

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For The Quarterly Period Ended September 30, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For The Transition Period From To

COMMISSION FILE NO. 001-34098

HIGHPOWER INTERNATIONAL, INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

20-4062622

(I.R.S. Employer
Identification Number)

Building A1, 68 Xinxia Street, Pinghu, Longgang,
Shenzhen, Guangdong, 518111, People's Republic of China
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

(86) 755-89686238

(COMPANY'S TELEPHONE NUMBER, INCLUDING AREA CODE)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" as defined in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The registrant had 15,109,019 shares of common stock, par value \$0.0001 per share, outstanding as of November 10, 2016.

HIGHPOWER INTERNATIONAL, INC.
FORM10-Q
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2016
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Item 1. Consolidated Financial Statements

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Stated in US Dollars)

| | <i>September 30,</i> <i>2016</i> <i>(Unaudited)</i> <u>\$</u> | <i>December 31,</i> <i>2015</i> <u>\$</u> |
|--|--|---|
| ASSETS | | |
| Current Assets: | | |
| Cash | 13,477,199 | 5,849,967 |
| Restricted cash | 10,758,392 | 11,656,204 |
| Accounts receivable, net | 47,747,210 | 36,139,866 |
| Amount due from Yipeng | 2,960,524 | - |
| Notes receivable | 1,770,789 | 1,757,709 |
| Prepayments and other receivables | 5,586,595 | 6,060,904 |
| Inventories, net | <u>21,138,583</u> | <u>19,218,331</u> |
| Total Current Assets | 103,439,292 | 80,682,981 |
| Property, plant and equipment, net | 46,373,030 | 47,464,186 |
| Land use right, net | 3,792,334 | 3,963,003 |
| Other assets | 512,500 | 550,000 |
| Deferred tax assets | 1,567,644 | 1,544,314 |
| Long-term investment | <u>9,949,477</u> | <u>-</u> |
| | □ | |
| TOTAL ASSETS | <u><u>165,634,277</u></u> | <u><u>134,204,484</u></u> |
| LIABILITIES AND EQUITY | | |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts payable | 48,673,568 | 36,077,396 |
| Deferred income | 775,437 | 879,944 |
| Short-term bank loan | 20,876,434 | 13,839,341 |
| Non-financial institution borrowings | 4,492,498 | - |
| Notes payable | 32,048,210 | 30,490,166 |
| Amount due to Yipeng | 1,537,765 | - |
| Other payables and accrued liabilities | 9,826,526 | 6,292,492 |
| Income taxes payable | 1,854,510 | 1,783,013 |
| Current portion of long-term loan | <u>-</u> | <u>1,845,245</u> |
| Total Current Liabilities | 120,084,948 | 91,207,597 |
| Warrant Liability | <u>25,153</u> | <u>140,549</u> |
| TOTAL LIABILITIES | <u><u>120,110,101</u></u> | <u><u>91,348,146</u></u> |
| COMMITMENTS AND CONTINGENCIES | - | - |

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)
(Stated in US Dollars)

| | <i>September 30,</i> 2016 | <i>December 31,</i> 2015 |
|---|-------------------------------------|------------------------------------|
| | <u>(Unaudited)</u> | |
| | \$ | \$ |
| EQUITY | | |
| Stockholders' equity | | |
| Preferred stock | | |
| (Par value: \$0.0001, Authorized: 10,000,000 shares, Issued and outstanding: none) | - | - |
| Common stock | | |
| (Par value: \$0.0001, Authorized: 100,000,000 shares, 15,109,019 shares issued and outstanding at September 30, 2016 and 15,101,679 shares issued and outstanding at December 31, 2015) | 1,511 | 1,510 |
| Additional paid-in capital | 11,491,424 | 11,227,979 |
| Statutory and other reserves | 4,042,429 | 4,042,429 |
| Retained earnings | 28,458,655 | 24,098,175 |
| Accumulated other comprehensive income | <u>1,106,387</u> | <u>2,632,762</u> |
| Total equity for the stockholders of Highpower International Inc. | 45,100,406 | 42,002,855 |
| Non-controlling interest | <u>423,770</u> | <u>853,483</u> |
| TOTAL EQUITY | <u>45,524,176</u> | <u>42,856,338</u> |
| TOTAL LIABILITIES AND EQUITY | <u>165,634,277</u> | <u>134,204,484</u> |

