

Date: February 13, 2026

To: VOYAH Automotive Technology Co., Ltd.
China International Capital Corporation Hong Kong Securities Limited (the "Sole Sponsor")

From: Zhong Lun Law Firm

Re: 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 Zhong Lun Law Firm ("**Zhong Lun**" or "**we**") have acted as the international sanctions counsel to VOYAH Automotive Technology Co., Ltd. (the "**Company**") in connection with the proposed listing (by way of introduction) of, and permission to deal in, the H shares on the Stock Exchange of Hong Kong Limited (the "**HKEX**") of the Company (the "**Listing**").
- 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). For completeness, this memorandum also evaluates the potential impact of current U.S. tariff policies and outbound investment security program on the Group's business operations.
- 1.3 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 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.

"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 refer to the People's Republic of China ("**PRC**"), United States ("**U.S.**"), European Union ("**EU**"), United Nations ("**UN**"), Australia and the United Kingdom ("**UK**").

"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 Sole Sponsor, 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. For the purposes of this memorandum, Sanctioned Countries refer to the following countries or regions that are subject to a general and comprehensive export, import, financial or investment embargo: Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, Luhansk People's Republic ("**LNR**") and Donetsk People's Republic ("**DNR**").

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

"Sanctioned Trader" means any person or entity that does a material portion (10% or more) of its business with Sanctioned Targets and Sanctioned Country entities or persons.

"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.

- 1.4 This memorandum is provided for the purposes of the Listing only. And 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.
- 1.5 In preparing this memorandum, Zhong Lun reviewed the Company's responses to the "Due Diligence Question and Materials lists" and other follow-up questions and materials lists (collectively, the **"Question and Materials List"**), prepared by Zhong Lun, and related documents provided by the Company to Zhong Lun and the Company's other outside counsels. We also have conducted a screen of all customers, distributors, and suppliers that had transactions with the Group during the Track Record Period and as of the Latest Practicable Date (each as defined below). As to matters of other 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.
- 1.6 This memorandum provides an outline of International Sanctions for the purpose of the Chapter 4.4 Guide. We have identified the Group's business activities during the period from the years ended December 31, 2023, December 31, 2024, and December 31, 2025 (the **"Track Record Period"**) and the period from January 1, 2026 up to February 6, 2026 (the **"Latest Practicable Date"**).
- 1.7 This memorandum is based on the understanding and assumptions detailed herein. Zhong Lun relies on the completeness and accuracy of the information given to it by the Company. If any of the assumptions are incorrect, or any changes occur in or correction to the information given, the Company is recommended to inform Zhong Lun so that it can confirm the content of this analysis.
- 1.8 Our assessment in this memorandum also relies on the legal opinion given by licensed counsels from the PRC, U.S., UK and EU, specifically Zhong Lun Law Firm LLC as the U.S. counsel and Nishimura & Asahi Brussels as the UK and EU counsel. Full copies of these legal opinions are attached in the annex to this memorandum.
- 1.9 This memorandum is given only with respect to International Sanctions in force up to the date of this memorandum. Zhong Lun 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 and have no obligation to update this memorandum to reflect any change in International Sanctions or their application 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 the procedures and analysis set out below, Zhong Lun is of the view that the Company:

- (a) During the Track Record Period and as of the Latest Practicable Date, the Group did not engage in any Primary Sanctioned Activity, as there were no activities in, with, or for the direct or indirect benefit of, or involving the property or interests in property of, a Sanctioned Country or Sanctioned Target, which violated the applicable sanctions laws or regulations. This includes activities undertaken by the Company or any of its subsidiaries incorporated or located in a Relevant Jurisdiction (where applicable), or otherwise having a nexus to such jurisdiction. Accordingly, the Group does not appear to have violated applicable sanctions laws or regulations in the Relevant Jurisdictions that could create any material sanctions risk for the Relevant Persons. In assessing materiality, both the likelihood of sanctions being imposed and the severity of potential sanctions have been taken into account;
- (b) During the Track Record Period and as of the Latest Practicable Date, the Group sold products to Russia and Belarus indirectly through China Dongfeng Motor Industry Import & Export Co., Ltd. ("**DFMIEC**"), which may be captured by the extraterritorial provisions of Relevant Jurisdictions' sanctions laws or regulations. In particular, although the U.S. identified Russia's "transportation sector" (which includes automobile sales) under E.O. 14024 as an industry where participants could face designation risk by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC), it has clarified via Frequently Asked Questions (FAQs No. 887)¹ that industry designation under E.O. 14024 does not automatically impose

¹ See question FAQ No.887 "E.O. 14024 provides for blocking sanctions on persons operating in the technology sector or the defense and related materiel sector of the Russian Federation economy, or any other sectors determined by the Secretary of the Treasury, in consultation with the Secretary of State. The identification of a sector pursuant to E.O. 14024 provides notice that persons operating in the identified sector are exposed to sanctions risk; however, such identification does not automatically block all persons operating in the sector. Only persons designated pursuant to E.O. 14024 for operating in the defense and related

sanctions on all operators, with designations limited to persons specifically determined by U.S. authorities to be operating in such industries. As of the Latest Practicable Date, neither the Group nor DFMIEC has been designated under E.O. 14024. Additionally, DFMIEC has implemented risk compliance measures, including contractual sales scope stipulations and requirements for distributors to undertake to comply with the compliance-related content of the agreement. Consequently, the risk of secondary sanctions related to such sales is immaterial, and the U.S. secondary sanctions risk that could create any material sanctions risk for the Relevant Persons is low;

- (c) The Group has not been designated as a Sanctioned Target, nor is it located, incorporated, organised or resident in a Sanctioned Country;
- (d) The Group is not a Sanctioned Trader because it did not derive a material portion of its revenue (10% or more) during the Track Record Period and as of the Latest Practicable Date from business activities with Sanctioned Country entities or persons, or with Sanctioned Targets. In fact, the U.S. military-related sanctions lists are not applicable to the Group's business, and the Group has had no transactions with any Sanctioned Targets; and
- (e) None of the business dealings of the Group during the Track Record Period and as of the Latest Practicable Date is subject to material risks under the export control regulations of the Relevant Jurisdictions.

2.2 During the Track Record Period and as of Latest Practicable Date, no material sanctions risks are present, the Company and/or its shareholders are not required to make undertakings pursuant to the Chapter 4.4 Guidance.

3. **Executive Summary**

3.1 The Company is a premium intelligent NEV brand and focuses on developing a user-centric technology enterprise through integrated full-cycle technological and user ecosystem services. During the Track Record Period and as of the Latest Practicable Date, the Company sold its new energy vehicles: VOYAH FREE, VOYAH DREAM, VOYAH PASSION, VOYAH COURAGE overseas indirectly through DFMIEC.

3.2 **PRC**

material sector of the Russian economy (or any other sector identified under the E.O.) are subject to blocking sanctions and will appear on the SDN List.”
<https://ofac.treasury.gov/faqs/topic/6626#:~:text=14024%20provides%20for%20blocking%20sanctions%20on%20persons,identification%20of%20a%20sector%20pursuant%20to%20E.O.>

- (a) On the basis of our due diligence conducted and the Company's confirmations that:
- (i) none of the Group's activities, transactions, or counterparties involved individuals or entities designated under sanctions or restrictive measures adopted by the competent authorities of the People's Republic of China, and neither the Company nor its affiliates, agents, directors, officers, or employees has been listed on, or conducted business with, any parties subject to such measures;
 - (ii) none of the Group's activities required licenses or approvals under the Export Control Law of the PRC, as the products supplied to the Relevant Regions (as defined below) do not fall under the PRC dual-use items catalogue, military items list, or nuclear export control list;
 - (iii) no transactions were entered into by the Group that would have violated China's prohibitions on participation in or enforcement of foreign discriminatory restrictive measures against Chinese persons; and
 - (iv) The Group has implemented compliance screening measures, including automated screening through the procurement system as well as manual identification, to detect counterparties that may present potential sanctions compliance risks. For each transaction, the Group conducts manual reviews covering the transaction content, the scope of cooperation, the items involved, the intended use of products, the target markets, and the customers, in order to ensure that no activities are undertaken in violation of applicable PRC sanctions requirements.
- (b) Zhong Lun's assessment, based on a review of the materials provided by the Company, is that the Group's business activities do not fall within the scope of restrictive measures adopted under PRC sanctions law, and the risk of the Group's business activities to be viewed as violating the PRC Export Control Law or related regulations is low.

3.3 United States

- (a) On the basis of our due diligence conducted and the Company's confirmations that no employees with U.S. nationality (including U.S. permanent residency) participate in the Group's business decision-making (including participation through forms such as email approval and IT system approval);
- (b) During the Track Record Period and as of the Latest Practicable Date, according to our due diligence conducted and the Company's confirmation that (i) the Group does not use parts, materials, instruments, equipment, software or technology of

U.S. origin in the production and manufacturing process of its products; (ii) the Group is not involved in establishing data centers, test sites in the United States, or conducting cooperative R&D with local universities/scientific research institutions in the United States; and (iii) the Group has no ongoing or completed cooperation projects or investments in the U.S.

- (c) As the main functional attribute of the Group's products is civilian passenger vehicles, during the Track Record Period and as of the Latest Practicable Date, the Group's products have no connection related to end-users or end-uses in the military field, because: (i) the Company has provided a sample of Letter of Compliance Assurance, which requires the DFMIEC to ensure that the transactions comply with applicable export control and sanctions regulations (including export control and economic sanctions laws and regulations of China, the European Union, the United States and other countries/regions); (ii) the Company has provided a sample of the DISTRIBUTION AGREEMENT signed between the DFMIEC and its overseas distributors. The agreement clearly stipulates that overseas distributors may appoint sub-distributors within the designated region to sell the products; however, any sub-license shall comply with the laws of the region, and the overseas distributor shall fully inform DFMIEC of the details of its sales network and ensure that the distributors selling products within the region meet or comply with the requirements and conditions put forward by the manufacturer from time to time. It also explicitly states that overseas distributors shall not directly or indirectly sell the products to any legal person or individual not residing in the region (including sellers), if the overseas distributor knows or has reasonable grounds to know that the products will be resold to any individual not residing in the region and exported outside the region; (iii) no evidence indicating otherwise was found during our due diligence; and (iv) to the best knowledge of DFMIEC, there is no indication that the Group's products have been supplied to military end-user or end-use.
- (d) Regarding the Group's overseas sales, on the basis of our due diligence conducted and the Company's confirmations that during the Tracking Record Period and as of the Latest Practicable Date, the Group is not involved in the direct sale of products to overseas markets. Instead, overseas sales were conducted indirectly through DFMIEC to overseas countries.
- (e) As of the Latest Practicable Date, among the countries where the Group had sold products overseas through DFMIEC, revenue from exports to the Relevant Regions contributes individually and collectively to less than 10% of the Group's global revenue. And the Company has not identified any payments in U.S. dollars related to any Sanctioned Countries or any persons on the sanctioned lists during the Track Record Period and as of the Latest Practicable Date.

- (f) During the Track Record Period and as of the Latest Practicable Date, none of the Group's other customers (including distributors) or suppliers have been included in U.S. export control and sanctions lists, except that one of the Group's suppliers has been included in the Entity List and three of the suppliers/customers have been included on the CMIC List and CMC List. Notwithstanding the above, the Group's business does not involve transactions with the aforementioned listed suppliers/customer that are subject to U.S. military-related sanctions (e.g., restrictions on military-end use or military-related technology transfers). Therefore, U.S. military-related sanctions lists (including the CMIC List and CMC List) are not applicable to the Group's business operations.
- (g) For the Company's cooperation with the supplier listed on the Entity List and the subsequent cooperation with its affiliated entity which is not listed on the Entity List (in 2024, the supplier designated its affiliated entity ("**Affiliated Entity**") as the successor entity to take over the supplier's relevant businesses, personnel, and assets under the aforementioned procurement-related contracts, and to continue performing the agreements between the Company and this supplier.), during the Track Record Period and as of the Latest Practicable Date, based on the information provided by the Company and our due diligence conducted, the cooperation between them does not violate any applicable export control laws and regulations because:
- (i) Based on the Company's confirmation and our due diligence, the products to be procured from such suppliers are not fall within the scope of items prohibited under Guidance on the Application of General Prohibition 10 (GP10) pertaining to advanced-computing integrated circuits (ICs) of the People's Republic of China. The Company has confirmed that these components are manufactured domestically within the PRC and do not incorporate U.S.-origin hardware, software, or technology that would trigger jurisdiction under the EAR, the de minimis rule or the FDPR. Further, the procurement is conducted entirely within the PRC and is not settled in U.S. dollars through U.S. financial institutions. Accordingly, in the absence of a U.S. jurisdictional nexus (either through U.S.-origin content or U.S. dollar clearing), and given the nature of production and products, the procurement of such components from the supplier listed on the Entity List and subsequently from Affiliated Entity does not, in our view, give rise to a violation of U.S. export control or sanctions laws.
- (h) Regarding the Group's indirectly sales to Russia, the Group and DFMIEC had not been designated under E.O. 14024, nor was any Chinese automobile manufacturers being designated under this order. While E.O. 14024 identifies Russia's

"transportation sector" as one where participants may face OFAC designation risk, and the Group's auto sales to Russia via DFMIEC could lead OFAC to consider it operating in this sector, OFAC has clarified via FAQs that industry designation under E.O. 14024 does not automatically sanction all industry participants and only those determined by relevant U.S. authorities to operate in OFAC-identified industries will be designated.

- (i) With respect to Group's product sales to Belarus, as U.S. sectoral sanctions targeting Belarus focus on defense and related materiel sector, security sector, energy sector, potassium chloride (potash) sector, tobacco products sector, construction sector, or transportation sector of the economy, passenger vehicles and related consumer automotive products currently are not among the sectors or activities subject to these restrictions. Further, although the BIS has implemented a series of stringent export controls that restrict Russia's access to the technologies and other items that it needs to sustain its brutal attack on Ukraine, which also apply to Belarus in response to its substantial enabling of Russia's destabilizing conduct, passenger vehicles and related consumer automotive products currently are not among the sectors or activities subject to these restrictions. Accordingly, the Group's sale of automobiles into Belarus has no nexus to sanctioned parties or restricted end-uses, and they do not involve common high-priority items; therefore, such sale should not be regarded as prohibited transactions under current U.S. sanctions programs.
- (j) With respect to Group's product sales to Turkey, as U.S. sanctions applicable to Turkey have historically been limited, which are largely directed at specific defense procurements and persons or entities associated with designated activities, passenger vehicles and related consumer automotive products currently are not among the sectors or activities subject to these restrictions. Accordingly, the Group's sale of automobiles into Turkey has no nexus to sanctioned parties or restricted end-uses; therefore, such sale should not be regarded as prohibited transactions under current U.S. sanctions programs.
- (k) Moreover, on the basis of our due diligence conducted and the Company's confirmations, that the Group does not use any proportion of U.S.-origin parts, components, or materials in the Group's products that would cause material enforcement risks under U.S. export controls; does not produce or export any of the Group's products from the U.S.; does not supply, sell, export or transfer products otherwise controlled under U.S. export controls or are otherwise restricted for transfer, either directly or indirectly, from the U.S. (or by U.S. persons) to, or for use, in any third country;

- (l) The Group takes sanctions compliance seriously and has implemented the following measures:
- (i) The Group has implemented compliance screening measures, including automated screening through the procurement system as well as manual identification, to detect counterparties that may present potential sanctions compliance risks. For each transaction, the Group conducts manual reviews covering the transaction content, the scope of cooperation, the items involved, the intended use of products, the target markets, and the customers, in order to ensure that no activities are undertaken in violation of applicable U.S. sanctions requirements.
 - (ii) The Company has provided us with data regarding the annual export sales volume of its products by country, which indicates that the Company has sold products to the Relevant Regions. The Company has provided a sample of the DISTRIBUTION AGREEMENT signed between DFMIEC and its overseas distributors. The agreement clearly stipulates that overseas distributors may appoint sub-distributors within the designated region to sell the products; however, any sub-license shall comply with the laws of the region, and the overseas distributor shall fully inform DFMIEC of the details of its sales network and ensure that the distributors selling products within the region meet or comply with the requirements and conditions put forward by the manufacturer from time to time. It also explicitly states that overseas distributors shall not directly or indirectly sell the products to any legal person or individual not residing in the region (including sellers), if the overseas distributor knows or has reasonable grounds to know that the products will be resold to any individual not residing in the region and exported outside the region.
 - (iii) In addition, the Company has provided a sample of the Letter of Compliance Assurance, which requires the DFMIEC to ensure that the transactions comply with applicable export control and sanctions regulations (including export control and economic sanctions laws and regulations of China, the European Union, the United States and other countries/regions). The Company has also provided us with a sample of the "Model Clauses on Economic Sanctions Compliance" between DFMIEC and its overseas distributors, which requires the overseas distributors to state and warrant that neither themselves, nor their shareholders, nor their ultimate controllers have been included in any sanctions lists; it also specifies the relevant handling measures, liability division and other provisions for both parties in case any economic

sanctions occur during the term of the agreement, leading to risks in the performance of the contract.

- (m) Given above, Zhong Lun's assessment is that: (i) the Group has not violated applicable sanctions laws or regulations in the U.S. that could create any material primary sanctions risk for the Relevant Persons; (ii) given that DFMIEC has established certain risk compliance measures, including stipulating the sales scope in contracts and requiring distributors to undertake to comply with the compliance-related content of the agreement, etc., the risk of the Group and other Relevant Persons becoming subject to U.S. secondary sanctions is low; (iii) none of the business dealings of the Group during the Tracking Record Period and as of the Latest Practicable Date is subject to material risks under the export control regulations of the U.S., e.g. Zhong Lun's assessment is that the risk of the Group becoming subject to U.S. export control regulations is low.

3.4 UN

- (a) On the basis of our due diligence process and review of the information provided by the Group together with the Company's confirmation that:
 - (i) The Group has implemented compliance screening measures, including automated screening through the procurement system as well as manual identification, to detect counterparties that may present potential sanctions compliance risks. For each transaction, the Group conducts manual reviews covering the transaction content, the scope of cooperation, the items involved, the intended use of products, the target markets, and the customers, in order to ensure that no activities are undertaken in violation of applicable UN sanctions requirements.
 - (ii) During the Tracking Record Period and as of the Latest Practicable Date, none of the suppliers or customers of the Group have been included in the relevant UN sanctions lists.
- (b) On the basis of the above confirmations by the Company and our understanding of the nature of the Group's products formed by our due diligence process, our assessment is that the Group's business activities should not be subject to UN sanctions or are otherwise restricted from UN during the Track Record Period and as of the Latest Practicable Date.

3.5 European Union and UK

- (a) On the basis of our due diligence conducted and review of information provided by the Group together with the Company's confirmations that:

- (i) all activities involving the Relevant Regions were negotiated, entered into and performed without any involvement (including in any approval or decision-making capacity) by any national of, or entity incorporated, domiciled, or otherwise located in either the territories of the EU or the UK. While the Group employs an Italian national, this individual is a non-decision-making employee;
 - (ii) the Company has not registered or invested in any entity within the EU or the UK, and has no employees who are EU or UK persons;
 - (iii) the Company's activities are limited to the sales of new energy vehicles and related parts, primarily through DFMIEC as an intermediary exporter, including indirect sales into EU Member States (such as Bulgaria, the Netherlands, Italy, Denmark, Slovakia, Portugal, Spain, Germany, Latvia, Greece, and Slovenia). None of DFMIEC's distributors in these jurisdictions are designated sanctions targets;
 - (iv) neither the Company nor any of its affiliates, agents, directors, officers, or employees has or is engaged in transactions, business or financial dealings that directly or indirectly involve or benefit a person or entity listed under EU or the UK sanctions, or has or is engaged in any other activity subject to restrictions under sectoral EU and/or UK sanctions;
 - (v) the Company has not been, directly or indirectly, involved in the export from the EU and/or the UK 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; and
 - (vi) the Group has implemented compliance screening measures, including automated screening through the procurement system as well as manual identification, to detect counterparties that may present potential sanctions compliance risks. For each transaction, the Group conducts manual reviews covering the transaction content, the scope of cooperation, the items involved, the intended use of products, the target markets, and the customers, in order to ensure that no activities are undertaken in violation of applicable the UK and/or the EU sanctions requirements.
- (b) Zhong Lun's assessment, based on the above, is that the risk of violating EU and UK sanctions measures and export controls as applicable during the Tracking Record Period and as of the Latest Practicable Date is low.

3.6 **Australia**

- (a) We have reviewed the Group's full supplier and customer lists. During the Track Record Period and up to the Latest Practicable Date, the Group has no customers or suppliers that is listed in Australia's sanctions lists.
- (b) On the basis of information provided by the Company that (i) none of the Group or its affiliates is a relevant Australian person or uses an Australian flag vessel or aircraft to transport goods or transact services subject to UN sanctions, (ii) none of the Group's activities is conducted within the territory of Australia, and (iii) the Group does not engage in transactions involving products or services that are restricted under Australian export controls, the restrictions under Australian sanctions measures as applicable during the Track Record Period would not apply to the Group's business activities within the Relevant Jurisdictions.

3.7 Compliance Measures

- (a) Based on the Company's "Self-Assessment Report on Export Control and Economic Sanctions Compliance System" dated September 23, 2025, and the "Summary and Effect Outlook Report on the Development of Voyah's Export Control and Economic Sanctions Compliance Program" issued by external legal counsel via email, the Company has established a compliance program concerning export controls and economic sanctions covering eight key elements. This program is comprehensive in content, complete in structure, and highly operable.
- (b) In practice, the Company has implemented a range of compliance measures, including counterparties screening and retrospective reviews, oversight of both externally procured and self-developed items, and the adoption of specific operational guidelines governing core business functions such as procurement and research and development. The Company is in the process of further strengthening its compliance program, with particular emphasis on the digitalization of key compliance procedures, the establishment of comprehensive automated screening mechanisms covering high-risk business activities, and the development of a centralized item database to enhance the overall efficiency of compliance management. In parallel, by way of annual compliance training and the periodic revision of internal policies and systems, the Company seeks to ensure the ongoing robustness and effectiveness of its compliance program.
- (c) Based on the above, our assessment is that the Company's current compliance program is adequate and effective.

4. Documents and Information Provided by the Company

4.1 In preparing this memorandum, we have:

- (a) prepared the *Due Diligence Question and Materials lists* and reviewed the Company's responses to such questionnaire (as well as related supporting materials) provided to us on August 29, 2025, and subsequent dates.
- (b) prepared the *Interview Questions List* and reviewed the Company's responses in writing to such questionnaire (as well as related supporting materials) provided to us on September 4, 2025, and subsequent dates.
- (c) subject to the limitations set out at the end of this memorandum, reviewed the customer and supplier lists for the Track Record Period and as of the Latest Practicable Date and conducted sanctions screening of all of the Group's customers (including distributors, and financial institution), and suppliers (together as "**Screened Counterparties**").
- (d) reviewed the responses and documents provided by the Company, as well as the explanations given by the Company during the conference call regarding its business model with DFMIEC, including but not limited to the payment methods (i.e., financial institutions involved and the currencies used for DFMIEC's overseas sales and the corresponding payments made to the Company).
- (e) reviewed the responses provided by the Company addressing additional specific questions in respect of its business activities conducted in Relevant Regions, which we received on various dates during our analysis of the subject matter of this memorandum.
- (f) reviewed the materials provided by the Company and its other outside counsel instructed by the Company.
- (g) reviewed the Company's prospectus prepared in connection with the proposed Listing, as amended and updated;
- (h) conducted numerous conference calls with the Company to most efficiently address our sanctions due diligence queries.

5. **Company Background**

- 5.1 VOYAH Automotive Technology Co., Ltd. was incorporated in the People's Republic of China on June 26, 2021. The Company is a premium intelligent NEV brand and focuses on developing a user-centric technology enterprise through integrated full-cycle technological and user ecosystem services. The Company's main products are new energy vehicles.
- 5.2 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.

5.3 The Company has confirmed that none of its, its subsidiaries, or the Group's Directors or Shareholders is a U.S., EU, Australia or UK national.

5.4 The following table sets out the information regarding Directors of VOYAH Automotive Technology Co., Ltd.

Title	Name	Nationality
Chairman of the Board	LU FANG	CHINA
Director	JIANG TAO	CHINA
Director	LIAO XIANZHI	CHINA
Director	YANG YANDING	CHINA
Director	HU XIAO	CHINA
Director	FU BINGFENG	CHINA
Director	YANG YONG	HONG KONG,CHINA
Director	XIN DINGHUA	HONG KONG,CHINA
Director	QINJIE	CHINA

5.5 During the Track Record Period and as of the Latest Practicable Date:

- (a) The Group's customers include both distributors and direct end users.
- (b) The Group has confirmed that all its products comply with applicable export control requirements of the United States, the United Kingdom, the European Union and the PRC.

5.6 During the Track Record Period and as of the Latest Practicable Date, the Company has confirmed that the Group did not directly sold products to customers and end users located outside the PRC. Instead, overseas sales were conducted indirectly through DFMIEC to overseas countries including the Russia, Norway, Uzbekistan, Israel, Azerbaijan, Slovakia, United Arab Emirates (UAE), Qatar, Belarus, Saudi Arabia, Armenia, Germany, Italy, Netherlands, Kazakhstan, Latvia, Slovenia, Denmark, Turkmenistan, Bulgaria, Egypt, Mongolia, Switzerland, Portugal, Jordan, Panama, Spain, Angola, Ecuador, Palestine, Nigeria, Turkey, Laos, Kuwait, Cambodia, Costa Rica, Philippines, Greece, Japan. Among them, the countries below are subject to various forms of sanctions programs implemented by the Relevant Jurisdiction(s): Russia, Belarus and Turkey ("**Relevant Regions**").

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

Year/Period Ended	Consolidated revenues attributable to Russia (excluded applicable tax, RMB)	Percentage of the Group's total revenues (%)
Year ended December 31, 2023	570,954,926.4	4.48
Year ended December 31, 2024	731,835,054.5	3.78
Year ended December 31, 2025	1,463,736,614	4.20

Year/Period Ended	Consolidated revenues attributable to Belarus (excluded applicable tax, RMB)	Percentage of the Group's total revenues (%)
Year ended December 31, 2023	/	/
Year ended December 31, 2024	73,269,911.5044248	0.38
Year ended December 31, 2025	94,613,407.08	0.27

Year/Period Ended	Consolidated revenues attributable to Turkey (excluded applicable tax, RMB)	Percentage of the Group's total revenues (%)
Year ended December 31, 2023	3,787,557.52212389	0.03
Year ended December 31, 2024	238,761.061946903	<0.01
Year ended December 31, 2025	/	/

- 5.8 Based on the "Strategic Cooperation Framework Agreement" signed by the Company and DFMIEC provided by the Company, as well as the Company's explanation, the Company does not sell products directly to overseas markets. Instead, it sells products to DFMIEC, which then sells the products to overseas markets on its own. The specific business model is as follows: The Company provides electric vehicle products that meet the needs of target markets outside the PRC to DFMIEC. As the sole overseas representative of the Company's products, DFMIEC supplies the Company's products to overseas customers through its distribution network. Specifically, after receiving a written order from DFMIEC, the Company shall complete the production of products within the agreed time limit and deliver them to the domestic ports or stations designated by DFMIEC. The Company provides assistance in after-sales services for the products, according to the Strategic Cooperation Framework Agreement. The Company has confirmed that the Group settles transactions in Renminbi (RMB), and its primary banks are all domestic banks in the PRC, and No U.S. dollar-denominated transactions are involved.
- 5.9 Regarding the fact that DFMIEC sells products to Russia and Belarus and other Relevant Regions, the Company has provided a sample of the DISTRIBUTION AGREEMENT signed between DFMIEC and its overseas distributors. The agreement clearly stipulates that overseas distributors may appoint sub-distributors within the designated region to sell the products; however, any sub-license shall comply with the laws of the region, and the overseas distributor shall fully inform DFMIEC of the details of its sales network and ensure that the distributors selling products within the region meet or comply with the requirements and conditions put forward by the manufacturer from time to time. It also explicitly states that overseas distributors shall not directly or indirectly sell the products to any legal person or individual not residing in the region (including sellers), if the overseas

distributor knows or has reasonable grounds to know that the products will be resold to any individual not residing in the region and exported outside the region.

6. PRC Sanctions: Economic Sanctions and Export Controls

6.1 PRC Economic Sanctions

(a) Overview

- (i) China does not maintain a system of country-wide comprehensive sanctions comparable to the United States or the European Union. Instead, the Chinese sanctions framework primarily relies on (1) the Anti-Foreign Sanctions Law, (2) the Regulations on the Unreliable Entity List, and (3) targeted sanctions designations announced by the Ministry of Foreign Affairs (“MOFA”) or other competent authorities.
- (ii) These measures are generally aimed at responding to foreign sanctions and safeguarding China’s sovereignty, security, and development interests. While narrower in scope than U.S. or EU sanctions, they can directly restrict dealings with designated foreign individuals or entities, and may expose other actors to civil, administrative, or criminal liabilities if they assist in implementing foreign discriminatory measures against Chinese persons.

(b) Analysis

- (i) On the basis of our due diligence conducted and the Company’s confirmations that:
 - (A) none of the Group’s activities, transactions, or counterparties involved individuals or entities designated under sanctions or restrictive measures adopted by the competent authorities of the PRC, and neither the Company nor its affiliates, agents, directors, officers, or employees has been listed on, or conducted business with, any parties subject to such measures; and
 - (B) no transactions were entered into by the Group that would have violated China’s prohibitions on participation in or enforcement of foreign discriminatory restrictive measures against Chinese persons.
- (ii) Zhong Lun’s assessment, based on a review of the Company’s materials, is that the Group’s business activities do not fall within the scope of restrictive measures adopted under PRC sanctions law, and the risk of the

Group's business activities to be viewed as violating the PRC sanction law or related regulations is low.

6.2 PRC Export Controls

(a) Overview

- (i) The Export Control Law of the PRC establishes China's unified export control regime covering dual-use items, military items, nuclear items, and other goods, technologies, and services related to national security or international obligations. Controlled activities include export, re-export, deemed export, and transfer through Chinese territory.
- (ii) China maintains the Catalogue of Controlled Dual-Use Items and Technologies, aligned with international non-proliferation regimes. In addition to listed items, the law allows for "temporary controls" on unlisted items and also prohibits exports where the exporter "knows or should know" the items may be used for weapons of mass destruction, terrorism, or other end-uses contrary to national security or international obligations.
- (iii) Exporters must obtain licenses from the Ministry of Commerce of the People's Republic of China ("MOFCOM") or other designated authorities for controlled items. Licensing decisions may consider national security, international obligations, and risk of diversion. Exporters are required to implement internal compliance programs, maintain transaction records, and conduct end-user/end-use due diligence.

