, 2021.
- (lxviii) The EU sanctions on Venezuela include a ban on the export of arms and equipment that might be used for internal repression, a ban on the export of surveillance equipment and the freezing of funds and economic resources of certain persons, entities and bodies responsible for serious human rights violations or abuses or the repression of civil society and democratic opposition and persons, entities and bodies whose actions, policies or activities otherwise undermine democracy or the rule of law in Venezuela, as well as persons, entities and bodies associated with them.
- (lix) During part of the Track Record Period ending December 30, 2021, EU sanctions on Venezuela were extended to the UK Overseas Territories, including the Cayman Islands, through the Venezuela (Sanctions) (Overseas Territories) Order 2018.
- (lxx) As of January 1, 2021, the UK replaced the EU sanctions on Venezuela by the Venezuela (Sanctions) (EU Exit) Regulations 2019, as amended by the Sanctions (EU Exit) (Miscellaneous Amendments) (No. 2) Regulations 2020 and the Sanctions (EU Exit) (Miscellaneous Amendments) (No. 4) Regulations 2020. These regulations have been extended to apply to the UK Overseas Territories by the Venezuela (Sanctions) (Overseas Territories) Order 2020.

Application to Yemen

- (lxxi) The EU has imposed restrictive measures on Yemen by Council Decision 2014/932/CFSP of December 18, 2014, as last amended by Council Decision (CFSP) 2021/2016 of November 18, 2021 and Council Regulation 1352/2014 of December 18, 2014, as last amended by Council Implementing Regulation (EU) 2021/2015 of November 18, 2021.
- (lxxii) EU sanctions on Yemen provide for an export ban on arms and prohibit the provision of technical assistance, financing or financial assistance related to certain arms. Moreover, the sanctions include asset-freezing measures and travel bans against certain listed persons and entities, and the prohibition to make available funds or economic resources to or for the benefit of listed parties.
- (lxxiii) During part of the Track Record Period ending December 31, 2020, the EU sanctions on Yemen were extended to the UK Overseas Territories, including the Cayman Islands, by The Yemen (Sanctions) (Overseas Territories) Order 2015 and the Yemen (Sanctions) (Overseas Territories) (No.2) Order 2015.

- (lxxiv) As of January 1, 2021, the UK replaced the EU sanctions on Yemen by the Yemen (Sanctions) (EU Exit) (No. 2) Regulations 2020. These regulations have been extended to apply to the UK Overseas Territories by the Yemen (Sanctions) (Overseas Territories) Order 2020.

Application to the Group

- (lxxv) On the basis of our due diligence process and the Company's confirmation (for and on behalf of the Group) that:
- (1) All activities involving the Relevant Regions were negotiated, entered into and performed without any involvement (including in any approval or decision making capacity) by any entity incorporated, domiciled, or otherwise located in either the territories of the EU or the UK's Overseas Territories;
 - (2) the Group's activities involving the Relevant Regions have not identified any person specifically designated (i.e. listed/targeted) under any existing EU sanctions regime;
 - (3) the Group's transactions did not potentially fund or facilitate EU sanctions-prohibited activity, nor grant any benefit towards any sanctioned person or entity;
 - (4) the Group has not exported or directly or indirectly supply arms and related materiel, or equipment which might be used for internal repression;
 - (5) the Group has not provided technical assistance related to military activities, or to the provision, manufacture, maintenance and use of arms and related materiel of any type;
 - (6) the Group has not provided financing or financial assistance related to any activities referred to above;
 - (7) Neither the Company nor any of its affiliates, agents, directors, officers or employees have been engaged in the export of items for use in oil exploration and production in deep water, the Arctic, or shale formations, or in the provision of finance including loans or credit to Russia;

On this basis, Hogan Lovells Cadwalader's conclusion is that the Group's business dealings with respect to the Relevant Regions have not breached the prohibitions or wider restrictions adopted by the EU, including those extended to the UK Overseas Territories.

