

MEMORANDUM

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To Ligent Technologies, Inc

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

Date September 14, 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

1. Introduction and Scope

- 1.1 Hogan Lovells Cadwalader International LLP (formerly Hogan Lovells International LLP, referred as "**We**" or "**Hogan Lovells Cadwalader**") have acted as the international sanctions counsel to Ligent Technologies, Inc (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 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 an entity, which is 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 United Kingdom ("**UK**"), the UK Overseas Territories and Australia.

"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 an entity 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 such an entity 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 an 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 International Sanctions.
- 1.6 In preparing this memorandum, Hogan Lovells Cadwalader reviewed the Company's responses to the *"International Sanctions Due Diligence Checklist"* (the "**Sanctions DD Checklist**") and *"U.S. Export Controls Due Diligence Questions"* dated June 7, 2025 (the "**U.S. Export Controls 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 suppliers provided by the Group against the lists of Sanctioned Persons maintained by the Relevant Jurisdictions. The Group's responses to the Sanctions DD Checklist have included various spreadsheets 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. Based on the information provided by the Company, the Group has certain transactions with the following types of sanctioned entities during the four years ended December 31, 2025 and the six months ended June 30, 2026 ("**Track Record Period**"):
- (a) Entity A, an entity designated on the Entity List, SDN List, and EC (CFSP) 2023/1217 Ukraine List;
 - (b) Entity B, an entity designated on the U.S. SDN List and the EU sanctions lists (EC 2025/932, EC (CFSP) 2025/931 Ukraine List, 2025/395 Ukraine List, EC 2024/1745 Ukraine List, and EC (CFSP) 2024/1744 Ukraine List)
 - (c) Entity C, an entity designated on the Entity List and the Non-SDN Chinese Military-Industrial Complex Companies List ("**NS-CMIC**") List;
 - (d) Type D Entities, entities designated on the Entity List;
 - (e) Type E Entities, not sanctioned but added for prudence only due to ownership or control by sanctioned entities;
 - (f) Entity F, an entity designated on the Entity List with footnote 4 designation, and the NS-CMIC List;
 - (g) Type G Entities, entities designated on the Entity List with footnote 4 designation;
 - (h) Entity H, an entity designated on the BIS Military End User ("**MEU**") List and the BIS Unverified List ("**UVL**");
 - (i) Entity I, an entity subject to UK sanctions;
 - (j) Entity J, an entity designated on the NS-CMIC List;

(k) Entity K, an entity designated on the Entity List with footnote 2 designation;
(collectively, "**Relevant Entities**")

- 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, Syria¹, the Crimea region, Kherson region, Zaporizhzhia region and the so-called Donetsk People's Republic ("**DPR**") and Luhansk People's Republic ("**LPR**") regions of Ukraine.
- 1.8 We have identified the Group's business activities during 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): Hong Kong, Russia (excluding Crimea, LPR, DPR, Kherson and Zaporizhzhia) and Turkey (collectively referred as the "**Relevant Regions**").
- 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 is made 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.

2. **Conclusion**

- 2.1 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:
- (a) 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 by any Group entities 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. The Group activities involving two Specially Designated Nationals and Blocked Persons ("**SDNs**") were limited to the sales of set top boxes and optical modules denominated in RMB and USD (noting that the USD-denominated sales predated the SDN designation). The sales to one of the two customers were either before its designation date as an SDN (i.e. not transactions with an SDN at the time of the sales), and the sales to the other customer were made through a non-sanctioned intermediary and pursuant to an applicable general license (as detailed below in Sections 3.3 and 3.4).

Because (i) some of the activities occurred before the relevant customer was designated as an SDN, (ii) some of the activities were made pursuant to an

¹ On May 23, 2025, OFAC lifted majority of sanctions on Syria by virtue of Syria General License 25.

applicable general license, and (iii) all of these transactions had no U.S. nexus, primary sanctions applicable to the two Russian SDNs were not implicated by the Group. The risk is low that OFAC would view such activities as the Group's provision of material support to the Russian SDNs for purposes of secondary US sanctions.

- (b) The U.S. government, through Executive Order 14024, has grounds for OFAC to designate any entity that is viewed to be "operating in" certain designated sectors (including but not limited to the electronics sectors) of the Russian economy. OFAC has wide discretion to determine what entities are operating in such sectors, and the Group's sales to Russia of optical modules and terminals could create secondary risk exposure under the electronics sectors to the extent OFAC were to view such sales as provision of goods as "operating in" those sectors. As of the date of the memorandum, the Group has not been designated under this Executive Order 14024 authority. Considering (i) the products the Group sold to Russia were limited to Chinese-origin optical modules and terminals; (ii) the Group has no presence in Russia, (iii) there were no sales to SDNs located in Russia other than the ones disclosed in Sections 3.3 and 3.4 below, and (iv) the sales to Russia directly and indirectly throughout the Track Record Period were nominal, the risk is fairly low that the Group's activities would be viewed by OFAC as "operating in" the electronics sectors of Russia that would trigger the imposition of sanctions on the Relevant Persons;
 - (c) None of the Group entities or the Company has been designated as a Sanctioned Target, nor is any of them 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 with Sanctioned Targets (in fact, the Group has no transactions with any Sanctioned Targets which represents a breach of the applicable International Sanctions).
- 2.2 As no material sanctions risks appear to be present, the Company does not appear to be required to make undertakings pursuant to the Chapter 4.4 Guidance but to monitor potential sanctions risk, we understand the Company implemented the Sanctions Compliance Policy to ensure compliance with International Sanctions.
- 2.3 As part of the Group's sanctions compliance internal controls, we understand the Company implemented (i) the ECSS internal screening system to identify whether counterparties are subject to sanctions or export controls, (ii) client management measures and (iii) export control compliance management measures to ensure compliance with International Sanctions. Subject to the strict compliance of these sanctions compliance internal controls, these measures are effective and adequate to mitigate sanctions risks.

3. **Executive Summary**

- 3.1 The Group is an established optical communication and connectivity product provider that develops, manufactures and sells optical transceivers, optical chips and optical network terminals, serving customers in China and overseas.
- 3.2 During the Track Record Period, with respect to the Relevant Regions:
- (a) the Group maintained a wholly owned subsidiary Hisense Broadband Multimedia Technology (HK) Co., Ltd. ("**HK Sub**"). Through the HK Sub, the Group has

imported certain raw materials and sold its manufactured and designed products to customers in Hong Kong.

- (b) the Group has sold certain optical modules and optical terminals to non-sanctioned customers in the Relevant Regions. Such sales were designated in USD and RMB but did not involve any items, technologies or materials that are subject to the EAR.

3.3 With respect to Entity A:

- (a) the Group has manufactured certain set top boxes and sold these to a non-sanctioned customer based in Hong Kong. The Group understands that the non-sanctioned customer based in Hong Kong has on-sold these set top boxes to Entity A, who has been designated by (I) the OFAC as an SDN since April 12, 2023; (II) by the BIS to the Entity List on February 27, 2023. The EU has also imposed sanctions and restrictive measures against Entity A since February 2023.
- (b) Based on the information provided by the Company and our review of that information, such sales of set top boxes to Entity A were denominated in RMB and did not involve any items, technology or materials subject to the EAR.
- (c) We note that the OFAC has published a Russian Harmful Foreign Activities Sanctions Regulations ("RuHSR") General License No. 65 ("GL 65") on April 12, 2023, which expressly authorizes all transactions (except those specified under paragraph 3 of the GL 65) otherwise prohibited by the RuHSR that are 1) ordinarily incident and necessary to the receipt or transmission of telecommunications involving Entity A; or 2) the exportation, reexportation, sale, or supply directly or indirectly from U.S. or by U.S. persons to Entity A of services, software, hardware, or technology incident to the exchange of communications over the Internet.
- (d) Given that (i) the sales of set top boxes is ordinarily incident and necessary to the receipt /transmission of telecommunications and/or the exchange of communications over the Internet; (ii) the sales did not involve any EU nexus or US nexus and were denominated in RMB; and (iii) the set top boxes sold did not incorporate or otherwise involve any item or technology subject to the EAR, these sales would appear to be authorized under the GL 65 and hence did not represent a violation of the sanctions applicable to Entity A.

3.4 With respect to Entity B:

- (a) the Group has certain transactions with Entity B in January 2024. Such sales were denominated in USD.
- (b) Entity B has been designated by the OFAC as an SDN, who has been designated by the OFAC as an SDN since October 30, 2024. The EU has also imposed sanctions and trade restrictive measures against Entity B since June 25, 2024.
- (c) Given that the sales involving Entity B occurred and concluded before the relevant designation and sanctions, these sales did not represent a violation of the sanctions applicable to Entity B.

3.5 With respect to the Relevant Entities other than Entity A and Entity B:

- (a) The Group has transactions with the Relevant Entities (other than Entity A and Entity B) throughout the Track Record Period. In particular, the Group sold optical modules and optical terminals to these said Relevant Entities, and the Group has commissioned Entity J to manufacture optical sub-assembly with optical chips

manufactured by Group and not subject to EAR. All such sales and transactions were denominated in RMB.