(b) Analysis

- (i) On the basis of our due diligence conducted and the Company's confirmations that none of the Group's activities required licenses or approvals under the Export Control Law of the PRC, as the products supplied to the Relevant Regions do not fall under the PRC dual-use items catalogue, military items list, or nuclear export control list.
- (ii) Zhong Lun's assessment, based on a review of the materials provided by the Company, the risk of the Group's business activities to be viewed as violating the PRC Export Control Law or related regulations is low.

7. U.S. Sanctions and Export Controls

7.1 U.S. Economic Sanctions

(a) Overview of U.S. economic sanctions

The assessment is potentially subject to two categories of U.S. economic sanctions:

- (i) "Primary" U.S. sanctions, which are applicable to "U.S. persons" or to activities with a U.S. nexus (for example, financial transactions conducted in U.S. dollars or dealings involving U.S.-origin goods, software, technology, or services, even if executed by non-U.S. persons);
- (ii) "Secondary" U.S. sanctions, which are enforced extraterritorially against the activities of non-U.S. persons, including in instances where the transaction possesses no U.S. nexus.

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

- (i) OFAC is responsible for administering U.S. sanctions programs targeting specific countries, entities, and individuals. These economic sanctions, which are designed to advance the foreign policy objectives of the United States, differ significantly across various programs. Correspondingly, OFAC possesses broad discretion to interpret and enforce its regulations in accordance with the U.S. Government's foreign policy goals.
- (ii) Following the imposition of U.S. economic sanctions against a particular country, entity, or individual, U.S. law generally prohibits (with limited exceptions not applicable here) U.S. companies and U.S. persons from engaging in transactions with or providing nearly any goods or services for the benefit of, the sanctioned target. Depending on the specific sanctions program and/or the parties involved, U.S. law may further require a U.S. company or U.S. person to "block" (i.e., freeze) any assets or property interests that are owned, controlled, or held for the benefit of a Sanctioned Country, entity, or individual, provided such assets are located in the United States or within the possession or control of a U.S. person. A "blocked" asset is subject to a prohibition on all related transactions - including payments, conferring benefits, provision of services, or any other form of dealing or performance (under contracts/agreements) - unless specifically authorized by an OFAC license.

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

(A) In general, U.S. economic sanctions apply to "U.S. persons". The term "U.S. persons" includes:

(aa) entities organized under U.S. Law (such as U.S. companies and their U.S. subsidiaries);

(bb) any U.S. company's domestic and foreign branches;

- (cc) any individual who is a U.S. citizen or permanent resident alien ("green card" holder), regardless of his or her location in the world;
 - (dd) any individual, regardless of his or her nationality, who is physically present in the United States; and
 - (ee) U.S. branches or U.S. subsidiaries of non-U.S. companies.
- (B) U.S. persons are further prohibited from approving, assisting, financing, guaranteeing, or in any other manner "facilitating" activities by a non-U.S. person that would constitute a violation of OFAC sanctions if performed by a U.S. person.
- (C) The concept of facilitation is interpreted broadly. In general, a U.S. person is barred from facilitating in any manner the activities of a third party involving a Sanctioned Country or a sanctioned person if the U.S. person is itself prohibited from directly engaging in the underlying activity. This prohibition commonly arises in the context of relationships between parent companies and their subsidiaries or among affiliates, where one entity is subject to jurisdictional compliance requirements and the other is not. The issue may also be present in dealer/sub-dealer relationships, where the dealer relies on support from its supplier or 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:
- (aa) 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 Iran or the Government of Iran without the approval of the United States person, where such transaction previously required approval by the United States person and such transaction by the foreign affiliate would be prohibited by this part if performed directly by a United States person or from the United States;
 - (bb) Refers to a foreign person purchase orders, requests for bids, or similar business opportunities involving Iran or the Government of Iran to which the United States person could not directly respond as a result of the prohibitions contained in this part; or

(cc) 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 United States person or from the United States.

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

(A) Primary U.S. sanctions programs are categorized into two types – country-based programs (which are territorial in scope) and list-based programs (which are non-territorial, as they do not apply to an entire country or all its territory). Violations of either category of primary U.S. sanctions program may result in "strict" civil liability (not based on a negligence standard), for which fines and penalties can be imposed. Additionally, willful violations may lead to criminal liability, punishable by imprisonment and heightened fines.

(aa) *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 engaging in any dealings with Sanctioned Countries and their governments, as well as with any individuals or entities within those countries or territories. Presently, the United States enforces comprehensive sanctions against: Cuba, Iran, North Korea, the Crimea region of Ukraine, and the so-called Luhansk People's Republic (LPR) or Donetsk People's Republic (DPR) regions. Typically, comprehensive country sanctions forbid transactions with, or the provision of services in, from, or for the benefit of the targeted country or any person or entity located therein. Nevertheless, these comprehensive country sanctions may also extend to transactions occurring outside the country (for instance, by restricting dealings in goods or services originating from a Sanctioned Country, or with individuals who are ordinarily resident in the Sanctioned Country).

ii. Limited sanctions programs forbid U.S. persons from involvement in specific categories of transactions with

sanctioned countries and/or governments, such as the provision of certain services, financing, investments, exports, and/or imports. The scope of prohibited activities differs across programs and is generally not as extensive (for example, such programs do not typically target all activities with every person or entity in that country). Currently, the U.S. government maintains limited sanctions programs concerning countries including but not limited to Iraq and Libya, and OFAC has promulgated a range of general licenses authorizing various activities.

(bb) *List-based sanctions programs.* In addition to country-based sanctions programs, primary U.S. sanctions encompass list-based sanctions that forbid U.S. persons from engaging in or facilitating dealings with individuals, entities, and organizations designated as Specially Designated Nationals (SDNs) by OFAC for various reasons. Although certain programs incorporate a specific country's name in their title (e.g., Belarus, Central African Republic, Lebanon, Somalia, South Sudan, Yemen), these sanctions are non-territorial in scope and do not apply to the entire country. They do not target the government in its entirety nor all persons and entities within the country. Instead, the restrictions apply solely to persons and entities listed on the SDN List, which may include certain government officials or other parties designated for various reasons (the restrictions also extend to entities owned 50 percent or more, in the aggregate, by one or more designated SDNs). The identities of these designated parties are published on the OFAC SDN List and include persons or entities targeted for reasons including, but not limited to terrorists and terrorist organizations, narcotics traffickers, persons involved in the proliferation of weapons of mass destruction and other threats to the national security, foreign policy or economy of the United States.

(cc) 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://sanctionssearch.ofac.treas.gov/>.

(v) **Application to Russia**

- (A) The U.S. government's sanctions regime targeting Russia centers on four core, interrelated programs—namely the Russian Harmful Foreign Activities Sanctions, Ukraine-/Russia-related Sanctions, Countering America's Adversaries Through Sanctions Act of 2017 (CAATSA), and Magnitsky Sanctions. The Russia-related Sanctions program represents the implementation of multiple legal authorities. Some of these authorities are in the form of an executive order issued by the President. Other authorities are public laws (statutes) passed by The Congress. These authorities are further codified by OFAC in its regulations which are published in the Code of Federal Regulations (CFR). Modifications to these regulations are posted in the Federal Register.
- (B) The U.S. President has issued multiple Executive Orders, including Executive Orders 13660 (March 6, 2014), 13661 (March 16, 2014), 13662 (March 20, 2014), 13685 (December 19, 2014), 13849 (September 20, 2018), 13883 (August 1, 2019), 14024 (April 15, 2021), 14039 (August 20, 2021), 14065 (February 21, 2022), 14066 (March 8, 2022), 14068 (March 11, 2022), 14071 (April 6, 2022) and Executive Order 14114 (December 22, 2023). These orders determine that the actions and policies of the Government of the Russian Federation—including its purported annexation of Crimea, use of force in Ukraine, and purported recognition of the so-called Donetsk People's Republic (DPR) and Luhansk People's Republic (LPR) regions of Ukraine—undermine democratic processes and institutions in Ukraine; threaten its peace, security, stability, sovereignty, and territorial integrity; and contribute to the misappropriation of its assets, thereby constituting 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, directly or indirectly, 50 percent or more by one or more SDNs), a comprehensive trade embargo on the Crimea, DPR, and LPR regions, prohibitions on the importation into the United States of Russian-origin fish, seafood, alcoholic beverages, non-industrial diamonds,

and other products as may be determined by the U.S. Government, a prohibition on the importation of Russian-origin oil, petroleum products, natural gas, and coal, a prohibition on new investment in the Russian energy sector or other sectors as designated by the U.S. Government by U.S. persons, a prohibition on the direct or indirect supply of luxury goods as defined by the U.S. Government, a broader prohibition on new investment in the Russian Federation by U.S. persons, and more targeted restrictions (referred to as "sectoral sanctions") on certain types of dealings with designated parties operating in specific sectors of the Russian economy, including the financial, energy, and defense sectors (including entities owned 50 percent or more by them, directly or indirectly, individually or in the aggregate).

- (C) With certain exceptions, U.S. persons are prohibited from engaging in transactions with certain Russian persons and entities identified on OFAC's SDN List (or entities owned by them, as specified above); from dealing in any property located in the United States or within the possession or control of a U.S. person in which any SDN has an interest; and from making any new investment in or exporting to or importing from the Crimea, DPR, or LPR regions any product, service, or technology.
- (D) Under the authority of Executive Order 13662 ("**EO 13662**") and the Ukraine-Related Sanctions Regulations ("**URSR**"), OFAC established financial restrictions targeting entities operating in specific sectors of the Russian economy. These restrictions are applicable to any transaction possessing a U.S. nexus, including those conducted in U.S. dollars. Entities identified on the Sectoral Sanctions Identifications List ("**SSI List**" or "**SSIL**") have not been designated to the SDN List. The property and interests in property of persons identified on the SSI List are not blocked, but persons sanctioned under EO 13662 and on the SSI List may also be persons whose property and interests in property are blocked pursuant to EO 13662 or pursuant to other authorities administered by OFAC. OFAC has prohibited specific categories of transactions with these SSIs through the issuance of four directives.
- (E) 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. Any persons (U.S. or non-U.S.) who engage in these activities may become subject to restrictive measures, even if the underlying activity has no U.S. nexus. These new Russia-related secondary sanctions include (but are not limited to):

(aa) That a person, with actual knowledge, on or after the date of the enactment of this CAATSA, makes an investment of \$10,000,000 or more (or any combination of investments of not less than \$1,000,000 each, which in the aggregate equals or exceeds \$10,000,000 in any 12-month period), or facilitates such an investment, if the investment directly and significantly contributes to the ability of the Russian Federation to privatize state-owned assets in a manner that unjustly benefits:

- i. Officials of the Government of the Russian Federation;
or
- ii. Close associates or family members of those officials.

(bb) 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.

(cc) 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.

(F) Non-U.S. companies that engage in activities subject to sanctions under these authorities face potential restrictions from the U.S. Government, including visa denials, prohibitions on importing products into the United States, limitations on access to U.S.

financing or U.S. dollar payment processing, and potential designation as an SDN.

- (G) Furthermore, CAATSA mandated that the President 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 delivered on January 29, 2018; however, its publication did not result in the imposition of sanctions against the named individuals.
- (H) The U.S. Government has provided guidance to clarify the broad terminology used in Section 228 of CAATSA. An expansive interpretation of this section could have permitted the imposition of restrictive measures on any non-U.S. person facilitating a "significant" transaction with an SSI entity, even if the transaction were not prohibited under primary U.S. sanctions. The term "significant" is not explicitly defined within CAATSA, and the U.S. Government may consider multiple factors in its assessment. OFAC guidance has clarified that the term "significant transaction" will not encompass transactions for which a U.S. person would not be required to obtain a specific license from OFAC to participate (a position recently incorporated into amended OFAC regulations). Accordingly, activities involving SSI entities that are not prohibited by sectoral sanctions should not, by themselves, create exposure under Section 228. The OFAC guidance further indicates that for a transaction with a party on the SSI List to be considered "significant," it generally "must also involve deceptive practices"—such as attempts to obscure or conceal the actual parties or the true nature of the transaction(s), or to evade sanctions.
- (I) On September 20, 2018, the President of the United States issued Executive Order 13849 ("EO 13849") to implement the CAATSA sanctions. EO 13849 requires that (i) prohibit any United States financial institution from making loans or providing credits to the sanctioned person totaling more than \$10,000,000 in any 12-month period, unless the person is engaged in activities to relieve human suffering and the loans or credits are provided for such activities; (ii) prohibit any transactions in foreign exchange that are subject to the jurisdiction of the United States and in which the sanctioned person has any interest; (iii) prohibit any transfers of credit or payments between financial institutions, or by, through, or to any financial

institution, to the extent that such transfers or payments are subject to the jurisdiction of the United States and involve any interest of the sanctioned person; (iv) block all property and interests in property of the sanctioned person that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person, and provide that such property and interests in property may not be transferred, paid, exported, withdrawn, or otherwise dealt in; (v) prohibit any United States person from investing in or purchasing significant amounts of equity or debt instruments of the sanctioned person; or (vi) authorize the imposition of comparable measures on the principal executive officer(s) of sanctioned persons or any individuals performing similar functions and possessing similar authority.

- (J) 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.
- (K) On March 2, 2021, the U.S. Government announced further restrictions concerning Russia, including the designation of certain Russian government entities (the Federal Security Service) as SDNs under a separate sanctions program. Additional measures included new export control restrictions under both the EAR and the International Traffic in Arms Regulations ("ITAR") on certain items destined for Russia, as well as new designations on the Bureau of Industry and Security ("BIS") Entity List.
- (L) On April 15, 2021, the President of the United States issued EO 14024, which provides new authorities to designate persons as SDNs, including, among others, those determined 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 sectors targeted under EO 14024, creating potential exposure for persons operating in this sector; additional sectors of the Russian economy have since been designated under this authority).
- (M) Pursuant to Executive Order 14024, OFAC has issued several determinations authorizing the designation of persons operating in specific sectors of the Russian Federation economy, including, among others, the September 15, 2022 determination, which provides OFAC authority to designate persons in the quantum computing sector; the February 24, 2023 determination, which provides

authority to designate persons in the metals and mining sector; and the May 19, 2023 determination, which provides authority to designate persons in the architecture, engineering, construction, manufacturing, and transportation sectors. 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.

(N) On February 21, 2022, the President issued EO 14065 which prohibits:

- (aa) New investment in DPR or LPR by a U.S. person;
- (bb) Import into the United States, directly or indirectly, of any goods, services, or technology from DPR or LPR;
- (cc) 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
- (dd) U.S. person approval, financing, facilitation, or guarantee of a transaction by a foreign person that would be prohibited as noted above.

(O) On March 8, 2022, the President issued **EO 14066** which prohibits:

- (aa) 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;
- (bb) new investment in the energy sector in the Russian Federation by a United States person, wherever located; and
- (cc) 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.

(P) On March 11, 2022, the President issued **EO 14068** which prohibits:

- (aa) 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;

- (bb) the exportation, re-exportation, 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;
- (cc) 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;
- (dd) the exportation, re-exportation, 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
- (ee) 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.

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

- (aa) new investment in the Russian Federation by a United States person, wherever located;
- (bb) the exportation, re-exportation, 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; and

- (cc) 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.
 - (dd) Pursuant to Executive Order 14071, OFAC has issued several determinations. For example, 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.
- (R) On December 22, 2023, the President of the United States issued E.O. 14114 which amended the Executive Order 14024 and 14068.
- (S) On April 10, 2025, the President of the United States issued a notice continuing the national emergency originally declared under Executive Order 14024. The continuation was published in the Federal Register (Document No. 2025-06399). This action extends for one year the national emergency first declared on April 15, 2021, on the basis that Russia's activities constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States.
- (T) On April 24, 2024, the President signed into law the 21st Century Peace through Strength Act, Pub. L. No. 118-50, div. D (the "Act"). Section 3111 of the Act extends from 5 years to 10 years the statute of limitations for civil and criminal violations of the International Emergency Economic Powers Act (IEEPA) or the Trading with the Enemy Act (TWEA). This Act applies to U.S. sanctions programs targeting Russia.
- (U) The Bureau of Industry and Security (BIS) has imposed stringent export controls on items destined for Russia, and a license is now required for: (a) any item identified under any Export Control Classification Number ("ECCN") on the Commerce Control List ("CCL"); (b) any item subject to U.S. jurisdiction, including EAR99-designated food and medicine, that is destined for a military end user ("MEU") or military end use in Russia; (c) certain foreign-made items that are now subject to the EAR for purposes of export or

reexport to Russia due to the expanded application of the foreign direct product ("FDP") rule; and (d) "luxury goods" as defined by BIS or any other items subject to the EAR as identified in Supplements No. 2, 4, 5, 6, or 7 to Part 746 of the EAR.

(vi) **Application to Belarus**

(A) The U.S. government currently maintains targeted list-based sanctions against Belarus. These sanctions require the blocking of property and interests in property of Specially Designated Nationals (SDNs), as well as entities owned 50 percent or more by such SDNs. These provisions are codified at 31 C.F.R. Part 548. For the purposes of Belarus sanctions, individuals and entities may be designated as SDNs for engaging in the following activities, pursuant to Executive Order 13405 "Blocking Property of Certain Persons Undermining Democratic Processes or Institutions in Belarus":

(aa) to be responsible for, or to have participated in, actions or policies that undermine democratic processes or institutions in Belarus;

(bb) to be responsible for, or to have participated in, human rights abuses related to political repression in Belarus;

(cc) to be a senior-level official, a family member of such an official, or a person closely linked to such an official who is responsible for or has engaged in public corruption related to Belarus;

(dd) to have materially assisted, sponsored, or provided financial, material or technological support for, or goods and services in support of, any person engaged in the activities listed above.

(ee) to be owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any person listed in or designated pursuant to this order.

(B) Under Executive Order 13405, and subject to certain limited exceptions, transactions by U.S. persons, or transactions occurring in or involving the United States, are prohibited if they involve dealings with, or property interests of, any person or entity designated as an SDN under Executive Order 13405 and identified on the OFAC SDN List with the identifier "[BELARUS]". The property and interests in

property of any entity that is owned, directly or indirectly, 50 percent or more in the aggregate by one or persons on the OFAC SDN List are also blocked, irrespective of whether the entity itself is listed on the OFAC SDN List.

(C) On August 9, 2021, President Biden issued Executive Order 14038, "Blocking Property of Additional Persons Contributing to the Situation in Belarus," which broadens the legal basis for designating parties as SDNs to include those found:

(aa) to be or have been a leader, official, senior executive officer, or member of the board of directors of: (A) an entity that has, or whose members have, engaged in any of the activities described in subsections (ee)i-v below or section 1(a)(ii)(A)-(C) of Executive Order 13405; or (B) an entity whose property and interests in property are blocked pursuant to this order or Executive Order 13405;

(bb) to be a political subdivision, agency, or instrumentality of the Government of Belarus;

(cc) to be or have been a leader or official of the Government of Belarus;

(dd) to operate or have operated in the defense and related materiel sector, security sector, energy sector, potassium chloride (potash) sector, tobacco products sector, construction sector, or transportation sector of the economy of Belarus, or any other sector of the Belarus economy as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State;

(ee) to be responsible for or complicit in, or to have directly or indirectly engaged or attempted to engage in, any of the following:

i. actions or policies that threaten the peace, security, stability, or territorial integrity of Belarus;

ii. actions or policies that prohibit, limit, or penalize the exercise of human rights and fundamental freedoms (including freedoms of expression, peaceful assembly, association, religion or belief, and movement) by

individuals in Belarus, or that limit access to the Internet or print, online, or broadcast media in Belarus;

- iii. electoral fraud or other actions or policies that undermined the electoral process in a Republic of Belarus election;
- iv. deceptive or structured transactions or dealings to circumvent any United States sanctions by or for or on behalf of, or for the benefit of, directly or indirectly, the Government of Belarus or any person whose property and interests in property are blocked pursuant to this order or Executive Order 13405;
- v. public corruption related to Belarus.

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

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

(D) OFAC has designated several SDNs pursuant to E.O. 13405.

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

(vii) **Application to Turkey**

- (A) The United States does 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.
- (B) On December 14, 2020, the U.S. Government imposed certain sanctions on the Turkish Presidency of Defense Industries (SSB), a Turkish government entity but did not designate it as an SDN; its president, Dr. Ismail Demir; SSB Vice President Faruk Yigit; SSB Head of Air Defense and Space Department Serhat Genecoglu; and SSB Program Manager for Air Defense Systems Mustafa Alper Deniz pursuant to Section 231 of CAATSA. Pursuant to Section 231, the measures imposed on SSB include: a prohibition on U.S. export licenses and authorization for any goods or technology transferred to SSB; a prohibition on loans or credits by U.S. financial institutions to SSB totaling more than \$10 million in any 12-month period; a ban on
- (C) 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.

(c) **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:

- (A) those who are dealing in "confiscated" property in Cuba;
- (B) those who are engaging in certain Iran-related activities, including certain targeted sectors of Iranian, North Korean, Belarussian, Burmese, Russian and Venezuelan economy;
- (C) 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, 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);
- (D) those engaging in a "significant" importation from or exportation to North Korea of any goods, services, or technology;
- (E) those engaging in "significant" transactions with Iranian or Russian SDNs; and
- (F) 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).

(d) **Analysis**

- (i) U.S. primary sanctions risk
 - (A) On the basis of our due diligence conducted and the Company's confirmations that no employees with U.S. nationality (including U.S. permanent residency) participate in the Group's business decision-making (including participation through forms such as email approval and IT system approval);
 - (B) As of the Latest Practicable Date, according to our due diligence conducted and the Company's confirmation that:
 - (aa) the Group does not use parts, materials, instruments, equipment, software or technology of U.S. origin in the production and manufacturing process of its products;

- (bb) the Group is not involved in establishing data centers, test sites in the United States, or conducting cooperative R&D with local universities/scientific research institutions in the United States. Additionally, the Group has no ongoing or completed cooperation projects or investments in the U.S.;
- (C) As the main functional attribute of the Group's products is civilian passenger vehicles, during the Track Record Period and as of the Latest Practicable Date, the Group's products have no connection related to end-users or end-uses in the military field, because: (i) the Company has provided a sample of Letter of Compliance Assurance, which requires the DFMIEC to ensure that the transactions comply with applicable export control and sanctions regulations (including export control and economic sanctions laws and regulations of China, the European Union, the United States and other countries/regions); (ii) the Company has provided a sample of the DISTRIBUTION AGREEMENT signed between the DFMIEC and its overseas distributors. The agreement clearly stipulates that overseas distributors may appoint sub-distributors within the designated region to sell the products; however, any sub-license shall comply with the laws of the region, and the overseas distributor shall fully inform DFMIEC of the details of its sales network and ensure that the distributors selling products within the region meet or comply with the requirements and conditions put forward by the manufacturer from time to time. It also explicitly states that overseas distributors shall not directly or indirectly sell the products to any legal person or individual not residing in the region (including sellers), if the overseas distributor knows or has reasonable grounds to know that the products will be resold to any individual not residing in the region and exported outside the region; (iii) no evidence indicating otherwise was found during our due diligence; (iv) the DFMIEC has not provided any documents showing that the Group's products have been supplied to end-users in the military field or used for military-related purposes.
- (D) Regarding the Group's overseas sales, on the basis of our due diligence conducted and the Company's confirmations that: as of the Latest Practicable Date, the Group is not involved in the direct sale of products to overseas markets. Instead, overseas sales were conducted indirectly through DFMIEC to overseas countries. Based on the "Strategic Cooperation Framework Agreement" signed by the

Company and DFMIEC provided by the Company, the Company sells products to DFMIEC, which then sells the products to overseas markets. Based on the Company's explanation, the specific business model is as follows: The Company provides electric vehicle products that meet the needs of target markets outside the PRC to DFMIEC. As the sole overseas representative of the Company's products, DFMIEC supplies the Company's products to overseas customers through its distribution network.

- (E) Among the countries where the Group sells products overseas through DFMIEC, and the proportion of export revenue from Relevant Region to the Group's global revenue During the Track Record Period and up to the Latest Practicable Date is less than 10% respectively and combinedly. And the Company has not identified any payments in U.S. dollars related to Sanctioned Countries during the Track Record Period and as of the Latest Practicable Date.
- (F) During the Track Record Period and as of the Latest Practicable Date, none of the Group's customers or suppliers have been included in the SDN List;
- (G) During the Track Record Period and as of the Latest Practicable Date, except that one of the Group's supplier has been included in the Entity List and 3 of the Group's suppliers/customers have been listed in the CMIC List and CMC List, none of the Group's other customers (including distributors) or suppliers have been included in U.S. export control and sanctions lists. In fact, the U.S. military-related sanctions lists are not applicable to the Group's business;
- (H) The Group takes sanctions compliance and has implemented the following measures:
 - (aa) Based on the Company's confirmation, the Group has implemented compliance screening measures, including automated screening through the procurement system as well as manual identification, to detect counterparties that may present potential sanctions compliance risks. For each transaction, the Group conducts manual reviews covering the transaction content, the scope of cooperation, the items involved, the intended use of products, the target markets, and the customers, in order to ensure that no activities are undertaken in violation of applicable U.S. sanctions requirements.

(bb) The Company has provided us with data regarding the annual export sales volume of its products by country, which indicates that the Company sells products to the Relevant Region. Further, the Company has provided a sample of the DISTRIBUTION AGREEMENT signed between DFMIEC and its overseas distributors. The agreement clearly stipulates that overseas distributors may appoint sub-distributors within the designated region to sell the products; however, any sub-license shall comply with the laws of the region, and the overseas distributor shall fully inform DFMIEC of the details of its sales network and ensure that the distributors selling products within the region meet or comply with the requirements and conditions put forward by the manufacturer from time to time. It also explicitly states that overseas distributors shall not directly or indirectly sell the products to any legal person or individual not residing in the region (including sellers), if the overseas distributor knows or has reasonable grounds to know that the products will be resold to any individual not residing in the region and exported outside the region.

(cc) In addition, the Company has provided a sample of the Letter of Compliance Assurance, which requires the DFMIEC to ensure that the transactions comply with applicable export control and sanctions regulations (including export control and economic sanctions laws and regulations of China, the European Union, the United States and other countries/regions). The Company has also provided us with a sample of the "Model Clauses on Economic Sanctions Compliance" between DFMIEC and its overseas distributors, which requires the overseas distributors to state and warrant that neither themselves, nor their shareholders, nor their ultimate controllers have been included in any sanctions lists; it also specifies the relevant handling measures, liability division and other provisions for both parties in case any economic sanctions occur during the term of the agreement, leading to risks in the performance of the contract.

(I) Given above, Zhong Lun's assessment is that the Group does not appear to have violated applicable sanctions laws or regulations in the Relevant Jurisdictions that could create any material primary sanctions risk for the Relevant Persons.

(ii) U.S. secondary sanctions risk

- (A) Pursuant to EO 14024, Russia's "transportation sector" is an industry where participants may face the risk of being designated by the U.S. OFAC. Given that the Group sells automobiles to Russia through DFMIEC, there exists a risk that OFAC may consider the Group to be operating in Russia's "transportation" sector.
- (B) However, OFAC has clarified through FAQs No. 887 that the determination of an industry under EO 14024 does not automatically impose sanctions on all persons operating or having operated in that industry. Only those persons who are determined by the relevant U.S. government authorities, pursuant to EO 14024, to be operating or having operated in certain industries as identified by OFAC will be designated as sanctioned persons.
- (C) As of the date of this memorandum, the Group has not been designated under EO 14024, and there are no Chinese automobile manufacturers having been designated under EO 14024.
- (D) In addition, with respect to product sales to Belarus, as U.S. sectoral sanctions targeting Belarus focus on defense and related materiel sector, security sector, energy sector, potassium chloride (potash) sector, tobacco products sector, construction sector, or transportation sector of the economy, passenger vehicles and related consumer automotive products currently are not among the sectors or activities subject to these restrictions. Further, although the BIS has implemented a series of stringent export controls that restrict Russia's access to the technologies and other items that it needs to sustain its brutal attack on Ukraine, which also apply to Belarus in response to its substantial enabling of Russia's destabilizing conduct, passenger vehicles and related consumer automotive products currently are not among the sectors or activities subject to these restrictions. Accordingly, the Group's sale of automobiles into Belarus has no nexus to sanctioned parties or restricted end-uses, and they do not involve common high-priority items; therefore, such sale should not be regarded as prohibited transactions under current U.S. sanctions programs.
- (E) With respect to product sales to Turkey, as U.S. sanctions applicable to Turkey have historically been limited, which are largely directed at specific defense procurements and pers

ons or entities associated with designated activities, passenger vehicles and related consumer automotive products currently are not among the sectors or activities subject to these restrictions. Accordingly, the Group's sale of automobiles into Turkey has no nexus to sanctioned parties or restricted end-uses; therefore, such sale should not be regarded as prohibited transactions under current U.S. sanctions programs.

- (F) Given above and DFMIEC has established certain risk compliance measures. Zhong Lun's assessment is that the risk of the Group becoming subject to U.S. secondary sanctions is low.

7.2 U.S. Export/Re-Export Controls

(a) Overview

- (i) Unlike U.S. economic sanctions, which are primarily person-based, U.S. export controls are product-based. Any item transferred from the United States to a foreign destination constitutes an export. "Items" encompass commodities, software, technology, including but not limited to circuit boards, blueprints, design plans, retail software packages, and technical information. The method of export does not affect the applicability of export license requirements. For instance, an item may be shipped via standard mail, hand-carried on an aircraft, or transmitted by facsimile; software may be uploaded to or downloaded from an internet site; and technology may be conveyed via email or during a telephone conversation.
- (ii) The U.S. Department of Commerce, Bureau of Industry and Security ("**BIS**") regulates exports of commercial and dual-use products, and software and technology. These controls are authorized by the Export Administration Act of 1979, as amended and extended, and implemented by the EAR.
- (iii) The EAR applies to exports of commodities, software and technical data from the U.S. to foreign countries, and to re-exports from one foreign country to another. For foreign-made products that incorporate US-origin content subject to the EAR, BIS allows them to be exempted from the EAR if such products incorporate less than the de minimis level of U.S. content (the "*de minimis* rule"). The de minimis threshold is 25% or 10%, depending on the country of ultimate destination. In addition, under the Foreign Direct Product Rule (FDPR), certain foreign-produced items are subject to the EAR if they are the direct product of specified U.S.-origin technology or software, or are produced by plants or major

components thereof that are themselves the direct product of such U.S.-origin technology or software.

(b) **Analysis**

- (i) We have received and analyzed the Group's full customer (including distributor), and supplier lists during the Track Record Period and as of the Latest Practicable Date. Except that the one of the Group's supplier has been included in the Entity List and three of the Group's suppliers/customers have been listed in Chinese Military-Industrial Complex Companies List (CMIC List) and the Chinese Military-Industrial Companies List (CMC List) respectively, none of the Group's other customers(including distributor) or suppliers have been included in U.S. export control lists. The U.S. military-related sanctions lists are not applicable to the Group's business.