EU and UK export controls

- (lxxvi) In addition to EU sanctions measures, the EU applies export controls on dual-use items, including technology. Until September 9, 2021, EU export controls were set out in Council Regulation (EC) No 428/2009 of May 5, 2009, which applied to the UK until December 31, 2020. As of September 9, 2021, the EU export control framework has been replaced by Regulation (EU) No 2021/821 of May 20, 2021 setting up a Union regime for the control of exports, brokering, technical assistance, transit and transfer of dual-use items, as last amended by Commission Delegated Regulation (EU) 2022/1

of October 20, 2021, which governs (i) the export of certain controlled dual-use products and technology from the EU to any non-EU country jurisdiction (not just jurisdictions subject to sanctions), (ii) the provision of technical assistance relating to controlled items and (iii) the brokering of transactions that involve the transfer of controlled goods, certain wider restricted products and non-controlled products which may be destined for a prohibited end-use from one non-EU country to another non-EU country (again any third country jurisdiction not just jurisdictions subject to sanctions).. As of January 1, 2021, the UK export control framework is set out in Export Control Act 2002, the Export Control Order 2008 and the Retained Dual-Use Regulation.

- (lxxvii) The Group has confirmed its understanding that it has not been, directly or indirectly, involved in the export from the EU, the UK and/or UK Overseas Territories of any items listed in the EU Common Military List or the UK Military List. The Group has not been involved in the export from the EU (including the UK) of items listed in the EU Dual Use list (Annex I to Regulation 428/2009 and Regulation 2021/821) to any Relevant Region. As such, no further analysis (e.g. any assessment against the specific list of items controlled under the EU Dual Use Regulation) has been carried out by Hogan Lovells Cadwalader. Our conclusion is that such analysis is unnecessary based on the Group's confirmation that it is not directly or indirectly involved in the export from the EU and/or UK Overseas Territories of any items listed in the EU Common Military List or on the EU Dual Use list to any Relevant Region.

Based on the information provided by the Company, Hogan Lovells Cadwalader understands that the EU export rules are not implicated by the Group's activities.

AUSTRALIAN SANCTIONS

Overview

- (uu) Australia has a dual sanctions regime consisting of sanctions measures imposed by the UN, together with Australian autonomous sanctions imposed by the Australian Government as a matter of its foreign policy. Australia's dual sanctions regime is administered by the Australian Sanctions Office ("**ASO**"), the Australian Government sanctions regulator, which sits within the Department of Foreign Affairs and Trade ("**DFAT**").
- (vv) The Australian restrictions and prohibitions arising from the sanctions laws apply broadly to:
- (i) any person in Australia;
 - (ii) any Australian anywhere in the world;
 - (iii) companies incorporated overseas that are owned or controlled by Australians or persons in Australia; and/or
 - (iv) any person using an Australian flag vessel or aircraft to transport goods or transact services subject to UN sanctions.
- (ww) The ASO maintains the Consolidated List of all persons and entities designated for the purposes of sanctions regimes implemented under Australian sanction laws.

- (xx) A criminal offence is committed if an individual or a body corporate to whom Australian sanctions measures apply, engages in conduct and the conduct contravenes a sanction law.
- (yy) The Australian autonomous sanctions regimes are primarily implemented under the Act Autonomous Sanctions 2011 (Cth) (the "**Act**") and the Autonomous Sanctions Regulations 2011 (Cth) (the "**Regulations**").
- (zz) The Act prohibits a person from engaging in conduct that is in breach of the sanctions laws.
- (aaa) Part 3 of the Regulations specifies that section 15.1 of the Criminal Code (being Schedule 1 to the Criminal Code Act 1995 (Cth)) applies to a person that makes an unauthorised sanctioned supply. This has the effect of making the offence extra territorial if the alleged offence occurs outside of Australia by a person who is an Australian citizen or a body corporate incorporated under Australian law.
- (bbb) The prohibited conduct applies to conduct committed entirely inside or outside Australia if at the time of the alleged offence, the alleged offender is an Australian citizen or a body corporate incorporated under Australian law.

Application to Belarus

- (ccc) Australia has not imposed any targeted autonomous sanctions in relation to Belarus.