See notes to condensed consolidated financial statements

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Stated in US Dollars)

| | <i>Three months ended</i> | | <i>Nine months ended</i> | |
|---|---------------------------|---------------------|--------------------------|---------------------|
| | <i>September 30,</i> | | <i>September 30,</i> | |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| | <i>(Unaudited)</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| | \$ | \$ | \$ | \$ |
| Net sales | 54,142,916 | 37,556,826 | 119,972,281 | 108,330,275 |
| Cost of sales | <u>(40,475,820)</u> | <u>(30,340,151)</u> | <u>(92,784,475)</u> | <u>(86,994,126)</u> |
| Gross profit | <u>13,667,096</u> | <u>7,216,675</u> | <u>27,187,806</u> | <u>21,336,149</u> |
| Research and development expenses | (3,029,628) | (1,963,690) | (6,688,397) | (5,635,308) |
| Selling and distribution expenses | (1,881,277) | (1,712,303) | (4,955,708) | (5,108,589) |
| General and administrative expenses | (5,935,907) | (3,295,815) | (12,254,520) | (9,744,336) |
| Foreign currency transaction gain | 126,732 | 1,458,363 | 636,609 | 1,902,220 |
| Total operating expenses | <u>(10,720,080)</u> | <u>(5,513,445)</u> | <u>(23,262,016)</u> | <u>(18,586,013)</u> |
| Income from operations | <u>2,947,016</u> | <u>1,703,230</u> | <u>3,925,790</u> | <u>2,750,136</u> |
| (Loss) gain on change of fair value of warrant liability | (11,150) | 510,553 | 115,396 | 941,685 |
| Other income | 505,928 | 154,904 | 1,717,803 | 742,051 |
| Equity in earnings of investee | 218,903 | - | 218,903 | - |
| Interest expenses | <u>(341,520)</u> | <u>(246,563)</u> | <u>(1,051,914)</u> | <u>(790,681)</u> |
| Income before taxes | 3,319,177 | 2,122,124 | 4,925,978 | 3,643,191 |
| Income taxes expenses | <u>(769,065)</u> | <u>(270,622)</u> | <u>(978,882)</u> | <u>(194,206)</u> |
| Net income | 2,550,112 | 1,851,502 | 3,947,096 | 3,448,985 |
| Less: net loss attributable to non-controlling interest | <u>(101,194)</u> | <u>(91,843)</u> | <u>(413,384)</u> | <u>(238,126)</u> |
| Net income attributable to the Company | <u>2,651,306</u> | <u>1,943,345</u> | <u>4,360,480</u> | <u>3,687,111</u> |
| Comprehensive income (loss) | | | | |
| Net income | 2,550,112 | 1,851,502 | 3,947,096 | 3,448,985 |
| Foreign currency translation income (loss) | <u>171,574</u> | <u>(2,024,906)</u> | <u>(1,542,704)</u> | <u>(2,023,640)</u> |
| Comprehensive income (loss) | 2,721,686 | (173,404) | 2,404,392 | 1,425,345 |
| Less: comprehensive loss attributable to non-controlling interest | <u>(103,831)</u> | <u>(133,677)</u> | <u>(429,713)</u> | <u>(278,226)</u> |
| Comprehensive income (loss) attributable to the Company | <u>2,825,517</u> | <u>(39,727)</u> | <u>2,834,105</u> | <u>1,703,571</u> |
| Income per share of common stock attributable to the Company | | | | |
| - Basic | <u>0.18</u> | <u>0.13</u> | <u>0.29</u> | <u>0.24</u> |
| - Diluted | <u>0.18</u> | <u>0.13</u> | <u>0.29</u> | <u>0.24</u> |
| Weighted average number of common stock outstanding | | | | |
| - Basic | <u>15,103,007</u> | <u>15,101,679</u> | <u>15,102,121</u> | <u>15,098,479</u> |
| - Diluted | <u>15,115,409</u> | <u>15,148,887</u> | <u>15,104,914</u> | <u>15,367,542</u> |

See notes to condensed consolidated financial statements

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in US Dollars)

| | <i>Nine months ended September 30</i> | |
|---|---------------------------------------|--------------------|
| | <u>2016</u> | <u>2015</u> |
| | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| | \$ | \$ |
| Cash flows from operating activities | | |
| Net income | 3,947,096 | 3,448,985 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 3,735,353 | 4,038,596 |
| Allowance for doubtful accounts | 1,661,968 | 1,132 |
| Income on disposal of property, plant and equipment | 197,848 | 145,572 |
| Deferred income tax | (63,934) | (294,943) |
| Equity in earnings of investee | (218,903) | - |
| Share based compensation | 244,142 | 535,761 |
| Change in fair value of warrant liability | (115,396) | (941,685) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (13,619,029) | (4,671,730) |
| Notes receivable | (59,905) | (1,339,122) |
| Prepayments and other receivables | (230,595) | (1,206,914) |
| Amount due from a related party | (3,004,025) | - |
| Amount due to a related company | 1,560,360 | - |
| Inventories | (2,457,733) | (530,357) |
| Accounts payable | 11,817,867 | (6,233,405) |
| Deferred revenue | (82,697) | 242,683 |
| Other payables and accrued liabilities | 3,745,023 | 981,979 |
| Income taxes payable | 119,859 | (305,698) |
| Net cash flows provided by (used in) operating activities | <u>7,177,299</u> | <u>(6,129,146)</u> |
| Cash flows from investing activities | | |
| Acquisitions of plant and equipment | (8,474,440) | (7,250,757) |
| Long-term investment | (3,039,006) | - |
| Net cash flows used in investing activities | <u>(11,513,446)</u> | <u>(7,250,757)</u> |
| Cash flows from financing activities | | |
| Proceeds from short-term bank loans | 18,158,059 | 11,325,212 |
| Repayment of short-term bank loans | (10,650,400) | (10,916,379) |
| Proceeds from non-financial institution borrowings | 4,558,509 | - |
| Repayment of long-term bank loans | (1,823,403) | (1,456,099) |
| Proceeds from notes payable | 41,908,812 | 49,315,315 |
| Repayment of notes payable | (39,518,955) | (43,573,196) |
| Proceeds from exercise of employee options | 19,304 | 44,534 |
| Change in restricted cash | 601,759 | 2,491,383 |
| Net cash flows provided by financing activities | <u>13,253,685</u> | <u>7,230,770</u> |
| Effect of foreign currency translation on cash and cash equivalents | (1,290,306) | (552,574) |
| Net increase (decrease) in cash and cash equivalents | 7,627,232 | (6,701,707) |
| Cash and cash equivalents - beginning of period | 5,849,967 | 14,611,892 |
| Cash and cash equivalents - end of period | <u>13,477,199</u> | <u>7,910,185</u> |
| Supplemental disclosures for cash flow information: | | |
| Cash paid for: | | |
| Income taxes | 922,957 | 794,846 |
| Interest expenses | 1,051,914 | 822,257 |
| Non-cash transactions | | |
| Long-term investment with capital injection by equipments | 6,837,763 | - |
| Offset of deferred income related to government grant and property, plant and equipment | 33,019 | 976,301 |