- (ii) Moreover, on the basis of our due diligence conducted and the Company's confirmations that:

The Group's products are primarily civilian passenger vehicles, unrelated to military end-users or end-uses. As of the Latest Practicable Date, it does not use U.S.-origin parts, materials, equipment, software, or technology in production; its products sold to the Relevant Regions contain no U.S.-origin content accounting for 10% or more of their value, are not direct products of controlled U.S. technology, software and equipment, and are not subject to the EAR under the de minimis rule or foreign direct product rule (including those applicable to Belarus and Russia). The Group had no U.S. dollar payments related to Sanctioned Countries during the Track Record Period and as of the Latest Practicable Date.

- (iii) For its cooperation with the supplier listed on the Entity List, and subsequent cooperation with its Affiliated Entity which is not listed on the Entity List (in 2024, the supplier designated its affiliated entity as the successor entity to take over the supplier's relevant businesses, personnel, and assets under the aforementioned procurement-related contracts, and to continue performing the agreements between the Company and this supplier), during the Track Record Period and as of the Latest Practicable Date, based on the information provided by Company and our due diligence conducted, the cooperation between the two parties does not violate any applicable export control laws and regulations because the products to be procured from such entities do not fall within the scope of items prohibited under Guidance on the Application of General

Prohibition 10 (GP10); the Company has confirmed that these components are manufactured domestically within the PRC and do not incorporate U.S.-origin hardware, software, or technology that would trigger jurisdiction under the EAR or the FDPR; the procurement is conducted entirely within the PRC and is not settled in U.S. dollars through U.S. financial institutions. Accordingly, in the absence of a U.S. jurisdictional nexus (either through U.S.-origin content or U.S. dollar clearing), and given the nature of production and products, the procurement of such components does not, in our view, give rise to a violation of U.S. export control or sanctions laws.

- (iv) Given above, Zhong Lun's assessment is that none of the business dealings of the Group during the Tracking Record Period and as of the Latest Practicable Date is subject to material risks under the export control regulations of the U.S., e.g. Zhong Lun's assessment is that the risk of the Group becoming subject to U.S. export control regulations is low.

8. UN Sanctions

8.1 The UN Security Council ("UNSC") can take action to maintain or restore international peace and security under Chapter VII of the United Nations Charter. Sanctions measures, under Article 41, encompass a broad range of enforcement options that do not involve the use of armed force. UN Security Council Resolutions are binding on all member states of the UN, including the United States, European Union Member States, and the PRC. UN Member States are obligated to implement, administer, and enforce national measures to ensure compliance with the provisions set forth in the relevant UN Resolution. Since 1966, the UNSC has established 31 sanctions regimes.

8.2 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 currently 14 ongoing sanctions regimes, which focus on supporting the political settlement of conflicts, nuclear non-proliferation, and counter-terrorism. Each sanctions regime is overseen by a sanctions committee chaired by a non-permanent member of the UNSC. The work of these committees is supported by 9 monitoring groups, teams, and panels that support the work of 10 of the 14 sanctions committees.

8.3 Application to Belarus

- (a) During the Tracking Record Period and as of the Latest Practicable Date, the UN has not imposed any sanctions on Belarus.

8.4 Application to Russia

- (a) During the Tracking Record Period and as of the Latest Practicable Date, the UN has not imposed any sanctions with respect to Russia.

8.5 Application to Turkey

- (a) During the Tracking Record Period and as of the Latest Practicable Date, the UN has not imposed any sanctions with respect to Turkey.

8.6 Analysis

- (a) On the basis of our due diligence process and review of the information provided by the Group together with the Company's confirmation that:
 - (i) the Group has implemented compliance screening measures, including automated screening through the procurement system as well as manual identification, to detect counterparties that may present potential sanctions compliance risks. For each transaction, the Group conducts manual reviews covering the transaction content, the scope of cooperation, the items involved, the intended use of products, the target markets, and the customers, to ensure that no activities are undertaken in violation of applicable United Nations sanctions requirements;
 - (ii) During the Tracking Record Period and as of Latest Practicable Date, Company confirms that the Group has not identified any suppliers or customers (including distributors) that appear on the relevant United Nations sanctions lists.
- (b) On the basis of the above confirmations by the Company and our understanding of the nature of the Group's products formed by our due diligence process, our assessment is that the products indirectly supplied, sold by the Group should not be subject to UN sanctions or are otherwise restricted from UN during the Tracking Record Period and as of the Latest Practicable Date and the risk of the Group becoming subject to UN sanctions or are otherwise restricted from UN is low.

9. EU Sanctions and Export Controls

9.1 Overview of EU Sanctions Measures

- (a) As of the date this memorandum is drafted, the European Union maintains fifty distinct sanctions regimes. The EU implements all sanctions adopted by the United Nations Security Council. It may also reinforce UN sanctions by applying supplementary measures beyond those imposed by the UN Security Council and/or enact sanctions autonomously.

- (b) EU sanctions may be directed against governments of non-EU countries, as well as companies, groups, organizations, or individuals through measures including:
 - (i) Arms embargoes;
 - (ii) Restrictions on admission of listed persons (travel ban): targeted persons cannot enter the EU or travel beyond their member state of nationality if they are an EU citizen;
 - (iii) Freezing of assets belonging to listed persons or entities: all their assets in the EU are frozen and EU persons and entities cannot make any funds and/or economic resources available to those listed; and/or
 - (iv) Financial sanctions or restrictions concerning specific sectors of economic activity, including but not limited to import or export bans on certain goods, investment bans, and prohibitions on supplying certain services.
- (c) EU sanctions primarily focus on freezing the assets and economic resources of designated persons or entities. The sanctions stipulate that:
 - (i) All funds and economic resources belonging to, owned, held, or controlled by any designated person or entity are to be frozen;
 - (ii) No funds or economic resources shall be made available, directly or indirectly, to or for the benefit of, any designated person or entity; and/or
 - (iii) The participation, knowingly and intentionally, in activities the object or effect of which is, directly or indirectly, to circumvent the measures referred to in sub-paragraphs (i) and (ii) above, shall be prohibited.

EU sanctions define "funds" and "economic resources" broadly: "funds" refer to financial assets and benefits of every kind, and "economic resources" encompass assets of every kind that are not funds but may be used to obtain funds, goods, or services.
- (d) The EU has issued guidelines clarifying the meaning of "own" or "control" in the context of financial sanctions. "Owning" a person, entity, or body means possessing more than 50 percent of the proprietary rights of an entity or holding a majority interest in it. Multiple criteria are considered in assessing whether a legal person or entity is "controlled" by another, including but not limited to holding a majority of voting rights, exercising a dominant influence, and/or sharing financial liabilities.
- (e) All EU sanctions apply:

- (i) within the EU (including its airspace);
 - (ii) on board any aircraft or vessel under the jurisdiction of any EU member state;
 - (iii) to any EU national, regardless of where they are resident/located;
 - (iv) to any legal person, entity, or body which is incorporated/constituted under the laws of any EU member state, irrespective of their location, including unincorporated branches, but not entities incorporated outside the EU; and
 - (v) to any legal person, entity, or body in respect of any business done in the EU.
- (f) The EU generally refrains from employing secondary sanctions that apply extraterritorially to parties without any nexus to the EU.
- (g) EU sanctions are implemented through directly applicable EU regulations, which are binding in all member states and do not require additional national implementing legislation.

9.2 Application to Belarus

- (a) The EU has imposed several successive rounds of individual and sectoral sanctions against Belarus in response to internal repression, human rights abuses, and Belarus' involvement in Russia's war against Ukraine. The first restrictive measures were adopted in 2004 against specific Belarusian officials implicated in the unresolved disappearances of opposition politicians. Additional listings followed the presidential elections of 2006 and 2011. Most of these measures were suspended in 2015 and later lifted after the release of political prisoners and an improvement in EU-Belarus relations.
- (b) In the aftermath of the fraudulent presidential elections of August 2020 and the violent crackdown on peaceful protesters, democratic opposition and journalists, the EU introduced several packages of listings targeting both natural and legal persons. The EU's restrictive measures encompass an arms embargo, travel restrictions, a ban on the export of specified equipment potentially utilisable for internal repression, and a prohibition on the provision of technical assistance related to items enumerated in the EU Common Military List or to designated goods that could be employed for internal repression. Following the unlawful forced landing of a Ryanair flight in Minsk on 23 May 2021, the EU prohibited any aircraft operated by Belarusian carriers from taking off from, landing in or overflying EU territory, and adopted further targeted economic sanctions including

trade and financial restrictions. On 15 November 2021, the EU broadened the listing criteria in response to the instrumentalization of migrants at the EU border.

- (c) Since 2022, the EU has imposed a series of restrictive measures in response to Belarus' involvement in Russia's military aggression against Ukraine, including but not limited to:
 - (i) restrict the provision of specialised financial messaging services (SWIFT) to three Belarusian banks;
 - (ii) prohibit transactions with the Central Bank of Belarus;
 - (iii) prohibit the listing and provision of services in relation to share of Belarusian state-owned entities on EU trading venues;
 - (iv) significantly limit the financial inflows from Belarus to the EU;
 - (v) prohibit the provision of euro-denominated banknotes to Belarus;
 - (vi) a ban on the import of gold, diamonds, helium, coal and mineral products, including crude oil, from Belarus;
 - (vii) an embargo on imports of arms from Belarus;
 - (viii) restrictions on the sale or provision of services and software, deposits and crypto-asset wallets, and transports
 - (ix) further anti-circumvention measures;
 - (x) a requirement for EU exporters to insert the so-called "no-Belarus clause" in future contracts;
 - (xi) a broader ban on the transport of goods by road within the EU territory;
 - (xii) a ban on the provision of certain services;
 - (xiii) a ban on the export of dual-use goods and technologies, maritime navigation goods and luxury goods to Belarus.

9.3 Application to Russia

- (a) Since March 2014, the EU has progressively imposed restrictive measures against Russia in response to the illegal annexation of Crimea and Sevastopol and the deliberate destabilisation of Ukraine.
- (b) As of 31 July 2025, the European Union has adopted a total of 18 sanctions packages against Russia. The first package of sanctions, adopted on 23 February

2022, responded to Russia's recognition of the non-government controlled areas of Donetsk and Luhansk oblasts as independent entities and the deployment of Russian troops into these areas. This package included:

- (i) targeted sanctions against 351 members of the Russian State Duma and 27 additional individuals;
 - (ii) restrictions on economic relations with the non-government controlled areas of Donetsk and Luhansk; and
 - (iii) restrictions on Russia's access to EU capital and financial markets and services.
- (c) Subsequent sanctions packages have progressively broadened the scope of EU restrictive measures, including but not limited to:
- (i) export bans on dual-use goods and defence-related technologies;
 - (ii) prohibitions on public financing for trade and investment with Russia;
 - (iii) restrictions on oil refining equipment, aviation and maritime technologies, luxury goods, coal, iron and steel products, gold, diamonds, and other raw materials;
 - (iv) import bans and price caps on Russian crude oil and petroleum products (with a crude oil cap introduced on 3 December 2022 and petroleum product caps on 4 February 2023, subsequently adjusted in July 2025);
 - (v) exclusion of major Russian banks from the SWIFT system and wide-ranging financial and investment restrictions;
 - (vi) broadcasting bans on Russian State-owned media outlets;
 - (vii) prohibitions on Russian and Belarusian road transport operators and restrictions on Russian vessels and aircraft; and
 - (viii) anti-circumvention measures, including due diligence obligations and contractual "no re-export" clauses.
- (d) 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:

- (A) 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;
- (B) 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.

9.4 Application to Turkey

- (A) 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.
- (B) 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.
- (C) As of 1 January 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.

9.5 Analysis

- (a) EU sanctions apply to any EU nationals who are employees of any of the companies in the Group, regardless of which company they work for or where they are resident/located, and any Group entity and/or any director or employee of the Group in respect of any business done by the Group in the EU.
- (b) On the basis of our due diligence process and the Company confirms that the Group employs one Italian national; however, this individual is a non-decision-making employee. The Group has not registered or invested in any entity within the European Union. While the Company indirectly sells products into Europe (including Bulgaria, the Netherlands, Italy, Denmark, Slovakia, Portugal, Spain, Germany, Latvia, Greece, Slovenia, and Poland) through DFMIEC, none of DFMIEC's local distributors in these jurisdictions are designated sanctions targets.
- (c) The Company confirms that the Group has implemented compliance screening measures, including automated screening through the procurement system as well as manual identification, to detect counterparties that may present potential sanctions compliance risks. For each transaction, the Group conducts manual reviews covering the transaction content, the scope of cooperation, the items involved, the intended use of products, the target markets, and the customers, in order to ensure that no activities are undertaken in violation of applicable the EU sanctions requirements.
- (d) On the basis of the foregoing, our assessment is that, during the Tracking Record Period and as of the Latest Practicable Date, the Group's business activities conducted in Relevant Regions are not subject to material risk under existing European Union sanctions. The Group did not engage in any operations or transactions that implicate restrictive measures adopted by the EU, nor did it violate any applicable EU sanctions as of the Latest Practicable Date and the risk of the Group becoming subject to EU sanctions is low.

9.6 EU Export Controls

- (a) EU export controls comprise a combination of Union-wide regulations established under EU legislation and national rules implemented by individual EU member states. The two principal export control regimes within the EU pertain to (i) dual-use export controls and (ii) military export controls.
- (b) The key EU dual-use export control legislation is Regulation (EU) No 2021/821 ("**EU Dual-Use Regulation**"), which controls:
 - (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 by an EU person or entity from one non-EU country to another non-EU country, or by an EU or non-EU person or entity from one EU country to a non-EU country.
- (c) Annex I to the EU Dual-Use Regulation contains the primary list of controlled items, which are determined in accordance with international frameworks to which the EU or its member states are party, including the Wassenaar Arrangement, the Australia Group (chemical weapons), the Nuclear Suppliers Group, and the Missile Technology Control Regime.
- (d) Unlike U.S. export controls, EU export controls typically do not apply to re-exports or transfers outside of the EU.
- (e) Export controls concerning military items within the EU are administered individually by each EU Member State. The EU maintains a Common Military List, which outlines military items subject to export controls. This list is updated annually by the Council of the European Union pursuant to Council Common Position 2008/944/CFSP. However, the list is non-binding, and each Member State retains the authority to legislate and implement its own national military export control regulations.

9.7 Analysis

- (a) The Company has confirmed on behalf of the Group that, during the Track Record Period and as of the Latest Practicable Date, the Group did not export from the EU or otherwise source any items subject to EU export license requirements or other export restrictions under EU export controls (collectively referred to as "**EU-controlled items**"). The Group has further confirmed that none of its products incorporate EU-origin items that are EU-controlled. Based on our due diligence process and review of the information provided by the Group together with the Company's confirmation that, we understand that the Group's activities do not implicate EU export control regulations.
- (b) Our assessment indicates that the Group did not engage in any operations or transactions that involve EU export control restrictions or violate EU export control laws or regulations. Accordingly, the Group's business activities conducted in Relevant Regions during the Track Record Period and as of the Latest Practicable Date are not subject to material risks under EU export control regulations, and the

risk of the Group becoming subject to EU export control restrictions or violate EU export control laws or regulations is low.

10. **UK sanctions and Export Controls**

10.1 **UK sanctions**

- (a) The statutory basis for sanctions in the United Kingdom is the Sanctions and Anti-Money Laundering Act 2018. The Act empowers the government to establish new sanctions regimes, transpose measures previously derived from EU law, and adopt implementing regulations that specify the precise obligations for each regime.
- (b) Sanctions regimes may be established for either geographic purposes (targeting a specific state or territory) or thematic purposes (addressing issues such as terrorism, cyber-attacks, or human rights abuses). They serve as instruments to advance the UK's foreign policy and national security priorities, to uphold peace and international order, and to comply with obligations under the United Nations framework.
- (c) A wide range of measures may be imposed under UK sanctions regimes, including:
 - (i) prohibitions on holding company directorships;
 - (ii) trade measures, including arms embargoes and restrictions on sensitive goods or services;
 - (iii) aviation and maritime measures limiting the use of UK airspace and ports;
 - (iv) immigration measures preventing designated individuals from entering or transiting through the UK; and
 - (v) financial restrictions, such as freezing of funds and economic resources.
- (d) The scope of UK sanctions is extraterritorial in certain respects. They apply not only to persons and entities operating within the UK, but also to (i) UK nationals and UK-incorporated entities acting abroad; and (ii) organizations constituted under the laws of any UK jurisdiction, regardless of where their activities take place.
- (e) To ensure effectiveness, the UK government extends sanctions measures to the Crown Dependencies and Overseas Territories. Section 63(3)(c) of the UK Sanctions Act authorizes this extension by Order, and since January 2021 measures have routinely been applied to territories such as the Cayman Islands without the need for separate local legislation.

- (f) In practice, UK sanctions are introduced either to give effect to UN Security Council resolutions or as autonomous UK measures. Autonomous regimes often mirror international partners' actions but are tailored to reflect the UK's independent foreign policy stance.
- (g) Asset freeze measures:
 - (i) Various individuals and entities are designated (listed) as targeted by UK asset freeze measures, pursuant to which all funds and economic resources owned, held or controlled by any listed persons shall be frozen. Unlike the EU sanctions regime, the UK sanctions regime provides that funds or economic resources are to be treated as 'owned, held or controlled' by a designated person if:
 - (A) they are owned, held or controlled by a person who is owned or controlled directly or indirectly by the designated person where the circumstances in which a legal entity are deemed to be owned or controlled by a designated person are similar but not identical to under the EU regimes; or
 - (B) a non-natural person ("C") is deemed "directly or indirectly owned or controlled" by another person ("P") if either or both of the following conditions are satisfied: (1) P (a) holds more than 50% of the shares in C; (b) holds more than 50% of the voting rights in C; or (c) holds the right to appoint or remove a majority of the board of directors of C; and (2) it is reasonable, considering all circumstances, to expect that P would be able, directly or indirectly and by any means, to ensure that the affairs of C are conducted in accordance with P's wishes in most cases or significant respects.
 - (ii) In other words, the presumption under the EU regime—that providing funds or economic resources to a non-designated entity owned or controlled more than 50% by a designated person constitutes making them indirectly available to the designated person—is irrebuttable under the UK regime.
 - (iii) Similar to the EU regime, the UK regime prohibits engaging in actions that, directly or indirectly, circumvent the prohibitions set out above.
- (h) **Application to Belarus**
 - (i) The United Kingdom maintains a dedicated sanctions regime on Belarus under the Republic of Belarus (Sanctions) (EU Exit) Regulations 2019,

made pursuant to the Sanctions and Anti-Money Laundering Act 2018. The Regulations, which have been amended on multiple occasions, establish a comprehensive legal framework for imposing financial, trade, transport, immigration and director disqualification measures against designated persons and entities. They apply throughout the United Kingdom and, by order, also extend to the Crown Dependencies and Overseas Territories. Following Belarus' support for Russia's military actions against Ukraine, the UK has further expanded these measures since March 2022.

(ii) The Regulations impose financial, trade, aircraft, shipping and immigration sanctions for the purposes of encouraging the Government of Belarus to:

(A) respect democratic principles and institutions and the separation of powers and the rule of law in Belarus

(B) refrain from actions, policies or activities which repress civil society in Belarus

(C) investigate properly and institute criminal proceedings against persons responsible for the disappearances of Yury Zakharanka, Viktor Hanchar, Anatol Krasouski and Dzmitry Zavadski

(D) comply with international human rights law and respect human rights

(E) cease actions destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine, including by supporting or facilitating Russia's actions in respect of Ukraine

(F) refrain from any other action that undermines or threatens peace, security or stability in Europe

(iii) The UK restrictive measures targeting Belarus include:

(A) The UK Belarus Regulations prohibit dealing with transferable securities or money-market instruments issued by certain entities and individuals connected with Belarus and the government of Belarus including those issued by: (i) a relevant person (as defined in regulation 15D(1) of the UK Belarus Regulations); (ii) a person connected with Belarus (this is defined in regulation 2(2) of the UK Belarus Regulations and is subject to the exclusions in regulation 15B(2C)(a)) and (iii) an entity majority owned by a person connected with Belarus. For the purposes of this restriction, a reference to "dealing with" a

transferable security or money-market instrument includes a reference to purchasing or selling the security or instrument, providing investment services relating to the security or instrument, or assisting in the issuance of the security or instrument.

(B) The UK Belarus Regulations prohibit a person from directly or indirectly granting, or entering into an arrangement to grant: (i) a loan or credit with a maturity exceeding 90 days, granted after noon on 9 August 2021 and before 5 July 2022 to a “relevant person” (as defined in regulation 15D(1) of the UK Belarus Regulations) which is classed as a category A loan (ii) a loan or credit on or after 5 July 2022 to a “relevant person” (as set out above), which is classed as a category B loan or (iii) a loan or credit on or after 5 July 2022 with a maturity exceeding 30 days granted to a person connected with Belarus (this is defined in regulation 2(2) of the , and is subject the exclusions in regulation 15B(5)), which is classed as a category C loan.

(C) It is prohibited to provide insurance or reinsurance services to: (i) Belarus (ii) a Belarusian authority (iii) an entity wholly owned by Belarus or a Belarusian authority or (iv) anyone acting on their behalf or at their direction.

(D) The UK Belarus Regulations prohibit a UK individual or entity from providing financial services for the purpose for foreign exchange reserve and asset management to: (i) the National Bank of Belarus (ii) the Ministry of Finance of Belarus (iii) a person owned or controlled directly or indirectly by any of the persons listed in point (i) or (ii); and (iv) a person acting on behalf of or at the direction of any of the persons listed above.

(E) The UK Belarus Regulations impose a number of trade restrictions relating to:

(aa) military goods and military technology (as specified in Schedule 2 to the Export Control Order 2008);

(bb) items falling within Chapter 93 (arms and ammunition; parts and accessories) of the Goods Classification Table, other than military goods;

(cc) provision of technical assistance, armed personnel, financial services or funds, or associated brokering services where such provision enables or facilitates the conduct of certain military

- activities;
- (dd) dual-use goods and technology (as specified in Annex I to the UK Dual-Use Regulation);
 - (ee) internal repression goods and technology (as specified in Schedule 2 to the UK Belarus Regulations);
 - (ff) interception and monitoring goods, services and technology (as specified in Schedule 2A to the UK Belarus Regulations, but excluding goods and technology specified in Schedule 2 to the Export Control Order 2008, or Annex I to the UK Dual-Use Regulation);
 - (gg) technical assistance relating to aircraft and ships;
 - (hh) tobacco industry goods (as specified in Schedule 2B to the UK Belarus Regulations);
 - (ii) potash (as specified in Schedule 2B to the UK Belarus Regulations);
 - (jj) mineral products (as specified in Schedule 2B to the UK Belarus Regulations);
 - (kk) iron and steel products (as specified in Schedule 2B to the UK Belarus Regulations);
 - (ll) critical industry goods and technology (as specified in Schedule 2C of the UK Belarus Regulations which covers certain electronics; computers; telecommunications and information security; information security; sensors and lasers; navigation and avionics; marine; aerospace and propulsion goods);
 - (mm) luxury goods provided that the sale price exceeds a set threshold (as specified in Schedule 2E or the Regulations);
 - (nn) oil refining goods and technology (as specified in Schedule 2F of the Regulations);
 - (oo) quantum computing and advanced materials goods and technology (as specified in Schedule 2G of the Regulations);
 - (pp) chemical and biological weapons-related goods and technology

(as specified in Schedule 2H of the Regulations);

(qq) machinery-related goods and technology (as specified in Schedule 2I of the Regulations);

(rr) banknotes (as specified in Regulation 20(3));

(ss) cement (as specified in Schedule 2J of the Regulations);

(tt) gold and gold jewelry (as specified in Schedule 2J of the Regulations);

(uu) relevant processed gold (as specified in Regulation 20(3));

(vv) rubber (as specified in Schedule 2J of the Regulations); and

(ww) wood (as specified in Schedule 2J of the Regulations).

(F) Please note that the export prohibitions covered in the UK Belarus Regulations cover exports to Belarus as well as exports that are for use in Belarus. Pursuant to regulation 21, the UK Belarus Regulations impose a prohibition on the export of banknotes, chemical and biological weapons-related goods; critical industry goods; military goods, dual-use goods, critical-industry goods, interception and monitoring goods, internal repression goods, luxury goods, machinery-related goods, oil refining goods, quantum computing and advanced material goods and tobacco industry goods to or for use in Belarus. In addition, there are restrictions on the supply and delivery of the aforementioned goods to a place in Belarus, making available the aforementioned goods to a person connected with Belarus or for use in Belarus, or transferring technology related to the aforementioned goods to a place in Belarus or to a person connected with Belarus.

(G) The UK Belarus Regulations contain an import prohibition pursuant to regulation 27I (arms and related material, cement, gold and gold jewellery which has been exported from Belarus on or after 9 June 2023), iron and steel products, mineral products, potash, relevant processed gold, rubber and wood) covers goods that are consigned from Belarus and goods that originated in Belarus. In addition, there are related restrictions on the acquisition, supply and delivery of the aforementioned goods originated in or consigned from Belarus. Further there are restrictions on the provision of financial services, funds and brokering services for arrangements whose object or effect is the

import, acquisition, supply or delivery of the aforementioned restricted products.

(i) **Application to Russia**

- (i) As required by section 43 of the UK Sanctions Act, the Secretary of State for Foreign, Commonwealth and Development Affairs has provided this guidance to assist in the implementation of, and compliance with, The Russia (Sanctions) (EU Exit) Regulations 2019, as amended from time to time.

(j) **Application to Turkey**

- (i) During the Tracking Record Period and as of the Latest Practicable Date, the UK does not maintain a comprehensive country-specific sanctions regime against Turkey.

(k) **Regulation and enforcement**

- (i) The Office of Financial Sanctions Implementation ("**OFSI**"), which is part of HM Treasury, maintains two lists of those subject to financial sanctions:

(A) The "consolidated list" includes all designated persons subject to financial sanctions under EU and UK legislation, as well as those subject to UN sanctions which are implemented through EU regulations (the "UK Consolidated List"); and

(B) A separate list of entities subject to specific capital markets restrictions. These entities are not contained in the UK Consolidated List.

- (ii) OFSI also has the power to impose financial penalties on a party which breaches financial sanctions. In circumstances where the breach relates to particular funds or economic resources, the maximum fine will be linked to the amount of such funds and economic resources. The current permitted maximum financial penalty is the greater of (i) £1,000,000 or (b) 50 percent of the estimated value of the funds or resources.

- (iii) OFSI will take into account various factors when deciding whether to impose a financial penalty, including, *inter alia*, the following:

(A) Whether there has been direct provision of funds or economic resources to a designated person;

(B) Whether there has been a deliberate circumvention of sanctions, whether the breach was negligent, or whether it was caused by a systems/controls failure;

(C) The value of the breach;

(D) Whether there have been repeated or persistent breaches; and/or

(E) Whether the breach was reported to OFSI and the party's cooperation with OFSI.

(iv) Historically, UK and EU sanctions authorities have taken a less aggressive approach to enforcement than the U.S. OFAC. Until earlier this year, OFSI's financial penalties for sanctions breaches have been relatively low. However, in February 2020, OFSI imposed a fine in excess of £20 million on Standard Chartered Bank, which was its first and only multi-million pound fine since its inception in 2016.

(l) **Application of UK sanctions**

(i) Under section 21 of the UK Sanctions Act, UK laws in respect of sanctions, both EU sanctions and autonomous sanctions (“**UK Sanctions**”), apply to:

(A) Conduct in the UK or in UK territorial waters by any person; or

(B) Conduct anywhere in the world, but only if the conduct is by a UK person, defined as a UK national or a UK legal entity established under UK law.

(m) **Analysis**

(i) The Company has confirmed on behalf of the Group that during the Track Record Period and as of the Latest Practicable Date, the Group did not sell products in UK or in UK territorial waters and employs any UK person. The Group has not registered or invested in any entity within the UK.

(ii) The Company confirms that the Group has implemented compliance screening measures, including automated screening through the procurement system as well as manual identification, to detect counterparties that may present potential sanctions compliance risks. For each transaction, the Group conducts manual reviews covering the transaction content, the scope of cooperation, the items involved, the intended use of products, the target markets, and the customers, in order to ensure that no activities are undertaken in violation of applicable the UK sanctions requirements.

- (iii) On the basis of the foregoing, our assessment is that the Group's business activities conducted in Relevant Regions during the Track Record Period and as of the Latest Practicable Date are not subject to material risks under UK sanctions and the risk of the Group becoming subject to UK sanctions is low.

10.2 UK Export Controls

- (a) The UK's system of export controls is grounded in the Export Control Act 2002 and subsidiary legislation. Following the UK's withdrawal from the EU, the UK established an autonomous framework. Central to this framework is the UK Strategic Export Control List, which consolidates a number of instruments, including the Export Control Order 2008, the retained EU Dual-Use Regulation No. 428/2009, retained EU regulations on firearms and human rights – related items, and the Export of Radioactive Sources (Control) Order 2006. The UK regime therefore covers dual-use goods, military items, firearms, radioactive materials and other sensitive goods and technologies that require licensing for export from the UK.
- (b) The Company has confirmed on behalf of the Group that during the Track Record Period and as of the Latest Practicable Date, the Group did not export from the UK or otherwise source any items which are subject to UK export license requirements or other export restrictions under UK export controls (“UK-controlled”). The Group has further confirmed that none of its products contain UK -origin items which are EU-controlled. As such, we have not carried out further analysis of the Group's services and Products against the relevant export control regulations.
- (c) Based on our due diligence process and review of the information provided by the Group together with the Company's confirmation, Zhong Lun understands that the EU export rules are not implicated by the Group's activities and the risk of the Group becoming subject to UK export rules is low

11. Australia sanctions and Export Controls

11.1 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) activities in Australia;
 - (iv) companies incorporated overseas that are owned or controlled by Australians or persons in Australia; and/or
 - (v) 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 sanctions law.
- (e) The Australian autonomous sanctions regimes are primarily implemented under the **Autonomous Sanctions Act 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 unauthorized 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.

11.2 Analysis

- (a) We have reviewed the Group’s full supplier and customer lists. During the Track Record Period and up to the Latest Practicable Date, the Group has no customers or suppliers that is listed in Australia’s sanctions lists.

- (b) On the basis of information provided by the Company that (i) none of the Group or its affiliates is a relevant Australian person or uses an Australian flag vessel or aircraft to transport goods or transact services subject to UN sanctions, (ii) none of the Group's activities is conducted within the territory of Australia, and (iii) the Group does not engage in transactions involving products or services that are restricted under Australian export controls, the restrictions under Australian sanctions measures as applicable during the Track Record Period would not apply to the Group's business activities within the Relevant Jurisdictions.