Application to Egypt

- (ddd) Australia has not imposed any targeted sanctions (autonomous or otherwise) in relation to Egypt.

Application to Iran

- (eee) Australia fully implemented the UN sanctions regime in relation to Iran.
- (fff) Australia also implements an autonomous sanctions regime in relation to Iran.
- (ggg) The Government of Australia announced the autonomous sanctions regime in October 2008 in response to Iran's proliferation-sensitive nuclear and missile programs and efforts to contravene UN sanctions. The sanctions regime has been amended on several occasions.
- (hhh) Currently Australian law sanctions include restrictions (without a sanctions permit) on the direct or indirect supply, sale or transfer to Iran, for use in Iran, or for the benefit of Iran, of the following ("**Export Sanctioned Goods**"):
 - (i) arms or related material;
 - (ii) corrosion-resistant high grade steel (with chromium content > 12%) in the form of sheet, plate, tube or bar;
 - (iii) raw or semi-fabricated graphite;
 - (iv) aluminium and alloys in the form of sheet, plate, tube or bar;
 - (v) nickel and alloys in the form of sheet, plate, tube or bar;

- (vi) titanium and articles thereof, including waste and scrap; and
- (vii) enterprise resource planning software designed specifically for use in nuclear and military industries.
- (iii) Australia's autonomous sanctions law also prohibits the:
 - (i) the provision to any person of: technical advice, assistance or training; financial assistance; a financial service; or another service, if it assists with, or is provided in relation to, the supply, sale or transfer of an export sanctioned good to Iran;
 - (ii) (without a sanctions permit) the procurement from Iran, or from a person or entity in Iran, of arms or related materiel;
 - (iii) the sale or otherwise making available of an interest in a 'sensitive commercial activity' (which includes a commercial activity involving uranium mining or production, the use of certain nuclear materials or ballistic missile technology, among other things) to: Iran; an Iranian national, an entity incorporated in Iran or subject to Iranian jurisdiction; or a person or entity acting on behalf of/at the discretion of or owned/controlled by Iran, an Iranian national, or an entity incorporated in Iran or subject to Iranian jurisdiction;
 - (iv) (without a sanctions permit) the use of or dealing with an asset that is owned or controlled by a designated person or entity of Iran, or the making an asset available directly or indirectly to, or for the benefit of, a designated person or entity for Iran; and
 - (v) the entry into or transit through Australia of a designated person or a declared person for Iran (without a waiver).

Application to Iraq

- (jjj) Australia fully implements the UN sanctions regime in relation to Iraq.
- (kkk) Australia has not imposed any targeted autonomous sanctions in relation to Iraq.

Application to Lebanon

- (lll) Australia fully implements the UN sanctions regime in relation to Lebanon; and
- (mmm) Australia has not imposed any targeted autonomous sanctions in relation to Lebanon.

Application to Libya

- (nnn) Australia fully implements the UN Security Council sanctions regime in relation to Libya.
- (ooo) Australia also imposes an autonomous sanctions regime in relation to Libya to supplement the UNSC sanctions regime.
- (ppp) Currently, Australian law prohibits:
 - (i) the use of or dealing with an asset that is owned or controlled by a 'designated person or entity' for Libya; and

- (ii) making an asset available directly or indirectly to, or for the benefit of, a 'designated person or entity' for Libya,

without a sanctions permit.

- (qqq) An 'asset' is defined broadly to include an asset or property of any kind, whether tangible or intangible, movable or immovable.

Application to Myanmar/Burma

The Regulations currently prohibit:

- (rrr) the direct or indirect supply, sale or transfer to Myanmar/Burma, for use in Myanmar/Burma, or for the benefit of Myanmar/Burma, of arms or related materiel;
- (sss) the provision to Myanmar/Burma, or to a person for use in Myanmar/Burma, of technical advice, assistance or training, financial assistance, a financial service or other service if it assists with or is provided in relation to the direct or indirect supply, sale or transfer of arms or related materiel to Myanmar/Burma, for use in Myanmar/Burma, or for the benefit of Myanmar/Burma; and
- (ttt) the provision to Myanmar/Burma, or to a person for use in Myanmar/Burma, of technical advice, assistance or training, financial assistance, a financial service or other service if it assists with or is provided in relation to the manufacture or use of arms or related materiel.

