MEMORANDUM

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Date	September 11, 2026
To	Transwarp Technology (Shanghai) Co., Ltd.
From	JunHe LLP
Subject	Project Star – Memorandum on Chinese Sanctions Risk Analysis

I. Introduction and Scope

1. JunHe LLP (**"JH" or "we"**) has been engaged to act as Chinese sanctions compliance counsel to Transwarp Technology (Shanghai) Co., Ltd. (together with its subsidiaries, "**Transwarp**" or the "**Company**") in connection with the proposed initial public offering (the "**Offering**") and listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**HKEX**").

2. In line with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Chapter 4.4 of the Guide for New Listing Applicant published by HKEX (the "**Sanctions Guidance**"), this Memorandum (the "**Memorandum**") analyzes the Company's suitability for listing on the HKEX. Specifically, this Memorandum assesses, whether the Company: (1) has engaged in activities in violation of applicable export control laws (including the Export Control Law of P.R.C.) during the Track Record Period (the "TRP", from January 1 2023 to March 31 2026); (2) has engaged in Primary or Secondary Sanctions Activity as defined by the Sanctions Guidance during the TRP; (3) is a Sanctioned Target or is located, incorporated, organized or resident in a Sanctioned Country as defined by the Sanctions Guidance.

3. This Memorandum is based solely and exclusively on the information and representations provided by the Company through responses to our questionnaire and during the interviews we have conducted. We have screened the list of counterparties provided by the Company, which includes all counterparties that each account for more than 0.1% of the Company's overall transaction value over the TRP, using the World-Check One screening tool against the lists of Sanctioned Targets maintained by the Relevant Jurisdictions. Apart from this screening, we have not independently verified the information and representations provided by the Company and have relied on the Company to provide accurate and complete information.

4. Further, this Memorandum only analyzes risks associated with Chinese Sanctions (including applicable export control law and sanctions laws) in force as the date hereof and does not opine on any future risks.

5. For the purpose of this Memorandum and consistent with the Sanctions Guidance, the following terms shall have the meanings as set out below:

   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 a listing applicant incorporated or located in a Relevant Jurisdiction 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.

   Secondary Sanctionable Activity means certain activity by a listing applicant 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 listing applicant is not incorporated or located in that Relevant Jurisdiction and does not otherwise have any nexus with that Relevant Jurisdiction.

   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).

   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.

   Relevant Jurisdictions means any jurisdiction that is relevant to the listing applicant 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.

   Relevant Persons means a listing applicant, 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, the listing sponsors and underwriters.

II. Company Overview and Executive Summary

Transwarp was incorporated in the People's Republic of China in 2013. It provides enterprises with infrastructure software and services around the whole data lifecycle. It primarily focuses on standardized products and solutions, supplemented by customized consulting and development services. For specific application scenarios of big data, it provides services such as consulting and customized development related to big data storage, processing, analysis, modeling, and other relevant scenarios. The Company also provides certain hardware incorporating its software products to satisfy customer needs.

This Memorandum analyzes the risks associated with the Company's operations under the laws and regulations of Relevant Jurisdiction, namely the P.R.C. Based on the information received from the Company and our subsequent review and analysis, we are of the view that:

1. Sanctions Target

Neither the Company nor any of the individuals and entities affiliated with the Company is listed on any sanctions or restricted persons lists maintained under Chinese law, or is a citizen/national of, or registered/incorporated in countries/regions subject to comprehensive sanctions. Thus, they are not Sanctions Targets as defined by the Sanctions Guidance.

2. Export Control Related Risks

Under the P.R.C Export Control Regime, the Company has confirmed that the products it exports are not controlled items (including goods, software, technology) under the P.R.C. law. Therefore, the Company does not appear to have violated the Chinese export control laws and regulations.

3. Sanctions-related Risks

Under the P.R.C Sanctions Regime, the Company has no dealings with individuals or entities placed on the Anti-Foreign Sanctions List or the Unreliable Entity List, and thus has not engaged in sanctions activities under the P.R.C. law.

4. Conclusion

Based on the foregoing analysis, we conclude that the Company does not present risks under the applicable export control or sanctions that would materially undermine its ability to continue its business operations, or cause significant risks or reputational harm to Relevant Persons or the HKEX.