- (b) These Relevant Entities have been designated by the BIS to the Entity List. Notably, Entity F and Type G Entities are currently subject to Footnote 4 designations, meaning that the EAR extends to certain foreign-direct products with respect to these Footnote 4 designated entities. Provision of items subject to the EAR without a licence from BIS to these said Relevant Entities are prohibited. License application is subject to a presumption of denial.
- (c) The Group transacted with certain Type E Entities during the Track Record Period. Type E Entities are not directly listed on any sanctioned lists but have either parent company or subsidiaries that are designated on the BIS to the Entity List . Since the U.S. affiliate restrictions remain suspended, These Type E Entities are not currently restricted by the listing status. For the completeness of our due diligence, these Type E Entities are included in this memo but are not subject to Entity List restrictions.
- (d) Based on the information provided by the Company and our review of that information, it has utilized certain items and technologies which were classified as ECCN 3D991 for the sole purpose of designing the PCB boards, and these PCB boards are components of a category of end products, i.e., optical transceivers. The PCB boards were then used in its design and manufacturing of the optical modules sold to the Relevant Entities. As advised by the Company on behalf of the Group the PCB boards are not major component of an optical transceiver. Notably, the optical modules sold to these said customers are of Chinese-origin, did not incorporate or contain any technology or items subject to the EAR, but may meet the technical threshold of ECCN 5A991 under the EAR. Therefore, the products sold to specific Footnote 4 designated entities did not meet the technical threshold controlled and specified under the relevant foreign direct product rule (see below).
- (e) Given that the sales involving the Relevant Entities (excluding Entity B and Entity A) (i) were denominated solely in RMB; (ii) did not incorporate or contain 25% or more of technology or items subject to the EAR, and (iii) the specific products sold to specific Footnote 4 designated entities did not meet the technical threshold controlled and specified under the foreign direct product rule pursuant to the § 734.9(e)(2)(i) of the EAR, these sales did not represent a violation of the U.S. export controls applicable to these entities.
- (f) Based on the information provided by the Company, it has, through one of its subsidiaries, procured chips used in WiFi routers, Core 1.2G CPU, SoCs used for top-boxes from Entity P since 2024 ("**Procured Entity P Items**"). Based on the Company's confirmation Procured Entity P Items were then used in the SoCs for Set-top box, router, and optical fusion device, and the end-customers are all China-based non-sanctioned customers. To the best of the Company's knowledge, these Procured Entity P Items were of Chinese origin, and were not subject to the EAR. To the best of the Company's knowledge, these Procured Entity P Items did not meet the technical threshold as specified in ECCN 3A090 and therefore these are unlikely to be considered as PRC 3A090 ICs under BIS's Guidance on Application of General Prohibition 10 (GP10) to People's Republic of China (PRC) Advanced-Computing Integrated Circuits (ICs) dated May 13, 2025.

Therefore, the procurement and the subsequent use of Procured Entity P Items in the Group's products did not represent a breach of the International Sanctions and U.S. Export Controls.

3.6 United States

- (a) On the basis of our due diligence conducted and the Company's confirmations that:
- (i) as of July 2025, the Group has maintained several entities / subsidiaries in the U.S., namely: (1) Ligent Inc., (2) LigentCom Photonics Inc., and (3) Ligent Tech, Inc. The Group has also employed various U.S. persons at both the Company level and subsidiary level.
 - (ii) no U.S. persons employed or otherwise engaged 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 and the Relevant Entities;
 - (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) no products supplied, sold, exported or otherwise transferred by the Group to the Relevant Regions and the Relevant Entities incorporate 25% or more (by value) of U.S.-origin content nor are those products a direct product of controlled U.S. technology or subject to the EAR under the foreign direct product rule (including the foreign direct product rule on Belarus and Russia);
 - (v) since April 2019, the Company has not undertaken, either directly or indirectly, any contract or any other activity with a counterparty, nor has it otherwise provided goods or services to any person, in Sanctioned Countries;
 - (vi) save for the transactions with the Relevant Entities, 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 Lists**");
 - (vii) save for the transactions with the Relevant Entities (which did not represent a violation of the International Sanctions), no transactions have been made with any entities on the list of SDNs, in any transaction conducted by the Group during the Track Record Period;
 - (viii) the goods involved in the sales to the Relevant Regions and the Relevant Entities were all non-U.S. origin set top boxes, optical modules, optical terminals and optical chips and were not subject to the EAR under either *de minimis* rule or foreign direct product rule (including the foreign direct product rule on Russia and Footnote 4 designations) based on the Group's information and our review of that information; and
 - (ix) the Company has reviewed all transaction records since April 2019 and has not identified any payments in U.S. dollars involving Sanctioned Countries.

Hogan Lovells Cadwalader's assessment is that

- (i) no products subject to the EAR have been exported to any persons or entities identified on the BIS Lists, and the business dealings of the Group with the Relevant Regions and the Relevant Entities do not appear to violate or implicate any breaches of applicable U.S. sanctions laws or export control laws.

3.7 **UN**

(a) On the basis that:

- (i) the Group's activities involving the Relevant Regions were limited to sales of non-U.S. origin set top boxes, optical chips, optical modules and optical terminals, and did not involve any products that are 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.

3.8 **European Union, UK and UK Overseas Territories**

(a) On the basis of our due diligence conducted and the Company's confirmations that:

- (i) all activities involving the Relevant Regions and the Relevant Entities 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, the UK, or the UK Overseas Territories;
- (ii) the Company's activities are limited to the sales of non-U.S., UK or EU origin set top boxes, optical chips, optical modules and optical terminals, and did not involve any products that are subject to sectoral sanctions in the EU, the UK or UK Overseas Territories;
- (iii) save for the transactions with Entity A and Entity B (which did not represent a violation of the EU sanctions) 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, the UK or UK Overseas Territories sanctions, or has or is engaged in any other activity subject to restrictions under sectoral EU, UK, and/or UK Overseas Territories 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 and UK 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 and the Relevant Entities.

3.9 Australia

- (a) On the basis that:
- (i) none of the Group or any of its subsidiaries is:
- (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 the Group's activities did not represent a violation to the International Sanctions measures administered and enforced by the Government of Australia.

4. Company Background

- 4.1 Ligent Technologies, Inc. was incorporated in the BVI on September 20, 2009 and redomiciled in the Cayman Islands on May 29, 2025. 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.
- 4.2 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.
- 4.3 The Company has confirmed that except for the following entities, none of its, its subsidiaries, or the Group's Directors or Shareholders is a U.S., EU, UK or Australian national.
- (a) Ligent Inc., a subsidiary of the Company incorporated in the U.S.;
- (b) LigentCom Photonics Inc., a subsidiary of the Company incorporated in the U.S.; and
- (c) Ligent Tech, Inc, a subsidiary of the Company incorporated in the U.S.
- 4.4 The following table sets out the information regarding Directors of Ligent Technologies, Inc.

Director	Name	Nationality
Non-executive Director and chairman of the Board	于芝涛	Chinese 中国
	洪进	Canadian 加拿大

Executive Directors	王惠	Chinese 中国
Non-Executive Directors	贾少谦	Chinese 中国
	黄卫平	Canadian 加拿大
	张晶	Chinese Hong Kong 中国香港
Independent Non-Executive Directors	孙莹	Chinese 中国
	周长军	Chinese 中国
	汤复基	Chinese Hong Kong 中国香港

4.5 The Company has confirmed on behalf of all entities in the Group that, to its best knowledge, 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. However, during the Track Record Period, the Group purchased the following items which were subject to the EAR and classified as the following ECCNs:

- (a) Certain ECCNs controlled for anti-terrorism reasons;
- (b) Certain ECCNs controlled for anti-terrorism and regional stability reasons with respect to Pakistan;
- (c) Certain ECCNs controlled for national security, anti-terrorism and encryption items reasons; The Company confirmed that it has not procured or purchased any item or technology controlled for national security reasons;
- (d) Certain ECCNs controlled for anti-terrorism and regional stability reasons ;
- (e) Non-controlled items (except in limited circumstances).

4.6 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.

4.7 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.

- 4.8 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	% of Consolidated gross revenues attributable to business activities in the Relevant Regions
Year ended December 31, 2022	0.146%
Year ended December 31, 2023	0.023%
Year ended December 31, 2024	0.004%
Year ended December 31, 2025	0%
Six months ended June 30, 2026	0%

5. U.S. Sanctions: Economic Sanctions and Export Controls

5.1 U.S. Economic Sanctions

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;

(b) Primary Sanctions Applicable to U.S. Persons

- (i) The U.S. Treasury Department's OFAC administers 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.
- (ii) When the U.S. Government imposes economic sanctions against a 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.

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

- (1) In general, U.S. economic sanctions apply to "U.S. persons". The term "U.S. persons" includes:
 - (i) entities organized under U.S. Law (such as U.S. companies and their U.S. subsidiaries);
 - (ii) any U.S. company's domestic and foreign branches;
 - (iii) any individual who is a U.S. citizen or permanent resident alien ("green card" holder), regardless of his or her location in the world;
 - (iv) any individual, regardless of his or her nationality, who is physically present in the United States; and
 - (v) 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:

- (i) 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;
- (ii) 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
- (iii) 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.

(iv) **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.
- (i) *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.
- (ii) *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.
- (iii) 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.