12. U.S. Tariff Regulations

- 12.1 In early 2025, the U.S. government issued multiple executive orders implementing additional tariffs on imports from various jurisdictions, including additional tariffs amounting to an aggregate of 145% on imports from the PRC that took effect on April 10, 2025 (the IEEPA tariffs), and the proclamation invoking Section 232 of the Trade Expansion Act of 1962 that imposed a 25% tariff on imported automobiles with effect from April 3, 2025 (Section 232 tariffs). On May 12, 2025, the PRC government and U.S. government issued a joint announcement acknowledging that both parties will take actions to build a sustainable and long-term trade relationship. In particular, the U.S. government took actions to reduce the IEEPA tariff rate to 30% on imports from the PRC on a temporary basis for an initial period of 90 days from May 14, 2025, which was extended for another 90 days on August 12, 2025. On November 1, 2025, the U.S. released a Fact Sheet, which said that the U.S. would lower the tariffs on Chinese imports imposed to curb fentanyl flows by removing 10 percentage points of the cumulative rate, effective November 10, 2025, and will maintain its suspension of heightened reciprocal tariffs on Chinese imports until November 10, 2026 (the current 10% reciprocal tariff will remain in effect during this suspension period). However, the U.S. tariffs and trade policies are subject to constant changes, influenced by evolving geopolitical dynamics, economic priorities and regulatory agenda, and such policies may be amended, expanded, or replaced with short or no advance notice.
- 12.2 Based on our due diligence process and review of the information provided by the Group together with the Company's confirmation that as of the Latest Practicable Date, the Group had no exports of new energy vehicles to the US.
- 12.3 On the basis of the foregoing, our assessment is that during the Tracking Record Period and as of the Latest Practicable Date, the impact of the changes in U.S. tariff regulations on the Company's business operations is immaterial.

13. U.S. Outbound Investment Review

13.1 Overview

- (a) In August 2023, the U.S. President issued Executive Order 14105 (“Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern”), establishing the framework for an outbound investment review regime (“**OIR**”). Pursuant to this Executive Order, the U.S. Department of the Treasury published an Advance Notice of Proposed Rulemaking (ANPRM) to develop implementing regulations.
- (b) On October 28, 2024, the U.S. Department of the Treasury issued final regulations (the “**Final Rule**”, codified at 31 C.F.R. Part 850) implementing Executive Order 14105, which addresses U.S. investments in certain national security technologies and products in countries of concern. The Final Rule aims to restrict U.S. persons (as defined below) from knowingly engaging in, or knowingly directing their controlled foreign entities (as defined below) to engage in, covered transactions (as defined below) involving activities related to semiconductors and microelectronics, quantum information technologies, and artificial intelligence (i.e., "covered activities") in the countries of concern (as defined below). Furthermore, it imposes varying levels of investment restrictions, specifically, prohibited transactions and notifiable transactions, based on the nature, purpose, and level of technological advancement associated with the underlying covered activity.
- (c) The key elements of the Final Rule’s scope include:
 - (i) Obligations of U.S. persons: Prohibition of certain covered transactions and mandatory notification of others; U.S. persons must also take all reasonable steps to prevent their controlled foreign entities from engaging in prohibited transactions and ensure timely notification (within 30 days) of notifiable transactions undertaken by such entities.
 - (ii) Scope of covered transactions: Includes acquisitions of equity or contingent equity interests, certain debt financing, conversions of contingent equity, greenfield investments and corporate expansions, joint ventures, and certain limited partner or equivalent investments in pooled funds.
 - (iii) Knowledge standard: Obligations apply where a U.S. person has knowledge of the relevant facts and circumstances of the transaction.
 - (iv) Covered foreign persons: The target must be a “covered foreign person,” i.e., a person of a country of concern engaged in a covered activity, or an entity substantially owned or controlled by such persons.
 - (v) Exceptions: Certain transactions are expressly excluded (e.g., passive investments conferring only standard minority shareholder protections).

Where no exception applies and jurisdictional elements are satisfied, the transaction may fall within the scope of the Final Rule.

- (d) If the above elements are not met, the transaction does not fall within the OIR regime, and no notification obligation arises.
- (e) The Final Rule defines prohibited and notifiable transactions with reference to whether a covered foreign person engages in a covered activity.
 - (i) At present, covered activities under the Final Rule cover three sectors:
 - (A) Semiconductors and Microelectronics;
 - (B) Quantum Information Technologies; and
 - (C) Artificial Intelligence.
 - (ii) Pursuant to the Final Rule, prohibited transactions in the field of semiconductors and microelectronics include:
 - (A) Develop or produce any electronic design automated software for the design of integrated circuits (“ICs”) or advanced packaging;
 - (B) Develop or produce (1) front-end semiconductor fabrication equipment designed for performing volume fabrication of ICs; (2) equipment for performing volume advanced packaging; or (3) commodity, material, software or technology designed exclusively for use in or with extreme ultraviolet lithography fabrication equipment;
 - (C) Design IC that meets or exceeds the performance parameters in Export Control Classification Number 3A090.a in supplement No. 1 to 15 CFR part 774, or integrated circuits designed for operation at or below 4.5 Kelvin;
 - (D) Fabricate any of the following:
 - (aa) Logic integrated circuits using a non-planar transistor architecture or with a production technology node of 16/14 nanometers or less, including fully depleted silicon-on-insulator (FDSOI) integrated circuits;
 - (bb) NOT-AND (NAND) memory integrated circuits with 128 layers or more;

- (cc) Dynamic random-access memory (DRAM) integrated circuits using a technology node of 18 nanometer half-pitch or less;
 - (dd) Integrated circuits manufactured from a gallium-based compound semiconductor;
 - (ee) Integrated circuits using graphene transistors or carbon nanotubes; or
 - (ff) Integrated circuits designed for operation at or below 4.5 Kelvin.
- (E) Package any integrated circuit using advanced packaging techniques.
- (F) Develop, install, sell, or produce any supercomputer enabled by advanced integrated circuits that can provide a theoretical compute capacity of 100 or more double-precision (64-bit) petaflops or 200 or more single-precision (32-bit) petaflops of processing power within a 41,600 cubic foot or smaller envelope.
- (G) Designing, fabricating or packaging any IC that does not meet the prohibited transaction parameters is considered as notifiable transaction.
- (iii) Pursuant to the Final Rule, prohibited transactions in the field of Artificial Intelligence include the development of any AI system:
 - (A) Exclusively designed for military end uses, such as weapons targeting, target identification, combat simulation, military vehicle or weapon control, military decision-making, weapons design (including CBRN weapons), or combat system logistics and maintenance; or
 - (B) Exclusively designed or intended for government intelligence or mass-surveillance end uses, including functions such as mining text, audio, or video; image recognition; location tracking; or surreptitious listening.
- (iv) Additionally, the training of any AI system using more than 10^{25} computational operations, or more than 10^{24} operations primarily involving biological sequence data, falls within the prohibited category.
- (v) Notifiable transactions include the development of any AI system that does not rise to the level of a prohibited transaction but is:

- (A) Designed (but not exclusively) for military, government intelligence, or mass-surveillance end uses;
 - (B) Intended for use in cybersecurity, digital forensics, penetration testing, or robotics control applications; or
 - (C) Trained using more than 10^{23} computational operations, i.e., a threshold below that for prohibited transactions.
- (vi) As of the quantum information technologies sector, the prohibited transactions (the notifiable transactions are inapplicable here) include:
 - (A) Develop quantum computers or the critical components required to produce quantum computers, such as dilution refrigerators or two-stage pulse tube cryocoolers;
 - (B) Develop or produce quantum sensing platforms designed for, or intended to be used for, military, government intelligence, or mass-surveillance end uses; or
 - (C) Develop or produce quantum networks or communication systems designed for, or intended to be used for, networking to scale up capabilities of quantum computers, secure communications, or any other application that has any military, government intelligence, or mass-surveillance end use.
- (f) In addition to the above, if a covered foreign person is listed on any of the following U.S. government-designated lists, any covered transaction involving such person shall be treated as a prohibited transaction, irrespective of whether the transaction would otherwise qualify as a prohibited transaction under the Final Rule:
 - (i) included on the BIS's Entity List (15 CFR part 744, supplement No. 4);
 - (ii) included on BIS's MEU List (15 CFR part 744, supplement no. 7);
 - (iii) meets the definition of MIEU by BIS in 15 CFR 744.22(f)(2);
 - (iv) included on the Treasury's SDN List, or is an entity in which one or more individuals or entities included on the SDN List, individually or in the aggregate, directly or indirectly, own a 50 percent or greater interest;
 - (v) included on the NS-CMIC List; or
 - (vi) designated as a foreign terrorist organization by the Secretary of State under 8 U.S.C. 1189.

- (vii) If a transaction does not satisfy any of the above criteria, then the transaction shall not be subject to the jurisdiction of the Final Rule
- (g) Knowledge Standards
 - (i) In assessing potential violations of the Final Rule, the Treasury will evaluate whether a U.S. person knew or should have known the relevant facts and circumstances pertaining to a covered transaction. Pursuant to 31 CFR § 850.216, “knowledge” includes:
 - (A) Actual awareness that a fact or circumstance exists or is substantially certain to occur;
 - (B) Awareness of a high probability that a fact or circumstance exists or will occur; or
 - (C) Having reason to know that a fact or circumstance exists.
 - (ii) A U.S. person will be deemed to have knowledge if they:
 - (A) actually knew a relevant fact or circumstance existed or was substantially certain to occur;
 - (B) were aware of a high probability of its existence or occurrence; or
 - (C) could have obtained such information through reasonable and diligent inquiry.
 - (iii) When determining whether a U.S. person conducted a reasonable and diligent inquiry, the Treasury will consider the totality of facts and circumstances under 31 CFR § 850.104, including:
 - (A) Inquiries made by the U.S. person regarding the investment target or counterparty at the time of the transaction;
 - (B) Contractual representations or warranties obtained or attempted from the counterparty concerning its status or that of the transaction;
 - (C) Efforts to obtain and consider non-public information relevant to the transaction or counterparty status;
 - (D) Use of publicly available information and consistency checks with other known information;
 - (E) Whether the U.S. person deliberately avoided acquiring relevant information;

- (F) Presence of warning signs, such as evasive responses or refusal to provide information; and
 - (G) Use of public or commercial databases to verify counterparty information.
- (iv) Additionally, the Final Rule prohibits U.S. persons from knowingly directing a non-U.S. person to engage in a prohibited transaction. Under 31 CFR § 850.303, “knowingly directs” means that a U.S. person:
 - (A) has authority, individually or collectively, to make or substantially influence the non-U.S. person’s decisions, and
 - (B) exercises that authority to direct, order, decide, or approve the transaction.
- (v) Officers, directors, and individuals with executive responsibilities are presumed to possess such authority. However, a U.S. person who recuses themselves from the following will not be deemed to have exercised directive authority:
 - (A) Participating in formal approval or recommendation processes related to the transaction;
 - (B) Reviewing, editing, commenting on, or signing relevant transaction documents; or
 - (C) Engaging in negotiations with the investment target or counterparty.
- (h) Excepted Transactions
 - (i) The Final Rule excludes certain categories of transactions from its scope, provided that such transactions do not grant a U.S. person rights exceeding standard minority shareholder protections. Pursuant to 31 CFR § 850.501, the following are considered excepted transactions:
 - (A) **Publicly Traded Securities:** Investments in publicly traded securities, including those denominated in any currency and traded on a securities exchange or over-the-counter in any jurisdiction, as well as securities issued by registered investment companies (e.g., index funds, mutual funds, or ETFs) or elected business development companies.
 - (B) **Certain Limited Partner Investments:** Investments made by a U.S. person as a limited partner (or equivalent) in venture capital, private

equity, funds of funds, or similar pooled investment vehicles, under either of the following conditions:

- (a) The total committed capital by the limited partner (including co-investment vehicles) does not exceed \$2,000,000; or
 - (b) The limited partner obtains a binding contractual assurance that its capital will not be used to engage in any transaction that would constitute a prohibited or notifiable transaction if undertaken directly by a U.S. person.
- (C) **Derivatives:** Investments in derivative securities, provided the derivative does not grant rights to acquire equity, equity-like interests, or assets of a covered foreign person.
- (D) **Buyouts of Country of Concern Ownership:** A full buyout by a U.S. person of all ownership interests held by any person of a country of concern in an entity, such that the entity ceases to qualify as a covered foreign person post-transaction.
- (E) **Intracompany Transactions:** Transactions between a U.S. person and its controlled foreign entity that support non-covered activities or maintain ongoing covered activities in which the foreign entity was engaged prior to January 2, 2025.
- (F) **Pre-Final Rule Binding Commitments:** Fulfilment of a U.S. person's binding uncalled capital commitment entered into before January 2, 2025.
- (G) **Syndicated Debt Financings:** Acquisition of a voting interest in a covered foreign person resulting from a default or similar condition under a loan in which the U.S. person participated passively as part of a lending syndicate.
- (H) **Equity-Based Compensation:** Receipt of employment compensation in the form of equity awards, grants, or options in a covered foreign person, including the exercise of such options.
- (I) **Third-Country Measures:** Transactions involving entities outside the United States may qualify as excepted if the Secretary of the Treasury determines that the relevant country or territory is effectively addressing outbound investment-related national security risks, and the transaction type is sufficiently mitigated by such measures.

- (ii) In addition to these exceptions, the Final Rule permits U.S. persons to seek an exemption from prohibition or notification requirements on the grounds that a transaction serves the national interest of the United States.
- (i) Pursuant the Final Rule, the following definitions apply:
 - (i) Covered Foreign Person: Meaning a person of a country of concern that engages in a covered activity; or A person that directly or indirectly holds a board seat on, a voting or equity interest (other than through securities or interests that would satisfy the conditions in § 850.501(a) if held by a U.S. person) in, or any contractual power to direct or cause the direction of the management or policies of any person or persons described in paragraph (i)(A) of this section from or through which it:
 - (A) Derives more than 50 percent of its revenue individually, or as aggregated across such persons from each of which it derives at least \$50,000 (or equivalent) of its revenue, on an annual basis;
 - (B) Derives more than 50 percent of its net income individually, or as aggregated across such persons from each of which it derives at least \$50,000 (or equivalent) of its net income, on an annual basis;
 - (C) Incurs more than 50 percent of its capital expenditure individually, or as aggregated across such persons from each of which it incurs at least \$50,000 (or equivalent) of its capital expenditure, on an annual basis; or
 - (D) Incurs more than 50 percent of its operating expenses individually, or as aggregated across such persons from each of which it incurs at least \$50,000 (or equivalent) of its operating expenses, on an annual basis.
 - (ii) Person of Country of Concern: Meaning (i) any individual that is a citizen or permanent resident of a country of concern; not a U.S. citizen; and not a permanent resident of the U.S.; (ii) An entity with a principal place of business in, headquartered in, or incorporated in or otherwise organized under the laws of, a country of concern; (iii) The government of a country of concern, including any political subdivision, political party, agency, or instrumentality thereof; any person acting for or on behalf of the government of a country of concern; or any entity with respect to which the government of a country of concern holds individually or in the aggregate, directly or indirectly, 50 percent or more of the entity's outstanding voting interest, voting power of the board, or equity interest,

or otherwise possesses the power to direct or cause the direction of the management and policies of such entity (whether through the ownership of voting securities, by contract, or otherwise); (iv) Any entity in which one or more persons identified in (i), (ii), or (iii) of this section, individually or in the aggregate, directly or indirectly, holds at least 50 percent of any of the following interests of such entity: outstanding voting interest, voting power of the board, or equity interest; or (v) Any entity in which one or more persons identified in paragraph (d) of this section, individually or in the aggregate, directly or indirectly, holds at least 50 percent of any of the following interests of such entity: outstanding voting interest, voting power of the board, or equity interest.

- (iii) U.S. person: Meaning any of the following: United States citizen; lawful permanent resident; entity organized under the laws of the United States or any jurisdiction within the United States, including any foreign branch of any such entity; any person in the United States.
- (iv) Covered Transaction: Meaning a U.S. person's direct or indirect:
 - (A) Acquisition of an equity interest or contingent equity interest in a person that the U.S. person knows at the time of the acquisition is a covered foreign person;
 - (B) Provision of a loan or a similar debt financing arrangement to a person that the U.S. person knows at the time of the provision is a covered foreign person, where such debt financing affords or will afford the U.S. person an interest in profits of the covered foreign person, the right to appoint members of the board of directors (or equivalent) of the covered foreign person, or other comparable financial or governance rights characteristic of an equity investment but not typical of a loan;
 - (C) Conversion of a contingent equity interest into an equity interest in a person that the U.S. person knows at the time of the conversion is a covered foreign person, where the contingent equity interest was acquired by the U.S. person on or after January 2, 2025;
 - (D) Acquisition, leasing, or other development of operations, land, property, or other assets in a country of concern that the U.S. person knows at the time of such acquisition, leasing, or other development will result in, or that the U.S. person plans to result in:
 - (a) The establishment of a covered foreign person; or

- (b) The engagement of a person of a country of concern in a covered activity;
 - (E) Entrance into a joint venture, wherever located, that is formed with a person of a country of concern, and that the subject U.S. person knows at the time of entrance into the joint venture that the joint venture will engage, or plans to engage, in a covered activity; or
 - (F) Acquisition of a limited partner or equivalent interest in a venture capital fund, private equity fund, fund of funds, or other pooled investment fund (in each case where the fund is not a U.S. person) that a U.S. person knows at the time of the acquisition likely will invest in a person of a country of concern that is in the semiconductors and microelectronics, quantum information technologies, or artificial intelligence sectors, and such fund undertakes a transaction that would be a covered transaction if undertaken by a U.S. person.
- (v) Controlled Foreign Entities: Meaning any entity incorporated in, or otherwise organized under the laws of, a country other than the United States of which a U.S. person is a parent.
- (A) For purposes of this term, the following rules shall apply in determining whether an entity is a parent of another entity in a tiered ownership structure:
- (a) Where the relationship between an entity and another entity is that of parent and subsidiary, the holdings of voting interest or voting power of the board, as applicable, of a subsidiary shall be fully attributed to the parent.
 - (b) Where the relationship between an entity and another entity is not that of parent and subsidiary (i.e., because the holdings of voting interest or voting power of the board, as applicable, of the first entity in the second entity is 50 percent or less), then the indirect downstream holdings of voting interest or voting power of the board, as applicable, attributed to the first entity shall be determined proportionately.
 - (c) Where the circumstances in paragraphs (A)(aa) and (bb) of this section apply (i.e., because a U.S. person holds both direct and indirect downstream holdings in the same entity),

any holdings of voting interest shall be aggregated for the purposes of applying this definition, and any holdings of voting power of the board shall be aggregated for the purposes of applying this definition. Voting interest shall not be aggregated with voting power of the board for the purposes of applying this definition.

- (vi) Develop: Except as used in § 850.210(a)(4), the term develop means to engage in any stages prior to serial production, such as design or substantive modification, design research, design analyses, design concepts, assembly and testing of prototypes, pilot production schemes, design data, process of transforming design data into a product, configuration design, integration design, and layouts.
- (vii) Fabricate: The term fabricate means to form devices such as transistors, poly capacitors, non-metal resistors, and diodes on a wafer of semiconductor material.
- (viii) Package: The term package means to assemble various components, such as the integrated circuit die, lead frames, interconnects, and substrate materials to safeguard the semiconductor device and provide electrical connections between different parts of the die.
- (ix) Produce: The term produce means to engage in any of the post-development stages of realizing the relevant technology or product, such as engineering, manufacture, integration, assembly, inspection, testing, and quality assurance.

13.2 Analysis

- (a) As stated above, the Final Rule is targeted at certain types of outbound investments by U.S. persons in entities of countries of concern that are engaged in sensitive technologies within three specified sectors: semiconductor and microelectronics, quantum information technologies, and artificial intelligence. Where a transaction does not involve any covered activity in these sectors, such investment falls outside the scope of the Final Rule and does not give rise to prohibition or notification obligations.
- (b) Additionally, investments by U.S. persons in publicly traded securities are exempt under the Final Rule so long as the investment does not confer rights beyond "standard minority shareholder protections", regardless of whether the issuing entity qualifies as a person of a country of concern or whether the entity engages in covered activities. In other words, once the company's stocks become publicly

traded, the restrictions imposed by the Final Rule do not apply to transactions involving such securities so long as the investment does not confer rights beyond "standard minority shareholder protections".

- (c) In terms of whether the Final Rule will negatively affect the Group, its shareholders, directors, and senior management, and the operation, financial performance and fundraising capability of the Group, based on the Company's responses to the Interview Questions and our independent due diligence on the materials provided, we understand that, during the Track Record Period and as of the Latest Practicable Date:
 - (i) the Group is not involved in the development, design, production, fabrication, or advanced packaging of semiconductors or integrated circuits;
 - (ii) the intelligent driving assistance system (ADAS) developed by the Group, namely the "V-PILOT", is not exclusively designed, nor intended, for military, government intelligence, or mass-surveillance purposes;
 - (iii) the ADAS developed by the Group is not trained using a specified quantity of computing power greater than 10^{23} computational operations; and
 - (iv) the ADAS developed by the Group does not involve cybersecurity applications, digital forensics tools, penetration testing tools, or the control of robotics systems.
- (d) In light of "ISO 8373:2021 Robotics", the term "Robot" means a programmed actuated mechanism with a degree of autonomy to perform locomotion, manipulation or positioning, where "autonomy" means the ability to perform intended tasks based on current state and sensing without human intervention. Further, "Control system/Robot controller" means a set of hardware and software components implementing logic and power control, and other functions which allow monitoring and controlling of the behavior of a robot and its interaction and communication with other objects and humans in the environment.
- (e) Regarding whether the Company's V-PILOT falls within the definition of "control of robotics systems," we have relied on the Company's responses to the Interview Questions List and disclosures in the prospectus, supplemented by our independent due diligence. Our understanding is that the V-PILOT system developed by the Company operates at Level 2, as defined by the Society of Automotive Engineers ("SAE") Levels of Driving Automation. According to the SAE classifications, features at Levels 0 through 2 are categorized as "driver support features," meaning the driver must continuously supervise these support functions. In contrast,

features at Levels 3 through 5 are considered “automated driving features,” where the driver is not required to intervene while these features are active.

- (f) Additionally, we have addressed the Company's April 2025 announcement regarding the launch of its "V-PILOT L3 intelligent driving technology." The Company has clarified that as of the Latest Practicable Date, it has not commenced mass production or commercialization of any Level 3 conditional autonomous vehicles. Furthermore, based on the Company's statement, regarding its current functional tier, its technical substance remains that of a driver-assistance function operating under the continuous supervision of the driver, and therefore lacks the essential autonomy characteristic of a robotic system. The Company's confirmation that it "does not research, produce, or develop robots or robotics control systems" definitively supports this assessment. Therefore, the technical substance of the currently deployed V-PILOT system remains that of a driver-assistance function operating under continuous human supervision and falls outside the scope of "control of robotics systems."
- (g) Furthermore, the Company has confirmed that it has no plans to develop any business involving, invest in, or acquire any entity engaged in covered activities. It also does not hold any position in any entity involved in such activities.
- (h) Given above, based on the Company's confirmation, the materials provided, and our independent analysis of the Final Rule above, during the Track Record Period and as of the Latest Practicable Date, the activities conducted by the Group do not constitute "covered activities" within the meaning of the Final Rule. Although the Company and its subsidiaries are considered "persons of a country of concern" due to their principal place of business, headquarters, or incorporation in the People's Republic of China, the Group does not qualify as a "covered foreign person" under the Final Rule. Consequently, the Final Rule is not applicable to the Company or the Listing. Once the shares are issued and become publicly traded, subsequent transactions involving these securities, including those by U.S. persons, will qualify for the publicly traded securities exception, irrespective of whether the Company engages in any covered activities, so long as the investment does not confer rights beyond "standard minority shareholder protections". Given the inapplicability of the Final Rule, the Group's current and prospective shareholders, directors, and senior management will not be subject to its restrictions. Furthermore, the Rule will have no material impact on the Group's operations, financial performance, or ability to raise capital.

* * * * *

This memorandum is privileged and confidential. It has been prepared for the benefit of the Group in connection with the Listing. The conclusion made based on our reasoned analysis of the relevant facts to the applicable International Sanctions laws is not binding on OFAC, the U.S. Department of State, the European Commission, the competent authorities of European Union Member States, 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—it does not necessarily represent the view of, nor does it bind, the sanctions authorities in the various Relevant Jurisdictions, which have discretion in deciding on whether to investigate or enforce sanctions related matters.

This memorandum is only intended for the benefit of the person(s) to whom it is addressed. Except for the Group and the Sole Sponsor, this memorandum is not to be disclosed to, or relied on by, any other person or for any other purpose or quoted or referred to in any public document or filed with any government or other agency or other person except with our prior written consent (and in accordance with any conditions stated in such consent). This memorandum may also be disclosed for information only to (but not relied on by) 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 PRC. 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.

In conducting our due diligence and for the purposes of preparing this memorandum, we have made certain assumptions. The fact that we have made an assumption in this memorandum does not imply that we have made any enquiry to verify any such assumption so made. The persons involved in the production of this memorandum are not, to the best of their knowledge, aware of any circumstances which would affect the correctness of any assumption. No assumption is limited by reference to any other assumption or qualification. This memorandum deals only with the International Sanctions in force as of the date of this memorandum. For the avoidance of doubt, we are under no obligation to update this memorandum or advise any recipient of this memorandum about any changes in International Sanctions after the date of this memorandum. Except for the International Sanctions herein, no opinion, advice and view are expressed or implied as to the law of any other country or territory, or as to other matters of fact.

We have assumed that:

- (a) All documents provided to us are reliable, accurate and complete;
- (b) No document has been tampered with, modified or edited in any way by any person once it has been made available (electronically or otherwise), except to the extent notified to us; and
- (c) All information and comments made to us and responses provided to us by the Group were reliable, accurate and complete.
- (d) the authenticity and completeness of the originals, and their conformity with the copies (i.e., the submitted documents), are valid;
- (e) Where a document reviewed was in a draft form, that it has been or will be executed in the form of that draft;
- (f) All documents are within the capacity and power and for the corporate benefit of, and have been or will be validly authorized, executed and delivered by, each party to them, and constitute legal, valid and binding obligations of those parties, enforceable in accordance with their terms under all applicable laws;
- (g) In respect of any documents containing conditions precedent to the operation of part or all of that document, all conditions precedent have been satisfied or waived in accordance with the terms of the document;
- (h) All signatures, seals and dates and of any stamp duty paid or marked on documents are authentic; and
- (i) All documents that should have been stamped, have been or will be duly stamped and will not incur penalties or fines for late or inadequate stamping; except to the extent expressly identified in this memorandum.

This memorandum is subject to the following qualifications:

- (d) The information contained in government records is not necessarily accurate or up to date.
- (e) Information concerning the Group may be known by our partners or employees who have not been directly involved in the preparation of this memorandum – we have not made any attempt to collate such information and will not be taken to be aware of such information for the purposes of this memorandum.
- (f) The statements made and the opinions expressed in this memorandum are given only to the extent that a law firm, having the role described in this memorandum, could reasonably be expected to have become aware of relevant facts and to have identified implications of those facts.

(g) We specifically disclaim any special knowledge, skills or expertise in any capacity other than that of legal advisers, including any of a financial, business, statistical, information technology, insurance, accounting, taxation or valuation nature or otherwise.

(h) Other than the due diligence steps specifically referred to in this memorandum, in preparing this memorandum, we have not:

- (i) Reviewed any financial statements of the Group;
- (ii) Audited any of the financial information provided by the Group for this memorandum;
- (iii) Interviewed any directors or members of the senior management of the Group;
- (iv) Considered in detail whether all procedural steps have been complied with prior to the grant of any licenses, permits, consents, registrations and approvals. Our assumption has been that if a license, permit, consent, registration or approval has been granted, it is valid;
- (v) Carried out any legal, financial, accounting, taxation, tax structuring or operational analysis in relation to the Group or their activities save for those specifically referred to in this memorandum;
- (vi) Reviewed any environmental report or environmental study;
- (vii) Undertaken any commercial analysis of the Listing;
- (viii) Conducted any license or litigation related searches; or
- (ix) Undertaken any physical examination of the Group's offices or premises.

Our sanctions screening is subject to the following limitations:

- (a) The Group provided the list of all its counterparties, including all suppliers, customers and end users, which we presume to be accurate and complete.
- (b) We screened the names of counterparties provided the Company using a screening software which compares the entered name against relevant lists and returns potential matches. The system can identify ownership relationships and other affiliations linking the entered counterparty to direct or indirect shareholders, subsidiaries, or affiliates that may be Sanctioned Targets only when such information is publicly available. In some instances, affiliations with Sanctioned Targets were detected though near-matches with the names of Sanctioned Targets indicated obvious affiliations.
- (c) The Company does not routinely collect information about the identities of the upstream owners of counterparties. Therefore, the sanctions screening cannot be performed on all of counterparties' owners or controlling parties. It is therefore possible that the ultimate legal and/or beneficial owner(s) of certain customers (while not captured by the screening of such customers)

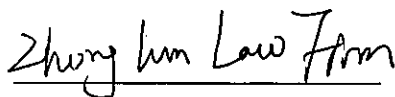
could be Sanctioned Targets, and the sanctions measures imposed against such Sanctioned Target could – depending on the level of ownership or control – similarly apply to the relevant customer.

(d) We re-screened prior to issuing this memorandum all counterparties of the Group using the same approach.

(e) The screening was conducted as of the date of this memorandum. Accordingly, this methodology would not detect scenarios in which an entity was designated at the time of the relevant transactions, but subsequently de-listed and thus not included on the Consolidated Sanctions Lists at the time of screening. For the same reasons, this methodology would not detect scenarios in which a party was designated after the screening date, or in which the specific restrictions and licensing requirements applicable to a party were changed after the screening date.

* * * * *

If you have any questions or comments regarding this memorandum, or would otherwise like to discuss our analysis herein, please contact feel free to contact us.

A handwritten signature in cursive script that reads "Zhong Lun Law Firm". The signature is written in dark ink and is positioned above a horizontal line.

Zhong Lun Law Firm

To: Zhong Lun Law Firm
From: Zhong Lun Law Firm LLP
Subject: U.S. Export Control and Sanctions Analysis Relating to VOYAH Automotive Technology Co., Ltd.
Date: February 13, 2026

1. Introduction and Scope

- 1.1. This memorandum has been prepared at the request of Zhong Lun Law Firm (“**Beijing Zhong Lun**” or “**Client**”) in connection with **VOYAH Automotive Technology Co., Ltd.**’s (the “**Company**,” together with its subsidiaries, the “**Group**”) proposed listing (“**Listing**”) of, and permission to deal in, the H shares on the Stock Exchange of Hong Kong Limited (“**HKEX**”) of the Company. We act as Beijing Zhong Lun’s U.S. counsel, and our analysis is strictly limited to U.S. federal law, including export control regulations administered by the U.S. Department of Commerce and sanctions regulations administered by the U.S. Department of the Treasury.
- 1.2. This memorandum addresses, from the perspective of laws and regulations of the U.S., (i) whether the Group engaged in any activity that would violate applicable laws or regulations related to economic sanctions and export controls administered by the U.S. government (the “**U.S. Sanctions Regimes**”), and whether such activities might create a material sanctions risk to the Relevant Persons (as defined below); (ii) whether the Group has been impacted by current U.S. tariff policies; and (iii) whether the Group is subject to the outbound investment security program on the Group’s business operation.
- 1.3. This memorandum is provided for the purposes of the Listing only as required by Chapter 4.4 of the Guide for New Listing Applicants (the “**Chapter 4.4 Guidance**”), effective from January 2024, issued by HKEX. However, we do not provide any opinion with respect to the laws of Hong Kong, the rules of the HKEX, or the laws of any other jurisdiction. In particular, we do not opine on whether the Company is eligible to list on the HKEX or whether its activities might have regulatory implications under Hong Kong law or for the HKEX. Our mandate is confined to examining the Company’s exposure under U.S. law. The analysis herein is based on the facts provided to date to assess the Group’s compliance with the U.S. Sanctions Regimes 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 U.S. Sanctions Regimes.