Application to Nicaragua

- (uuu) Australia has not imposed any targeted sanctions (autonomous or otherwise) in relation to Nicaragua during the Track Record Period.

Application to Russia (excluding Crimea and DPR/LPR, Kherson and Zaporizhzhia)

- (vvv) Australia imposes an autonomous sanctions regime in relation to Russia/Ukraine pursuant to the Regulations and the Autonomous Sanctions (Russia, Crimea and Sevastopol) Specification 2015 (Cth) ("**Autonomous Sanctions Specification**").
- (www) The Australian Government announced on March 19, 2014, that it would impose a sanctions regime in response to the Russian threat to the sovereignty and territorial integrity of Ukraine. On September 1, 2014, the then Prime Minister of Australia announced expanded autonomous sanctions in relation to Russia, Crimea and Sevastopol. These measures were implemented through amendments to the Regulations commencing on March 31, 2015 and February 24, 2022.
- (xxx) Australian sanctions laws prohibits the direct or indirect supply, sale or transfer to Russia, for use in Russia, or for the benefit of Russia, of the following 'export sanctioned goods' (without a sanctions permit):
 - (i) arms or related materiel. (The import, purchase or transport of arms or related materiel which originated in or has been exported from Russia is also prohibited); and
 - (ii) items suited to any of the following categories of exploration and production projects in Russia, including its Exclusive Economic Zone and Continental Shelf:

- (1) oil exploration and production in waters deeper than 150 meters;
- (2) oil exploration and production in the offshore area north of the Arctic Circle; or
- (3) projects that have the potential to produce oil from resources located in shale formations by way of hydraulic fracturing (other than exploration and production through shale formations to locate or extract from non-shale reservoirs).

(yyy) Australian sanctions laws also prohibit (without a sanctions permit):

(i) the provision to Russia, or to a person for use in Russia:

- (1) technical advice, assistance or training;
- (2) financial assistance;
- (3) a financial service; or
- (4) another service,

if it assists with, or is provided in relation to:

- (A) a military activity; or
- (B) the manufacture, maintenance or use of 'arms or related materiel';

(ii) the provision to Russia, or to a person, entity or body for use in Russia, of drilling services, well-testing services, logging and completion services and the supply of specialised floating vessels that are necessary for any of the following categories of exploration and production projects in Russia, including its Exclusive Economic Zone and Continental Shelf:

- (1) oil exploration and production in waters deeper than 150 metres;
- (2) oil exploration and production in the offshore area north of the Arctic Circle; or
- (3) projects that have the potential to produce oil from resources located in shale formations by way of hydraulic fracturing (other than exploration and production through shale formations to locate or extract from non-shale reservoirs);

(iii) the provision to a person of an investment service if it assists with, or is provided in relation to, a sanctioned commercial activity (listed in subparagraphs (iv) and (v) below);

(iv) the direct or indirect purchase or sale of, or any other dealing with, bonds, equities, transferable securities, money market instruments or other similar financial instruments, if the financial instrument:

- (1) is issued after July 28, 2017 by an entity specified in the Autonomous Sanctions Specification; and

- (2) has a maturity period specified in the Autonomous Sanctions Specification for the financial instrument and the entity.

This prohibition does not apply to an activity in relation to tradable securities or any other financial instrument that:

- (A) is a derivative product the value of which is linked to an underlying asset of a type mentioned in (iv); and
 - (B) does not involve the purchase or sale of, or any other dealing in relation to, the underlying asset;
- (v) directly or indirectly making, or being part of any arrangement to make loans or credit if the loan or credit:
 - (1) is made to an entity specified in the Autonomous Sanctions Specification; and
 - (2) has a maturity period specified in the Autonomous Sanctions Specification for the financial instrument and the entity.