(c) Application of U.S. Export Controls

(i) U.S. Export Controls

- (1) Unlike U.S. economic sanctions that follow the persons or parties involved, U.S. Export Controls follow the product (goods, software or technology) involved. Any item that is sent from the United States to a foreign destination is an export. "Items" include commodities, software or technology, including but not limited to semiconductors, circuit boards, automotive parts, blueprints, design plans, retail software packages and technical information. How an Item is transported outside of the United States does not matter in determining export license requirements. For example, an item can be sent by regular mail, hand-carried on an airplane, sent via facsimile, software can be uploaded to or downloaded from an Internet site, or technology can be transmitted via e-mail or during a telephone conversation. Regardless of the method used for the transfer, the transaction is considered an export (or a re-export if such U.S.-origin item is transferred from one foreign country to another).
- (2) The BIS controls exports and re-exports of commercial and dual-use Items. These controls are implemented by the EAR. The EAR is not limited only to U.S.-origin Items, as explained below.
- (3) The EAR applies to exports of Items from the United States to foreign countries and to re-exports from one foreign country to another. In addition, they apply to shipments from one foreign country to another of foreign-made Items that incorporate more than *de minimis* amount of controlled U.S. origin parts, components or materials, or are the foreign direct product ("FDP") of certain controlled U.S. technology. The *de minimis* threshold for such foreign-made Items to be subject to the EAR varies, from 25% for most countries to less than 10% for Iran (other Countries/Regions subject to Comprehensive Trade Embargo also have the 10% threshold), and what items are considered controlled (and thus are included in the *de minimis*

calculation) also varies. The United States has also instituted export-related restrictions for certain commercial and dual-use Items subject to the EAR when destined to Russia for certain end-uses or end-users, as well as restrictive licensing policies under the U.S. International Traffic in Arms Regulations ("ITAR") for export-related transactions involving defence articles and defence services intended for end-use in Russia. The ITAR export controls are administered by the U.S. Department of State Directorate of Defense Trade Controls.

- (4) Export Control Restrictions on Export, Reexport or Transfer of Certain High Performance Chips or Items Destined for a Supercomputer or Semiconductor Manufacturing End Use in China.

On October 7, 2022, the BIS issued an interim final rule ("IFR") amending the EAR to impose significant new restrictions intended to deny China access to certain semiconductor and advanced computing technology (including chips) and to inhibit China's ability to manufacture those items domestically in order to protect U.S. national security and foreign policy interests. This IFR was implemented on a staggered basis – some provisions became effective on October 7, 2022, and others became effective on October 12 or October 21, 2022. The IFR implemented a number of key changes:

- (i) *Added 4 new Export Control Classification Numbers ("ECCNs") to the Commerce Control List ("CCL").* Three of the four new ECCNs (3A090, 3B090, and 4A090) control certain hardware including advanced computing chips; computers, "electronic assemblies," and "components" that contain such chips and computers; and certain advanced semiconductor manufacturing equipment. The fourth new ECCN (4D090) controls "software" "specially designed" or modified for the "development" or "production," of computers and related equipment, "electronic assemblies," and "components."
- (ii) Applied new unilateral Item-based controls for Regional Stability ("RS") reasons on exports to China of certain advanced computing chips and related semiconductor manufacturing equipment. The new RS controls apply to the four new ECCNs, five existing ECCNs, and to exports of certain technology for the "production" of certain advanced computing chips from China to any destination.
- (iii) Imposed new end-use and end-user-based restrictions on exports, reexports, and in-country transfers of Items intended for use in semiconductor fabrication "facilities" in China and "supercomputers" located in or destined for China. Licenses are required for all items subject to the EAR that meet the parameters of the IFR.
- (iv) Revised one and created two new FDP Rules designed to make the new Item-based and end-use controls extraterritorial. The

current Entity List FDP Rule is revised to apply to newly designated footnote 4 entities on the Entity List ("**Entity List FDP Footnote 4 Rule**"), and two new FDP Rules are added to control certain foreign-made advanced computing and "supercomputer" items, which were not subject to the EAR prior to the expansion and revision of the FDP Rules above.

- (v) *Expanded controls on 28 pre-existing Entity List entities.* The 28 parties on the Entity List are now subject to the Entity List FDP Footnote 4 Rule.
 - (vi) *Imposed a licensing requirement on certain "support" activity provided by "U.S. persons."* Specific activities of "U.S. persons" who 'support' the "development" or "production" of integrated circuits ("ICs") at a semiconductor fabrication "facility" in China are prohibited without a license.
 - (vii) *Expanded scope of two ECCNs subject to Anti-Terrorism-Controls.* ECCNs 3A991 and 4A994, both controlled for anti-terrorism ("AT") reasons, are expanded to add a new paragraph to each ECCN to control certain ICs and advanced computers containing those ICs, which similarly expands the scope of related U.S.-origin software and technology that may capture foreign made items under the FDP rules.
- (5) New End-Use and End-User-Based Controls for Semiconductor Manufacturing Items
- (i) New Section 744.23 imposes license requirements where an exporter, reexport or transferor knows or has reason to know ("knowledge", as defined in Part 772 of the EAR) that certain Items subject to the EAR are intended for a "supercomputer" end-use or are intended for semiconductor manufacturing end-uses.
 - (ii) No license exceptions are available to overcome these restrictions. License applications will be reviewed pursuant to a presumption of denial, even if the Items are otherwise also subject to licensing requirements that have a more favorable license review policy. The only exception to this license review policy is for applications related to the "development" or "production" of ICs at semiconductor fabrication "facilities" in China that meet certain criteria when those end-users in China are headquartered in the United States or in a Country Group A:5 or A:6 country (see, Supp. 1 to Part 740 of the EAR).
 - (iii) The specific provisions of section 744.23 provide that an export license is required to export, reexport, or transfer (in country):
 - 1. An IC subject to the EAR (i.e., U.S.-origin Items, Items exported from the United States, Items that are subject to the EAR due to de minimis U.S.-origin content, or foreign-made Items that are subject to any FDP Rule) and specified in ECCN 3A001 (e.g. radiation hardened integrated circuits, Monolithic Microwave ICs, analog-to-digital and digital-to-

analog integrated circuits, and field programmable gate arrays), 3A991 (e.g. storage integrated circuits; field programmable gate arrays, flexible waveguide; integrated circuits having a processing performance of 8 TOPS or more), 4A994 (e.g. computers with extended operating temperature range, hybrid computers, and electronic assemblies), 5A002 (e.g. information security systems / equipment / devices / components, and information security equipment), 5A004 (e.g. information security defeating, weakening or bypassing systems, equipment and components, and cyber hacking systems, equipment and components), or 5A992 (e.g. mass market information security equipment and components, mass market cryptanalytic systems, equipment and components, and mass market cryptographic equipment and components) if there is “knowledge” the Item will be used for the “development,” “production,” “use,” operation, installation (including on-site installation), maintenance (checking), repair, overhaul or refurbishing of a “supercomputer” located in or destined to China.

2. A computer, “electronic assembly” or “component” subject to the EAR and specified in ECCN 4A003 (e.g. digital computers, signal processing digital computers, and vector processors digital computers), 4A004 (e.g. array processors/assemblies), 4A994, 5A002, 5A004, or 5A992 if there is “knowledge” the Item will be incorporated into or used in the “development” or “production” of any “component” or “equipment” that will be used in a “supercomputer” located in or destined to China.
3. Any Item subject to the EAR if there is “knowledge” the Items will be used in the “development” or “production” of integrated circuits at a semiconductor fabrication “facility” located in China that fabricates integrated circuits meeting any of the following criteria:
 - i. Logic ICs using a non-planar transistor architecture or with a “production” technology node of 16/14 nanometers or less;
 - ii. NOT AND (NAND) memory ICs with 128 layers or more; or
 - iii. Dynamic random-access memory (DRAM) ICs using a “production” technology node of 18 nanometer half-pitch or less; or
 - iv. Any Item subject to the EAR and classified in any ECCN in Product Groups B, C, D, or E in Category 3 when there is “knowledge” that the Item will be used in the “development” or “production” of ICs at any semiconductor fabrication “facility” located in China, but you do not know whether such semiconductor

fabrication “facility” fabricates ICs that meet any of the criteria set forth in (vi)(1) – (3) above.