Furthermore, given that the Company has also confirmed that it will not use any of the funds raised through the Offering to finance sanctioned activities, we are of the view that the Company is not rendered unsuitable for listing under the conditions set out in paragraph 10 of the Sanctions Guidance.

Please see below for a detailed analysis.

III. Relevant Jurisdiction Analysis

The Sanctions Guidance requires issuers to evaluate sanctions risks under applicable law or regulation in the Relevant Jurisdiction, which is defined as "any jurisdiction that is relevant to the applicant and has sanctions related law or regulation." We hereby analyze what the Relevant Jurisdictions are as relates to the Company's operations.

Because the Company is registered and has its principal place of business in China, the

People's Republic of China (hereinafter "the P.R.C.") is the Relevant Jurisdiction. This Memorandum will analyze sanctions risks under the laws and regulations of the P.R.C.

IV. Export Control Analysis

1. Overview of the P.R.C. Export Control Regime

The export control regime of P.R.C. regulates the export, reexport and transfer of controlled goods, software and technology.

With the Foreign Trade Law（《对外贸易法》）and Export Control Law（《出口管制法》）as the foundational legal authority, China's export control regime includes the Regulations on Export Control of Dual-Use Items（《两用物项出口管制条例》）, the Regulations on Export Control of Military Items（《军品出口管理条例》）, the Regulations on Administration of Controlled Chemicals（《监控化学品管理条例》）, the Regulations on Export Control of Nuclear Items（《核出口管制条例》）, and the Regulations on Administration of Commercial Cryptography（《商用密码管理条例》）. Apart from these regulations, China has a specific import and export control regime for certain technologies, which is established by the Regulation on the Administration of Import and Export of Technology（《技术进出口管理条例》）.

1.1 Items Subject to Chinese Export Control

Pursuant to the laws and regulations as mentioned above, the goods, software, and technology included in the following lists and catalogues are subject to relevant license requirements upon export or reexport from the Chinese territory (hereinafter referred to as "controlled items"):

- The Dual-Use Export Control List of the PRC（《中华人民共和国两用物项出口管制清单》）,
- The Military Items Export Control List of the PRC（《中华人民共和国军品出口管理清单》）,
- Catalogue of Controlled Chemicals（《各类监控化学品名录》）,
- The Nuclear Items Export Control List（《核出口管制清单》）,
- Catalogue of Technologies Prohibited or Restricted from Export of the PRC（《中国禁止出口限制出口技术目录》）.

1.2 Activities Subject to Chinese Export Control

The following activities are subject to the export control regime of the P.R.C.:

- Export: The transfer or shipment of controlled items out of the People's Republic of China,
- Deemed Export: The provision of controlled items by citizens or legal persons of the People's Republic of China to foreign organizations and individuals.

1.3 Penalties for Violation of Chinese Export Control

Under the Export Control Law, the exporter may be subject to the following penalties for exporting the goods, software and technology included in the Export Control Lists and the Catalogue of Controlled Chemicals in violation of applicable license requirements:

- Order to cease illegal activity,
- Confiscation of illegal proceeds.
- A fine of RMB 500,000 to 5 million, or 5 to 10 times the amount of the illegal proceeds,
- Order to terminate business operation.

Under the Regulation on the Administration of Import and Export of Technology, the exporter may be subject to confiscation of illegal proceeds and a fine of 1 to 5 times the amount of the illegal proceeds if technology included in the Catalogue of Technologies Prohibited or Restricted from Export is exported in violation of applicable prohibition or license requirement.

Further, the exporter may be charged with the crimes of Smuggling, Illegal Business Operation, or Leaking State Secret should the circumstances of the export be sufficiently severe to warrant criminal penalty.

2. Risks under the P.R.C. Export Control Regime

The Company develops and produces data infrastructure software that enables and supports data storage, processing, analysis and usage. Apart from data infrastructure software, to meet the needs of certain customers, the Company also provides All-in-One integrated computing platforms that incorporate its software products.