This prohibition does not apply to:

- (A) loans or credit that have a specific and documented objective to provide:
 - (I) financing for non-prohibited imports or exports of goods and non-financial services between Australia and Russia; or
 - (II) emergency funding to meet the solvency and liquidity criteria for legal persons: established in Australia and whose proprietary rights are more than 50% owned by an entity specified in the Autonomous Sanctions Specification; and
 - (B) drawdowns or disbursements made under a contract concluded before July 28, 2017 if:
 - (I) all the terms and conditions of such drawdown or disbursement: were agreed before July 28, 2017 and have not been modified on or after July 28, 2017; and
 - (II) before July 28, 2017, a contractual maturity date has been fixed for the repayment in full of all funds made available and for the cancellation of all the commitments, rights and obligations under the contract.
- (vi) from 25 April 2022, the import, purchase or transport of oil, refined petroleum products, natural gas, coal and other energy products from Russia;
 - (vii) directly or indirectly supplying, selling, transferring certain luxury goods to, for use in, or for the benefit of Russia;

- (viii) directly or indirectly supplying, selling, transferring aluminium ores (including bauxite), alumina and related products to, for use in, or for the benefit of Russia;
- (ix) the import, purchase or transport of gold (including gold plated with platinum) in unwrought or in semi-manufactured forms, or in powder form, that originate in, or was exported from, Russia after 30 September 2022;
- (x) directly or indirectly making an asset available to (or for the benefit of) a designated person or entity;
- (xi) using or dealing with an asset, or allowing or facilitating another person to use or deal with an asset, if the asset is owned or controlled by a designated person or entity (the assets are 'frozen' and cannot be used or dealt with); and
 - (1) an 'asset' includes an asset or property of any kind, whether tangible or intangible, movable or immovable;
 - (2) a 'controlled asset' is an asset owned or controlled by a designated person/entity (and in some cases a person/entity acting on their behalf or another entity owned or controlled by the designated person/entity); and
- (xii) the entry or transit to Australia of designated persons.

Application to Syria

- (zzz) Australia imposes an autonomous sanctions regime in relation to Syria.
- (aaaa) Australian sanctions laws includes restrictions on the supply, sale or transfer to Syria, for use in Syria, or for the benefit of Syria, of the following goods (without a sanctions permit):
 - (i) arms or related materiel;
 - (ii) equipment and technology for use in the construction or installation of new power plants for electricity;
 - (iii) equipment and technology for the oil and gas industry or the petrochemical industry;
 - (iv) newly printed or unissued Syrian denominated bank notes or newly minted or unissued Syrian denominated coinage;
 - (v) equipment, technology or software for the monitoring or interception of internet or telephone communications;
 - (vi) specified luxury goods;
 - (vii) gold, precious metals or diamonds; and
 - (viii) goods of particular concern including materials, chemicals, micro-organisms and toxins.

(bbbb) It is prohibited to import, purchase or transport certain crude oil, petroleum and petrochemical products if they originate in or have been exported from Syria. It is prohibited to import or purchase gold, precious metals or diamonds from the Government of Syria or an entity or body controlled by it or acting on its behalf.

(cccc) Australian sanctions laws also prohibit:

(i) a range of commercial activities which predominately relate to the petrochemical and oil and gas industries and to the financial sector which includes the following (but not limited to):

- (1) acquiring shares in, establishing a joint venture with or providing credit to a Syrian entity engaged in the petrochemical industry, certain sectors of the oil and gas industry or the construction or installation of new power plants for electricity production;
- (2) selling to a Syrian entity an interest in a commercial activity in Australia in certain sectors of the oil and gas industry;
- (3) Syrian financial institutions opening offices in Australia or purchasing shares in Australia banks; and
- (4) Australian financial institutions establishing correspondent banking relationships with Syrian financial institutions or opening branches in Syria;

(ii) the provision to any person of:

- (1) technical advice, assistance or training;
- (2) financial assistance;
- (3) a financial service; or
- (4) another service,

if it assists with, or is provided in relation to, a sanctioned supply; and

(iii) the acquisition, establishment or participation in a joint venture with, or granting of financial assistance to an entity that is engaged in:

- (1) the petrochemical industry or the oil and gas industry and connected to Syria;
- (2) military activities connected with Syria; or
- (3) a financial institution domiciled in, or controlled by a person or entity domiciled in Syria.