4. Any Item subject to the EAR when there is “knowledge” that the Item will be used in the “development” or “production” in China of any “parts,” “components” or “equipment” specified under ECCNs 3B001 (e.g. epitaxial growth equipment, semiconductor device or material manufacturing equipment), 3B002 (e.g. test equipment specially designed for testing finished or unfinished semiconductor devices), 3B090 (e.g. semiconductor manufacturing deposition equipment not described in 3B001), 3B611 (e.g. test, inspection, and production commodities for military electronics), 3B991 (e.g. equipment “specially designed” for the manufacture of semiconductor devices, integrated circuits and electronic assemblies, masks, mask substrates and mask-making equipment), or 3B992 (e.g. electronic components and materials inspection or testing equipment, components and accessories).
- (6) Additionally, effective January 17, 2023 these rules were extended to encompass exports, reexports or transfers (in-country) destined to or within Macau.
- (7) Military End Use/End User and Military-Intelligence End Use/End User Controls
 - (i) Section 744.21 of the EAR prohibits the export, reexport or transfer (in-country) of certain Items subject to the EAR (as specified in Supp. 2 to Part 744) if the party has “knowledge,” that the Item is destined for a “military end use” or a “military end user” in Burma, Cambodia, China or Venezuela. Section 744.21 also prohibits the export, reexport, or transfer (in-country) of any Item subject to the EAR if the party has “knowledge,” that the Item is destined for a “military end use” or “military end user” in Russia or Belarus.
 - (ii) Section 744.22 of the EAR prohibits the export, reexport or transfer (in-country) of any Items subject to the EAR if the party has “knowledge” that the Item is intended for a “military-intelligence end use” or “military-intelligence end user” in Belarus, Burma, Cambodia, China, Russia or Venezuela, or certain specified “military intelligence end users,” of such countries, wherever located (see, 744.22(f)(2)).
- (8) On October 17, 2023, the BIS issued two interim final rules amending the EAR to impose new restrictions on the export, reexport or transfer (in-country) of certain semiconductor and advanced computing items to China and Macau SAR as well as to destinations in Country Groups D:1, D:4 and D:5, as set forth in Part 740 of the EAR. The two interim final rules implement changes to the EAR, including:
 - (i) expanding the range of advanced chips and semiconductor manufacturing equipment subject to licensing requirements;

- (ii) expanding the countries that are subject to licensing requirements beyond China;
- (iii) expanding the scope of foreign-made advanced chips and items incorporating such chips that may be subject to U.S. jurisdiction pursuant to the foreign direct product rule, including based on an expanded scope of end-destinations outside China or parties to the transaction that are headquartered in a D:5 country or Macau SAR; and
- (iv) imposing licensing requirements in certain instances on entities located worldwide that are headquartered in a D:5 country or Macau SAR.

(ii) **Application to Hong Kong**

- (1) On July 14, 2020, the Hong Kong Autonomy Act ("**the Act**") became law authorizing the imposition of sanctions on certain parties related to certain activities in the Hong Kong Special Administrative Region ("**HKSAR**"). The Act provides a range of sanctions available to the U.S. government to target foreign persons or foreign financial institutions determined to have engaged in "significant transactions" with certain foreign persons, such as designated senior Hong Kong or Chinese government officials or Chinese companies involved in the erosion of Hong Kong's autonomy. The Act did not designate any foreign officials; instead, the Act requires the Secretary of State to prepare a list of foreign persons who are materially contributing, have materially contributed, or attempt to materially contribute to China's failure to meet its obligations under the Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China on the Question of Hong Kong (December 19, 1984) and the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China. If such persons are designated under the Act, then foreign financial institutions could face exposure themselves to restrictive measures if they engage in "significant" transactions with such designated persons.
- (2) On the same day, the President issued the Executive Order on Hong Kong Normalization ("**EO 13936**"). This EO, among other actions, authorizes the imposition of sanctions on foreign persons determined to be involved in developing, adopting, and/or implementing China's National Security Law, among other actions. The EO blocks any transactions or transfers involving any and all property and/or interests in the United States of anyone the Secretary of State in consultation with the Secretary of Treasury (or vice versa):
 - (i) To be or have been involved, directly or indirectly, in the coercing, arresting, detaining, or imprisoning of individuals under the authority of, or to be or have been responsible for or involved in developing, adopting, or implementing, the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Administrative Region.

- (ii) To be responsible for or complicit in, or to have engaged in, directly or indirectly, any of the following:
 - 1. Actions or policies that undermine democratic processes or institutions in Hong Kong.
 - 2. Actions or policies that threaten the peace, security, stability, or autonomy of Hong Kong.
 - 3. Censorship or other activities with respect to Hong Kong that prohibit, limit, or penalize the exercise of freedom of expression or assembly by citizens of Hong Kong, or that limit access to free and independent print, online, or broadcast media.
 - 4. The extrajudicial rendition, arbitrary detention, or torture of any person in Hong Kong or other gross violations of internationally recognized human rights or serious human rights abuse in Hong Kong.
- (iii) To be or have been a leader or official of:
 - 1. An entity, including any government entity, that has engaged in, or whose members have engaged in, any of the activities described above.
 - 2. An entity whose property and interests in property are blocked pursuant to EO 13936.
 - 3. 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 by EO 13936.
 - 4. 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 by EO 13936.
- (iv) To be a member of the board of directors or a senior executive officer of any person whose property and interests in property are blocked by EO 13936.
- (v) Under the authority of EO 13936, OFAC has designated several government officials as SDNs in Hong Kong, including those in top political leadership. As a result of their SDN designation, US sanctions extend to dealings with any non-listed entity in which those SDNs hold, directly or indirectly, individually or in the aggregate, a 50% or greater interest.
- (vi) On September 25, 2020, OFAC issued Frequently Asked Question (FAQ) 840 on the effect of designating several political leaders of Hong Kong. FAQ 840 states that the designation of an official of the Government of the HKSAR

does not itself block the HKSAR government or any government agency where the SDN is an official or otherwise exercises control. Accordingly, engaging in a routine interaction with an agency in which an SDN is an official, but which does not involve the SDN directly or indirectly, is not prohibited. FAQ 840 further states that U.S. persons may enter into HKSAR government contracts signed by a non-SDN official of the HKSAR to whom the HKSAR government has delegated the authority to enter such contracts.

- (3) On July 17, 2026, OFAC announced the expiration of the national emergency under EO 13936. Following the expiration of EO 13936, OFAC has removed persons designated pursuant to EO 13936 whose property had been blocked solely pursuant to IEEPA from the SDN List.

(iii) **Application to Russia (excluding Crimea, DPR, and LPR regions)**

- (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 16, 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 certain sectors in Russia, including 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 USD 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):
 - i. 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.
 - ii. 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.

- iii. 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.
 - iv. 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, individually or in the aggregate, 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):
 - i. 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:

- Any of which have a fair market value of USD1,000,000 or more; or
 - That, during a 12-month period, have an aggregate fair market value of USD5,000,000 or more.
- ii. Making an investment, with actual knowledge, of USD10,000,000 or more (or any combination of investments of not less than USD1,000,000 each, which in the aggregate equals or exceeds USD10,000,000 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:
- Officials of the Government of the Russian Federation; or
 - Close associates or family members of those officials.
- iii. 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.
- iv. 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.
- b. 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.
- c. 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.

- d. 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.
- e. On September 20, 2018, the President of the United States 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
- f. 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.
- g. 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.

- h. On April 15, 2021, the President of the United States issued 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; additional sectors of Russia's economy were subsequently designated under this authority). 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:
 - i. 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.
 - ii. 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.
 - iii. 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.

- iv. 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.
- (9) 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.
- (10) OFAC has also issued several determinations pursuant to EO 14024:
- i. The February 22, 2022 determination provides OFAC authority to designate persons in the financial services sector of the Russian Federation economy;
 - ii. The March 31, 2022 determination provides OFAC authority to designate persons in the aerospace, electronics, and marine sectors of the Russian Federation Economy;
 - iii. 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;
 - iv. The September 15, 2022 determination provides OFAC authority to designate persons in the quantum computing sector in Russia;
 - v. The February 24, 2023 determination provides OFAC authority to designate persons in the metals and mining sector in Russia; and
 - vi. The May 19, 2023 determination provides OFAC authority to designate persons in the architecture, engineering, construction, manufacturing, and transportation sectors of the Russian Federation economy.

- vii. 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.
- (11) On February 21, 2022, the President issued **EO 14065** which prohibits
- i. New investment in DPR or LPR by a U.S. person;
 - ii. Import into the United States, directly or indirectly, of any goods, services, or technology from DPR or LPR;
 - iii. 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
 - iv. U.S. person approval, financing, facilitation, or guarantee of a transaction by a foreign person that would be prohibited as noted above.
- (12) On March 8, 2022, the President issued **EO 14066** which prohibits:
- i. 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;
 - ii. new investment in the energy sector in the Russian Federation by a United States person, wherever located; and
 - iii. 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.
- (13) On March 11, 2022, the President issued **EO 14068** which prohibits:
- i. 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;
 - ii. 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;

- iii. 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;
- iv. 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
- v. 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.

(14) On April 6, 2022, the President of the United States issued EO 14071 which prohibited

- i. new investment in the Russian Federation by a United States person, wherever located;
- ii. 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, architecture and engineering services were added as well); and
- iii. 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.
- iv. Effective June 7, 2022, OFAC issued a determination that prohibits US persons from providing accounting, trust and corporate formation services, management consulting services to persons in Russia.

- v. Effective September 15, 2022, OFAC issued a determination that prohibits US persons from providing quantum computing services to persons in Russia.
- vi. 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 effective February 5, 2022, the same Covered Services were targeted if they relate to the maritime transport of Russian-origin petroleum products purchased above the relevant price cap):
 - Trading/commodities brokering;
 - Financing;
 - Shipping;
 - Insurance, including reinsurance and protection and indemnity;
 - Flagging; and
 - Customs brokering.
- vii. 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; 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;
- viii. The April 12, 2024 determination prohibits the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of any of the Covered Metals Acquisition Services to any person located in the Russian Federation. "Covered Metals Acquisition Services" refer to the warranting services for aluminum, copper, or nickel of Russian Federation origin on a global metal exchange; and services to acquire aluminum, copper, or nickel of Russian Federation origin as part of physical settlement of a derivative contract;

ix. The June 12, 2024 determination prohibits the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of IT consultancy and design services or of IT support services or cloud-based services for "Covered Software" to any person located in the Russian Federation, unless otherwise excluded or authorised. "Covered Software" refers as IT support services and cloud-based services for the following categories of software: enterprise management software and design and manufacturing software.