See notes to condensed consolidated financial statements

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Stated in US Dollars)

1. The Company and basis of presentation

The consolidated financial statements include the financial statements of Highpower International, Inc. ("Highpower") and its subsidiaries, Hong Kong Highpower Technology Company Limited ("HKHTC"), Shenzhen Highpower Technology Company Limited ("SZ Highpower"), Springpower Technology (Shenzhen) Company Limited ("SZ Springpower"), Ganzhou Highpower Technology Company Limited ("GZ Highpower"), Icon Energy System Company Limited ("ICON") and Huizhou Highpower Technology Company Limited ("HZ HTC"). Highpower and its subsidiaries are collectively referred to as the "Company".

Basis of presentation

The accompanying consolidated balance sheet as of December 31, 2015, which has been derived from audited financial statements, and the unaudited interim consolidated financial statements as of September 30, 2016 and for the three and nine months ended September 30, 2016 and 2015 have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Certain information and disclosures, which are normally included in financial statements prepared in accordance with United States generally accepted accounting principles (U.S. GAAP), have been condensed or omitted pursuant to such rules and regulations. The interim financial information should be read in conjunction with the Financial Statements and the notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, previously filed with the SEC on March 29, 2016.

In the opinion of management, all adjustments (which include normal recurring adjustments) necessary to present a fair presentation of the Company's consolidated financial position as of September 30, 2016, its consolidated results of operations and cash flows for the nine months ended September 30, 2016 and 2015, as applicable, have been made. The interim results of operations are not necessarily indicative of the operating results for the full fiscal year or any future periods.

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Stated in US Dollars)

2. Summary of significant accounting policies

Reclassification

The Company has reclassified certain comparative balances in the consolidated balance sheet for December 31, 2015 to conform to the current period's presentation. The reclassification is related to the aggregation of the balance of prepayments and the balance of other receivables into the balance of prepayments and other receivables. The reclassification did not have an impact on the reported total assets, liabilities and stockholders' equity.

Concentrations of credit risk

No customer accounted for 10% or more of total sales during the three and nine months ended September 30, 2016 and 2015.

No supplier accounted for 10% or more of the total purchase amount during the three and nine months ended September 30, 2016 and 2015.

No customer accounted for 10% or more of the accounts receivable as of September 30, 2016. As of December 31, 2015, there was one major customer accounted for 11.3% of the accounts receivable.

Long-term investment

Investments in equity securities of privately-held companies in which the Company holds less than 20% voting interest are accounted for under the cost method. Investments in equity securities of privately-held companies in which the Company has between 20% and 50% of ownership interest in the voting stock, and to which the Company does not have the ability to exercise significant influence are accounted for under the cost method. Significant influence is generally considered to exist when the Company has between 20% and 50% of ownership interest in the voting stock, but other factors, such as representation on the board of directors, voting rights and the impact of commercial arrangements, are considered in determining whether the equity method of accounting is appropriate.

Entities in which the Company has the ability to exercise significant influence, but does not have a controlling interest, are accounted for under the equity method.

The Company evaluates potential impairment whenever events or changes in circumstances indicate that the carrying amount of the investments may not be recoverable. For investments carried at cost, the Company recognizes impairment in the event that the carrying value of the investment exceeds the Company's proportionate share of the net book value of the investee. As of September 30, 2016, management believes no impairment charge is necessary.

Foreign currency translation and transactions

Highpower's functional currency is the United States dollar ("US\$"). HKHTC's functional currency is the Hong Kong dollar ("HK\$"). The functional currency of the Company's subsidiaries in the PRC is the Renminbi ("RMB").