- 1.4. For the purpose of this memorandum, “**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 sponsor, the HKEX, and related group companies. “**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 U.S. For the purposes of this memorandum, Sanctioned Countries refer to the following countries or regions that are subject to a general and comprehensive export, import, financial, or investment embargo: Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, Luhansk People’s Republic (“**LNR**”), and Donetsk People’s Republic (“**DNR**”).
- 1.5. In preparing this memorandum, we relied on due diligence materials provided by Beijing Zhong Lun, including the Company’s responses to the “Due Diligence Question and Materials lists” and other follow-up questions and materials lists (collectively, the “**Question and Materials List**”), prepared by Beijing Zhong Lun, and related documents provided by the Company to Beijing Zhong Lun, and Beijing Zhong Lun’s screen of all customers, distributors, and suppliers that had transactions with the Group during the period from the years ended December 31, 2023, December 31, 2024, and December 31, 2025 (the “**Track Record Period**”) and the period from January 1, 2026 up to February 6, 2026 (the “**Latest Practicable Date**”). As to matters of other fact material to the conclusion stated herein, we have relied on the representations and statements of fact made by the Group.
- 1.6. This memorandum is based on the understanding and assumptions detailed herein. We rely on the completeness and accuracy of the information given to us by Beijing Zhong Lun. If any of the assumptions are incorrect, or any changes occur in or corrections to the information given, the Company is recommended to inform Beijing Zhong Lun and us so that we can confirm the content of this analysis.
- 1.7. This memorandum is given only with respect to U.S. Sanctions Regimes in force up to the date of this memorandum. We underline 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 U.S. Sanctions Regimes or their applications after the date of this memorandum and have no obligation to update this memorandum to reflect any change in U.S. Sanctions Regimes or their application 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 U.S. Sanctions Regimes discussed below.



2. Conclusion

On the basis of the information received from Beijing Zhong Lun, on which we have relied without independent verification, and after carrying out the procedures and analysis set out below, we are of the view that the Company:

- 2.1. During the Track Record Period and as of the Latest Practicable Date, the Group does not appear to have engaged in any primary sanctioned activity. In particular, based on the Company's representations, there were no activities in, with, or for the direct or indirect benefit of, or involving the property or interests in property of, a Sanctioned Country or sanctioned target, which violated the applicable sanctions laws or regulations. This includes activities undertaken by the Company or any of its subsidiaries incorporated or located in the U.S. (where applicable), or otherwise having a nexus to such jurisdiction. Accordingly, the Group does not appear to have violated applicable U.S. sanctions laws or regulations in a manner that would create any material sanctions risk for the Relevant Persons. In assessing materiality, we have considered both the likelihood of sanctions being imposed and the severity of potential consequences.
- 2.2. During the Track Record Period and as of the Latest Practicable Date, the Group sold products to Russia and Belarus indirectly through China Dongfeng Motor Industry Import & Export Co., Ltd. ("DFMIEC"). Such transactions could, in principle, fall within the scope of extraterritorial provisions of U.S. sanctions laws. We note that the U.S. Department of the Treasury has identified Russia's "transportation sector" (which includes automobile sales) under Executive Order 14024 as a sector where participants may face designation risk. However, as clarified by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") in Frequently Asked Question No. 887¹, industry identification does not automatically impose sanctions on all participants, and designations are limited to persons specifically determined by U.S. authorities. As of the Latest Practicable Date, neither the Group nor DFMIEC has been designated under E.O. 14024. We further note that DFMIEC has implemented compliance measures, including contractual sales scope stipulations and requirements for distributors to undertake to comply with the compliance-related content of the agreement. Taking into account these measures and the information made available to us, we consider that the risk of U.S.

¹ See question FAQ No.887 "E.O. 14024 provides for blocking sanctions on persons operating in the technology sector or the defense and related materiel sector of the Russian Federation economy, or any other sectors determined by the Secretary of the Treasury, in consultation with the Secretary of State. The identification of a sector pursuant to E.O. 14024 provides notice that persons operating in the identified sector are exposed to sanctions risk; however, such identification does not automatically block all persons operating in the sector. Only persons designated pursuant to E.O. 14024 for operating in the defense and related materiel sector of the Russian economy (or any other sector identified under the E.O.) are subject to blocking sanctions and will appear on the SDN List." <https://ofac.treasury.gov/faqs/topic/6626#:~:text=14024%20provides%20for%20blocking%20sanctions%20on%20persons,identification%20of%20a%20sector%20pursuant%20to%20E.O.>



secondary sanctions arising from such sales is low and not material at present, although such risk cannot be entirely excluded.

- 2.3. The Group has not been designated as a sanctioned target, nor is it located, incorporated, organized, or resident in a Sanctioned Country;
- 2.4. Based on the Company's representations, the Group did not derive a material portion of its revenue during the Track Record Period and as of the Latest Practicable Date from business activities with Sanctioned Country entities or persons, or with sanctioned targets. For the purposes of this assessment, we have applied materiality thresholds commonly used in disclosure practice (e.g., 10% of revenue), though such thresholds are not prescribed by U.S. law. We further note that the U.S. military-related sanctions lists are not applicable to the Group's business, and the Group has not conducted transactions with any sanctioned targets.
- 2.5. None of the business dealings of the Group during the Track Record Period and as of the Latest Practicable Date appear to give rise to material risks under U.S. export control regulations, based on the Company's confirmation that its products do not contain U.S.-origin content above applicable de minimis thresholds and are not the direct product of controlled U.S. technology.

3. Executive Summary

- 3.1. The Company is a premium intelligent NEV brand and focuses on developing a user-centric technology enterprise through integrated full-cycle technological and user ecosystem services. During the Track Record Period and as of the Latest Practicable Date, the Company sold its new energy vehicles, including VOYAH FREE, VOYAH DREAM, VOYAH PASSION, and VOYAH COURAGE, overseas indirectly through DFMIEC.

3.2. The Company's Business Related to the United States

- (a) According to the Company's confirmation, it has no employees of U.S. nationality (including U.S. permanent residents) involved in the Group's business decision-making directly or indirectly, including through mechanisms such as email approval or IT system authorization.
- (b) During the Track Record Period and as of the Latest Practicable Date, according to the Company's confirmation:
 - (i) the Group does not use any U.S.-origin parts, materials, instruments, equipment, software, or technology in the production or manufacturing of its products;



- (ii) the Group has not established data centers or test sites in the United States, or engaged in cooperative research and development with U.S.-based universities or research institutions; and
 - (iii) the Group has had no ongoing or completed cooperation projects or investments in the United States.
- (c) According to the Company's confirmation, given that the principal functional attribute of the Group's products is civilian passenger vehicles, the Group's products have no nexus to military end-users or end-uses during the Track Record Period and as of the Latest Practicable Date, for the following reasons:
 - (i) the Company has provided a sample of Letter of Compliance Assurance, requiring DFMIEC to ensure that all transactions comply with applicable export control and sanctions regulations (including those of China, the European Union, the United States, and other jurisdictions);
 - (ii) the Company has provided a sample of the Distribution Agreement between DFMIEC and its overseas distributors, which clearly stipulates that (A) overseas distributors may appoint sub-distributors within the designated region to sell the products; (B) however, any sub-license shall comply with the laws of the region, and the overseas distributor shall fully inform DFMIEC of the details of its sales network and ensure that the distributors selling products within the region meet or comply with the requirements and conditions put forward by the manufacturer from time to time, and (C) overseas distributors shall not directly or indirectly sell the products to any legal entity or individual not residing in the region (including sellers), if the overseas distributor knows or has reasonable grounds to know that the products will be resold to any individual not residing in the region and exported outside the region;
 - (iii) our due diligence has not identified any evidence to the contrary; and
 - (iv) to the best knowledge of DFMIEC, there is no indication that the Group's products have been supplied to military end-users or end-uses.
- (d) With respect to the Group's overseas sales, the Company has confirmed that during the Track Record Period and as of the Latest Practicable Date, the Group did not directly sell products to overseas markets. Instead, all overseas sales were conducted indirectly through DFMIEC.
- (e) As of the Latest Practicable Date, among the countries where the Group's products were sold overseas through DFMIEC, the proportion of export revenue attributable



to the Relevant Regions (as defined below) represented less than 10% of the Group's global revenue, both individually and in the aggregate. The Company has further confirmed that, during the Track Record Period and as of the Latest Practicable Date, it has not identified any payments in U.S. dollars related to Sanctioned Countries or to persons included on applicable sanctions lists.

- (f) The Company has also confirmed that, during the Track Record Period and as of the Latest Practicable Date, none of the Group's other customers (including distributors) or suppliers were included on U.S. export control or sanctions lists, except that one of the Group's suppliers has been designated on the Entity List and three of the suppliers/customers have been included on the CMIC List and CMC List. According to the Company's representations, the Group's business has not involved transactions with these suppliers or customers that would trigger U.S. military-related sanctions (for example, restrictions relating to military end-use or the transfer of military-related technology). On this basis, U.S. military-related sanctions lists (including the CMIC List and the CMC List) do not appear to be applicable to the Group's business operations.
- (g) For the Company's cooperation with the supplier listed on the Entity List, during the Track Record Period and as of the Latest Practicable Date, and based on the information provided by the Company (on which we have relied without independent verification), in 2024, the supplier designated its affiliated entity ("**Affiliated Entity**") as the successor entity to take over the supplier's relevant businesses, personnel, and assets under the aforementioned procurement-related contracts, and to continue performing the agreements between the Company and this supplier. Both cooperations do not, on the basis of the information available, appear to give rise to violations of applicable U.S. export control laws and regulations because:
 - (i) Based on the Company's confirmation and our due diligence, the products to be procured from such suppliers are not fall within the scope of items prohibited under Guidance on the Application of General Prohibition 10 (GP10) pertaining to advanced-computing integrated circuits (ICs) of the People's Republic of China. The Company has confirmed that these components are manufactured domestically within the PRC and do not incorporate U.S.-origin hardware, software, or technology that would trigger jurisdiction under the EAR, the de minimis rule or the FDPR. Further, the procurement is conducted entirely within the PRC and is not settled in U.S. dollars through U.S. financial institutions. Accordingly, in the absence of a U.S. jurisdictional nexus (either through U.S.-origin content or U.S. dollar clearing), and given the nature of production and products, the



procurement of such components from the supplier listed on the Entity List and subsequently from Affiliated Entity does not, in our view, give rise to a violation of U.S. export control or sanctions laws.

- (h) With respect to the Group's indirect sales to Russia, neither the Group nor DFMIEC has been designated under Executive Order 14024, and no Chinese automobile manufacturer has to date been designated pursuant to this order. While E.O. 14024 identifies Russia's "transportation sector" as a sector in which participants may face designation risk by OFAC, the Group's automobile sales to Russia through DFMIEC could, in principle, be viewed as operating in this sector. However, OFAC has clarified in its published Frequently Asked Questions that identification of a sector under E.O. 14024 does not automatically subject all operators in that sector to sanctions; only those persons specifically determined by U.S. authorities to be operating in such sectors are designated.
- (i) With respect to the Group's product sales to Belarus, U.S. sectoral sanctions currently applicable to Belarus are focused on the defense and related materiel sector, the security sector, the energy sector, the potassium chloride (potash) sector, the tobacco products sector, the construction sector, and the transportation sector of the economy. Passenger vehicles and related consumer automotive products are not among the categories of goods or activities subject to such restrictions. We further note that the Bureau of Industry and Security ("BIS") has imposed stringent export control measures on Russia, which have also been extended to Belarus in response to its support for Russia's conduct in Ukraine. These measures are primarily targeted at restricting access to advanced technologies and other high-priority items. Passenger vehicles and related consumer automotive products, as described by the Company, are not presently included within such restricted categories. Accordingly, based on the information available, the Group's automobile sales to Belarus do not appear to involve sanctioned parties, restricted end-uses, or high-priority items of concern under current U.S. sanctions and export control programs.
- (j) With respect to the Group's product sales to Turkey, U.S. sanctions applicable to Turkey have historically been limited in scope and largely directed at specific defense procurements or at persons and entities associated with designated activities. Passenger vehicles and related consumer automotive products are not presently among the sectors or activities subject to such restrictions. Accordingly, based on the information available, the Group's automobile sales into Turkey do not appear to involve sanctioned parties or restricted end-uses and should not be regarded as prohibited transactions under current U.S. sanctions programs.
- (k) Moreover, based on our due diligence and the Company's confirmations,



- (i) the Group does not use any proportion of U.S.-origin parts, components, or materials in its products in a manner that would cause material enforcement risks under U.S. export controls;
 - (ii) the Group does not produce or export any of its products from the United States;
 - (iii) the Group does not supply, sell, export, or transfer products that are otherwise subject to U.S. export controls or restricted for transfer, either directly or indirectly, from the United States (or by U.S. persons) to, or for use, in any third country.
- (l) According to the Company's disclosures, the Group takes sanctions compliance seriously and has implemented the following measures:
 - (i) The Group has adopted compliance screening procedures, including both automated screening through its procurement system and manual reviews, to identify counterparties that may present sanctions compliance risks. For each transaction, the Group conducts manual checks covering the transaction details, scope of cooperation, items involved, intended use of products, target markets, and customers, in order to reduce the risk of engaging in activities that could violate applicable United States sanctions requirements.
 - (ii) The Company has provided data regarding the annual export sales volume of its products by country, which indicates that products have been sold to the Relevant Regions. The Company has also provided a sample Distribution Agreement between DFMIEC and its overseas distributors. This agreement clearly stipulates that overseas distributors may appoint sub-distributors within the designated region to sell the products; however, any sub-license shall comply with the laws of the region, and the overseas distributor shall fully inform DFMIEC of the details of its sales network and ensure that the distributors selling products within the region meet or comply with the requirements and conditions put forward by the manufacturer from time to time. It also explicitly states that overseas distributors shall not directly or indirectly sell the products to any legal person or individual not residing in the region (including sellers), if the overseas distributor knows or has reasonable grounds to know that the products will be resold to any individual not residing in the region and exported outside the region.



- (iii) The Company has also provided a sample Letter of Compliance Assurance, which requires DFMIEC to ensure that all transactions comply with applicable export control and sanctions laws and regulations (including those of China, the European Union, the United States, and other jurisdictions). In addition, the Company has provided a sample set of “Model Clauses on Economic Sanctions Compliance” used in agreements between DFMIEC and its overseas distributors. These clauses require distributors to represent and warrant that neither they, their shareholders, nor their ultimate controllers are included on any sanctions lists; and they set out procedures, allocation of liability, and other provisions to govern the parties’ obligations in the event that economic sanctions arise during the term of the agreement and create risks for contract performance.
- (m) Based on the foregoing, our assessment is that: (i) the Group has not engaged in any conduct that would constitute a violation of applicable U.S. sanctions laws or regulations that could give rise to material primary sanctions risk for the Relevant Persons; (ii) in light of DFMIEC’s implementation of certain compliance measures, such as contractual restrictions on sales scope and the requirement for distributors to undertake to comply with the compliance-related content of the agreement, the likelihood of the Group or other Relevant Persons becoming subject to U.S. secondary sanctions is low; (iii) none of the Group’s business activities during the Track Record Period and as of the Latest Practicable Date presents material risks under U.S. export control regulations. Accordingly, we assess the Group’s overall exposure to U.S. export control risks as low.

4. Documents and Information Provided by Beijing Zhong Lun

4.1. In preparing this memorandum, we have reviewed the following documents prepared and/or provided by Beijing Zhong Lun:

- (a) the *Due Diligence Question and Materials lists* and the Company’s responses to such questionnaire (as well as related supporting materials) as of August 29, 2025, and subsequent dates;
- (b) the *Interview Questions List* and the Company’s responses in writing to such questionnaire (as well as related supporting materials) as of September 4, 2025, and subsequent dates;
- (c) subject to the limitations set out at the end of this memorandum, Beijing Zhong Lun reviewed the customer and supplier lists for the Track Record Period and as of the Latest Practicable Date and conducted sanctions screening of all of the Group’s



customers (including distributors and financial institutions), and suppliers (together as “**Screened Counterparties**”);

- (d) responses and documents provided by the Company to Beijing Zhong Lun, as well as the explanations given by the Company to Beijing Zhong Lun regarding its business model with DFMIEC, including but not limited to the payment methods (i.e., financial institutions involved and the currencies used for DFMIEC’s overseas sales and the corresponding payments made to the Company);
- (e) responses provided by the Company to Beijing Zhong Lun addressing additional specific questions in respect of its business activities conducted in Relevant Regions, received on various dates;
- (f) materials provided by the Company and its other outside counsel instructed by the Company to Beijing Zhong Lun; and
- (g) other materials organized and summarized by Beijing Zhong Lun based on its conference calls with the Company to address certain sanctions due diligence queries.

5. Company Background

- 5.1. The Company was incorporated in the People’s Republic of China on June 26, 2021. The Company is a premium intelligent NEV brand and focuses on developing a user-centric technology enterprise through integrated full-cycle technological and user ecosystem services. The Company’s main products are new energy vehicles.
- 5.2. 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.
- 5.3. The Company has confirmed that none of the directors or shareholders of the Company, its subsidiaries, or the Group are nationals of the United States, the European Union, or the United Kingdom.
- 5.4. The Company has confirmed that the following table sets out the information regarding directors of the Company:

Title	Name	Nationality
Chairman of the Board	LU FANG	CHINA
Director	JIANG TAO	CHINA



Director	LIAO XIANZHI	CHINA
Director	YANG YANDING	CHINA
Director	HU XIAO	CHINA
Director	FU BINGFENG	CHINA
Director	YANG YONG	HONG KONG, CHINA
Director	XIN DINGHUA	HONG KONG, CHINA
Director	QINJIE	CHINA

5.5. The Company has confirmed that during the Track Record Period and as of the Latest Practicable Date:

- (h) The Group's customers include both distributors and direct end users; and
- (i) All of the Group's products comply with applicable export control requirements of the United States.

5.6. The Company has confirmed that, during the Track Record Period and as of the Latest Practicable Date, the Group did not directly sell products to customers or end users located outside the PRC. Instead, overseas sales were conducted indirectly through DFMIEC to overseas countries including the Russia, Norway, Uzbekistan, Israel, Azerbaijan, Slovakia, United Arab Emirates (UAE), Qatar, Belarus, Saudi Arabia, Armenia, Germany, Italy, Netherlands, Kazakhstan, Latvia, Slovenia, Denmark, Turkmenistan, Bulgaria, Egypt, Mongolia, Switzerland, Portugal, Jordan, Panama, Spain, Angola, Ecuador, Palestine, Nigeria, Turkey, Laos, Kuwait, Cambodia, Costa Rica, Philippines, Greece, Japan. Among them, the countries below are subject to various forms of sanctions programs implemented by the Relevant Jurisdiction(s): Russia, Belarus, and Turkey ("**Relevant Regions**").

5.7. The Company has confirmed that the table below sets forth the revenues received by the Group from business activities within the Relevant Regions, and the corresponding percentage of the Group's total revenues during the Track Record Period:



Year/Period Ended	Consolidated revenues attributable to Russia (excluded applicable tax, RMB)	Percentage of the Group's total revenues (%)
Year ended December 31, 2023	570,954,926.4	4.48
Year ended December 31, 2024	731,835,054.5	3.78
Year ended December 31, 2025	1,463,736,614	4.20

Year/Period Ended	Consolidated revenues attributable to Belarus (excluded applicable tax, RMB)	Percentage of the Group's total revenues (%)
Year ended December 31, 2023	/	/
Year ended December 31, 2024	73,269,911.5044248	0.38
Year ended December 31, 2025	94,613,407.08	0.27

Year/Period Ended	Consolidated revenues attributable to Turkey (excluded applicable tax, RMB)	Percentage of the Group's total revenues (%)
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Year ended December 31, 2023	3,787,557.52212389	0.03
Year ended December 31, 2024	238,761.061946903	<0.01
Year ended December 31, 2025	/	/

- 5.8. Based on the “Strategic Cooperation Framework Agreement” between the Company and DFMIEC provided by the Company, and as further explained by the Company, the Company does not sell products directly to overseas markets. Rather, the Company sells its products to DFMIEC, which then undertakes overseas sales on its own. Under this business model, the Company supplies electric vehicle products designed to meet the needs of target markets outside the PRC to DFMIEC, which acts as the sole overseas representative of the Company’s products and distributes them to overseas customers through its distribution network. Specifically, upon receipt of a written order from DFMIEC, the Company is required to complete the production of the relevant products within the agreed timeframe and deliver them to the domestic ports or stations designated by DFMIEC. Pursuant to the Strategic Cooperation Framework Agreement, the Company also provides assistance with after-sales services. The Company has confirmed that all such transactions are settled in Renminbi (RMB), and its primary banks are all domestic banks in the PRC, and that no U.S. dollar-denominated transactions are involved.
- 5.9. Regarding the fact that DFMIEC sells products to Russia and Belarus and other Relevant Regions, the Company has provided a sample of the Distribution Agreement signed between DFMIEC and its overseas distributors. The agreement clearly stipulates that overseas distributors may appoint sub-distributors within the designated region to sell the products; however, any sub-license shall comply with the laws of the region, and the overseas distributor shall fully inform DFMIEC of the details of its sales network and ensure that the distributors selling products within the region meet or comply with the requirements and conditions put forward by the manufacturer from time to time. It also explicitly states that overseas distributors shall not directly or indirectly sell the products to any legal person or individual not residing in the region (including sellers), if the overseas distributor knows or has reasonable grounds to know that the products will be resold to any individual not residing in the region and exported outside the region.

6. U.S. Sanctions and Export Controls



6.1. U.S. Economic Sanctions

(a) Overview of U.S. Economic Sanctions

The assessment is potentially subject to two categories of U.S. economic sanctions:

- (i) “Primary” U.S. sanctions, which apply to “U.S. persons” and to activities with a U.S. nexus (for example, financial transactions conducted in U.S. dollars or processed through the U.S. financial system (e.g., clearing through U.S. banks), or dealings involving U.S.-origin goods, software, technology, or services, even if executed by non-U.S. persons);
- (ii) “Secondary” U.S. sanctions, which are enforced extraterritorially against the activities of non-U.S. persons, including in instances where the transaction possesses no U.S. nexus.

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

- (i) OFAC is responsible for administering U.S. sanctions programs targeting specific countries, entities, and individuals. These economic sanctions, which are designed to advance the foreign policy objectives of the United States, differ significantly across various programs. Correspondingly, OFAC possesses broad discretion to interpret and enforce its regulations in accordance with the U.S. Government's foreign policy goals.
- (ii) Following the imposition of U.S. economic sanctions against a particular country, entity, or individual, U.S. law generally prohibits (with limited exceptions not applicable here) U.S. companies and U.S. persons from engaging in transactions with or providing nearly any goods or services for the benefit of the sanctioned target. Depending on the specific sanctions program and/or the parties involved, U.S. law may further require a U.S. company or U.S. person to “block” (i.e., freeze) any assets or property interests that are owned, controlled, or held for the benefit of a Sanctioned Country, entity, or individual, provided such assets are located in the United States or within the possession or control of a U.S. person. A “blocked” asset is subject to a prohibition on all related transactions - including payments, conferring benefits, provision of services, or any other form of dealing or performance (under contracts/agreements) - unless specifically authorized by an OFAC license.
- (iii) **Persons Governed by U.S. Sanctions**



- (A) In general, U.S. economic sanctions apply to “U.S. persons”. The term “U.S. persons” includes:
 - (aa) entities organized under U.S. Law (such as U.S. companies and their U.S. subsidiaries);
 - (bb) any U.S. company's domestic and foreign branches;
 - (cc) any individual who is a U.S. citizen or permanent resident alien (“green card” holder), regardless of his or her location in the world;
 - (dd) any individual, regardless of his or her nationality, who is physically present in the United States; and
 - (ee) U.S. branches or U.S. subsidiaries of non-U.S. companies.
- (B) U.S. persons are further prohibited from approving, assisting, financing, guaranteeing, or in any other manner “facilitating” activities by a non-U.S. person that would constitute a violation of OFAC sanctions if performed by a U.S. person.
- (C) The concept of facilitation is interpreted broadly. In general, a U.S. person is barred from facilitating in any manner the activities of a third party involving a Sanctioned Country or a sanctioned person if the U.S. person is itself prohibited from directly engaging in the underlying activity. This prohibition commonly arises in the context of relationships between parent companies and their subsidiaries or among affiliates, where one entity is subject to jurisdictional compliance requirements and the other is not. The issue may also be present in dealer/sub-dealer relationships, where the dealer relies on support from its supplier or 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:
 - (aa) 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 Iran or the Government of Iran without the approval of the United States person, where such transaction previously required approval by the United States person and such transaction by the foreign



affiliate would be prohibited by this part if performed directly by a United States person or from the United States;

(bb) Refers to a foreign person purchase orders, requests for bids, or similar business opportunities involving Iran or the Government of Iran to which the United States person could not directly respond as a result of the prohibitions contained in this part; or

(cc) 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 United States person or from the United States.”

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

(A) Primary U.S. sanctions programs are categorized into two types – country-based programs (which are territorial in scope) and list-based programs (which are non-territorial, as they do not apply to an entire country or all its territory). Violations of either category of primary U.S. sanctions program may result in “strict” civil liability (not based on a negligence standard), for which fines and penalties can be imposed. Additionally, willful violations may lead to criminal liability, punishable by imprisonment and heightened fines.

(aa) *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 engaging in any dealings with Sanctioned Countries and their governments, as well as with any individuals or entities within those countries or territories. Presently, the United States enforces comprehensive sanctions against: Cuba, Iran, North Korea, the Crimea region of Ukraine, and the so-called Luhansk People’s Republic (LPR) or Donetsk People’s Republic (DPR) regions. Typically, comprehensive country sanctions forbid transactions with, or the provision of services in, from, or for the benefit of the targeted country or any person or entity located therein. Nevertheless, these comprehensive country sanctions may also extend to



transactions occurring outside the country (for instance, by restricting dealings in goods or services originating from a Sanctioned Country, or with individuals who are ordinarily resident in the Sanctioned Country).

- ii. Limited sanctions programs forbid U.S. persons from involvement in specific categories of transactions with sanctioned countries and/or governments, such as the provision of certain services, financing, investments, exports, and/or imports. The scope of prohibited activities differs across programs and is generally not as extensive (for example, such programs do not typically target all activities with every person or entity in that country). Currently, the U.S. government maintains limited sanctions programs concerning countries including but not limited to Iraq and Libya, and OFAC has promulgated a range of general licenses authorizing various activities.

(bb) *List-based sanctions programs.* In addition to country-based sanctions programs, primary U.S. sanctions encompass list-based sanctions that forbid U.S. persons from engaging in or facilitating dealings with individuals, entities, and organizations designated as Specially Designated Nationals (SDNs) by OFAC for various reasons. Although certain programs incorporate a specific country's name in their title (e.g., Belarus, Central African Republic, Lebanon, Somalia, South Sudan, Yemen), these sanctions are non-territorial in scope and do not apply to the entire country. They do not target the government in its entirety nor all persons and entities within the country. Instead, the restrictions apply solely to persons and entities listed on the SDN List, which may include certain government officials or other parties designated for various reasons (the restrictions also extend to entities owned 50 percent or more, in the aggregate, by one or more designated SDNs). The identities of these designated parties are published on the OFAC SDN List and include persons or entities targeted for reasons including, but not limited to, terrorists and terrorist organizations, narcotics traffickers, persons involved in the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy, or economy of the United States.



(cc) 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://sanctionssearch.ofac.treas.gov/>.

(v) **Application to Russia**

- (A) The U.S. government's sanctions regime targeting Russia centers on four core, interrelated programs—namely the Russian Harmful Foreign Activities Sanctions, Ukraine-/Russia-related Sanctions, Countering America's Adversaries Through Sanctions Act of 2017 (CAATSA), and Magnitsky Sanctions. The Russia-related Sanctions program represents the implementation of multiple legal authorities. Some of these authorities are in the form of an executive order issued by the President. Other authorities are public laws (statutes) passed by The Congress. These authorities are further codified by OFAC in its regulations which are published in the Code of Federal Regulations (CFR). Modifications to these regulations are posted in the Federal Register.
- (B) The U.S. President has issued multiple Executive Orders, including Executive Orders 13660 (March 6, 2014), 13661 (March 16, 2014), 13662 (March 20, 2014), 13685 (December 19, 2014), 13849 (September 20, 2018), 13883 (August 1, 2019), 14024 (April 15, 2021), 14039 (August 20, 2021), 14065 (February 21, 2022), 14066 (March 8, 2022), 14068 (March 11, 2022), 14071 (April 6, 2022) and Executive Order 14114 (December 22, 2023). These orders determine that the actions and policies of the Government of the Russian Federation—including its purported annexation of Crimea, use of force in Ukraine, and purported recognition of the so-called Donetsk People's Republic (DPR) and Luhansk People's Republic (LPR) regions of Ukraine—undermine democratic processes and institutions in Ukraine; threaten its peace, security, stability, sovereignty, and territorial integrity; and contribute to the misappropriation of its assets, thereby constituting 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, directly or indirectly, 50 percent or more by one or more SDNs), a comprehensive trade embargo on the Crimea, DPR, and LPR regions, prohibitions on the importation into the United States of Russian-origin



fish, seafood, alcoholic beverages, non-industrial diamonds, and other products as may be determined by the U.S. Government, a prohibition on the importation of Russian-origin oil, petroleum products, natural gas, and coal, a prohibition on new investment in the Russian energy sector or other sectors as designated by the U.S. Government by U.S. persons, a prohibition on the direct or indirect supply of luxury goods as defined by the U.S. Government, a broader prohibition on new investment in the Russian Federation by U.S. persons, and more targeted restrictions (referred to as “sectoral sanctions”) on certain types of dealings with designated parties operating in specific sectors of the Russian economy, including the financial, energy, and defense sectors (including entities owned 50 percent or more by them, directly or indirectly, individually or in the aggregate).