(dddd) The Minister of Foreign Affairs has designated persons and entities that have provided support to the Syrian regime or are responsible for human rights abuse in Syria. It is prohibited to:

(i) directly or indirectly make an asset available to (or for the benefit of) a 'designated person or entity'.

- (ii) use or deal with an asset, or allow or facilitate another person to use or deal with an asset, owned or controlled by a 'designated person or entity'.

(eeee) Australian sanctions laws also prohibit the entry into or transit through Australia of a 'designated person' for Syria.

Application to Somalia

(ffff) Australia fully implements the UN Security Council sanctions regime in relation to Somalia;

(gggg) Australia has not imposed any targeted autonomous sanctions in relation to Somalia.

Application to South Sudan

(hhhh) Australia fully implements the UN sanctions regime in relation to South Sudan; and

(iiii) Australia has not imposed any targeted autonomous sanctions in relation to South Sudan.

Application to Turkey

(jjjj) Australia has not imposed any targeted autonomous sanctions in relation to Turkey.

Application to Ukraine (excluding Crimea)

(kkkk) Australia imposes an autonomous sanctions regime in relation to Ukraine in response to the Russian threat to the sovereignty and territorial integrity of Ukraine.

(llll) Australian sanctions laws prohibit (without a sanctions permit):

- (i) the use of or dealing with an asset that is owned or controlled by a 'designated person or entity' for Ukraine; and
- (ii) making an asset available directly or indirectly to, or for the benefit of, a 'designated person or entity' for Ukraine. An 'asset' is defined broadly to include an asset or property of any kind, whether tangible or intangible, movable or immovable.

(mmmm) Australian sanctions laws also prohibit the entry into or transit through Australia of a 'designated person' for Ukraine.

1.29 Application to specified regions in Ukraine

(a) Australian sanctions applied to the Crimean and Sevastopol regions of Ukraine between 31 March 2015 and 27 March 2022.

(b) However, in light of Russia's operations in Ukraine in February 2022, Australian sanctions were extended on 28 March 2022 so that they now apply to the Crimean, Sevastopol, Donetsk and Luhansk regions of Ukraine alongside any other regions of Ukraine specified by the Minister for Foreign Affairs ("**Specified Regions**").

(c) Australian sanctions laws prohibit the following in relation to the Specified Regions (except where permissible pursuant to a sanctions permit issued by the Minister for Foreign Affairs):

- (i) the direct or indirect supply, sale or transfer to the Specified Regions, for use in the Specified Regions, or for the benefit of the Specified Regions, of specified items ("**Sanctioned Goods**") relating to the creation, acquisition or development of infrastructure for:
 - (1) the transport, telecommunications or energy sectors;
 - (2) the exploitation of oil, gas or mineral reserves in the Specified Regions;
- (ii) the import, purchase or transport of any goods that originate in, or are exported from, the Specified Regions, except goods that have been verified by Ukrainian officials;
- (iii) granting loans or credit or establish joint ventures in the Specified Regions ("**Sanctioned Activities**") relating to:
 - (1) the creation, acquisition or development of infrastructure in the transport, telecommunications or energy sectors; or
 - (2) the exploitation of oil or gas, or of specified mineral resources;
- (iv) the provision of services which relate to Sanctioned Goods or Sanctioned Activities, specifically the provision of:
 - (1) services which relate to the supply of Sanctioned Goods to the Specified Regions, or to the manufacture, maintenance or use of such goods for the Specified Regions;
 - (2) financial assistance or financial services which relate to goods originating in or exported from the Specified Regions; and
 - (3) services to the Specified Regions, or for use in the Specified Regions, which relate to engagement in a Sanctioned Activity for the Specified Regions;
- (v) directly or indirectly making an asset available to (or for the benefit of) a designated person or entity;
- (vi) using or dealing with an asset, or allowing or facilitating another person to use or deal with an asset, if the asset is owned or controlled by a designated person or entity (the assets are 'frozen' and cannot be used or dealt with); and
 - (1) an 'asset' includes an asset or property of any kind, whether tangible or intangible, movable or immovable;
 - (2) the Consolidated List of designated persons and entities is available on the Department of Foreign Affairs and Trade's [website](#); and
 - (3) if you become aware that you are holding an asset of a designated person or entity, you are required to freeze (hold) that asset and notify the Australian Federal Police as soon as possible.
- (vii) the entry or transit to Australia of designated persons.