According to the Company's response to our due diligence questionnaire, the products exported by the Company are not controlled items under the Export Control Regime of the P.R.C. In addition, based on our due diligence and analysis of the Company's technology, as well as confirmations provided by the Company, the Company did not transfer any prohibited or restricted technology under the Catalogue of Technologies Prohibited or Restricted from Export to overseas parties during the TRP.

V. Sanctions Analysis

1. P.R.C. Sanctions Analysis

1.1 Overview of the P.R.C. Sanctions Regime

In order to protect its sovereignty, national security and the lawful rights and interests of Chinese citizens and corporations, China has developed its sanctions countermeasures within the past few years, consisting of the Anti-Foreign Sanctions Law (hereinafter "AFSL"), the Rules on Counteracting Unjustified Extraterritorial Application of Foreign Laws and Measures (hereinafter "Blocking Rules"), and the Provisions on Unreliable Entity List (hereinafter "UEL Provisions").

1.1.1 AFSL

The AFSL was promulgated by the National People's Congress ("NPC") on June 10,

2021. It is the governing law of China's sanctions regime, and its main purpose is to counteract "foreign discriminatory restrictive measures" imposed by foreign governments that infringe on China' s national security and the lawful rights and interests of Chinese citizens and organizations.

According to a senior official of the Legislative Affairs Commission of the Standing Committee of NPC, "foreign discriminatory restrictive measures" include unilateral sanctions (including SDN designations) imposed on Chinese persons with regard to matters related to Xinjiang, Tibet, Hong Kong, South China Sea, etc., and other foreign restrictions that discriminate against China and Chinese persons contrary to the basic norms of international law and international relations.

In order to achieve its purpose, the AFSL provides two mechanisms through which to counteract "foreign discriminatory restrictive measures":

- Countersanctions: Article 4 through 6 of the AFSL authorizes the imposition of countersanctions on persons, including individuals and organizations, that directly or indirectly participates in the formulation, imposition, or enforcement of "foreign discriminatory restrictive measures" and other individuals and organizations associated or affiliated with them. Sanctions measures include asset freeze, visa or entry denial, prohibition/restrictions on transacting with sanctioned persons, and other measures as necessary.
- Prohibition on implementing "foreign discriminatory restrictive measures": Article 12 prohibits any organization or individual from implementing or assisting in the implementation of "foreign discriminatory restrictive measures" and provides rights of action for Chinese citizens and organizations to seek recovery for losses or damages suffered as a result of such implementation.

All Chinese persons (including persons within Chinese territory) must comply with the countersanctions imposed under the AFSL and any failure to comply may result in an order to compel compliance; prohibitions or restrictions on participating in government procurement, import/export of goods and technology, and other international service activities; prohibition or restriction on receiving from or providing data and personal information to foreign territories; and prohibition or restriction on exit from or stay in the Chinese territory.

1.1.2 Blocking Rules

On January 9, 2021, the Ministry of Commerce of the P.R.C. ("MOFCOM") introduced the Blocking Rules. As indicated in Article 2, the Blocking Rules aims to block the unjustified extraterritorial application of foreign laws and measures that prohibits or restricts transactions between Chinese persons and between Chinese persons and third country persons.

According to Article 7, MOFCOM and relevant departments of the national government (the "Working Mechanism") are authorized to identify foreign laws and measures with unjustified extraterritorial application and issue Blocking Orders that prohibit the acknowledgment and implementation of, and compliance with the blocked foreign laws and measures.

In determining whether a foreign law should be regarded as having unjustified extraterritorial application, the Working Mechanism considers the following factors: 1) whether the foreign law violates the basic norms of international law and international relations, 2) potential impact of the foreign law on China's sovereignty, security and development interest, 3) potential impact of the foreign law on the lawful rights and interest of Chinese citizens, legal persons and other organizations, and 4) other factors.

Apart from the Blocking Orders, Article 9 of the Blocking Rules creates a civil rights of action whereby Chinese persons are entitled to bring a civil action in Chinese courts to recover damages from persons attempting to comply with the blocked foreign laws or persons benefiting from a foreign judgment issued in accordance with blocked foreign laws if the damage is caused by such compliance or judgment.