Most of the Company's overseas sales are priced and settled with US\$. At the date a foreign currency transaction is recognized, each asset, liability, revenue, expense, gain, or loss arising from the transaction is measured initially in the functional currency of the recording entity by use of the exchange rate in effect at that date. The increase or decrease in expected functional currency cash flows upon settlement of a transaction resulting from a change in exchange rates between the functional currency and the currency in which the transaction is denominated is recognized as foreign currency transaction gain or loss that is included in determining net income for the period in which the exchange rate changes. At each balance sheet date, recorded balances that are denominated in a foreign currency are adjusted to reflect the current exchange rate.

The Company's reporting currency is US\$. Assets and liabilities of HKHTC and the PRC subsidiaries are translated at the current exchange rate at the balance sheet dates, revenues and expenses are translated at the average exchange rates during the reporting periods, and equity accounts are translated at historical rates. Translation adjustments are reported in other comprehensive income.

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Stated in US Dollars)

2. Summary of significant accounting policies (continued)

Recently issued accounting pronouncements

In May 2014, the FASB issued Accounting Standards Update 2014-09, Revenue from Contracts with Customers, or ASU 2014-09. This new standard will replace all current U.S. GAAP guidance on this topic and eliminate all industry-specific guidance. The new revenue recognition standard provides a unified model to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to correlate with the transfer of promised goods or services to customers in an amount that reflects the consideration for which the entity expects to be entitled in exchange for those goods or services. In July 2015, the FASB voted to defer the effective date of ASU 2014-09 by one year, while allowing a company to adopt the new revenue standard early but not before the original effective date. This guidance will be effective as to us on January 1, 2018 and can be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. In April and May 2016, the FASB issued Accounting Standards Update 2016-10, Revenue from Contracts with Customers, or ASU 2016-10, and Accounting Standards Update 2016-12, Revenue from Contracts with Customers, or ASU 2016-12, respectively. These new standards will identify performance obligations and narrow aspects on achieving core principle. The Company is currently evaluating the impact of adopting these ASUs on our consolidated financial statements.

On February 25, 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). It requires that a lessee recognize the assets and liabilities that arise from operating leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. Public business entities should apply the amendments in ASU 2016-02 for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years (i.e., January 1, 2019, for a calendar year entity). Early application is permitted for all public business entities and all nonpublic business entities upon issuance. The Company is currently evaluating the impact of adopting ASU 2016-02 on our consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update (ASU) 2016-07, Investments-Equity Method and Joint Venture (Topic 323). The amendments require that the equity method investor add the cost of acquiring the additional interest in the investee to the current basis of the investor's previously held interest and adopt the equity method of accounting as of the date the investment becomes qualified for equity method accounting. It is effective for all entities for the fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. Earlier application is permitted. The Company did not earlier adopt ASU 2016-07 on our consolidated financial statement.

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-15, Statement of Cash Flows (Topic 230). The amendments in this Update provide guidance on eight specific cash flow issue. It applies to all entities. For public business entities, the amendments in this Update are effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods. Early adoption is permitted for any entity in any interim or annual period. The Company is currently evaluating the impact of adopting ASU 2016-09 on our consolidated financial statements.

In October 2016, the FASB issued Accounting Standards Update (ASU) 2016-16, Income Taxes (Topic 740). The amendments in this Update is to improve the accounting for the income tax consequences of intra-entity transfers of assets other than inventory and align the recognition of income tax consequences for intra-entity transfers of assets other than inventory with International Financial Reporting Standards (IFRS). Public business entities should apply the amendments in ASU 2016-16 for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted for any entity in any interim or annual period. The Company is currently evaluating the impact of adopting ASU 2016-16 on our consolidated financial statements.

We do not believe other recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the consolidated financial position, statements of operations and cash flows.

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Stated in US Dollars)

3. Accounts receivable, net

As of September 30, 2016 and December 31, 2015, accounts receivable consisted of the following:

| | September 30, 2016 | December 31, 2015 |
|------------------------------------|-------------------------------|------------------------------|
| | <i>(Unaudited)</i> | |
| | \$ | \$ |
| Accounts receivable | 50,900,861 | 38,211,951 |
| Less: allowance for doubtful debts | 3,153,651 | 2,072,085 |
| | <u>47,747,210</u> | <u>36,139,866</u> |

4. Inventories

| | September 30, 2016 | December 31, 2015 |
|-------------------|-------------------------------|------------------------------|
| | <i>(Unaudited)</i> | |
| | \$ | \$ |
| Raw materials | 5,672,375 | 4,320,455 |
| Work in progress | 6,333,943 | 4,568,530 |
| Finished goods | 8,800,643 | 9,994,401 |
| Packing materials | 19,237 | 17,167 |
| Consumables | 312,385 | 317,778 |
| | <u>21,138,583</u> | <u>19,218,331</u> |

5. Property, plant and equipment, net

| | September 30, 2016 | December 31, 2015 |
|--|-------------------------------|------------------------------|
| | <i>(Unaudited)</i> | |
| | \$ | \$ |
| Cost | | |
| Construction in progress | 1,563,116 | 1,678,961 |
| Furniture, fixtures and office equipment | 4,105,945 | 3,882,594 |
| Leasehold improvement | 6,021,236 | 4,092,668 |
| Machinery and equipment | 28,368,017 | 29,295,041 |
| Motor vehicles | 1,617,034 | 1,643,173 |
| Buildings | 22,689,607 | 23,046,056 |
| | <u>64,364,955</u> | <u>63,638,493</u> |
| Less: accumulated depreciation | 17,991,925 | 16,174,307 |
| | <u>46,373,030</u> | <u>47,464,186</u> |

The Company recorded depreciation expenses of \$3,629,817 and \$3,928,655 for the nine months ended September 30, 2016 and 2015, respectively, and \$1,214,256 and \$1,466,647 for the three months ended September 30, 2016 and 2015, respectively.