Application to Venezuela

- (d) Australia has not imposed any targeted autonomous sanctions in relation to Venezuela.

Application to Yemen

- (e) Australia fully implements the UN Security Council sanctions regime in relation to Yemen; and
- (f) Australia has not imposed any targeted autonomous sanctions in relation to Yemen.

Application to the Group

- (g) The Company has confirmed that no Australian citizens employed or otherwise engaged by the Group have been involved in any way, including in the negotiation or approval of, or with the on-going performance of, or in any wider decision making capacity, with respect to any of the Group's dealings involving the Relevant Regions; and
- (h) On the basis of the Company's confirmations that neither the Group nor any of its subsidiaries is:
 - (i) a person in Australia;
 - (ii) an Australian citizen or Australian-registered body;
 - (iii) owned or controlled by Australians or persons in Australia; or
 - (iv) a person using an Australian flag vessel or aircraft to transport goods or transact services subject to Australian autonomous sanctions;
 - (v) engaged in any activities in Australia; or
 - (vi) the Group's dealings do not involve products or services that are restricted under Australian export controls,

Hogan Lovells Cadwalader's assessment is that the Group's activities do not implicate the prohibitions or wider restrictions under international sanctions measures administered and enforced by the Government of Australia.

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The conclusion stated in this memorandum is not binding on OFAC, the U.S. Department of State, the European Commission, the competent authorities of European Union Member States, Australia, or on any other regulatory or judicial authority, which have substantial discretion in determining whether to investigate particular transactions or relationships or to pursue sanctions or other enforcement. Accordingly, there can be no assurances that OFAC, the U.S. Department of State or any other such authority will not ultimately pursue sanctions or otherwise take actions that are contrary to the conclusions set forth in this memorandum. Such conclusion is based solely on our interpretation of the applicable laws referred to herein; and we assume no liability based on any conclusion or holding of any such authority that is inconsistent with our interpretation and conclusion.

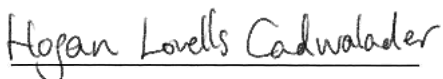
This memorandum is only intended for the benefit of the person(s) to whom it is addressed, including the Joint Sponsors of the Offering; provided, however, that we shall not have any liability (whether under statute, in contract, in equity, in tort or otherwise) to the Joint Sponsors of the Offering with respect to, or resulting from, this memorandum (or anything contained in or omitted from this memorandum) or the furnishing of this memorandum to the Joint Sponsors of the Offering; provided, further, that nothing in these terms regarding the receipt and use of this memorandum shall limit our liability to the Joint Sponsors of the Offering for any loss due to our fraud, bad faith, gross negligence or wilful default.

This memorandum may also be disclosed for information only to (but not relied on by) the HKEX, the Companies Registry, and within the period and in accordance with the procedures specified in the Prospectus, made available for inspection to the public, and such disclosure and non-reliance and the liability waiver referred to above are governed by and construed in accordance with the laws of England and Wales.

Save as set forth above, no recipient may disclose this memorandum to any other person or quote or refer to it in any public document or file it with any person, without our prior written consent in each specific case. This memorandum may, however, be disclosed by the addressees hereof to the extent required by law, regulation or any governmental or competent regulatory authority or reasonably necessary in asserting any defense to actual or threatened court proceedings relating to the Offering; provided that no such party to whom this memorandum is disclosed may rely upon it without our express written consent.

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If you have questions or comments regarding this memorandum, or would otherwise like to discuss the information herein, please contact Ben Kostrzewa at ben.kostrzewa@hoganlovells.com



Hogan Lovells Cadwalader International LLP