- (C) With certain exceptions, U.S. persons are prohibited from engaging in transactions with certain Russian persons and entities identified on OFAC’s SDN List (or entities owned by them, as specified above); from dealing in any property located in the United States or within the possession or control of a U.S. person in which any SDN has an interest; and from making any new investment in or exporting to or importing from the Crimea, DPR, or LPR regions any product, service, or technology.
- (D) Under the authority of Executive Order 13662 (“**EO 13662**”) and the Ukraine-Related Sanctions Regulations (“**URSR**”), OFAC established financial restrictions targeting entities operating in specific sectors of the Russian economy. These restrictions are applicable to any transaction possessing a U.S. nexus, including those conducted in U.S. dollars. Entities identified on the Sectoral Sanctions Identifications List (“**SSI List**” or “**SSIL**”) have not been designated to the SDN List. The property and interests in property of persons identified on the SSI List are not blocked, but persons sanctioned under EO 13662 and on the SSI List may also be persons whose property and interests in property are blocked pursuant to EO 13662 or pursuant to other authorities administered by OFAC. OFAC has prohibited specific categories of transactions with these SSIs through the issuance of four directives.
- (E) 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. Any persons (U.S. or non-U.S.) who engage in these activities may become subject to restrictive measures, even if the underlying activity has no U.S. nexus. These new Russia-related secondary sanctions include (but are not limited to):

(aa) That a person, with actual knowledge, on or after the date of the enactment of this CAATSA, makes an investment of \$10,000,000 or more (or any combination of investments of not less than \$1,000,000 each, which in the aggregate equals or exceeds \$10,000,000 in any 12-month period), or facilitates such an investment, if the investment directly and significantly contributes to the ability of the Russian Federation to privatize state-owned assets in a manner that unjustly benefits:

i. Officials of the Government of the Russian Federation;
or

ii. Close associates or family members of those officials.

(bb) 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.

(cc) 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.

(F) Non-U.S. companies that engage in activities subject to sanctions under these authorities face potential restrictions from the U.S. Government, including visa denials, prohibitions on importing products into the United States, limitations on access to U.S. financing or U.S. dollar payment processing, and potential designation as an SDN.



- (G) Furthermore, CAATSA mandated that the President 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 delivered on January 29, 2018; however, its publication did not result in the imposition of sanctions against the named individuals.
- (H) The U.S. Government has provided guidance to clarify the broad terminology used in Section 228 of CAATSA. An expansive interpretation of this section could have permitted the imposition of restrictive measures on any non-U.S. person facilitating a “significant” transaction with an SSI entity, even if the transaction were not prohibited under primary U.S. sanctions. The term “significant” is not explicitly defined within CAATSA, and the U.S. Government may consider multiple factors in its assessment. OFAC guidance has clarified that the term “significant transaction” will not encompass transactions for which a U.S. person would not be required to obtain a specific license from OFAC to participate (a position recently incorporated into amended OFAC regulations). Accordingly, activities involving SSI entities that are not prohibited by sectoral sanctions should not, by themselves, create exposure under Section 228. The OFAC guidance further indicates that for a transaction with a party on the SSI List to be considered “significant,” it generally “must also involve deceptive practices”—such as attempts to obscure or conceal the actual parties or the true nature of the transaction(s), or to evade sanctions.
- (I) On September 20, 2018, the President of the United States issued Executive Order 13849 (“**EO 13849**”) to implement the CAATSA sanctions. EO 13849 requires that (i) prohibit any United States financial institution from making loans or providing credits to the sanctioned person totaling more than \$10,000,000 in any 12-month period, unless the person is engaged in activities to relieve human suffering and the loans or credits are provided for such activities; (ii) prohibit any transactions in foreign exchange that are subject to the jurisdiction of the United States and in which the sanctioned person has any interest; (iii) prohibit any transfers of credit or payments between financial institutions, or by, through, or to any financial institution, to the extent that such transfers or payments are subject to the jurisdiction of the United States and involve any interest of the sanctioned person; (iv) block all property and interests in property of the sanctioned person



that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person, and provide that such property and interests in property may not be transferred, paid, exported, withdrawn, or otherwise dealt in; (v) prohibit any United States person from investing in or purchasing significant amounts of equity or debt instruments of the sanctioned person; or (vi) authorize the imposition of comparable measures on the principal executive officer(s) of sanctioned persons or any individuals performing similar functions and possessing similar authority.

- (J) 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.
- (K) On March 2, 2021, the U.S. Government announced further restrictions concerning Russia, including the designation of certain Russian government entities (the Federal Security Service) as SDNs under a separate sanctions program. Additional measures included new export control restrictions under both the Export Administration Regulations (“EAR”) and the International Traffic in Arms Regulations (“ITAR”) on certain items destined for Russia, as well as new designations on the Bureau of Industry and Security (“BIS”) Entity List.
- (L) On April 15, 2021, the President of the United States issued EO 14024, which provides new authorities to designate persons as SDNs, including, among others, those determined 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 sectors targeted under EO 14024, creating potential exposure for persons operating in this sector; additional sectors of the Russian economy have since been designated under this authority).
- (M) Pursuant to Executive Order 14024, OFAC has issued several determinations authorizing the designation of persons operating in specific sectors of the Russian Federation economy, including, among others, the September 15, 2022 determination, which provides OFAC authority to designate persons in the quantum computing sector; the February 24, 2023 determination, which provides authority to designate persons in the metals and mining sector; and the May 19, 2023 determination, which provides authority to designate persons in the



architecture, engineering, construction, manufacturing, and transportation sectors. 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.

(N) On February 21, 2022, the President issued EO 14065, which prohibits:

- (aa) New investment in DPR or LPR by a U.S. person;
- (bb) Import into the United States, directly or indirectly, of any goods, services, or technology from DPR or LPR;
- (cc) 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
- (dd) U.S. person approval, financing, facilitation, or guarantee of a transaction by a foreign person that would be prohibited as noted above.

(O) On March 8, 2022, the President issued **EO 14066**, which prohibits:

- (aa) 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;
- (bb) new investment in the energy sector in the Russian Federation by a United States person, wherever located; and
- (cc) 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.

(P) On March 11, 2022, the President issued **EO 14068**, which prohibits:

- (aa) 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;

- (bb) the exportation, re-exportation, 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;
- (cc) 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;
- (dd) the exportation, re-exportation, 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
- (ee) 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.

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

- (aa) new investment in the Russian Federation by a United States person, wherever located;
- (bb) the exportation, re-exportation, 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; and
- (cc) 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.

- (dd) Pursuant to Executive Order 14071, OFAC has issued several determinations. For example, 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.
- (R) On December 22, 2023, the President of the United States issued EO 14114 which amended the Executive Order 14024 and 14068.
- (S) On April 10, 2025, the President of the United States issued a notice continuing the national emergency originally declared under Executive Order 14024. The continuation was published in the Federal Register (Document No. 2025-06399). This action extends for one year the national emergency first declared on April 15, 2021, on the basis that Russia's activities constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States.
- (T) On April 24, 2024, the President signed into law the 21st Century Peace through Strength Act, Pub. L. No. 118-50, div. D (the "Act"). Section 3111 of the Act extends from 5 years to 10 years the statute of limitations for civil and criminal violations of the International Emergency Economic Powers Act (IEEPA) or the Trading with the Enemy Act (TWEA). This Act applies to U.S. sanctions programs targeting Russia.
- (U) The Bureau of Industry and Security (BIS) has imposed stringent export controls on items destined for Russia, and a license is now required for:
 - (a) any item identified under any Export Control Classification Number ("ECCN") on the Commerce Control List ("CCL");
 - (b) any item subject to U.S. jurisdiction, including EAR99-designated food and medicine, that is destined for a military end user ("MEU") or military end use in Russia;
 - (c) certain foreign-made items that are now subject to the EAR for purposes of export or reexport to Russia due to the expanded application of the foreign direct product ("FDP") rule; and
 - (d) "luxury goods" as defined by BIS or any other items subject to the EAR as identified in Supplements No. 2, 4, 5, 6, or 7 to Part 746 of the EAR.



(vi) **Application to Belarus**

- (A) The U.S. government currently maintains targeted list-based sanctions against Belarus. These sanctions require the blocking of property and interests in property of Specially Designated Nationals (SDNs), as well as entities owned 50 percent or more by such SDNs. These provisions are codified at 31 C.F.R. Part 548. For the purposes of Belarus sanctions, individuals and entities may be designated as SDNs for engaging in the following activities, pursuant to Executive Order 13405 “Blocking Property of Certain Persons Undermining Democratic Processes or Institutions in Belarus”:
- (aa) to be responsible for, or to have participated in, actions or policies that undermine democratic processes or institutions in Belarus;
 - (bb) to be responsible for, or to have participated in, human rights abuses related to political repression in Belarus;
 - (cc) to be a senior-level official, a family member of such an official, or a person closely linked to such an official who is responsible for or has engaged in public corruption related to Belarus;
 - (dd) to have materially assisted, sponsored, or provided financial, material or technological support for, or goods and services in support of, any person engaged in the activities listed above.
 - (ee) to be owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any person listed in or designated pursuant to this order.
- (B) Under Executive Order 13405, and subject to certain limited exceptions, transactions by U.S. persons, or transactions occurring in or involving the United States, are prohibited if they involve dealings with, or property interests of, any person or entity designated as an SDN under Executive Order 13405 and identified on the OFAC SDN List with the identifier “[BELARUS]”. The property and interests in property of any entity that is owned, directly or indirectly, 50 percent or more in the aggregate by one or persons on the OFAC SDN List are also blocked, irrespective of whether the entity itself is listed on the OFAC SDN List.



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



the electoral process in a Republic of Belarus election;

iv. deceptive or structured transactions or dealings to circumvent any United States sanctions by or for or on behalf of, or for the benefit of, directly or indirectly, the Government of Belarus or any person whose property and interests in property are blocked pursuant to this order or Executive Order 13405;

v. public corruption related to Belarus.

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

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

(D) OFAC has designated several SDNs pursuant to EO 13405.

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

(vii) **Application to Turkey**

(A) The United States does 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.

- (B) On December 14, 2020, the U.S. Government imposed certain sanctions on the Turkish Presidency of Defense Industries (SSB), a Turkish government entity but did not designate it as an SDN; its president, Dr. Ismail Demir; SSB Vice President Faruk Yigit; SSB Head of Air Defense and Space Department Serhat Genecoglu; and SSB Program Manager for Air Defense Systems Mustafa Alper Deniz pursuant to Section 231 of CAATSA. Pursuant to Section 231, the measures imposed on SSB include: a prohibition on U.S. export licenses and authorization for any goods or technology transferred to SSB; a prohibition on loans or credits by U.S. financial institutions to SSB totaling more than \$10 million in any 12-month period; a ban on
- (C) 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.

(c) 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:
 - (A) those who are dealing in “confiscated” property in Cuba;
 - (B) those who are engaging in certain Iran-related activities, including certain targeted sectors of Iranian, North Korean, Belarussian, Burmese, Russian and Venezuelan economy;
 - (C) 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, 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);

- (D) those engaging in a “significant” importation from or exportation to North Korea of any goods, services, or technology;
- (E) those engaging in “significant” transactions with Iranian or Russian SDNs; and
- (F) 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).

(d) Analysis

(i) U.S. primary sanctions risk

- (A) According to the Company’s confirmation, it has no employees of U.S. nationality (including U.S. permanent residents) involved in the Group’s business decision-making directly or indirectly, including through mechanisms such as email approval or IT system authorization.
- (B) As of the Latest Practicable Date, according to the Company’s confirmation:
 - (aa) the Group does not use any U.S.-origin parts, materials, instruments, equipment, software, or technology in the production or manufacturing of its products;
 - (bb) the Group has not established data centers or test sites in the United States, or engaged in cooperative research and development with U.S.-based universities or research institutions; and
 - (cc) the Group has had no ongoing or completed cooperation projects or investments in the United States.



- (C) According to the Company's confirmation, given that the principal functional attribute of the Group's products is civilian passenger vehicles, the Group's products have no nexus to military end-users or end-uses during the Track Record Period and as of the Latest Practicable Date, for the following reasons: (i) the Company has provided a sample of Letter of Compliance Assurance, requiring DFMIEC to ensure that all transactions comply with applicable export control and sanctions regulations (including those of China, the European Union, the United States, and other jurisdictions); (ii) the Company has provided a sample of the Distribution Agreement signed between DFMIEC and its overseas distributors. The agreement clearly stipulates that overseas distributors may appoint sub-distributors within the designated region to sell the products; however, any sub-license shall comply with the laws of the region, and the overseas distributor shall fully inform DFMIEC of the details of its sales network and ensure that the distributors selling products within the region meet or comply with the requirements and conditions put forward by the manufacturer from time to time. It also explicitly states that overseas distributors shall not directly or indirectly sell the products to any legal person or individual not residing in the region (including sellers), if the overseas distributor knows or has reasonable grounds to know that the products will be resold to any individual not residing in the region and exported outside the region; (iii) no evidence indicating otherwise was found during our due diligence; (iv) the DFMIEC has not provided any documents showing that the Group's products have been supplied to end-users in the military field or used for military-related purposes.
- (D) With respect to the Group's overseas sales, the Company has confirmed that during the Track Record Period and as of the Latest Practicable Date, the Group did not directly sell products to overseas markets. Instead, all overseas sales were conducted indirectly through DFMIEC. Based on the "Strategic Cooperation Framework Agreement" between the Company and DFMIEC provided by the Company, and as further explained by the Company, the Company does not sell products directly to overseas markets. Rather, the Company sells its products to DFMIEC, which then undertakes overseas sales on its own. Under this business model, the Company supplies electric vehicle products designed to meet the needs of target markets outside the PRC to DFMIEC, which acts as the sole overseas representative of the



Company's products and distributes them to overseas customers through its distribution network.

- (E) Among the countries where the Group's products were sold overseas through DFMIEC, the proportion of export revenue attributable to the Relevant Regions (as defined below) represented less than 10% of the Group's global revenue, both individually and in the aggregate. The Company has further confirmed that, during the Track Record Period and as of the Latest Practicable Date, it has not identified any payments in U.S. dollars related to Sanctioned Countries or to persons included on applicable sanctions lists.
- (F) During the Track Record Period and as of the Latest Practicable Date, none of the Group's customers or suppliers has been included in the SDN Lis.
- (G) The Company has also confirmed that, during the Track Record Period and as of the Latest Practicable Date, none of the Group's other customers (including distributors) or suppliers were included on U.S. export control or sanctions lists, except that one of the suppliers is included on the Entity List, and three of suppliers/customers are included on the CMIC List and the CMC List. According to the Company's representations, the Group's business has not involved transactions with these suppliers or customers that would trigger U.S. military-related sanctions (for example, restrictions relating to military end-use or the transfer of military-related technology). On this basis, U.S. military-related sanctions lists (including the CMIC List and the CMC List) do not appear to apply to the Group's business operations.
- (H) According to the Company's disclosures, the Group takes sanctions compliance seriously and has implemented the following measures:
 - (aa)The Group has adopted compliance screening procedures, including both automated screening through its procurement system and manual reviews, to identify counterparties that may present sanctions compliance risks. For each transaction, the Group conducts manual checks covering the transaction details, scope of cooperation, items involved, intended use of products, target markets, and customers, in order to reduce the risk of engaging in activities that could violate applicable United States sanctions requirements.



(bb) The Company has provided data regarding the annual export sales volume of its products by country, which indicates that products have been sold to the Relevant Regions. The Company has also provided a sample Distribution Agreement between DFMIEC and its overseas distributors. This agreement clearly stipulates that overseas distributors may appoint sub-distributors within the designated region to sell the products; however, any sub-license shall comply with the laws of the region, and the overseas distributor shall fully inform DFMIEC of the details of its sales network and ensure that the distributors selling products within the region meet or comply with the requirements and conditions put forward by the manufacturer from time to time. It also explicitly states that overseas distributors shall not directly or indirectly sell the products to any legal person or individual not residing in the region (including sellers), if the overseas distributor knows or has reasonable grounds to know that the products will be resold to any individual not residing in the region and exported outside the region.

(cc) The Company has also provided a sample Letter of Compliance Assurance, which requires DFMIEC to ensure that all transactions comply with applicable export control and sanctions laws and regulations (including those of China, the European Union, the United States, and other jurisdictions). In addition, the Company has provided a sample set of “Model Clauses on Economic Sanctions Compliance” used in agreements between DFMIEC and its overseas distributors. These clauses require distributors to represent and warrant that neither they, their shareholders, nor their ultimate controllers are included on any sanctions lists; and they set out procedures, allocation of liability, and other provisions to govern the parties’ obligations in the event that economic sanctions arise during the term of the agreement and create risks for contract performance.

(I) Based on the foregoing, our assessment is that the Group has not engaged in any conduct that would constitute a violation of applicable U.S. sanctions laws or regulations, nor does it appear to present any material primary sanctions risk for the Relevant Persons.

(ii) U.S. secondary sanctions risk



- (A) Pursuant to E.O. 14024, Russia's "transportation sector" is an industry where participants may face the risk of being designated by the U.S. OFAC. Given that the Group sells automobiles to Russia through DFMIEC, there exists a risk that OFAC may consider the Group to be operating in Russia's "transportation" sector.
- (B) However, OFAC has clarified in its published FAQs No. 887 that the determination of an industry under E.O. 14024 does not automatically impose sanctions on all persons operating or having operated in that industry. Only those persons who are determined by the relevant U.S. government authorities, pursuant to E.O. 14024, to be operating or having operated in certain industries as identified by OFAC will be designated as sanctioned persons.
- (C) As of the date of this memorandum, the Group has not been designated under E.O. 14024, and no Chinese automobile manufacturer has to date been designated pursuant to this order.
- (D) In addition, with respect to product sales to Belarus, as U.S. sectoral sanctions targeting Belarus focus on defense and related materiel sector, security sector, energy sector, potassium chloride (potash) sector, tobacco products sector, construction sector, or transportation sector of the economy, passenger vehicles and related consumer automotive products currently are not among the sectors or activities subject to these restrictions. Further, although the BIS has implemented a series of stringent export controls that restrict Russia's access to the technologies and other items that it needs to sustain its brutal attack on Ukraine, which also apply to Belarus in response to its substantial enabling of Russia's destabilizing conduct, passenger vehicles and related consumer automotive products currently are not among the sectors or activities subject to these restrictions. Accordingly, the Group's sale of automobiles into Belarus has no nexus to sanctioned parties or restricted end-uses, and they do not involve common high-priority items; therefore, such sale should not be regarded as prohibited transactions under current U.S. sanctions programs.
- (E) With respect to product sales to Turkey, as U.S. sanctions applicable to Turkey have historically been limited, which are largely directed at specific defense procurements and persons or entities associated with designated activities, passenger vehicles and related consumer automotive products currently are not among the sectors or activities



subject to these restrictions. Accordingly, the Group's sale of automobiles into Turkey has no nexus to sanctioned parties or restricted end-uses; therefore, such sale should not be regarded as prohibited transactions under current U.S. sanctions programs.

- (F) Based on the foregoing, and in light of the compliance measures established by DFMIEC, our assessment is that the risk of the Group becoming subject to U.S. secondary sanctions is low.

6.2. U.S. Export/Re-Export Controls

(a) *Overview*

- (i) Unlike U.S. economic sanctions, which are primarily person-based, U.S. export controls are product-based. Any item transferred from the United States to a foreign destination constitutes an export. "Items" encompass commodities, software, technology, including but not limited to circuit boards, blueprints, design plans, retail software packages, and technical information. The method of export does not affect the applicability of export license requirements. For instance, an item may be shipped via standard mail, hand-carried on an aircraft, or transmitted by facsimile; software may be uploaded to or downloaded from an internet site; and technology may be conveyed via email or during a telephone conversation.
- (ii) The U.S. Department of Commerce, Bureau of Industry and Security ("BIS") regulates exports of commercial and dual-use products, and software and technology. These controls are authorized by the Export Administration Act of 1979, as amended and extended, and implemented by the EAR.
- (iii) The EAR applies to exports of commodities, software, and technical data from the U.S. to foreign countries, and to re-exports from one foreign country to another. For foreign-made products that incorporate U.S.-origin content subject to the EAR, BIS allows them to be exempted from the EAR if such products incorporate less than the de minimis level of U.S. content (the "*de minimis* rule"). The de minimis threshold is 25% or 10%, depending on the country of ultimate destination. In addition, under the Foreign Direct Product Rule (FDPR), certain foreign-produced items are subject to the EAR if they are the direct product of specified U.S.-origin technology or software, or are produced by plants or major components thereof that are themselves the direct product of such U.S.-origin technology or software.



(b) **Analysis**

- (i) During the Track Record Period and as of the Latest Practicable Date, except that one of the suppliers is included on the Entity List and three of the suppliers/customers are included on the CMIC List and the CMC List, none of the Group's other customers (including distributor) or suppliers have been included on U.S. export control lists. The U.S. military-related sanctions lists are not applicable to the Group's business.
- (ii) Moreover, according to the Company's confirmations:
 - (A) The Group's products are primarily civilian passenger vehicles, unrelated to military end-users or end-uses. As of the Latest Practicable Date, it does not use U.S.-origin parts, materials, equipment, software, or technology in production; its products sold to the Relevant Regions contain no U.S.-origin content accounting for 10% or more of their value, are not direct products of controlled U.S. technology, software and equipment, and are not subject to the Export Administration Regulations ("**EAR**") under the de minimis rule or foreign direct product rule (including those applicable to Belarus and Russia). The Group had no U.S. dollar payments related to Sanctioned Countries during the Track Record Period and as of the Latest Practicable Date.
- (iii) For the Company's cooperation with the supplier listed on the Entity List, during the Track Record Period and as of the Latest Practicable Date, and based on the information provided by the Company (on which we have relied without independent verification), in 2024, the supplier designated its affiliated entity ("**Affiliated Entity**") as the successor entity to take over the supplier's relevant businesses, personnel, and assets under the aforementioned procurement-related contracts, and to continue performing the agreements between the Company and this supplier. Both cooperations do not, on the basis of the information available, appear to give rise to violations of applicable U.S. export control laws and regulations because the products to be procured from such entities do not fall within the scope of items prohibited under Guidance on the Application of General Prohibition 10 (GP10); the Company has confirmed that these components are manufactured domestically within the PRC and do not incorporate U.S.-origin hardware, software, or technology that would trigger jurisdiction under the EAR or the FDPR; the procurement is conducted entirely within the PRC and is not settled in U.S. dollars through U.S. financial institutions.



- (iv) Based on the foregoing, our assessment is that the Company's cooperation with the Affiliated Entity is not currently subject to U.S. export control restrictions. Furthermore, none of the Group's business activities during the Track Record Period and as of the Latest Practicable Date presents material risks under U.S. export control regulations. Accordingly, we assess the likelihood of the Group becoming subject to U.S. export control jurisdiction as low.

7. U.S. Tariff Regulations

- 7.1. In early 2025, the U.S. government issued multiple executive orders implementing additional tariffs on imports from various jurisdictions, including additional tariffs amounting to an aggregate of 145% on imports from the PRC that took effect on April 10, 2025 (the IEEPA tariffs), and the proclamation invoking Section 232 of the Trade Expansion Act of 1962 that imposed a 25% tariff on imported automobiles with effect from April 3, 2025 (Section 232 tariffs). On May 12, 2025, the PRC government and the U.S. government issued a joint announcement acknowledging that both parties will take actions to build a sustainable and long-term trade relationship. In particular, the U.S. government took actions to reduce the IEEPA tariff rate to 30% on imports from the PRC on a temporary basis for an initial period of 90 days from May 14, 2025, which was extended for another 90 days on August 12, 2025. On November 1, 2025, the U.S. released a Fact Sheet, which said that the U.S. would lower the tariffs on Chinese imports imposed to curb fentanyl flows by removing 10 percentage points of the cumulative rate, effective November 10, 2025, and will maintain its suspension of heightened reciprocal tariffs on Chinese imports until November 10, 2026 (the current 10% reciprocal tariff will remain in effect during this suspension period). However, the U.S. tariffs and trade policies are subject to constant changes, influenced by evolving geopolitical dynamics, economic priorities, and regulatory agenda, and such policies may be amended, expanded, or replaced with short or no advance notice.
- 7.2. According to the Company's confirmation, as of the Latest Practicable Date, the Group had no exports of new energy vehicles to the U.S.
- 7.3. On the basis of the foregoing, our assessment is that during the Track Record Period and as of the Latest Practicable Date, the impact of the changes in U.S. tariff regulations on the Company's business operations is immaterial.

8. U.S. Outbound Investment Review

8.1. Overview



- (a) In August 2023, the U.S. President issued Executive Order 14105, “Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern,” establishing the framework for an outbound investment review regime (“**OIR**”). Pursuant to this Executive Order, the U.S. Department of the Treasury published an Advance Notice of Proposed Rulemaking (ANPRM) to develop implementing regulations.
- (b) On October 28, 2024, the U.S. Department of the Treasury issued final regulations (the “**Final Rule**”, codified at 31 C.F.R. Part 850) implementing Executive Order 14105, which addresses U.S. investments in certain national security technologies and products in countries of concern. The Final Rule aims to restrict U.S. persons (as defined below) from knowingly engaging in, or knowingly directing their controlled foreign entities (as defined below) to engage in, covered transactions (as defined below) involving activities related to semiconductors and microelectronics, quantum information technologies, and artificial intelligence (i.e., “covered activities”) in the countries of concern (as defined below). Furthermore, it imposes varying levels of investment restrictions, specifically, prohibited transactions and notifiable transactions, based on the nature, purpose, and level of technological advancement associated with the underlying covered activity.
- (c) The key elements of the Final Rule’s scope include:
 - (i) Obligations of U.S. persons: Prohibition of certain covered transactions and mandatory notification of others; U.S. persons must also take all reasonable steps to prevent their controlled foreign entities from engaging in prohibited transactions and ensure timely notification (within 30 days) of notifiable transactions undertaken by such entities.
 - (ii) Scope of covered transactions: Includes acquisitions of equity or contingent equity interests, certain debt financing, conversions of contingent equity, greenfield investments and corporate expansions, joint ventures, and certain limited partner or equivalent investments in pooled funds.
 - (iii) Knowledge standard: Obligations apply where a U.S. person has knowledge of the relevant facts and circumstances of the transaction.
 - (iv) Covered foreign persons: The target must be a “covered foreign person,” i.e., a person of a country of concern engaged in a covered activity, or an entity substantially owned or controlled by such persons.
 - (v) Exceptions: Certain transactions are expressly excluded (e.g., passive investments conferring only standard minority shareholder protections).



Where no exception applies and jurisdictional elements are satisfied, the transaction may fall within the scope of the Final Rule.

- (d) If the above elements are not met, the transaction does not fall within the OIR regime, and no notification obligation arises.
- (e) The Final Rule defines prohibited and notifiable transactions with reference to whether a covered foreign person engages in a covered activity.
 - (i) At present, covered activities under the Final Rule cover three sectors:
 - (A) Semiconductors and Microelectronics;
 - (B) Quantum Information Technologies; and
 - (C) Artificial Intelligence.
 - (ii) Pursuant to the Final Rule, prohibited transactions in the field of semiconductors and microelectronics include:
 - (A) Develop or produce any electronic design automated software for the design of integrated circuits (“ICs”) or advanced packaging;
 - (B) Develop or produce (1) front-end semiconductor fabrication equipment designed for performing volume fabrication of ICs; (2) equipment for performing volume advanced packaging; or (3) commodity, material, software or technology designed exclusively for use in or with extreme ultraviolet lithography fabrication equipment;
 - (C) Design IC that meets or exceeds the performance parameters in Export Control Classification Number 3A090.a in supplement No. 1 to 15 CFR part 774, or integrated circuits designed for operation at or below 4.5 Kelvin;
 - (D) Fabricate any of the following:
 - (aa) Logic integrated circuits using a non-planar transistor architecture or with a production technology node of 16/14 nanometers or less, including fully depleted silicon-on-insulator (FDSOI) integrated circuits;
 - (bb) NOT-AND (NAND) memory integrated circuits with 128 layers or more;



- (cc) Dynamic random-access memory (DRAM) integrated circuits using a technology node of 18 nanometer half-pitch or less;
 - (dd) Integrated circuits manufactured from a gallium-based compound semiconductor;
 - (ee) Integrated circuits using graphene transistors or carbon nanotubes; or
 - (ff) Integrated circuits designed for operation at or below 4.5 Kelvin.
- (E) Package any integrated circuit using advanced packaging techniques.
- (F) Develop, install, sell, or produce any supercomputer enabled by advanced integrated circuits that can provide a theoretical compute capacity of 100 or more double-precision (64-bit) petaflops or 200 or more single-precision (32-bit) petaflops of processing power within a 41,600 cubic foot or smaller envelope.
- (G) Designing, fabricating, or packaging any IC that does not meet the prohibited transaction parameters is considered a notifiable transaction.
- (iii) Pursuant to the Final Rule, prohibited transactions in the field of Artificial Intelligence include the development of any AI system:
 - (A) Exclusively designed for military end uses, such as weapons targeting, target identification, combat simulation, military vehicle or weapon control, military decision-making, weapons design (including CBRN weapons), or combat system logistics and maintenance; or
 - (B) Exclusively designed or intended for government intelligence or mass-surveillance end uses, including functions such as mining text, audio, or video; image recognition; location tracking; or surreptitious listening.
- (iv) Additionally, the training of any AI system using more than 10^{25} computational operations, or more than 10^{24} operations primarily involving biological sequence data, falls within the prohibited category.
- (v) Notifiable transactions include the development of any AI system that does not rise to the level of a prohibited transaction but is:
 - (A) Designed (but not exclusively) for military, government intelligence, or mass-surveillance end uses;



- (B) Intended for use in cybersecurity, digital forensics, penetration testing, or robotics control applications; or
 - (C) Trained using more than 10^{23} computational operations, i.e., a threshold below that for prohibited transactions.
- (vi) As of the quantum information technologies sector, the prohibited transactions (the notifiable transactions are inapplicable here) include:
 - (A) Develop quantum computers or the critical components required to produce quantum computers, such as dilution refrigerators or two-stage pulse tube cryocoolers;
 - (B) Develop or produce quantum sensing platforms designed for, or intended to be used for, military, government intelligence, or mass-surveillance end uses; or
 - (C) Develop or produce quantum networks or communication systems designed for, or intended to be used for, networking to scale up capabilities of quantum computers, secure communications, or any other application that has any military, government intelligence, or mass-surveillance end use.
- (f) In addition to the above, if a covered foreign person is listed on any of the following U.S. government-designated lists, any covered transaction involving such person shall be treated as a prohibited transaction, irrespective of whether the transaction would otherwise qualify as a prohibited transaction under the Final Rule:
 - (i) included on the BIS's Entity List (15 CFR part 744, supplement No. 4);
 - (ii) included on BIS's MEU List (15 CFR part 744, supplement no. 7);
 - (iii) meets the definition of MIEU by BIS in 15 CFR 744.22(f)(2);
 - (iv) included on the Treasury's SDN List, or is an entity in which one or more individuals or entities included on the SDN List, individually or in the aggregate, directly or indirectly, own a 50 percent or greater interest;
 - (v) included on the NS-CMIC List; or
 - (vi) designated as a foreign terrorist organization by the Secretary of State under 8 U.S.C. 1189.