During the nine months ended September 30, 2016, the Company deducted deferred income related to government grants of \$33,019 on the carrying amount of property, plant and equipment. During the year ended December 31, 2015, the Company deducted deferred income related to government grants of \$2,547,545 on the carrying amount of property, plant and equipment.

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Stated in US Dollars)

5. Property, plant and equipment, net (continued)

The real estate properties and buildings in Huizhou and Ganzhou have been pledged as collateral for short-term loans and bank acceptance bills drawn under certain lines of credit as of September 30, 2016 and December 31, 2015. The real estate properties and buildings in Shenzhen have been pledged as collateral for short-term loans and bank acceptance bills drawn under certain lines of credit as of September 30, 2016.

6. Long-term investment

On April 1, 2016, the Company entered into an investment agreement with Huizhou Yipeng Energy Technology Co. Ltd. ("Yipeng"), whereby the Company acquired 5% equity interest of Yipeng for RMB5,000,000 (\$748,750). On June 30, 2016, the Company entered into an Agreement for Equity Transfer and Capital Increase and Supplementary Agreements with Yipeng and the shareholders (collectively, the "Equity Purchase Agreement").

Pursuant to the terms of the Equity Purchase Agreement, the Company will purchase up to 50% of Yipeng's equity on two dates: (1) on August 10, 2016, in addition to the existing 5% shares of Yipeng, the Company agreed to pay approximately \$2.2 million in cash and transfer equipment worth approximately \$6.8 million in exchange for the purchase of 30.4% of the shares of Yipeng, and (2) prior to November 5, 2016, provided that Yipeng has been approved to be listed in the catalogue of Industrial Standards of Auto Mobile Power Battery Cell (the "Catalogue") prior to October 31, 2016, the Company will pay approximately \$3.0 million in cash and transfer equipment worth approximately \$5.2 million in exchange for an additional 14.6% of the shares of Yipeng. The Company also has the right to purchase in the future an additional 1% of the shares from Yipeng's founding shareholders at a price of approximately \$0.4 million which would result in an aggregate ownership of 51% of Yipeng.

On August 10, 2016, the Company consummated the first closing pursuant to the terms of the Equity Purchase Agreement. As of September 30, 2016, the Company has invested an aggregate of \$9.7 million in exchange for 35.4% of the equity interest of Yipeng, which was recorded under equity method.

Yipeng failed to be listed in the Catalogue prior to October 31, 2016 because the PRC government did not assess any new xEV cell and system manufacturers as originally expected in September. As a result, the Company postponed the second capital injection until Yipeng is listed in the Catalogue.

The equity in earnings of investee was \$218,903 for the nine and three months ended September 30, 2016. No impairment was recorded for the long-term investment as of September 30, 2016.

7. Taxation

The Company and its subsidiaries file tax returns separately.

1) VAT

Pursuant to the Provisional Regulation of the PRC on VAT and the related implementing rules, all entities and individuals ("taxpayers") that are engaged in the sale of products in the PRC are generally required to pay VAT at a rate of 17% of the gross sales proceeds received, less any deductible VAT already paid or borne by the taxpayers. Further, when exporting goods, the exporter is entitled to a portion of or all the refund of VAT that it has already paid or incurred. The Company's PRC subsidiaries are subject to VAT at 17% of their revenues.

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Stated in US Dollars)

7. Taxation (continued)

2) Income tax

United States

Highpower was incorporated in Delaware and is subject to U.S. federal income tax with a system of graduated tax rates ranging from 15% to 35%. As Highpower does not conduct any business in the U.S., it is not subject to U.S. federal income tax or Delaware franchise tax. No deferred U.S. taxes are recorded since all accumulated profits in the PRC will be permanently reinvested in the PRC.

Hong Kong

HKHTC, which is incorporated in Hong Kong, is subject to a corporate income tax rate of 16.5%.

PRC

In accordance with the relevant tax laws and regulations of the PRC, a company registered in the PRC is subject to income taxes within the PRC at the applicable tax rate on taxable income.

In China, the companies granted with National High-tech Enterprise (“NHTE”) status enjoy 15% income tax rate. This status needs to be renewed every three years. If these subsidiaries fail to renew NHTE status, they will be subject to income tax at a rate of 25% after the expiration of NHTE status.

All the PRC subsidiaries received NHTE status and enjoy 15% income tax rate for calendar year 2016 and 2015.