(15) 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**") (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, 6, or 7 of the EAR's Part 746.

(iv) **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 SBB 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.

(v) **Application to Entity A**

- (1) Entity A was designated by the OFAC as SDN on April 12, 2023.
- (2) Entity A was also designated by the BIS to the Entity List on February 27, 2023. Provision of items subject to the EAR without a licence from BIS to Entity A is prohibited. License application is subject to a presumption of denial.

(vi) **Application to Entity B**

- (1) Entity B was designated by the OFAC as SDN on October 30, 2024.

(vii) **Application to Entity C**

- (1) Entity C was designated by the BIS to the Entity List on May 21, 2019. Provision of items subject to the EAR without a licence from BIS to Entity C is prohibited. License application is subject to a presumption of denial.
- (2) Entity C was designated by the OFAC on the NS-CMIC List effective August 2, 2021. United States persons are prohibited beginning on August 2, 2021, from the purchase or sale of any publicly traded securities, or any publicly traded securities that are derivative of such securities or are designed to provide investment exposure to such securities, of Entity C unless licensed or authorized by the relevant U.S. government authority.

(viii) **Application to Type D Entities**

- (1) Type D Entities was designated by the BIS to the Entity List. Provision of items subject to the EAR without a licence from BIS to Type D Entities is prohibited. License application is subject to a presumption of denial.

(ix) **Application to Type E Entities**

- (1) The Group transacted with Type E Entities during the Track Record Period. Since the U.S. affiliate restrictions remain suspended, Type E Entities are not currently restricted by the listing status of the parent companies or subsidiaries on the Entity List.

(x) **Application to Entity F**

- (1) Entity F was designated by the BIS to the Entity List on June 24, 2019. Provision of items subject to the EAR without a licence from BIS to Entity F is prohibited. License application is subject to a presumption of denial.
- (2) Entity F was designated by the OFAC on the NS-CMIC List effective August 2, 2021. United States persons are prohibited beginning on August 2, 2021, from the purchase or sale of any publicly traded securities, or any publicly traded securities that are derivative of such securities or are designed to provide investment exposure to such securities, of Entity F unless licensed or authorized by the relevant U.S. government authority.

(xi) **Application to Type G Entities**

- (1) Type G Entities were designated by the BIS to the Entity List. Provision of items subject to the EAR without a licence from BIS to Type G Entities were prohibited. License application is subject to a presumption of denial.

(xii) **Application to Entity H**

- (1) Entity H was designated by the BIS to the MEU List on December 23, 2020. Provision of items subject to the EAR without a licence from BIS to Entity H is prohibited.

(xiii) **Application to Entity I**

- (1) During the Track Record Period, the U.S. has not imposed any sanctions on Entity I.

(xiv) **Application to Entity J**

- (1) Entity J was designated by the OFAC on the NS-CMIC List effective August 2, 2021. United States persons are prohibited beginning on August 2, 2021, from the purchase or sale of any publicly traded securities, or any publicly traded securities that are derivative of such securities or are designed to provide investment exposure to such securities, of Entity J, unless licensed or authorized by the relevant U.S. government authority
- (2) As Entity J itself is not designated on the Entity List (or any other sanctions lists maintained by any U.S. authorities), the relevant licensing and provision restrictions under the EAR do not apply to Entity J.

(xv) **Application to Entity K**

- (1) Entity K was designated by the BIS to the Entity List on May 21, 2019. Provision of items subject to the EAR without a licence from BIS to Entity K is prohibited. License application is subject to a presumption of denial.

(xvi) **Application to the Group**

- (1) as of July 2025, the Group has maintained several entities / subsidiaries in the U.S., namely: (1) Ligent Inc., (2) LigentCom Photonics Inc., and (3) Ligent Tech, Inc. The Group has also employed various U.S. persons at both the Company level and subsidiary level.
- (2) no U.S. persons employed or otherwise engaged 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 and the Relevant Entities;
- (3) 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;
- (4) no products supplied, sold, exported or otherwise transferred by the Group to the Relevant Regions and the Relevant Entities incorporate 25% or more (by value) of U.S.-origin content nor those products are a direct product of controlled U.S. technology or subject to the EAR under the foreign direct product rule (including the foreign direct product rule on Belarus and Russia);
- (5) since April 2019, the Company has not undertaken, either directly or indirectly, any contract or any other activity with a counterparty, nor has it otherwise provided goods or services to any person, in Sanctioned Countries;
- (6) save for the transactions with the Relevant Entities, no products have been exported (either directly or indirectly) to any persons or entities identified on the BIS Lists;
- (7) save for the transactions with Entity A and Entity B (which did not represent a violation of the International Sanctions), no transactions have been made with any entities on the list of SDNs, in any transaction conducted by the Group during the Track Record Period;
- (8) Based on the information provided by the Company, the optical transceivers sold to these the Relevant Entities are of Chinese-origin, did not incorporate any or contain 25% or more of technology or items subject to the EAR.

Given that the sales involving these Relevant Entities (i) were denominated solely in RMB; (ii) did not incorporate or contain 25% or more of technology or items subject to the EAR, and (iii) the specific products sold to the Relevant Entities did not meet any of the technical thresholds classified and specified under the foreign direct product rule pursuant to the §734.9(e)(2)(i) of the EAR, these sales did not represent a violation of the U.S. export controls applicable to these Footnote 4 designated customers (i.e. Entity F and Type G Entities)

- (9) Based on the information provided by the Company, it has, through one of its subsidiaries, procured certain component from Entity P Group since 2024 ("**Procured Entity P Items**"). To the best of the Company's knowledge, these Procured Entity P Items were of Chinese origin, and were not subject to the EAR. To the best of the Company's knowledge, these Procured Entity P Items did not meet the technical threshold as specified in ECCN 3A090 and therefore these are unlikely to be considered as PRC 3A090 ICs under BIS's Guidance on Application of General Prohibition 10 (GP10) to People's Republic of China (PRC) Advanced-Computing Integrated Circuits (ICs) dated May 13, 2025.

Therefore, the procurement and the subsequent use of Procured Entity P Items in the Group's products did not represent a breach of the International Sanctions and U.S. Export Controls.

- (10) the goods involved in the sales to the Relevant Regions and the Relevant Entities were all non-U.S. origin optical modules and optical terminals and were not subject to the EAR under either de minimis rule or foreign direct product rule (including the foreign direct product rule on Russia and Footnote 4 designations) based on the Group's confirmation and our due diligence conducted; and
- (11) the Company has reviewed all transaction records since April 2019 and has not identified any payments in U.S. dollars involving Sanctioned Countries.

Hogan Lovells Cadwalader's assessment is that:

- (i) No products subject to the EAR have been exported to any persons or entities identified on the BIS Lists, and the business dealings of the Group with the Relevant Regions and the Relevant Entities do not appear to violate or implicate any breaches of applicable U.S. sanctions laws or export control law.

(d) **Secondary Sanctions Applicable to Non-U.S. Persons**

- (i) 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, 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 economy (construction, energy, financial services,

- fishing, information technology, manufacturing, medical, mining, textiles, or transportation), Burmese (defense), or Belarussian economy (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).
- (ii) The Company has, for and on behalf of the Group, confirmed that based on their due diligence process, it has no dealings involving Kherson, Zaporizhzhia, Crimea, DPR/LPR regions of Ukraine, Cuba, Iran, North Korea, Sudan, Syria, and Venezuela or with any SDNs.
 - (iii) Considering the specific facts in relation to the Group's sales to Russia, in particular, the fact that the Group's sales to Russia were transactions related to the production, manufacturing, sale, transport, or provision set top boxes (as authorised by Russian Harmful Foreign Activities Sanctions Regulations General License No. 65), these transaction does not represent a violation to the applicable U.S. sanctions, and the risk is fairly low that the Group's activities with the Relevant Regions would result in the secondary sanctions to the Relevant Persons.

5.2 The Offering

- (a) 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.
- (b) We note from the Prospectus as of September 8, 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:
 - (i) is expected to be allocated to continuous investment in the research and development of new products and technologies;
 - (ii) is expected to be allocated to expand the Group's production capacity for optical transceivers and optical chips;
 - (iii) is expected to be allocated to enhance business promotion and overseas market expansion;

- (iv) is expected to be allocated to strategic investments and acquisitions across the optical communication and value chain in domestic and overseas markets over the next five years; and
- (v) is expected to be allocated for working capital and general corporate purposes to support the Group's business operation and growth.
- (c) As the Company has provided an express undertaking that it 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, we believe the risk of infringing International Sanctions is low.
- (d) 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.

6. **UN Sanctions**

6.1 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.

6.2 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.