1.1.3 UEL Provisions

On September 19, 2020, MOFCOM issued the Provisions on the Unreliable Entity List. According to Article 2 of the Provisions, foreign entities might be placed on the Unreliable Entity List for the following reasons:

- endangering the national sovereignty, security or development interests of China;
- suspending normal transactions with Chinese companies, organizations and individuals, or applying discriminatory measures against them in violation of normal market transaction principles, thereby causing serious damage to the lawful rights and interests of Chinese persons.

As a result of the Unreliable Entity designation, a foreign entity might be subject to the following restrictions:

- restrictions or prohibitions on China-related import or export activities,
- restrictions or prohibitions on investing in China,
- restricting or prohibiting the foreign entity's relevant personnel or means of transportation from entering into China,
- restricting or revoking the relevant personnel's work permit, status of stay or residence in China,
- imposing a fine of the corresponding amount according to the severity of the circumstances, and
- other necessary measures.

In recent years, the Working Mechanism has intensified its use of Unreliable Entity List to safeguard the rights and interests of Chinese persons. For example, on February 4, 2025, the Working Mechanism placed the PVH Group and Illumina, Inc. onto the Unreliable Entity List for suspending normal business transactions with Chinese persons in order to comply with discriminatory measures imposed by foreign governments[1]. Although the measures imposed on PVH Group is not clear, Illumina, Inc. was prohibited from exporting gene sequencer to China[2].

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[1] https://aqygzj.mofcom.gov.cn/flzc/gzjgfxwj/art/2025/art_3341ae7fdd664c5bbd73261acff226f3.html

[2] https://aqygzj.mofcom.gov.cn/flzc/gzjgfxwj/art/2025/art_aff099315f8a453dbcb4d28b34c8f313.html

1.2 Risks under the P.R.C. Sanctions Regime

Based on our review of the supplier and customer lists provided by the Company, the Company have not dealt in any way with persons listed on the Anti-Sanctions List and Unreliable Entity List. In other words, the Company did not participate in primary sanctions activities under the P.R.C. law and does not pose a risk of violating the sanctions laws and regulations of the P.R.C.

Moreover, as of the date of this Memorandum, the Company is not listed on any of the sanction lists maintained by the Chinese government.

VI. Analysis of Suitability for Listing

According to the Sanctions Guidance, the following circumstances may render an applicant not suitable for listing:

- Any sanctions risks to or sanctions imposed on the applicant that materially undermine its ability to continue its operations;
- An applicant states that the funds are raised to finance Sanctioned Activities; or
- Its listing would pose a significant risk to the Relevant Persons or reputational risk to the Exchange.

Based on the analysis presented in the preceding sections of this Memorandum, the Company's operations do not present any material risks of violating the export control and sanctions laws and regulations of the P.R.C. Accordingly, we are of the view that there is no sanctions risk that would materially undermine the Company's ability to continue its operations.

In the same vein, as the sanctions risks associated with the Company's operations are minimal, the Company's listing would not pose a significant risk to Relevant Persons or to the Exchange. In its response to our questionnaire, the Company confirmed that it will not use the funds raised through the Offering to finance Sanctioned Activities and will continue to enhance its compliance system to mitigate future risks.

In conclusion, we are of the view that the Company is not rendered unsuitable for listing under the conditions set out in paragraph 10 of the Sanctions Guidance.

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The conclusion reached in this Memorandum is based on our understanding of applicable export control and sanctions as of the date of issuance of this Memorandum. Given the significant level of discretion the relevant authorities have in interpretating and enforcing the applicable laws and regulations, we cannot guarantee that the Ministry of Foreign Affairs and Ministry of Commerce of the PRC will not take enforcement or sanctions actions that are contrary to the conclusions drawn in this Memorandum; and we assume no liability if the interpretations or understandings of such authorities are different from ours.

This Memorandum does not constitute a legal opinion. This Memorandum is prepared for the sole benefit of the Company and may only be relied on by the Company for the purpose of this Offering. It may be disclosed to the Sponsor, its legal counsels, the underwriter(s) of the Offering, the HKEX, the Securities and Futures Commission, the Companies Registry for the purpose of this Offering. No parties other than the Company may rely on this Memorandum.

Notwithstanding the above, this Memorandum may not be disclosed to any other person without our prior written consent for any purposes.

Yours faithfully

JunHe LLP

JunHe LLP