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Stated in US Dollars)

7. Taxation (continued)

The components of the provision for income taxes expenses are:

| | <i>Three months ended September 30,</i> | | <i>Nine months ended September 30,</i> | |
|---------------------------------|---|-----------------------|--|-----------------------|
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| | <i>(Unaudited)</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| | \$ | \$ | \$ | \$ |
| Current | 768,328 | 335,515 | 1,042,816 | 489,149 |
| Deferred | 737 | (64,893) | (63,934) | (294,943) |
| Total income tax expense | <u>769,065</u> | <u>270,622</u> | <u>978,882</u> | <u>194,206</u> |

The reconciliation of income tax expense computed at the statutory tax rate applicable to the Company to income tax expense is as follows:

| | <i>Three months ended September 30,</i> | | <i>Nine months ended September 30,</i> | |
|--|---|-----------------------|--|-----------------------|
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| | <i>(Unaudited)</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| | \$ | \$ | \$ | \$ |
| Income before tax | 3,319,177 | 2,122,124 | 4,925,978 | 3,643,191 |
| Provision for income taxes at applicable income tax rate | 910,416 | 518,320 | 1,319,809 | 831,261 |
| Effect of preferential tax rate | (512,709) | (220,375) | (652,587) | (189,125) |
| R&D expenses eligible for super deduction | 3,385 | 4,494 | (552,146) | (551,113) |
| Non-deductible expenses | 27,767 | 14,206 | 142,103 | 41,107 |
| Change in valuation allowance | 340,206 | (46,023) | 721,703 | 62,076 |
| Effective enterprise income tax expense | <u>769,065</u> | <u>270,622</u> | <u>978,882</u> | <u>194,206</u> |

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Stated in US Dollars)

7. Taxation (continued)

3) Deferred tax assets

Deferred tax assets and deferred tax liabilities reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the tax bases used for income tax purpose. The following represents the tax effect of each major type of temporary difference.

| | <i>September 30</i> <i>2016</i> | <i>December 31,</i> <i>2015</i> |
|--|------------------------------------|------------------------------------|
| | <i>(Unaudited)</i> | |
| | \$ | \$ |
| Tax loss carry-forward | 4,201,236 | 3,382,543 |
| Allowance for doubtful receivables | 130,937 | 47,197 |
| Allowance for inventory obsolescence | 114,068 | 217,733 |
| Difference for sales cut-off | 21,713 | 33,071 |
| Deferred income | 116,316 | 131,992 |
| Property, plant and equipment subsidized by government grant | 464,256 | 490,883 |
| Total gross deferred tax assets | 5,048,526 | 4,303,419 |
| Valuation allowance | (3,480,882) | (2,759,105) |
| Total net deferred tax assets | 1,567,644 | 1,544,314 |

The deferred tax assets arising from net operating losses will expire from 2018 through 2021 if not utilized.

Valuation allowance was provided against deferred tax assets in entities where it was determined it was more likely than not that the benefits of the deferred tax assets will not be realized. The Company had deferred tax assets which consisted of tax loss carry-forwards and others, which can be carried forward to offset future taxable income. The management determines it is more likely than not that part of deferred tax assets could not be utilized, so allowance was provided as of September 30, 2016 and December 31, 2015.

8. Notes payable

Notes payable presented to certain suppliers as a payment against the outstanding trade payables.

Notes payable are mainly bank acceptance bills which are non-interest bearing and generally mature within six months. The outstanding bank acceptance bills are secured by restricted cash deposited in banks. Outstanding bank acceptance bills were \$32,048,210 and \$30,379,170 as of September 30, 2016 and December 31, 2015, respectively.

As of September 30, 2016 and December 31, 2015, the outstanding trade acceptances to suppliers were \$nil and \$110,996, respectively. These trade acceptances were non-interest bearing and mature within one year. No security deposit is needed.

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Stated in US Dollars)

9. Short-term loans

As of September 30, 2016 and December 31, 2015, the bank borrowings were for working capital and capital expenditure purposes and were secured by personal guarantees executed by certain directors of the Company, land use right with a carrying amount of \$3,792,334 and \$3,963,003, and the buildings with carrying amount of \$12,419,117 and \$12,419,622, respectively.

The loans as of September 30, 2016 and December 31, 2015 were primarily obtained from four banks with interest rates both ranging from 4.35% to 6.06% per annum, respectively. The interest expenses were \$631,211 and \$620,070 for the nine months ended September 30, 2016 and 2015, respectively. The interest expenses were \$209,931 and \$200,914 for the three months ended September 30, 2016 and 2015, respectively.

10. Non-financial institution borrowings

In April and May, 2016, the Company obtained borrowings from a third party non-financial institution and an individual, which were used for working capital and capital expenditure purposes. The borrowings are personally guaranteed by the Company's Chief Executive Officer, Mr. Dang Yu Pan.

The interest rate for both borrowings is 5.66% per annum, and would be repaid anytime no later than August 31, 2017. The interest expenses were \$99,832 and \$66,927 for the nine and three months ended September 30, 2016, respectively.