6.3 **Application to Hong Kong**

- (a) During the Track Record Period, the UN has not imposed any sanctions on Hong Kong.

6.4 **Application to Russia (excluding Crimea region, Kherson, Zaporizhzhia, LPR and DPR regions)**

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

6.5 Application to Turkey

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

6.6 Application to Entity A

- (a) During the Track Record Period, the UN has not imposed any sanctions with respect to Entity A.

6.7 Application to Entity B

- (a) During the Track Record Period, the UN has not imposed any sanctions with respect to Entity B.

6.8 Application to Entity C

- (a) During the Track Record Period, the UN has not imposed any sanctions with respect to Entity C.

6.9 Application to Type D Entities

- (a) During the Track Record Period, the UN has not imposed any sanctions with respect to Type D Entities.

6.10 Application to Type E Entities

- (a) During the Track Record Period, the UN has not imposed any sanctions with respect to Type E Entities.

6.11 Application to Entity F

- (a) During the Track Record Period, the UN has not imposed any sanctions with respect to Entity F.

6.12 Application to Type G Entities

- (a) During the Track Record Period, the UN has not imposed any sanctions with respect to Type G Entities.

6.13 Application to Entity H

- (a) During the Track Record Period, the UN has not imposed any sanctions with respect to Entity H.

6.14 Application to Entity I

- (a) During the Track Record Period, the UN has not imposed any sanctions with respect to Entity I.

6.15 Application to Entity J

- (a) During the Track Record Period, the UN has not imposed any sanctions with respect to Entity J.

6.16 Application to Entity K

- (a) During the Track Record Period, the UN has not imposed any sanctions with respect to Entity K.

6.17 Application to the Group

- (a) 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;
- (b) 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
- (c) Based on the Company's confirmations that all of the Company's business in relation to the Relevant Regions and the Relevant Entities was in relation to the sales of non-U.S. origin set top boxes, optical modules and optical terminals and optical chips, 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.

7. EU and UK Sanctions

7.1 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.

- (a) 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.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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.

7.2 Overview of UK sanctions

- (a) 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.
- (b) 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.
- (c) 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.
- (d) 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.

7.3 Application of Sanctions Measures

- (a) 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.
- (b) 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.
- (c) 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.

7.4 Restrictions under EU and UK Sanctions Measures

- (a) 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 products² 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.
- (b) 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".
- (c) 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

² An analysis of the parameters of what amounts to a controlled product is outside the scope of this advice memorandum. Hogan Lovells Cadwalader can provide further advice on this point as required.

counterparty in a country subject to EU or UK sanctions that is not a Designated Person or engaged in non-Prohibited Activities.

7.5 **EU and UK sanctions: Dealing with Relevant Jurisdictions**

- (a) As noted above, under EU and UK sanctions legislation it is prohibited for any person or entity to whom EU and/or UK sanctions apply to:
 - (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.
- (b) **Application to Hong Kong**
 - (i) During the Track Record Period, the EU did not maintain any sanctions on Hong Kong.
 - (ii) In June 2019, the UK restricted the sale of certain crowd control equipment to Hong Kong. Further, in July 2020, the UK extended the existing arms embargo with mainland China fully to Hong Kong in response to China's introduction of the National Security Law. The items covered by the arms embargo covers the export of the following items from the UK to China (inclusive of Hong King):
 - (1) lethal weapons, such as machine guns, large-calibre weapons, bombs, torpedoes, rockets and missiles;
 - (2) specially designed components of the above and ammunition;
 - (3) military aircraft and helicopters, vessels of war, armoured fighting vehicles and other weapons platforms;
 - (4) any equipment which might be used for internal repression.
- (c) **Application to Russia (excluding Crimea and DPR/LPR, Kherson and Zaporizhzhia)**
 - (i) 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) 2024/3187 of December 16, 2024, and Council Regulation (EU) No 833/2014 of July 31, 2014, as last amended by Council Regulation (EU) 2024/3192 of December 16, 2024 ("**EU Russia Sectoral Sanctions**"). 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, intellectual property rights, trade secrets, brokering services, financing or financial assistance (with certain exemptions and licences);
 - (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, intellectual property rights, trade secrets, 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, intellectual property rights, trade secrets, 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, intellectual property rights, trade secrets, brokering services, financing or financial assistance, or other services related to these goods;
- (5) Prohibition on the transit of dual-use items, Targeted Goods, aviation and space-related products, jet fuel and additives, certain industrial goods, and firearms, their parts and essential components and ammunition via the territory of Russia (with certain exemptions and licenses);
- (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, intellectual property rights, trade secrets, 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, intellectual property rights, trade secrets, 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, intellectual property rights, trade secrets, 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. "Mining and quarrying sector" means a sector covering the location, extraction, management and processing activities relating to non-energy producing materials;
- (11) Prohibited to invest, participate or contribute to projects co-financed by the Russian Direct Investment Fund;
- (12) Capital market restrictions, which include:
 - (i) 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
 - (ii) 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.
 - (iii) 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;
 - (iv) 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;
 - (v) Prohibition on the listing and provision of services as of April 12, 2022 on trading venues registered or recognised in the Union for the transferable securities of any entity established in Russia with over 50% public ownership;
 - (vi) 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;

- (vii) 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;
- (viii) 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;
- (ix) Prohibition to sell transferable securities denominated in any official currency of an EU Member State issued after April 12, 2022 or denominated in any other currency issued after August 6, 2023, 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;
- (x) 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;
- (xi) Prohibition to provide crypto-asset wallet, account or custody services to Russian nationals or residents or Russian entities. Licenses are available;
- (xii) 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;
- (xiii) 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;
- (xiv) Prohibition to (i) directly connect to the System for Transfer of Financial Messages ("SPFS") of the Central Bank of Russia or equivalent specialised financial messaging services set up by the Central Bank of Russia; and (ii) engage with entities listed in Annex XLIV, which will include non-EU entities using SPFS or equivalent specialised financial messaging services;
- (xv) Ban on Russian entities, as well as entities they own for more than 50%, from any EU, Euratom or Member State financing program;
- (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) No access to ports and locks in the EU for any vessel engaged in ship-to-ship transfer of Russian crude oil or petroleum products at any point of the voyage to EU ports or locks, contrary to the import ban or transport restriction for products purchased above the oil price cap;
- (17) No access to ports and locks in the EU for any vessel illegally interfering with, switching off or otherwise disabling their shipborne AIS when transporting Russian crude oil or petroleum products subject to an import ban or transport restriction for products purchased above the oil price cap;
- (18) No access to ports and locks in the EU for any vessel illegally interfering with, switching off or otherwise disabling their shipborne AIS when transporting Russian crude oil or petroleum products subject to an import ban or transport restriction for products purchased above the oil price cap;
- (19) Prohibition on the sale, supply, transfer or export of, and provision of technical assistance, intellectual property rights, trade secrets, 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);
- (20) 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) import iron and stepp products processed in a third country and incorporating Russian-origin iron and stell products; and (e) 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;
- (21) 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;

- (22) 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;
- (23) Prohibition to purchase, import or transfer, directly or indirectly, diamonds and products incorporating diamonds originating in Russia or exported from Russia. The prohibition also includes the provision of technical assistance, brokering services, financing, financial assistance, or other services;
- (24) 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 and the provision of related technical assistance, intellectual property rights, trade secrets, brokering services, financing or financial assistance, insofar these goods exceed the value of EUR 300 per item unless otherwise specified (with certain exemptions and licenses);
- (25) 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, intellectual property rights, trade secrets, brokering services, financing, financial assistance, or other services. There are certain exemptions and licenses;
- (26) It is prohibited for any Russian road transport undertaking, EU entities owned for 25% or more by Russian entities and individuals, and trailers and semi-trailers registered in Russia 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;
- (27) 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;
- (28) 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;

- (29) Prohibition to sell tankers for the transport of crude oil or petroleum products falling under CN ex 8901 20 to Russian persons or for use in Russia without a license;
- (30) Prohibition to provide reloading services and related technical assistance, brokering services, financing or financial assistance in the EU for the purposes of transshipment operations of liquified natural gas (LNG) falling under CN 2711 11 00, originating in Russia or exported from Russia;
- (31) Prohibition to sell, supply, transfer, or export, directly or indirectly, goods and technology and to provide, directly or indirectly, services to any person in Russia when such goods, technology and services are for the completion of LNG projects, such as terminals and plants. It is also prohibited to provide related technical assistance, brokering services, financing, and financial assistance.;
- (32) 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;
- (33) 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;
- (34) Transaction ban on entities listed in Annex XLIII, which will include Russian entities that have lodged a claim before a Russian court against EU entities and individuals in connection with any contract or transaction the performance of which has been affected by EU sanctions;
- (35) Transaction on entities listed in Annex XLV, which will include non-EU financial and crypto entities facilitating transactions that support Russia's defence-industrial base through the export, supply, sale, transfer or transport towards Russia of dual-use goods and technology, sensitive goods and technology, common high priority items or firearms and ammunition;
- (36) Prohibition to hold any posts in the governing bodies of state-owned entities as of January 16, 2023. Certain licenses are available;
- (37) Prohibition on Russian nationals or residents to own or control, or hold any posts on the governing bodies of entities providing crypto-asset wallet, account or custody services;

- (38) 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;
- (39) 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;
- (40) 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
- (41) 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) and professional software (software for the management of enterprise and software for industrial design and manufacture) to the government of Russia or Russian entities. The prohibition also includes the provision of technical assistance, brokering services, financing, financial assistance, or other services. Certain authorisation grounds 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 for divestment or winddown of business in Russia) are available.
- (42) As of 27 March 2023, prohibition to have Russian nationals hold any posts in governing bodies of owners/operators of critical infrastructures and entities;
- (43) 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; and
- (44) Prohibition on EU and Member State intellectual property offices to accept new applications for registration of trademarks, patents, industrial designs, utility models, protected designations

of origin, and geographical indications filed by Russian nationals, residents and entities.