- (vii) If a transaction does not satisfy any of the above criteria, then the transaction shall not be subject to the jurisdiction of the Final Rule
- (g) Knowledge Standards
 - (i) In assessing potential violations of the Final Rule, the Treasury will evaluate whether a U.S. person knew or should have known the relevant facts and circumstances pertaining to a covered transaction. Pursuant to 31 CFR § 850.216, “knowledge” includes:
 - (A) Actual awareness that a fact or circumstance exists or is substantially certain to occur;
 - (B) Awareness of a high probability that a fact or circumstance exists or will occur; or
 - (C) Having reason to know that a fact or circumstance exists.
 - (ii) A U.S. person will be deemed to have knowledge if they:
 - (A) actually knew a relevant fact or circumstance existed or was substantially certain to occur;
 - (B) were aware of a high probability of its existence or occurrence; or
 - (C) could have obtained such information through reasonable and diligent inquiry.
 - (iii) When determining whether a U.S. person conducted a reasonable and diligent inquiry, the Treasury will consider the totality of facts and circumstances under 31 CFR § 850.104, including:
 - (A) Inquiries made by the U.S. person regarding the investment target or counterparty at the time of the transaction;
 - (B) Contractual representations or warranties obtained or attempted from the counterparty concerning its status or that of the transaction;
 - (C) Efforts to obtain and consider non-public information relevant to the transaction or counterparty status;
 - (D) Use of publicly available information and consistency checks with other known information;



- (E) Whether the U.S. person deliberately avoided acquiring relevant information;
 - (F) Presence of warning signs, such as evasive responses or refusal to provide information; and
 - (G) Use of public or commercial databases to verify counterparty information.
- (iv) Additionally, the Final Rule prohibits U.S. persons from knowingly directing a non-U.S. person to engage in a prohibited transaction. Under 31 CFR § 850.303, “knowingly directs” means that a U.S. person:
- (A) has authority, individually or collectively, to make or substantially influence the non-U.S. person’s decisions, and
 - (B) exercises that authority to direct, order, decide, or approve the transaction.
- (v) Officers, directors, and individuals with executive responsibilities are presumed to possess such authority. However, a U.S. person who recuses themselves from the following will not be deemed to have exercised directive authority:
- (A) Participating in formal approval or recommendation processes related to the transaction;
 - (B) Reviewing, editing, commenting on, or signing relevant transaction documents; or
 - (C) Engaging in negotiations with the investment target or counterparty.
- (h) Excepted Transactions
- (i) The Final Rule excludes certain categories of transactions from its scope, provided that such transactions do not grant a U.S. person rights exceeding standard minority shareholder protections. Pursuant to 31 CFR § 850.501, the following are considered excepted transactions:
- (A) **Publicly Traded Securities:** Investments in publicly traded securities, including those denominated in any currency and traded on a securities exchange or over-the-counter in any jurisdiction, as well as securities issued by registered investment companies (e.g., index funds, mutual funds, or ETFs) or elected business development companies.



- (B) **Certain Limited Partner Investments:** Investments made by a U.S. person as a limited partner (or equivalent) in venture capital, private equity, funds of funds, or similar pooled investment vehicles, under either of the following conditions:
 - (a) The total committed capital by the limited partner (including co-investment vehicles) does not exceed \$2,000,000; or
 - (b) The limited partner obtains a binding contractual assurance that its capital will not be used to engage in any transaction that would constitute a prohibited or notifiable transaction if undertaken directly by a U.S. person.
- (C) **Derivatives:** Investments in derivative securities, provided the derivative does not grant rights to acquire equity, equity-like interests, or assets of a covered foreign person.
- (D) **Buyouts of Country of Concern Ownership:** A full buyout by a U.S. person of all ownership interests held by any person of a country of concern in an entity, such that the entity ceases to qualify as a covered foreign person post-transaction.
- (E) **Intracompany Transactions:** Transactions between a U.S. person and its controlled foreign entity that support non-covered activities or maintain ongoing covered activities in which the foreign entity was engaged prior to January 2, 2025.
- (F) **Pre-Final Rule Binding Commitments:** Fulfillment of a U.S. person's binding uncalled capital commitment entered into before January 2, 2025.
- (G) **Syndicated Debt Financings:** Acquisition of a voting interest in a covered foreign person resulting from a default or similar condition under a loan in which the U.S. person participated passively as part of a lending syndicate.
- (H) **Equity-Based Compensation:** Receipt of employment compensation in the form of equity awards, grants, or options in a covered foreign person, including the exercise of such options.
- (I) **Third-Country Measures:** Transactions involving entities outside the United States may qualify as excepted if the Secretary of the Treasury determines that the relevant country or territory is effectively



addressing outbound investment-related national security risks, and the transaction type is sufficiently mitigated by such measures.

- (ii) In addition to these exceptions, the Final Rule permits U.S. persons to seek an exemption from prohibition or notification requirements on the grounds that a transaction serves the national interest of the United States.
- (i) Pursuant to the Final Rule, the following definitions apply:
 - (i) Covered Foreign Person: Meaning a person of a country of concern that engages in a covered activity; or A person that directly or indirectly holds a board seat on, a voting or equity interest (other than through securities or interests that would satisfy the conditions in § 850.501(a) if held by a U.S. person) in, or any contractual power to direct or cause the direction of the management or policies of any person or persons described in paragraph (i)(A) of this section from or through which it:
 - (A) Derives more than 50 percent of its revenue individually, or as aggregated across such persons from each of which it derives at least \$50,000 (or equivalent) of its revenue, on an annual basis;
 - (B) Derives more than 50 percent of its net income individually, or as aggregated across such persons from each of which it derives at least \$50,000 (or equivalent) of its net income, on an annual basis;
 - (C) Incurs more than 50 percent of its capital expenditure individually, or as aggregated across such persons from each of which it incurs at least \$50,000 (or equivalent) of its capital expenditure, on an annual basis; or
 - (D) Incurs more than 50 percent of its operating expenses individually, or as aggregated across such persons from each of which it incurs at least \$50,000 (or equivalent) of its operating expenses, on an annual basis.
 - (ii) Person of Country of Concern: Meaning (i) any individual that is a citizen or permanent resident of a country of concern; not a U.S. citizen; and not a permanent resident of the U.S.; (ii) An entity with a principal place of business in, headquartered in, or incorporated in or otherwise organized under the laws of, a country of concern; (iii) The government of a country of concern, including any political subdivision, political party, agency, or instrumentality thereof; any person acting for or on behalf of the government of a country of concern; or any entity with respect to which the government of a country of concern holds individually or in the aggregate, directly or



indirectly, 50 percent or more of the entity's outstanding voting interest, voting power of the board, or equity interest, or otherwise possesses the power to direct or cause the direction of the management and policies of such entity (whether through the ownership of voting securities, by contract, or otherwise); (iv) Any entity in which one or more persons identified in (i), (ii), or (iii) of this section, individually or in the aggregate, directly or indirectly, holds at least 50 percent of any of the following interests of such entity: outstanding voting interest, voting power of the board, or equity interest; or (v) Any entity in which one or more persons identified in paragraph (d) of this section, individually or in the aggregate, directly or indirectly, holds at least 50 percent of any of the following interests of such entity: outstanding voting interest, voting power of the board, or equity interest.

- (iii) U.S. person: Meaning any of the following: United States citizen; lawful permanent resident; entity organized under the laws of the United States or any jurisdiction within the United States, including any foreign branch of any such entity; any person in the United States.
- (iv) Covered Transaction: Meaning a U.S. person's direct or indirect:
 - (A) Acquisition of an equity interest or contingent equity interest in a person that the U.S. person knows at the time of the acquisition is a covered foreign person;
 - (B) Provision of a loan or a similar debt financing arrangement to a person that the U.S. person knows at the time of the provision is a covered foreign person, where such debt financing affords or will afford the U.S. person an interest in profits of the covered foreign person, the right to appoint members of the board of directors (or equivalent) of the covered foreign person, or other comparable financial or governance rights characteristic of an equity investment but not typical of a loan;
 - (C) Conversion of a contingent equity interest into an equity interest in a person that the U.S. person knows at the time of the conversion is a covered foreign person, where the contingent equity interest was acquired by the U.S. person on or after January 2, 2025;
 - (D) Acquisition, leasing, or other development of operations, land, property, or other assets in a country of concern that the U.S. person knows at the time of such acquisition, leasing, or other development will result in, or that the U.S. person plans to result in:



- (a) The establishment of a covered foreign person; or
 - (b) The engagement of a person of a country of concern in a covered activity;
- (E) Entrance into a joint venture, wherever located, that is formed with a person of a country of concern, and that the subject U.S. person knows at the time of entrance into the joint venture that the joint venture will engage, or plans to engage, in a covered activity; or
- (F) Acquisition of a limited partner or equivalent interest in a venture capital fund, private equity fund, fund of funds, or other pooled investment fund (in each case where the fund is not a U.S. person) that a U.S. person knows at the time of the acquisition likely will invest in a person of a country of concern that is in the semiconductors and microelectronics, quantum information technologies, or artificial intelligence sectors, and such fund undertakes a transaction that would be a covered transaction if undertaken by a U.S. person.
- (v) Controlled Foreign Entities: Meaning any entity incorporated in, or otherwise organized under the laws of, a country other than the United States of which a U.S. person is a parent.
- (A) For purposes of this term, the following rules shall apply in determining whether an entity is a parent of another entity in a tiered ownership structure:
 - (a) Where the relationship between an entity and another entity is that of parent and subsidiary, the holdings of voting interest or voting power of the board, as applicable, of a subsidiary shall be fully attributed to the parent.
 - (b) Where the relationship between an entity and another entity is not that of parent and subsidiary (i.e., because the holdings of voting interest or voting power of the board, as applicable, of the first entity in the second entity is 50 percent or less), then the indirect downstream holdings of voting interest or voting power of the board, as applicable, attributed to the first entity shall be determined proportionately.
 - (c) Where the circumstances in paragraphs (A)(aa) and (bb) of this section apply (i.e., because a U.S. person holds both direct and indirect downstream holdings in the same entity), any holdings



of voting interest shall be aggregated for the purposes of applying this definition, and any holdings of voting power of the board shall be aggregated for the purposes of applying this definition. Voting interest shall not be aggregated with the voting power of the board for the purposes of applying this definition.

- (vi) Develop: Except as used in § 850.210(a)(4), the term develop means to engage in any stages prior to serial production, such as design or substantive modification, design research, design analyses, design concepts, assembly and testing of prototypes, pilot production schemes, design data, process of transforming design data into a product, configuration design, integration design, and layouts.
- (vii) Fabricate: The term fabricate means to form devices such as transistors, poly capacitors, non-metal resistors, and diodes on a wafer of semiconductor material.
- (viii) Package: The term package means to assemble various components, such as the integrated circuit die, lead frames, interconnects, and substrate materials, to safeguard the semiconductor device and provide electrical connections between different parts of the die.
- (ix) Produce: The term produce means to engage in any of the post-development stages of realizing the relevant technology or product, such as engineering, manufacturing, integration, assembly, inspection, testing, and quality assurance.

8.2. Analysis

- (a) As stated above, the Final Rule is targeted at certain types of outbound investments by U.S. persons in entities of countries of concern that are engaged in sensitive technologies within three specified sectors: semiconductor and microelectronics, quantum information technologies, and artificial intelligence. Where a transaction does not involve any covered activity in these sectors, such investment falls outside the scope of the Final Rule and does not give rise to prohibition or notification obligations.
- (b) Additionally, investments by U.S. persons in publicly traded securities are exempt under the Final Rule so long as the investment does not confer rights beyond “standard minority shareholder protections”, regardless of whether the issuing entity qualifies as a person of a country of concern or whether the entity engages in



covered activities. In other words, once the company's stocks become publicly traded, the restrictions imposed by the Final Rule do not apply to transactions involving such securities so long as the investment does not confer rights beyond "standard minority shareholder protections".

- (c) In terms of whether the Final Rule will negatively affect the Group, its shareholders, directors, and senior management, and the operation, financial performance, and fundraising capability of the Group, based on the Company's responses to the Interview Questions, we understand that, during the Track Record Period and as of the Latest Practicable Date:
 - (i) the Group is not involved in the development, design, production, fabrication, or advanced packaging of semiconductors or integrated circuits;
 - (ii) the intelligent driving assistance system (ADAS) developed by the Group, namely the "V-PILOT", is not exclusively designed, nor intended, for military, government intelligence, or mass-surveillance purposes;
 - (iii) the ADAS developed by the Group is not trained using a specified quantity of computing power greater than 10^{23} computational operations; and
 - (iv) the ADAS developed by the Group does not involve cybersecurity applications, digital forensics tools, penetration testing tools, or the control of robotics systems.
- (d) In light of "ISO 8373:2021 Robotics", the term "Robot" means a programmed actuated mechanism with a degree of autonomy to perform locomotion, manipulation or positioning, where "autonomy" means the ability to perform intended tasks based on current state and sensing without human intervention. Further, "Control system/Robot controller" means a set of hardware and software components implementing logic and power control, and other functions which allow monitoring and controlling the behavior of a robot and its interaction and communication with other objects and humans in the environment.
- (e) Regarding whether the Company's V-PILOT falls within the definition of "control of robotics systems," we have relied on the Company's responses to the Interview Questions List and disclosures in the prospectus, supplemented by our independent due diligence. Our understanding is that the V-PILOT system developed by the Company operates at Level 2, as defined by the Society of Automotive Engineers ("SAE") Levels of Driving Automation. According to the SAE classifications, features at Levels 0 through 2 are categorized as "driver support features," meaning the driver must continuously supervise these support functions. In contrast, features



at Levels 3 through 5 are considered “automated driving features,” where the driver is not required to intervene while these features are active. Based on this, we conclude that the Company’s V-PILOT does not constitute control of robotics systems, given its current low level of autonomy.

- (f) Furthermore, the Company has confirmed that it has no plans to develop any business involving, invest in, or acquire any entity engaged in covered activities. It also does not hold any position in any entity involved in such activities.
- (g) Based on the Company’s confirmation, the materials provided, and our independent analysis of the Final Rule, we conclude that during the Track Record Period and as of the Latest Practicable Date, the Group’s activities do not constitute “covered activities” within the meaning of the Final Rule. Although the Company and its subsidiaries qualify as “persons of a country of concern” by virtue of their principal place of business, headquarters, or incorporation in the People’s Republic of China, the Group does not meet the definition of a “covered foreign person” under the Final Rule. Accordingly, the Final Rule does not apply to the Company or the Listing. Once the shares are issued and publicly traded, subsequent transactions involving these securities, including those by U.S. persons, will fall within the publicly traded securities exception, provided such investments do not confer rights beyond “standard minority shareholder protections.” Given the inapplicability of the Final Rule, the Group’s current and prospective shareholders, directors, and senior management will not be subject to its restrictions. Moreover, the Final Rule will not have any material impact on the Group’s operations, financial performance, or capital-raising ability.

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This memorandum is limited solely to the matters expressly set forth herein as of the date hereof. No opinion or statement should be inferred or implied beyond the matters expressly addressed. It is based on facts and information known to us as of the date hereof or, where indicated, as of an earlier date. We undertake no obligation to update this memorandum or to revise any statements contained herein to reflect facts, matters, events, or circumstances occurring after the date hereof. No reliance should be placed on any prior draft of this memorandum.

This memorandum is provided for a limited purpose, namely, for verification and analysis by and for the Client in connection with the Listing. It shall not be used for any other purpose, nor relied upon by any other person, without our prior written consent. Nothing contained in this memorandum shall be deemed (a) to establish an attorney-client relationship between this firm and Company, the Group, or any other party related to the Listing; or (b) to constitute a waiver of the



attorney-client privilege between this firm and Beijing Zhong Lun Law Firm.

This memorandum is provided for the purposes of the Listing only as required by Chapter 4.4 Guidance. However, we do not provide any opinion with respect to the laws of Hong Kong, the rules of the HKEX, or the laws of any other jurisdiction. In particular, we do not opine on whether the Company is eligible to list on the HKEX or whether its activities might have regulatory implications under Hong Kong law or for the HKEX.



Zhong Lun Law Firm LLP
February 13, 2026



Exhibit II:

Memorandum of Advice – European Union Laws and Regulations relating to Trade Sanctions Analysis in accordance with the Chapter 4.4 Guidance

1. Introduction and Scope

1.1 Zhong Lun Law Firm ("**Zhong Lun**") have acted as the international sanctions counsel to VOYAH Automotive Technology Co., Ltd. (the "**Company**") in connection with the proposed listing (by way of introduction) of, and permission to deal in, the H shares on the Stock Exchange of Hong Kong Limited (the "**HKEX**") of the Company (the "**Listing**"). In this context, Nishimura & Asahi Brussels has also been engaged by Zhong Lun Law Firm to provide additional input on issues relating to sanctions under European Union (the "**EU**") law in connection with the Listing.

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 EU, 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 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:

"**EU Sanctions**" means restrictive measures of the EU, within the meaning of Article 215 of the Treaty on the Functioning of the European Union ("**TFEU**"), and export controls administered by the EU and its Member States.

"**Primary Sanctioned Activity**" means any restricted activity concerning 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 incorporated or located in the EU or which otherwise has a nexus with such jurisdiction with respect to the relevant activity, such that it is subject to EU Sanctions.

"**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 which is the subject of EU Sanctions.

"Sanctioned Target" means any person or entity (i) designated on any list of targeted persons or entities issued under EU Sanctions; (ii) that is, or is owned or controlled by, a government of a Sanctioned Country; or (iii) that is the target of EU Sanctions because of a relationship of ownership, control, or agency with a person or entity described in (i) or (ii).

"Sanctioned Trader" means any person or entity that does a material portion (10% or more) of its business with Sanctioned Targets and Sanctioned Country entities or persons.

"Secondary Sanctionable Activity" means certain activity by an entity that may result in the imposition of EU Sanctions against the Relevant Person(s) (including designation as a Sanctioned Target or the imposition of penalties), even though such an entity is not incorporated or located in the EU and does not otherwise have any nexus with the EU.

- 1.4 This memorandum is provided for the purposes of the Listing only. And 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 EU Sanctions and, where appropriate, sets forth certain recommendations. 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 EU Sanctions.
- 1.5 In preparing this memorandum, Zhong Lun reviewed the Company's responses to the "Due Diligence Question and Materials lists" and other follow-up questions and materials lists (collectively, the **"Question and Materials List"**), prepared by Zhong Lun, and related documents provided by Company to Zhong Lun and the Company's other outside counsels. Zhong Lun also have conducted a screen of all customers, distributors, and suppliers that had transactions with the Group during the Track Record Period and as of the Latest Practicable Date (each as defined below). As to matters of other fact material to the conclusions stated herein, we have relied on the representations and statements of fact made in the documents we reviewed or otherwise made by the Group.
- 1.6 This memorandum provides an outline of EU Sanctions for the purpose of the Chapter 4.4 Guide. Zhong Lun have identified the Group's business activities during the period from the years ended December 31, 2023, and December 31, 2024, and December 31, 2025 (the **"Track Record Period"**) and the period from January 1, 2026 up to February 6, 2026 (the **"Latest Practicable Date"**).

- 1.7 This memorandum is based on the understanding and assumptions detailed herein. Zhong Lun 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 this respect or correction to the information is otherwise required, the Company is recommended to inform Zhong Lun so that it can confirm the content of this analysis.
- 1.8 This memorandum is given only with respect to EU Sanctions in force up to the date of this Latest Practicable Date. We underline that sanctions measures adopted by the EU 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 EU Sanctions or their applications after the date of this memorandum and have no obligation to update this memorandum to reflect any change in EU Sanctions or their application 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 the EU Sanctions as discussed below.

2. **Conclusion**

- 2.1 On the basis of the information received from the Company and the due diligence Zhong Lun has carried out, we are of the view that:
- (a) During the Track Record Period and as of the Latest Practicable Date, the Group did not engage in any Primary Sanctioned Activity, as there were no activities in, with, or for the direct or indirect benefit of, or involving the property or interests in property of, a Sanctioned Country or Sanctioned Target. This includes activities undertaken by the Company or any of its subsidiaries incorporated or located in the EU, or otherwise having a nexus to such jurisdiction. Accordingly, the Group does not appear to have violated EU Sanctions, thereby creating a material sanctions risk for the Relevant Persons. In assessing materiality, both the likelihood of sanctions being imposed and the severity of potential sanctions have been taken into account;
 - (b) During the Track Record Period and as of the Latest Practicable Date, the Group sold products to Russia and Belarus indirectly through China Dongfeng Motor Industry Import & Export Co., Ltd. ("**DFMIEC**"). On the basis of our assessment, this activity did not involve (either directly or indirectly) any EU legal or natural persons, and furthermore did not have any other discernible touchpoint or nexus with the territory of the EU, such that the application of EU Sanctions was not engaged. Consequently, we consider that this activity was not subject to EU Sanctions;

- (c) The Group has not been designated as a Sanctioned Target, nor is it located, incorporated, organised or resident in a Sanctioned Country;
 - (d) The Group is not a Sanctioned Trader because it did not derive a material portion of its revenue (10% or more) during the Track Record Period and as of the Latest Practicable Date from business activities with Sanctioned Country entities, or with Sanctioned Targets. The Group has had no transactions with any Sanctioned Targets; and
 - (e) None of the business dealings of the Group during the Track Record Period and as of the Latest Practicable Date are subject to material risks under the export control legislation of the EU and its Member States.
- 2.2 During the Track Record Period and as of the Latest Practicable Date, as no material sanctions risks are present, the Company and/or its shareholders are not required to make undertakings pursuant to the Chapter 4.4 Guidance.

3. **Executive Summary**

- 3.1 The Company is a premium intelligent NEV brand and focuses on developing a user-centric technology enterprise through integrated full-cycle technological and user ecosystem services. During the Track Record Period and as of the Latest Practicable Date, the Company sold its new energy vehicles : VOYAH FREE, VOYAH DREAM, VOYAH PASSION, VOYAH COURAGE overseas indirectly through DFMIEC.

3.2 **European Union**

- (a) On the basis of the due diligence conducted by Zhong Lun, and the Company's confirmations, we consider that:
 - (i) all activities involving the Relevant Region 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 the territory of the EU. While the Group employs an Italian national, this individual is a non-decision-making employee;
 - (ii) the Company has not registered or invested in any entity within the EU, and has no employees who are EU persons;
 - (iii) the Company's activities are limited to the sale of new energy vehicles and related parts, primarily through DFMIEC as an intermediary exporter, including indirect sales into EU Member States (such as Bulgaria, the Netherlands, Italy, Denmark, Slovakia, Portugal, Spain, Germany, Latvia,

Greece, and Slovenia). None of DFMIEC's distributors in these jurisdictions are designated Sanctioned Targets;

- (iv) 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 Sanctions, or has or is engaged in any other activity subject to restrictions under EU Sanctions;
 - (v) the Company has not been, directly or indirectly, involved in the export from the EU of any items listed in the EU Common Military List or the EU Dual Use list (Annex I to Regulation (EU) 2021/821) destined to any of the Relevant Regions; and
 - (vi) the Group has implemented compliance screening measures, including automated screening through the procurement system as well as manual identification, to detect counterparties that may present potential sanctions compliance risks. For each transaction, the Group conducts manual reviews covering the transaction content, the scope of cooperation, the items involved, the intended use of products, the target markets, and the customers, in order to ensure that no activities are undertaken in violation of applicable EU Sanctions. In addition, in support of this aim, DFMIEC and its EU distributors typically put in place a Letter of Compliance Assurance in which the parties explicitly affirm that all transactions are to be conducted in compliance with applicable sanctions (see, 5.10 below).
- (b) Our assessment, based on a review of the declarations provided by the Company on behalf of the group, is that the risk of violating EU Sanctions as applicable during the Track Record Period and as of the Latest Practicable Date, is low.

4. Documents and Information Provided by the Company

4.1 In preparing this memorandum, Zhong Lun have:

- (a) prepared the Due Diligence Question and Materials lists and reviewed the Company's responses to such questionnaire (as well as related supporting materials) provided to Zhong Lun on August 29, 2025, and subsequent dates.
- (b) prepared the Interview Questions List and reviewed the Company's responses in writing to such questionnaire (as well as related supporting materials) provided to Zhong Lun on September 4, 2025, and subsequent dates.

- (c) subject to the limitations set out at the end of this memorandum, reviewed the customer and supplier lists for the Track Record Period and conducted sanctions screening of all of the Group's customers (including distributors, and financial institution), and suppliers (together as "Screened Counterparties").
- (d) reviewed the responses and documents provided by the Company, as well as the explanations given by the Company during the conference call regarding its business model with DFMIEC, including but not limited to the payment methods (i.e., financial institutions involved and the currencies used for DFMIEC's overseas sales and the corresponding payments made to the Company).
- (e) reviewed the responses provided by the Company addressing additional specific questions in respect of its business activities conducted in Relevant Regions, which Zhong Lun received on various dates during its analysis of the subject matter of this memorandum.
- (f) reviewed the materials provided by the Company and its other outside counsel instructed by the Company.
- (g) reviewed the Company's prospectus prepared in connection with the proposed Listing, as amended and updated;
- (h) conducted numerous conference calls with the Company to most efficiently address sanctions due diligence queries

5. **Company Background**

- 5.1 VOYAH Automotive Technology Co., Ltd. was incorporated in the People's Republic of China on June 26, 2021. The Company is a premium intelligent NEV brand and focuses on developing a user-centric technology enterprise through integrated full-cycle technological and user ecosystem services. The Company's main products are new energy vehicles.
- 5.2 The Company has confirmed that it is not owned 50% or more, or controlled, by one or more EU nationals (i.e., (i) natural persons who are nationals of an EU Member State or, (ii) legal persons, entities or bodies which are incorporated or constituted under the law of an EU Member State).
- 5.3 The Company has confirmed that none of its, its subsidiaries, or the Group's Directors or Shareholders is an EU national (as defined in 5.2, above).
- 5.4 The following table sets out the information regarding Directors of VOYAH Automotive Technology Co., Ltd.

Title	Name	Nationality
Chairman of the Board	LU FANG	CHINA
Director	JIANG TAO	CHINA
Director	LIAO XIANZHI	CHINA
Director	YANG YANDING	CHINA
Director	HU XIAO	CHINA
Director	FU BINGFENG	CHINA
Director	YANG YONG	HONG KONG,CHINA
Director	XIN DINGHUA	HONG KONG,CHINA
Director	QINJIE	CHINA

5.5 During the Track Record Period and as of the Latest Practicable Date:

- (a) The Group's customers include both distributors and direct end users.
- (b) The Group has confirmed that all its products comply with applicable export control requirements of the EU.

5.6 During the Track Record Period and as of the Latest Practicable Date, the Company has confirmed that the Group did not directly sell products to customers and end users located in outside the PRC. Instead, overseas sales were conducted indirectly through DFMIEC to overseas countries including the Russia, Norway, Uzbekistan, Israel, Azerbaijan, Slovakia, United Arab Emirates (UAE), Qatar, Belarus, Saudi Arabia, Armenia, Germany, Italy, Netherlands, Kazakhstan, Latvia, Slovenia, Denmark, Turkmenistan, Bulgaria, Egypt, Mongolia, Switzerland, Portugal, Jordan, Panama, Spain, Angola, Ecuador, Palestine, Nigeria, Turkey, Laos, Kuwait, Cambodia, Costa Rica, Philippines, Greece, Japan]. Among them, the countries below are subject to various forms of EU Sanctions: Russia, Belarus and Turkey ("Relevant Regions").

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

Year/Period Ended	Consolidated revenues attributable to Russia (excluded applicable tax, RMB)	Percentage of the Group's total revenues (%)
Year ended December 31, 2023	570,954,926.4	4.48
Year ended December 31, 2024	731,835,054.5	3.78
Year ended December 31, 2025	1,463,736,614	4.20

Year/Period Ended	Consolidated revenues attributable to Belarus (excluded applicable tax, RMB)	Percentage of the Group's total revenues (%)
Year ended December 31, 2023	/	/
Year ended December 31, 2024	73,269,911.5044248	0.38
Year ended December 31, 2025	94,613,407.08	0.27

Year/Period Ended	Consolidated revenues attributable to Turkey (excluded applicable tax, RMB)	Percentage of the Group's total revenues (%)
Year ended December 31, 2023	3,787,557.52212389	0.03
Year ended December 31, 2024	238,761.061946903	<0.01

Year ended December 31, 2025	/	/
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- 5.8 Based on the "Strategic Cooperation Framework Agreement" signed by the Company and DFMIEC provided by the Company, as well as the Company's explanation, the Company does not sell products directly to overseas markets. Instead, it sells products to DFMIEC, which then sells the products to overseas markets on its own. The specific business model is as follows: The Company provides electric vehicle products that meet the needs of target markets outside the PRC to DFMIEC. As the sole overseas representative of the Company's products, DFMIEC supplies the Company's products to overseas customers through its distribution network. Specifically, after receiving a written order from DFMIEC, the Company shall complete the production of products within the agreed time limit and deliver them to the domestic ports or stations designated by DFMIEC. The Company provides assistance in after-sales services for the products, according to the Strategic Cooperation Framework Agreement. The Company has confirmed that the Group settles transactions in Renminbi (RMB), and its primary banks are all domestic banks in the PRC, and no U.S. dollar-denominated transactions are involved.
- 5.9 Regarding the fact that DFMIEC sells products to Russia and Belarus and other Relevant Regions, the Company has provided a sample of the DISTRIBUTION AGREEMENT signed between DFMIEC and its overseas distributors. The agreement clearly stipulates that overseas distributors may appoint sub-distributors within the designated region to sell the products; however, any sub-license shall comply with the laws of the region, and the overseas distributor shall fully inform DFMIEC of the details of its sales network and ensure that the distributors selling products within the region meet or comply with the requirements and conditions put forward by the manufacturer from time to time. It also explicitly states that overseas distributors shall not directly or indirectly sell the products to any legal person or individual not residing in the region (including sellers), if the overseas distributor knows or has reasonable grounds to know that the products will be resold to any individual not residing in the region and exported outside the region.
- 5.10 In addition, the Company has provided a sample of the Letter of Compliance Assurance which requires DFMIEC to ensure that the transactions comply with applicable export control and sanctions regulations (including export control and economic sanctions laws and regulations of China, the European Union, the United States and other countries/regions). The Company has also provided us with a sample of the "Model Clauses on Economic Sanctions Compliance" between DFMIEC and its overseas distributors, which requires the overseas distributors to state and warrant that neither themselves, nor their shareholders, nor their ultimate controllers have been included in any sanctions lists; it also specifies the relevant handling measures, liability division and

other provisions for both parties in case any economic sanctions occur during the term of the agreement, leading to risks in the performance of the contract.