11. Earnings per share

The following table sets forth the computation of basic and diluted earnings per common share for the nine and three months ended September 30, 2016 and 2015.

| | <i>Three months ended</i> | | <i>Nine months ended</i> | |
|---|---------------------------|--------------------|--------------------------|--------------------|
| | <i>September 30,</i> | | <i>September 30,</i> | |
| | <i>2016</i> | <i>2015</i> | <i>2016</i> | <i>2015</i> |
| | <i>(Unaudited)</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| | \$ | \$ | \$ | \$ |
| Numerator: | | | | |
| Net income attributable to the Company | 2,651,306 | 1,943,345 | 4,360,480 | 3,687,111 |
| Denominator: | | | | |
| Weighted-average shares outstanding | | | | |
| - Basic | 15,103,007 | 15,101,679 | 15,102,121 | 15,098,479 |
| - Dilutive effects of equity incentive awards | 12,402 | 47,208 | 2,793 | 269,063 |
| - Diluted | 15,115,409 | 15,148,887 | 15,104,914 | 15,367,542 |
| Net income per share: | | | | |
| - Basic | 0.18 | 0.13 | 0.29 | 0.24 |
| - Diluted | 0.18 | 0.13 | 0.29 | 0.24 |

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
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12. Defined contribution plan

Full-time employees of the Company in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to employees. Chinese labor regulations require that the PRC operating subsidiaries of the Company make contributions to the government for these benefits based on certain percentages of the employees' salaries. Except for contributions mentioned above, the Company has no legal obligation for the benefits beyond the contributions made.

The total contributions made, which were expensed as incurred, were \$1,203,584 and \$1,350,972 for the nine months ended September 30, 2016 and 2015, respectively, and \$448,921 and \$524,083 for the three months ended September 30, 2016 and 2015, respectively.

13. Commitments and contingencies

Investment commitment

On June 30, 2016, the Company entered into the Equity Purchase Agreement with Yipeng and the shareholders. Up to the date of issuance of this condensed consolidated financial statements, the Company postponed the second closing as a result of the unfulfilled contract conditions (see Note 6).

Contingencies

On January 14, 2016, FirsTrust China, Ltd filed an amended complaint in the Delaware Chancery Court (amending its initial complaint filed February 25, 2015) naming Highpower as the defendant asserting a cause of action for breach of contract and conversion of stock, and seeking damages in the form of issuance of 150,000 shares or the value of such shares, plus interest thereon, attorneys' fees and costs and expenses. On February 4, 2016, Highpower filed an answer, affirmative defenses and counterclaim against FirsTrust asserting claims for equitable rescission, declaratory relief and breach of contract, and seeking rescission of the contract, return of the 200,000 warrants and 150,000 shares of Highpower stock previously issued to FirsTrust, plus interest, attorneys' fees and costs and expenses. Highpower has also added as counter-defendants four individuals to whom it issued shares pursuant to FirsTrust's request. In April 2016, FirsTrust filed a motion for judgment on the pleadings with respect to its complaint and a hearing date is scheduled for January 2017. FirsTrust has also filed a notice of a motion to dismiss Highpower's counterclaim. The Company believes that it has meritorious defenses to this claim and intends to defend the claim vigorously.

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
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14. Segment information

The reportable segments are components of the Company that offer different products and are separately managed, with separate financial information available that is separately evaluated regularly by the Company's chief operating decision maker ("CODM"), the Chief Executive Officer, in determining the performance of the business. The Company categorizes its business into three reportable segments, namely (i) Lithium Batteries; (ii) Ni-MH Batteries; and (iii) New Materials.

The CODM evaluates performance based on each reporting segment's net sales, cost of sales, gross profit and total assets. Net sales, cost of sales, gross profit and total assets by segments were set out as follows:

| | <i>Three months ended</i> | | <i>Nine months ended</i> | |
|----------------------|---------------------------|--------------------|---------------------------|--------------------------|
| | <i>September 30,</i> | | <i>September 30,</i> | |
| | <i>2016</i> | <i>2015</i> | <i>2016</i> | <i>2015</i> |
| | <i>(Unaudited)</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| | \$ | \$ | \$ | \$ |
| Net sales | | | | |
| Lithium Batteries | 34,534,959 | 16,964,109 | 73,516,791 | 55,851,039 |
| Ni-MH Batteries | 17,852,658 | 20,123,880 | 42,681,793 | 50,658,776 |
| New Materials | 1,755,299 | 468,837 | 3,773,697 | 1,820,460 |
| Total | 54,142,916 | 37,556,826 | 119,972,281 | 108,330,275 |
| Cost of Sales | | | | |
| Lithium Batteries | 25,308,736 | 12,888,378 | 56,673,672 | 44,528,861 |
| Ni-MH Batteries | 13,428,780 | 16,889,621 | 31,904,135 | 40,455,557 |
| New Materials | 1,738,304 | 562,152 | 4,206,668 | 2,009,708 |
| Total | 40,475,820 | 30,340,151 | 92,784,475 | 86,994,126 |
| Gross Profit | | | | |
| Lithium Batteries | 9,226,223 | 4,075,731 | 16,843,119 | 11,322,178 |
| Ni-MH Batteries | 4,423,878 | 3,234,259 | 10,777,658 | 10,203,219 |
| New Materials | 16,995 | (93,315) | (432,971) | (189,248) |
| Total | 13,667,096 | 7,216,675 | 27,187,806 | 21,336,149 |
| Total Assets | | | | |
| | | | <i>September 30, 2016</i> | <i>December 31, 2015</i> |
| | | | <i>(Unaudited)</i> | |
| | | | \$ | \$ |
| Lithium Batteries | | | 108,504,795 | 82,006,317 |
| Ni-MH Batteries | | | 44,973,142 | 41,590,201 |
| New Materials | | | 12,156,340 | 10,607,966 |
| Total | | | 165,634,277 | 134,204,484 |