- (ii) 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) 2024/3182 of December 16, 2024 and Council Regulation (EU) No 269/2014 of March 17, 2014, as last amended by Council Regulation (EU) 2024/3189 of December 16, 2024 ("**EU Russia Asset Freezing Measures**"). 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.

At present, in total, 1,829 persons and 496 entities are currently subject to asset freezing measures under the EU sanctions regime against Russia, including seven Chinese persons and entities, namely one individual and two entities facilitating the circumvention of EU sanctions, and four entities supplying sensitive drone components and microelectronic component to the Russian military industry.

- (iii) As of January 1, 2021, the UK has replaced the EU Russia sanctions with the Russia (Sanctions) (EU Exit) Regulations 2019, which came into effect on December 31, 2020, as amended (the "**UK Russia Regulations**"). The regulations have been extended to apply to the UK Overseas Territories by the Russia (Sanctions) (Overseas Territories) Order 2020, as amended.

- (iv) Since 2021, the UK has published new regulations which introduce new financial, trade and shipping sanctions against Russia (the principle sanctions are summarised below):

- (1) The Russia (Sanctions) (EU Exit) (Amendment) (No. 2) Regulations 2022 introduce the following restrictions:
 - (i) 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.
 - (ii) 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:
- (i) the export, supply, delivery and making available of dual-use goods and critical-industry goods;
 - (ii) the making available and transfer of dual-use technology and critical-industry technology; and
 - (iii) 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.
 - (iv) 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:
- (i) 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;
 - (ii) extend the relevant exceptions and licensing provisions to the non-government controlled areas of the Donetsk and Luhansk oblasts;
 - (iii) 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
 - (iv) 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:
- (i) oil refining goods and technology,
 - (ii) quantum computing and advanced materials goods and technology;
 - (iii) luxury goods, and
 - (iv) 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:
- (i) maritime goods and maritime technology;
 - (ii) military goods and technology with non-government controlled Ukrainian territory;
 - (iii) defence and security goods and technology;

- (iv) interception and monitoring services;
 - (v) banknotes;
 - (vi) jet fuel and fuel additives; and
 - (vii) goods which generate significant revenues for Russia.
- (10) The Russia (Sanctions) (EU Exit) (Amendment) (No. 12) Regulations 2022 introduced the Investment Prohibition.
- (11) 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.
- (12) The Russia (Sanctions) (EU Exit) (Amendment) (No. 14) Regulations 2022 introduced additional restrictions in relation to trade in:
- (i) professional and business services;
 - (ii) miscellaneous essential goods required for the functioning of the Russian economy;
 - (iii) oil and oil products means;
 - (iv) gold; and
 - (v) coal and coal products.
- (13) The Russia (Sanctions) (EU Exit) (Amendment) (No. 15) Regulations 2022 introduced trade prohibitions relating to gold jewellery and to certain processed gold and a prohibition on the import of liquified natural gas which is consigned from or originates from Russia.
- (14) 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.
- (15) 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.

- (16) The Russia (Sanctions) (EU Exit) (Amendment) Regulations 2023 introduced a prohibition on the import of iron and steel products containing iron or steel originating in Russia that have been processed in a third country. In addition, the amending regulations introduced an additional schedule listing goods (revenue generating goods) subject to an import ban.
- (17) The Russia (Sanctions) (EU Exit) (Amendment) (No. 2) Regulations 2023 introduced a new definition of non-government controlled Ukrainian territory which includes also the additional territory of non-government controlled areas of the Kherson and Zaporizhzhia oblasts of Ukraine in addition to the Donetsk and Luhansk oblasts. The effect of the expanded definition means that existing finance, shipping and trade sanctions relating to the Autonomous Republic of Crimea and city of Sevastopol ("Crimea") and non-government controlled areas of the Donetsk and Luhansk oblasts, and relevant exceptions now apply to non-government controlled areas of the Kherson and Zaporizhzhia oblasts.
- (18) The Russia (Sanctions) (EU Exit) (Amendment) (No. 3) Regulations 2023 introduced a prohibition on the provision of legal advisory services to non-UK persons in relation to activity that would contravene UK Russia sanctions.
- (19) The Russia (Sanctions) (EU Exit) (Amendment) (No. 4) Regulations 2023 introduced prohibitions on the export, supply and delivery, and making available to, or for use in, Russia, of certain critical industry goods, luxury goods and G7 dependence and further goods.
- (20) The Russia (Sanctions) (EU Exit) (Amendment) (No. 5) Regulations 2023 introduced prohibitions on the import, acquisition, supply or delivery of diamonds and diamond jewellery which are located or originate in, or are consigned from, Russia. The regulations also prohibit the provision of ancillary services regarding such transactions and go on to create certain exceptions to those prohibitions.
- (21) The Russia (Sanctions) (EU Exit) (Amendment) Regulations 2024 introduced a prohibition on the import of Russian diamonds processed in third countries as well as the provision of technical assistance, brokering and financial services in connection with the import of third country processed Russian diamonds.
- (22) The Russia (Sanctions) (EU Exit) (Amendment) (No. 3) Regulations 2024 revoked and replaced the Russia Sanctions (EU Exit) (Amendment) (No. 2) Regulations 2024 and introduced new designation criteria to specify additional activities for which a person may be designated, and made amendments to the ship specification criteria to specify additional activities for which a ship may be specified.
- (23) The Russia (Sanctions) (EU Exit) (Amendment) Regulations 2024 introduced a prohibition on the import of Russian diamonds

processed in third countries as well as the provision of technical assistance, brokering and financial services in connection with the import of third country processed Russian diamonds.

- (24) The Russia (Sanctions) (EU Exit) (Amendment) (No. 3) Regulations 2024 revoked and replaced the Russia Sanctions (EU Exit) (Amendment) (No. 2) Regulations 2024 and introduced new designation criteria to specify additional activities for which a person may be designated, and made amendments to the ship specification criteria to specify additional activities for which a ship may be specified.
- (25) The Russia (Sanctions) (EU Exit) (Amendment) (No. 4) Regulations 2024 amended the previous prohibition on the provision of certain legal advisory services under the Russia (Sanctions) (EU Exit) Regulations 2019. The provision of legal advisory services which may otherwise be restricted by the previous regulations are now permitted on or in connection with compliance with global sanctions, Russian counter-sanctions and global criminal law.
- (26) The Russia (Sanctions) (EU Exit) (Amendment) Regulations 2025 introduced new and expanded restrictions which now prohibits the export, supply and delivery, and making available to, or for use in Russia of newly sanctioned items, including chemicals, electronics, machinery, plastics and metals. It is also prohibited to provide related ancillary services in respect of the above sanctioned items.
 - (i) Furthermore, new prohibitions have been introduced in respect of the transfer, making available and ancillary services related to certain technology and software, including energy-related, advanced and industrial manufacturing technology, and business enterprise, industrial design, and oil and gas related software and technology.
 - (ii) Import bans now apply to synthetic diamonds processed in third countries and helium.
- (v) Under the UK Russia Regulations, it is prohibited to export restricted products to or for use in Russia, which include but are not limited to:
 - (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;
 - (5) jet fuel and fuel additives;
 - (6) Infrastructure-related goods to and for use in non-government controlled Ukrainian territory;

- (7) G7 depending goods; and
 - (8) Russia's vulnerable goods,
- (vi) Pursuant to the UK Russia Regulations, it is prohibited to import restricted goods that are consigned or originate from Russia, which include but are not limited to:
 - (1) arms and related material;
 - (2) goods which originate in non-government controlled Ukrainian territory;
 - (3) gold, gold jewellery and processed gold;
 - (4) diamonds and diamond jewellery
 - (5) iron and steel products;
 - (6) revenue generating goods;
 - (7) oil and oil products;
 - (8) coal and coal products; and
 - (9) liquified natural gas.
- (vii) The UK Russia Regulations prohibit the supply or delivery of goods subject to an export ban. 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. Pursuant to the UK Russia 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.
- (viii) 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.
- (ix) 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 restricted goods.
- (x) The position of UK persons with respect to the Investment Prohibition was introduced by the Russia (Sanctions) (EU Exit) (Amendment) (No. 12) Regulations 2022 and is set out in regulation 18B of the UK Russia Regulations. Under these regulations UK persons acquiring shares in the Company are deemed to indirectly acquire an interest in the Russian Subsidiary, itself a person connected with Russia.