6. EU Sanctions and Export Controls

6.1 Overview of EU Sanctions Measures

- (a) As of the date of this memorandum, the EU maintains 36 distinct sanctions regimes. The EU implements all sanctions adopted by the United Nations Security Council. It may also reinforce UN sanctions by applying supplementary measures beyond those imposed by the UN Security Council and also enacts its own unilateral sanctions (known as “autonomous” sanctions).
- (b) EU Sanctions may be directed against governments of non-EU countries, as well as companies, groups, organizations, or individuals through measures including:
 - (i) Arms embargoes;
 - (ii) Restrictions on admission of listed persons (travel ban): targeted persons cannot enter the EU or travel beyond their member state of nationality if they are an EU citizen;
 - (iii) Freezing of assets belonging to listed persons or entities: all their assets in the EU are frozen and EU persons and entities cannot make any funds and/or economic resources available to those listed (and persons owned or controlled by the former); and/or
 - (iv) Financial sanctions and restrictions concerning specific sectors of economic activity, including but not limited to import or export bans on certain goods, investment bans, and prohibitions on supplying certain services.
- (c) EU Sanctions predominantly focus on freezing the assets and economic resources of designated persons or entities (and persons owned or controlled by them). The sanctions stipulate that:
 - (i) All funds and economic resources belonging to, owned, held, or controlled by any designated person or entity are to be frozen;
 - (ii) No funds or economic resources shall be made available, directly or indirectly, to or for the benefit of, any designated person or entity; and/or
 - (iii) The participation, knowingly and intentionally, in activities the object or effect of which is, directly or indirectly, to circumvent the measures referred to in sub-paragraphs (i) and (ii) above, shall be prohibited.

EU Sanctions typically define "funds" and "economic resources" broadly: "funds" refer to financial assets and benefits of every kind, and "economic resources" encompass assets of every kind that are not funds but may be used to obtain funds, goods, or services.

- (d) The EU has issued guidelines clarifying the meaning of "ownership" and "control" by a listed person in the context of financial sanctions. "Owning" a person, entity, or body means possessing more than 50 percent of the proprietary rights of an entity or holding a majority interest in it. Multiple criteria are considered in assessing whether a legal person or entity is "controlled" by another, including but not limited to holding a majority of voting rights, exercising a dominant influence, and/or sharing financial liabilities.
- (e) All EU Sanctions apply:
 - (i) within the EU (including its airspace);
 - (ii) on board any aircraft or vessel under the jurisdiction of any EU member state;
 - (iii) to any EU national, regardless of where they are resident/located;
 - (iv) to any legal person, entity, or body which is incorporated/constituted under the laws of any EU member state, irrespective of their location, including unincorporated branches, but not entities incorporated outside the EU; and
 - (v) to any legal person, entity, or body in respect of any business done in whole or in part in the EU.
- (f) The EU has traditionally refrained from employing secondary sanctions that apply extraterritorially to parties without any nexus to the EU.
- (g) EU Sanctions are implemented through directly applicable EU regulations, which are binding in all Member States and do not require additional national implementing legislation. The primary exception in this regard is travel bans which — as a matter of immigration and border control — generally fall within the remit of individual Member States. Note, however, that the underlying decision to adopt such travel bans in the first place is taken at EU-level, through what is known as a “CFSP decision”.

6.2 Application to Belarus

- (a) The EU has imposed several successive rounds of individual and sectoral sanctions against Belarus in response to internal repression, human rights abuses,

and Belarus' involvement in Russia's war against Ukraine. The first restrictive measures were adopted in 2004 against specific Belarusian officials implicated in the unresolved disappearances of opposition politicians. Additional listings followed the presidential elections of 2006 and 2011. Most of these measures were suspended in 2015 and later lifted after the release of political prisoners and an improvement in EU-Belarus relations.

- (b) In the aftermath of the fraudulent presidential elections of August 2020 and the violent crackdown on peaceful protesters, democratic opposition and journalists, the EU introduced several packages of listings targeting both natural and legal persons. The EU's sanctions against Belarus encompass an arms embargo, travel restrictions, a ban on the export of specified equipment potentially of use for purposes of internal repression, and a prohibition on the provision of technical assistance related to items enumerated in the EU Common Military List. Following the unlawful forced landing of a Ryanair flight in Minsk on 23 May 2021, the EU prohibited any aircraft operated by Belarusian carriers from taking off from, landing in or overflying EU territory, and adopted further targeted economic sanctions including trade and financial restrictions. On 15 November 2021, the EU broadened the listing criteria in response to the instrumentalization of migrants at the EU border.
- (c) Since 2022, the EU has imposed a series of sanctions in response to Belarus' involvement in Russia's military aggression against Ukraine, including but not limited to:
 - (i) restricting the provision of specialised financial messaging services (SWIFT) to three Belarusian banks;
 - (ii) prohibiting transactions with the Central Bank of Belarus;
 - (iii) prohibiting the listing and provision of services in relation to share of Belarusian state-owned entities on EU trading venues;
 - (iv) significantly limiting the financial inflows from Belarus to the EU;
 - (v) prohibiting the provision of euro-denominated banknotes to Belarus;
 - (vi) a ban on the import of gold, diamonds, helium, coal and mineral products, including crude oil, from Belarus;
 - (vii) an embargo on imports of arms from Belarus;
 - (viii) restrictions on the sale or provision of services and software, deposits and crypto-asset wallets, and transports

- (ix) further anti-circumvention measures;
- (x) a requirement for EU exporters to insert the so-called “no-Belarus clause” in certain contracts related to specific goods;
- (xi) a broader ban on the transport of goods by road within the EU territory;
- (xii) a ban on the provision of certain services;
- (xiii) a ban on the export of dual-use goods and technologies, maritime navigation goods and luxury goods to Belarus.

6.3 Application to Russia

- (a) Since March 2014, the EU has progressively imposed sanctions against Russia in response to the illegal annexation of Crimea and Sevastopol and the deliberate destabilisation of Ukraine. These sanctions initially targeted specific economic sectors and were substantially expanded following Russia’s full-scale invasion of Ukraine in February 2022, with the stated objective of weakening Russia’s economic base, depriving it of critical technologies and markets, and curtailing its ability to wage war.
- (b) As of 31 July 2025, the European Union has adopted a total of 18 sanctions packages against Russia. The first package of sanctions, adopted on 23 February 2022, responded to Russia’s recognition of the non-government controlled areas of Donetsk and Luhansk oblasts as independent entities and the deployment of Russian troops into these areas. This package included:
 - (i) targeted sanctions against 351 members of the Russian State Duma and 27 additional individuals;
 - (ii) restrictions on economic relations with the non-government controlled areas of Donetsk and Luhansk; and
 - (iii) restrictions on Russia’s access to EU capital and financial markets and services.
- (c) Subsequent sanctions packages have progressively broadened the scope of EU Sanctions against Russia, including but not limited to:
 - (i) export bans on dual-use goods and defence-related technologies;
 - (ii) prohibitions on public financing for trade and investment with Russia;

- (iii) restrictions on oil refining equipment, aviation and maritime technologies, luxury goods, coal, iron and steel products, gold, diamonds, and other raw materials;
 - (iv) import bans and price caps on Russian crude oil and petroleum products (with a crude oil cap introduced on 3 December 2022 and petroleum product caps on 4 February 2023, subsequently adjusted in July 2025);
 - (v) exclusion of major Russian banks from the SWIFT system and wide-ranging financial and investment restrictions;
 - (vi) broadcasting bans on Russian State-owned media outlets;
 - (vii) prohibitions on Russian and Belarusian road transport operators and restrictions on Russian vessels and aircraft; and
 - (viii) anti-circumvention measures, including due diligence obligations and contractual "no re-export" clauses.
- (d) 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) 2025/1478 of 18 July 2025 and Council Regulation (EU) No 269/2014 of March 17, 2014, as last amended by Council Implementing Regulation (EU) 2025/1476 of 18 July 2025 ("**EU Russia Asset Freezing Measures**"). These restrictions include:
- (A) 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;
 - (B) 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.
- (e) In addition to the EU Russia Asset Freezing Measures, the EU implements its broader trade/sectoral measures against Russia through Council Regulation (EU) No 833/2014 of 31 July 2014, as last amended by Council Regulation (EU) 2025/1494 of 18 July 2025.

6.4 Application to Turkey

- (A) 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 bans on a very limited number of parties in Turkey.
- (B) At present, there is only one individual holding an executive position at the Turkish Petroleum Corporation (TPAO) who is subject to asset freezing measures pursuant to Council Implementing Regulation (EU) 2020/274 of February 27, 2020.

6.5 Analysis

- (a) EU Sanctions apply to any EU nationals who are employees of any of the companies in the Group, regardless of which company they work for or where they are resident/located, and any Group entity and/or any director or employee of the Group in respect of any business done by the Group in the EU in which they are participate.
- (b) On the basis of our due diligence process (as confirmed by the Company) we understand that the Group employs one Italian national; however, this individual is a non-decision-making employee. The Group has not registered or invested in any entity within the EU. While the Company indirectly sells products into the EU (including Bulgaria, the Netherlands, Italy, Denmark, Slovakia, Portugal, Spain, Germany, Latvia, Greece, and Slovenia) through DFMIEC, none of DFMIEC's local distributors in these jurisdictions are designated sanctions targets.
- (c) The Company is not owned 50% or more, or controlled by one or more persons designated for the purposes of EU Sanctions.
- (d) None of the Group's Directors, Shareholders or related entities is a person designated for the purposes of EU Sanctions.
- (e) The Company confirms that the Group has implemented compliance screening measures, including automated screening through the procurement system as well as manual identification, to detect counterparties that may present potential sanctions compliance risks. For each transaction, the Group conducts manual reviews covering the transaction content, the scope of cooperation, the items involved, the intended use of products, the target markets, and the customers, in

order to ensure that no activities are undertaken in violation of applicable the EU Sanctions requirements.

- (f) On the basis of the foregoing, our assessment is that, during the Tracking Record Period and as of the Latest Practicable Date, the Group's business activities conducted in Relevant Regions are not subject to material risk under existing EU Sanctions. The Group did not engage in any operations or transactions that implicate EU Sanctions, nor did it violate any applicable EU Sanctions as of the Latest Practicable Date and the risk of the Group becoming subject to EU Sanctions is low.

6.6 EU Export Controls

- (a) EU export controls comprise a combination of EU-wide regulations established under EU legislation and national rules implemented by individual EU Member States. The two principal export control regimes within the EU pertain to (i) dual-use export controls and (ii) military export controls.
- (b) The key EU dual-use export control legislation is Regulation (EU) No 2021/821 ("**EU Dual-Use Regulation**"), which controls:
 - (i) the export of certain controlled dual-use products and technology ("**dual-use items**") from the EU to any non-EU country jurisdiction (not only jurisdictions subject to sanctions);
 - (ii) the provision of technical assistance relating to dual-use 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 by an EU person or entity from one non-EU country to another non-EU country, or by an EU or non-EU person or entity from one EU country to a non-EU country.
- (c) Annex I to the EU Dual-Use Regulation contains the primary list of controlled dual-use items, which are determined in accordance with international frameworks to which the EU or its Member States are party, including the Wassenaar Arrangement, the Australia Group (chemical weapons), the Nuclear Suppliers Group, and the Missile Technology Control Regime.
- (d) Unlike U.S. export controls, EU export controls typically do not apply extraterritorially to re-exports or transfers that are undertaken outside of the EU territory.

- (e) Export controls concerning military items within the EU are administered individually by each EU Member State. The EU maintains a Common Military List, which outlines military items subject to export controls. This list is updated annually by the Council of the European Union pursuant to Council Common Position 2008/944/CFSP. However, the list is non-binding, and each Member State retains the authority to legislate and implement its own national military export control regulations.

6.7 Analysis

- (a) The Company has confirmed on behalf of the Group that, during the Track Record Period and as of the Latest Practicable Date, the Group did not export from the EU or otherwise source any items subject to EU export license requirements or other export restrictions under EU export controls (collectively referred to as "**EU-controlled items**"). The Group has further confirmed that none of its products incorporate EU-origin items that are EU-controlled. Based on our due diligence process and review of the information provided by the Group together with the Company's confirmation, we understand that the Group's activities do not implicate EU export control regulations.
- (b) Our assessment indicates that the Group did not engage in any operations or transactions that involve EU export control restrictions or violate EU export control laws or regulations. Accordingly, the Group's business activities conducted in Relevant Regions during the Track Record Period and as of the Latest Practicable Date are not subject to material risks under EU export control regulations, and the risk of the Group being subject to EU export control restrictions or violating EU export control laws or regulations is low.



Victor Crochet

Nishimura & Asahi Brussels



Eamonn Arbuckle

Nishimura & Asahi Brussels

Exhibit III:

Memorandum of Advice – United Kingdom Laws and Regulations relating to Trade Sanctions Analysis in accordance with the Chapter 4.4 Guidance

1. Introduction and Scope

1.1 Zhong Lun Law Firm ("**Zhong Lun**") have acted as the international sanctions counsel to VOYAH Automotive Technology Co., Ltd. (the "**Company**") in connection with the proposed listing (by way of introduction) of, and permission to deal in, the H shares on the Stock Exchange of Hong Kong Limited (the "**HKEX**") of the Company (the "**Listing**"). In this context, Nishimura & Asahi Brussels has also been engaged by Zhong Lun Law Firm to provide input on issues relating to sanctions under United Kingdom (the "**UK**") law in connection with the Listing.

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, from the perspective of UK laws and regulations, whether the Company and its subsidiaries (the Company and its subsidiaries together, the "**Group**") engaged in any Sanctioned Activity (as defined below) that violates applicable laws or regulations in the UK, and/or results in any material sanctions risk to the Relevant Persons (as defined below).

1.3 For the purpose of this memorandum, the following terms and expressions shall have the respective meanings set out below:

"**UK Sanctions**" means measures administered by the United Kingdom and adopted pursuant to the Sanctions and Anti-Money Laundering Act 2018 and UK export control measures.

"**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 incorporated or located in the UK 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.

"**Sanctioned Country**" means any country or territory subject to UK Sanctions.

"**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 sole sponsor, the HKEX and related group companies.

"**Sanctioned Target**" means any person or entity (i) designated on any list of targeted persons or entities issued under UK Sanctions; (ii) that is, or is owned or controlled by, a government of a Sanctioned Country; or (iii) that is the target of UK sanctions because of a relationship of ownership, control, or agency with a person or entity described in (i) or (ii).

1.4 This memorandum is provided for the purposes of the Listing only. And 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 UK Sanctions. 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 UK Sanctions.

1.5 In preparing this memorandum, Zhong Lun have:

- (a) prepared the *Due Diligence Question and Materials lists* and reviewed the Company's responses to such questionnaire (as well as related supporting materials) provided to Zhong Lun on August 29, 2025, and subsequent dates;
- (b) prepared the *Interview Questions List* and reviewed the Company's responses in writing to such questionnaire (as well as related supporting materials) provided to us on September 4, 2025, and subsequent dates;
- (c) subject to the limitations set out at the end of this memorandum, reviewed the customer and supplier lists for the Track Record Period and as of the Latest Practicable Date and conducted sanctions screening of all of the Group's customers (including distributors), and suppliers ("**Screened Counterparties**");
- (d) reviewed the responses provided by the Company addressing additional specific questions in respect of the Group's business activities in Relevant Regions, which Zhong Lun received on various dates during our analysis of the subject matter of this memorandum;
- (e) reviewed the materials provided by the Company and its other outside counsel instructed by the Company; and
- (f) conducted numerous conference calls with the Company to most efficiently address Zhong Lun's sanctions due diligence queries.

1.6 As to matters of fact material to the conclusion stated herein, Nishimura & Asahi Brussels have relied on the representations and statements of fact made in the documents Zhong Lun reviewed or made by the Group.

- 1.7 This memorandum provides an outline of UK Sanctions for the purpose of the Chapter 4.4 Guide. Zhong Lun have identified the Group's business activities during the period from the three years ended December 31, 2023, December 31, 2024, and December 31, 2025 (the “**Track Record Period**”) and the period from January 1, 2026 up to February 6, 2026 (the “**Latest Practicable Date**”).
- 1.8 This memorandum is based on the understanding and assumptions detailed herein. Nishimura & Asahi Brussels rely on the completeness and accuracy of the information given by the Company. If any of the assumptions are incorrect, or any changes occur in this respect or correction to the information is otherwise required, the Company is recommended to inform Zhong Lun so that it can confirm the content of this analysis.
- 1.9 This memorandum is given only with respect to the UK Sanctions in force up to the Latest Practicable Date. Nishimura & Asahi Brussels underline that UK Sanctions remain under constant review. Therefore, the scope and application of the measures discussed below are subject to change and should be carefully monitored. Nishimura & Asahi Brussels, however, have no obligation to notify any recipient or other person of any change in UK Sanctions or their applications after the date of this memorandum and have no obligation to update this memorandum to reflect any change in UK Sanctions or their application 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 the UK Sanctions discussed below.

2. **Conclusion**

- 2.1 On the basis of the information and confirmation received from the Company and the due diligence Zhong Lun has carried out, Nishimura & Asahi Brussels concludes that:
- (a) the Company has not registered or invested in any entity within the UK, and has no employees who are UK persons;
 - (b) all activities involving the Relevant Regions (as defined below) 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, the UK;
 - (c) 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 UK Sanctions, or has or is engaged in any other activity subject to restrictions under UK Sanctions;

- (d) the Company has not been, directly or indirectly, involved in the export from the UK of any items listed in the UK Strategic Export Control Lists destined to any of the Relevant Regions; and
- (e) the Group has implemented compliance screening measures, including automated screening through the procurement system as well as manual identification, to detect counterparties that may present potential sanctions compliance risks. For each transaction, the Group conducts manual reviews covering the transaction content, the scope of cooperation, the items involved, the intended use of products, the target markets, and the customers, in order to ensure that no activities are undertaken in violation of applicable UK Sanctions.

2.2 Moreover, the Company has confirmed, to its best knowledge, that the Group:

- (a) does not use any proportion of UK-origin parts, components, or materials in the Group's products that would cause material enforcement risks under UK export controls;
- (b) does not produce any of the Group's products in the UK or export such from the UK; and
- (c) does not supply, sell, export or transfer products otherwise controlled under UK export controls or that are otherwise restricted, either directly or indirectly, from the UK (or by UK persons) to, or for use, in any third country.

2.3 Nishimura & Asahi Brussels' assessment, based on a review of the declarations provided by the Company, is that the prohibitions and wider restrictions under UK Sanctions as applicable during the Track Record Period and as of the Latest Practicable Date, are not implicated by the Group's business activities with the Relevant Regions.

3. **UK Sanctions and Export Controls**

3.1 **UK Sanctions Regimes**

(a) **Overview**

- (i) The statutory basis for sanctions in the United Kingdom is the Sanctions and Anti-Money Laundering Act 2018 (the "**UK Sanctions Act**"). The UK Sanctions Act empowers the government to establish new sanctions regimes, transpose measures previously derived from EU law, and adopt implementing regulations that specify the precise obligations for each regime.

- (ii) Sanctions regimes may be established for either geographic purposes (targeting a specific state or territory) or thematic purposes (addressing issues such as terrorism, cyber-attacks, or human rights abuses). They serve as instruments to advance the UK's foreign policy and national security priorities, to uphold peace and international order, and to comply with obligations under the United Nations framework.
- (iii) A wide range of measures may be imposed under UK Sanctions regimes, including:
 - (A) financial sanctions, such as asset freeze;
 - (B) director disqualification sanctions;
 - (C) trade sanctions, including arms embargoes and restrictions on sensitive goods or services;
 - (D) immigration sanctions preventing designated individuals from entering or transiting through the UK;
 - (E) aircraft and shipping sanctions limiting the use of UK airspace and ports; and
 - (F) sanctions for purposes of UN obligations.
- (iv) The scope of UK Sanctions is extraterritorial in certain respects. They apply not only to persons and entities operating within the UK, but also to (i) UK nationals and UK-incorporated entities acting abroad; and (ii) organizations constituted under the laws of any UK jurisdiction, regardless of where their activities take place, that is said, UK Sanctions apply to:
 - (A) conduct in the UK or in UK territorial waters by any person; or
 - (B) conduct anywhere in the world, but only if the conduct is by a UK person, defined as a UK national or a UK legal entity established under UK law.
- (v) To ensure effectiveness, the UK government extends sanctions measures to the Crown Dependencies and Overseas Territories. Section 63(3)(c) of the UK Sanctions Act authorizes this extension by Order, and since January 2021 measures have routinely been applied to territories such as the Cayman Islands without the need for separate local legislation.

- (vi) In practice, UK Sanctions are introduced either to give effect to UN Security Council resolutions or as autonomous UK measures. Autonomous regimes often mirror international partners' actions but are tailored to reflect the UK's independent foreign policy stance.

(b) Russian Sanctions Regime

- (i) After Russia's invasion of Ukraine in 2022, the UK introduced broad sanctions measures to penalize Russia, through a series of successive amendments to the Russia (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/855) (the "**Russia Regulations**"), made under the UK Sanctions Act. This framework provides for the imposition of financial sanctions, including asset freezes and other financial and investment restrictions, on persons who are or have been involved in destabilizing Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine; or obtaining a benefit from or supporting the Government of Russia.
- (ii) The Russia sanctions regime is aimed at:
 - (A) encouraging Russia to cease actions destabilizing Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine; and
 - (B) promoting the payment of compensation by Russia for damage, loss or injury suffered by Ukraine on or after 24 February 2022 as a result of Russia's invasion of Ukraine.
- (iii) The UK Sanctions targeting Russia include:
 - (A) Financial sanctions: freezing assets of designated persons, restrictions on banks, bans on certain kinds of payments to or from designated persons, and penalties for breaching rules;
 - (B) Director disqualification sanctions: prohibiting designated individuals from serving as company directors or participating in company management without a specific license;
 - (C) Trade sanctions: banning certain goods, software, technology going to Russia (or to persons connected with Russia). This includes dual-use goods, industrial design software, oil/gas-related software, etc.;

(D) Transport sanctions: shipping and airline restrictions, such as ships blacklisted and banned from UK ports; and

(E) Immigration sanctions: imposing a travel ban on designated persons, who will be refused leave to enter or remain in the UK.

(c) Belarus Sanctions Regime

(i) The United Kingdom maintains a dedicated sanctions regime on Belarus under the Republic of Belarus (Sanctions) (EU Exit) Regulations 2019, made pursuant to the UK Sanctions Act. The Belarus Regulations, which have been amended on multiple occasions, establish a comprehensive legal framework for imposing financial, trade, transport, immigration and director disqualification measures against designated persons and entities. They apply throughout the United Kingdom and, by order, also extend to the Crown Dependencies and Overseas Territories. Following Belarus' support for Russia's military actions against Ukraine, the UK has further expanded these measures since March 2022.

(ii) The Belarus sanctions regime is aimed at encouraging the Government of Belarus to:

(A) respect democratic principles and institutions and the separation of powers and the rule of law in Belarus;

(B) refrain from actions, policies or activities which repress civil society in Belarus;

(C) investigate properly and institute criminal proceedings against persons responsible for the disappearances of Yury Zakharanka, Viktor Hanchar, Anatol Krasouski and Dzmitry Zavadski;

(D) comply with international human rights law and respect human rights;

(E) cease actions destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine, including by supporting or facilitating Russia's actions in respect of Ukraine; and

(F) refrain from any other action that undermines or threatens peace, security or stability in Europe.

(iii) The UK Sanctions targeting Belarus include:

- (A) Financial sanctions: imposing a comprehensive asset freeze on designated persons, prohibiting various financial dealings with Belarus-linked entities, and restricting specific financial services;
- (B) Director disqualification sanctions: prohibiting designated individuals from serving as company directors or participating in company management without a specific license;
- (C) Trade sanctions: prohibiting the import, export, supply, delivery, and provision of related services for a wide range of goods and technology to or from Belarus, including military, dual-use, luxury, and critical industry items;
- (D) Transport sanctions: prohibiting Belarusian aircraft from overflying or landing in the UK and banning Belarusian ships from entering UK ports; and
- (E) Immigration sanctions: imposing a travel ban on designated persons, who will be refused leave to enter or remain in the UK.

(d) Turkey Sanctions Regime

- (i) During the Tracking Record Period and as of the Latest Practicable Date, the UK does not maintain a comprehensive country-specific sanctions regime against Turkey.

(e) Analysis

- (i) Company Background

- (A) VOYAH Automotive Technology Co., Ltd. was incorporated in the People's Republic of China on June 26, 2021. The Company is a premium intelligent NEV brand and focuses on developing a user-centric technology enterprise through integrated full-cycle technological and user ecosystem services. The Company's main products are new energy vehicles.
- (B) The following table sets out the information regarding Directors of VOYAH Automotive Technology Co., Ltd.

Title	Name	Nationality
Chairman of the Board	LU FANG	CHINA
Director	JIANG TAO	CHINA
Director	LIAO XIANZHI	CHINA
Director	YANG YANDING	CHINA
Director	HU XIAO	CHINA
Director	FU BINGFENG	CHINA
Director	YANG YONG	HONG KONG,CHINA
Director	XIN DINGHUA	HONG KONG,CHINA
Director	QINJIE	CHINA

- (C) During the Track Record Period and as of the Latest Practicable Date, the Company has explained, with confirmation through the “Strategic Cooperation Framework Agreement” signed by the Company and DFMIEC, that the Group did not directly sold products to customers and end users located outside the PRC. Instead, overseas sales were conducted indirectly through China Dongfeng Motor Industry Imp & Exp. Co., Ltd. (“**DFMIEC**”) to overseas countries including the [Russia, Norway, Uzbekistan, Israel, Azerbaijan, Slovakia, United Arab Emirates (UAE), Qatar, Belarus, Saudi Arabia, Armenia, Germany, Italy, Netherlands, Kazakhstan, Latvia, Slovenia, Denmark, Turkmenistan, Bulgaria, Egypt, Mongolia, Switzerland, Portugal, Jordan, Panama, Spain, Angola, Ecuador, Palestine, Nigeria, Turkey, Laos, Kuwait, Cambodia, Costa Rica, Philippines, Greece, Japan]. Among them, the countries below are subject to various forms of sanctions programs implemented by the Relevant Jurisdiction(s): Russia, Belarus and Turkey (“**Relevant Regions**”).
- (D) The above business model is as follows: The Company provides electric vehicle products that meet the needs of target markets outside the PRC to DFMIEC. As the sole overseas representative of the Company's products, DFMIEC supplies the Company's products

to overseas customers through its distribution network. Specifically, after receiving a written order from DFMIEC, the Company shall complete the production of products within the agreed time limit and deliver them to the domestic ports or stations designated by DFMIEC. The Company provides assistance in after-sales services for the products, including selling spare parts to DFMIEC as needed.

(E) Regarding the fact that DFMIEC sells products to Russia and Belarus, the Company has provided a sample of the DISTRIBUTION AGREEMENT signed between DFMIEC and its overseas distributors. The agreement clearly stipulates that overseas distributors may appoint sub-distributors within the designated region to sell the products; however, any sub-license shall comply with the laws of the region, and the overseas distributor shall fully inform DFMIEC of the details of its sales network and ensure that the distributors selling products within the region meet or comply with the requirements and conditions put forward by the manufacturer from time to time. It also explicitly states that overseas distributors shall not directly or indirectly sell the products to any legal person or individual not residing in the region (including sellers), if the overseas distributor knows or has reasonable grounds to know that the products will be resold to any individual not residing in the region and exported outside the region.

(F) In addition, the Company has provided a sample of the Letter of Compliance Assurance which requires DFMIEC to ensure that the transactions comply with applicable export control and sanctions regulations. The Company has also provided us with a sample of the "Model Clauses on Economic Sanctions Compliance" between DFMIEC and its overseas distributors, which requires the overseas distributors to state and warrant that neither themselves, nor their shareholders, nor their ultimate controllers have been included in any sanctions lists; it also specifies the relevant handling measures, liability division and other provisions for both parties in case any economic sanctions occur during the term of the agreement, leading to risks in the performance of the contract.

(ii) The Company has confirmed that:

- (A) it is not incorporated or constituted in the UK, nor does it maintain any branch or subsidiary incorporated or constituted in the UK;
 - (B) during the Track Record Period and as of the Latest Practicable Date, it has no investment in the UK;
 - (C) it is not owned 50% or more, or controlled, by one or more UK persons as defined under the UK Sanctions Act, or any person designated for the purposes of UK Sanctions;
 - (D) none of its subsidiaries, or the Group's Directors or Shareholders is a UK person as defined under the UK Sanctions Act, or a person designated for the purposes of UK Sanctions; and
 - (E) the Group has implemented compliance screening measures, including automated screening through the procurement system as well as manual identification, to detect counterparties that may present potential sanctions compliance risks. For each transaction, the Group conducts manual reviews covering the transaction content, the scope of cooperation, the items involved, the intended use of products, the target markets, and the customers, in order to ensure that no activities are undertaken in violation of applicable the UK Sanctions requirements.
- (iii) On the basis of the Company's confirmation, the materials provided, and Zhong Lun's independent due diligence, Nishimura & Asahi Brussels' assessment is that the Group's business activities in Relevant Regions during the Track Record Period and as of the Latest Practicable Date are not subject to material risks under UK Sanctions. In particular, given the absence of a UK nexus, the activities are unlikely to be viewed as falling within the jurisdiction of, or giving rise to restrictions under, UK Sanctions.

3.2 UK Export Controls

(a) Overview

- (i) The UK's system of export controls is grounded in the Export Control Act 2002 and subsidiary legislation. Following the UK's withdrawal from the EU, the UK established an autonomous framework. Central to this framework is the UK Strategic Export Control List, which consolidates a number of instruments, including the Export Control Order 2008, the retained EU Dual-Use Regulation No. 428/2009, retained EU regulations on firearms and human rights-related items, and the Export of Radioactive Sources (Control) Order 2006. The UK regime therefore covers dual-use

goods, military items, firearms, radioactive materials and other sensitive goods and technologies that require licensing for export from the UK.

(b) Analysis

(i) The Company has confirmed on behalf of the Group that, during the Track Record Period and as of the Latest Practicable Date:

(A) the Group did not export from the UK or otherwise source any items which are subject to UK export license requirements or other export restrictions under UK export control laws;

(B) none of the Group's products contain UK-origin parts, components, or materials that are subject to UK export controls or would otherwise give rise to material enforcement risks;

(C) the Group does not produce or export its products from the UK, nor does it supply, sell, export, or transfer any products that are controlled under UK export control laws or restricted for transfer, whether directly or indirectly, from the UK or by UK persons to third countries; and

(D) all its products have been assessed as compliant with applicable export control requirements of the UK.

(ii) On the basis of the Company's above confirmation and the materials provided, Nishimura & Asahi Brussels understand that the Group's activities during the Track Record Period and as of the Latest Practicable Date do not implicate the UK export control regime. Accordingly, no further substantive analysis of the Group's products under the UK framework has been required, and Nishimura & Asahi Brussels' conclusion is expressly reliant upon the accuracy and completeness of the Company's confirmation.



Eamonn Arbuckle

Nishimura & Asahi Brussels



Yusuke Hatakeyama

Nishimura & Asahi