For this to be prohibited under regulation 18B of the UK Russia Regulations, the purpose of the investment must be to make funds or economic resources available “*directly or indirectly to a person connected with Russia*” or “*for the benefit of a person connected with Russia*”. UK Government guidance³ (which is non-binding) states that such purpose may be determined “*where this is explicitly stated to be the purpose of the transaction. For example, if the intention to make funds available to a person connected with Russia was stated as the purpose of a share issue in the prospectus for that share issue*”. We know of no such explicit statement included in the Global Offering prospectus or otherwise published by the Group. We further note that the Company has stated that it has implemented or will implement procedures to ensure that none of the funds raised in the listing will be used, directly or indirectly, in the Group’s activities in Russia. This actively demonstrates that the purpose of the Global Offering itself is not to benefit persons connected with Russia, and any acquisition of shares in the Company could not be said to be for the purpose of making funds available to or for the benefit of persons connected with Russia. Therefore, in our view UK persons may purchase securities issued by the Group as part of the Global Offering, subject to any contrary statement in the Company’s Global Offering prospectus or elsewhere which does suggest that a purpose for the transaction is to in some other way make funds or economic resources available to or for the benefit of persons connected with Russia.

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

(d) **Application to Turkey**

- (i) 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 Regulation (EU) 2023/2507 of November 9, 2023, and Council Decision (CFSP) 2019/1894, as last amended by Council Decision (CFSP) 2023/2488 of November 9, 2023. EU sanctions on Turkey are limited to asset freezing measures and travel ban on parties in Turkey.

³ FAQ 11, UK Financial Sanctions FAQs, Updated 5 December 2024.

- (ii) 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.
- (iii) As of January 1, 2021, the UK adopted the Unauthorised Drilling Activities in the Eastern Mediterranean (Sanctions) (EU Exit) Regulations 2020. These regulations put in place sanctions measures to discourage any hydrocarbon exploration, production or extraction activity which has not been authorised by the Republic of Cyprus. This includes activity in its territorial sea, or in its exclusive economic zone or on its continental shelf. At the time of writing, there are no designated individuals under this regulation. This regulation has been extended to the UK Overseas Territories through the Unauthorised Drilling Activities in the Eastern Mediterranean (Sanctions) (Overseas Territories) Order 2020. This regime replaces the EU's Turkey sanctions regime.

(e) Application to Entity A

- (i) The EU has imposed sanctions against Entity A first on February 25, 2023, with measures subsequently extended in **July 2023** and **January 2024**. Those measures prohibit European operators from, inter alia, selling, supplying, transferring or exporting dual-use goods and technology to Entity A, and from providing it with technical or financial assistance in connection with such goods and technology.
- (ii) During the Track Record Period, the UK has not imposed any sanctions on Entity A.

(f) Application to Entity B

- (i) The EU has imposed sanctions against Entity B pursuant to EC 2025/932, EC (CFSP) 2025/931 Ukraine List, 2025/395 Ukraine List, EC 2024/1745 Ukraine List, and EC (CFSP) 2024/1744 Ukraine List. All funds and economic resources belonging to Entity B within the EU are frozen. EU persons and entities are prohibited from making funds or economic resources available to or for the benefit of Entity B.
- (ii) During the Track Record Period, the UK has not imposed any sanctions on Entity B.

(g) Application to Entity C

- (i) During the Track Record Period, the EU and the UK have not imposed any sanctions with respect to Entity C.

(h) Application to Type D Entities

- (i) During the Track Record Period, the EU and the UK have not imposed any sanctions with respect to Type D Entities.

(i) Application to Type E Entities

- (i) During the Track Record Period, the EU and the UK have not imposed any sanctions with respect to Type E Entities.

(j) **Application to Entity F**

- (i) During the Track Record Period, the EU and the UK have not imposed any sanctions with respect to Entity F.

(k) **Application to Type G Entities**

- (i) During the Track Record Period, the EU and the UK have not imposed any sanctions with respect to Type G Entities.

(l) **Application to Entity H**

- (i) During the Track Record Period, the EU and the UK have not imposed any sanctions with respect to Entity H.

(m) **Application to Entity I**

- (i) During the Track Record Period, the EU has not imposed any sanctions with respect to Entity I.
- (ii) On May 20, 2025, the UK has designated Entity I as an “involved person” under the Russia (Sanctions) (EU Exit) Regulations 2019 on the following grounds: Entity I is or has been involved in destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine by providing goods or technology that could contribute to destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine. Entity I is subject to asset freeze, trust service sanctions and director disqualification sanctions effective from May 20, 2025.

(n) **Application to Entity J**

- (i) During the Track Record Period, the EU and the UK have not imposed any sanctions with respect to Entity J.

(o) **Application to Entity K**

- (i) During the Track Record Period, the EU and the UK have not imposed any sanctions with respect to Entity K.

(p) **Application to the Group**

- (i) 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 and the Relevant Entities 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) save for transactions with Entity B and Entity A (which did not represent a violation of the EU sanctions), the Group's activities involving the Relevant Regions and the Relevant Entities have

not identified any person specifically designated (i.e. listed/targeted) under any existing EU and UK sanctions regime;

- (3) the Group's transactions did not potentially fund or facilitate EU and/or UK sanctions-prohibited activity, nor grant any benefit towards any sanctioned person or entity;
- (4) the Group has not exported or directly or indirectly supplied 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 and the Relevant Entities have not breached the prohibitions or wider restrictions adopted by the EU, and the UK including those extended to the UK Overseas Territories.

(q) EU and UK export controls

- (i) 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.
- (ii) 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 Regions. 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 Regions.

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.

8. Australian Sanctions

8.1 Overview

- (a) 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**").
- (b) 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.
- (c) The ASO maintains the Consolidated List of all persons and entities designated for the purposes of sanctions regimes implemented under Australian sanction laws.
- (d) 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.
- (e) 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**").
- (f) The Act prohibits a person from engaging in conduct that is in breach of the sanctions laws.
- (g) 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.

- (h) 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.

8.2 Application to Hong Kong

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

8.3 Application to Russia (excluding specified regions in Ukraine)

- (a) Australia imposes an autonomous sanctions regime in relation to Russia/Ukraine pursuant to the UK Belarus Regulations and the Autonomous Sanctions (Russia, Crimea and Sevastopol) Specification 2015 (Cth) ("**Autonomous Sanctions Specification**").
- (b) 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 UK Belarus Regulations commencing on March 31, 2015 and February 24, 2022.
- (c) 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).
- (d) 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:

- (i) is a derivative product the value of which is linked to an underlying asset of a type mentioned in (iv); and
 - (ii) 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:

(i) 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

(ii) drawdowns or disbursements made under a contract concluded before July 28, 2017 if:

1. 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
2. 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);

- (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

- (3) the entry or transit to Australia of designated persons.

8.4 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.

8.5 Application to Turkey

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

8.6 Application to Entity A

- (a) During the Track Record Period, Australia has not imposed any sanctions with respect to Entity A.

8.7 Application to Entity B

- (a) During the Track Record Period, Australia has not imposed any sanctions with respect to Entity B.

8.8 Application to Entity C

- (a) During the Track Record Period, Australia has not imposed any sanctions with respect to Entity C.

8.9 Application to Type D Entities

- (a) During the Track Record Period, Australia has not imposed any sanctions with respect to Type D Entities.

8.10 Application to Type E Entities

- (a) During the Track Record Period, Australia has not imposed any sanctions with respect to Type E Entities.

8.11 Application to Entity F

- (a) During the Track Record Period, Australia has not imposed any sanctions with respect to Entity F.

8.12 Application to Type G Entities

- (a) During the Track Record Period, Australia has not imposed any sanctions with respect to Type G Entities.

8.13 Application to Entity H

- (a) During the Track Record Period, Australia has not imposed any sanctions with respect to Entity H.

8.14 Application to Entity I

- (a) During the Track Record Period, Australia has not imposed any sanctions with respect to Entity I.

8.15 Application to Entity J

- (a) During the Track Record Period, Australia has not imposed any sanctions with respect to Entity J.

8.16 Application to Entity K

- (a) During the Track Record Period, Australia has not imposed any sanctions with respect to Entity K.

8.17 Application to the Group

- (a) 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 the Relevant Entities; and
- (b) 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;
 - (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.

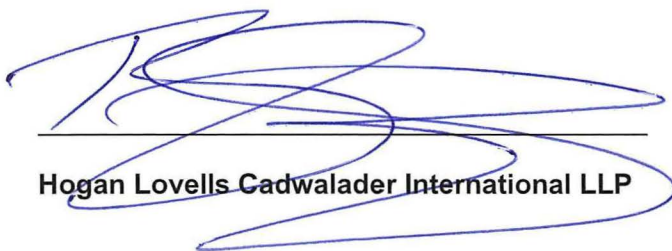
The conclusion stated in this memorandum is not binding on OFAC, the U.S. Department of State, the European Commission, the competent authorities of European Union Member States, Australia, or on any other regulatory or judicial authority, which have substantial discretion in determining whether to investigate 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.

This memorandum may also be disclosed for information only to (but not relied on by) the Joint Sponsors, the underwriter(s) of the Offering, the Stock Exchange, the Companies Registry, and within the period and in accordance with procedure specified in the Prospectus, 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 the 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.

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@hlc.com



Hogan Lovells Cadwalader International LLP