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
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14. Segment information (continued)

All long-lived assets of the Company are located in the PRC. Geographic information about the sales and accounts receivable based on the location of the Company's customers were set out as follows:

| | <i>Three months ended</i> | | <i>Nine months ended</i> | |
|------------------|---------------------------|--------------------|--------------------------|--------------------|
| | <i>September 30,</i> | | <i>September 30,</i> | |
| | <i>2016</i> | <i>2015</i> | <i>2016</i> | <i>2015</i> |
| | <i>(Unaudited)</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| | \$ | \$ | \$ | \$ |
| Net sales | | | | |
| China Mainland | 30,591,678 | 14,926,318 | 67,976,689 | 48,241,708 |
| Asia, others | 13,848,563 | 13,014,689 | 32,123,986 | 35,094,329 |
| Europe | 6,954,787 | 8,430,503 | 13,479,114 | 19,996,003 |
| North America | 2,451,441 | 934,880 | 5,371,275 | 4,275,438 |
| South America | 171,090 | 143,795 | 650,061 | 445,368 |
| Africa | 102,770 | 53,099 | 152,771 | 156,906 |
| Others | 22,587 | 53,542 | 218,385 | 120,523 |
| | <u>54,142,916</u> | <u>37,556,826</u> | <u>119,972,281</u> | <u>108,330,275</u> |

| | <i>September 30, 2016</i> | <i>December 31, 2015</i> |
|----------------------------|---------------------------|--------------------------|
| | <i>(Unaudited)</i> | |
| | \$ | \$ |
| Accounts receivable | | |
| China Mainland | 34,047,810 | 23,832,388 |
| Asia, others | 8,884,478 | 6,443,781 |
| Europe | 3,981,111 | 5,324,389 |
| North America | 757,830 | 433,458 |
| South America | 61,296 | - |
| Africa | - | 55,240 |
| Others | 14,685 | 50,610 |
| | <u>47,747,210</u> | <u>36,139,866</u> |

15. Related party balance and transaction

Related party balance

The outstanding amounts of Yipeng were as follow:

| | <i>September 30, 2016</i> | <i>December 31, 2015</i> |
|-------------------------|---------------------------|--------------------------|
| | <i>(Unaudited)</i> | |
| | \$ | \$ |
| Accounts receivable | 2,567,953 | - |
| Other receivable(1) | 392,571 | - |
| Account due from Yipeng | <u>2,960,524</u> | <u>-</u> |
| Accounts payable (2) | 779,173 | - |
| Other payable (3) | 758,592 | - |
| Amount due to Yipeng | <u>1,537,765</u> | <u>-</u> |

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
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15. Related party balance and transaction (continued)

- (1) Other receivable represented the difference between the transfer of equipment to Yipeng approximately \$7.1 million and the capital injection in Yipeng by equipment approximately \$6.8 million.
- (2) Accounts payable represented technical support fee payable to Yipeng.
- (3) Other payable represented the sales security deposit paid by Yipeng.

Related party transaction

The details of the related party transactions were as follows:

| | <i>Three months ended September 30, 2016 (Unaudited)</i> | <i>Period from May 2, 2016 to September 30, 2016 (Unaudited)</i> |
|-----------------------------------|--|--|
| | \$ | \$ |
| Income: | | |
| Sales-Yipeng | 2,679,711 | 3,944,645 |
| Rental income-Yipeng | 11,585 | 33,044 |
| Expenses: | | |
| Technical support expenses-Yipeng | 790,622 | 790,622 |

16. Subsequent event

The Company has evaluated subsequent events through the issuance of the condensed consolidated financial statements and no subsequent event is identified.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion relates to the financial condition and results of operations of Highpower International, Inc. (the "Company") and its wholly-owned subsidiary, Hong Kong Highpower Technology Company Limited ("HKHTC"), HKHTC's wholly-owned subsidiaries Shenzhen Highpower Technology Company Limited ("SZ Highpower") and Icon Energy System Company Limited ("ICON"); SZ Highpower's wholly-owned subsidiary, Huizhou Highpower Technology Company Limited ("HZ HTC") and its 70%-owned subsidiary Ganzhou Highpower Technology Company Limited ("GZ Highpower"); and SZ Highpower's and HKHTC's jointly owned subsidiary, Springpower Technology (Shenzhen) Company Limited ("SZ Springpower").

Forward-Looking Statements

This management's discussion and analysis of financial condition and results of operations should be read in conjunction with our unaudited consolidated financial statements and the related notes that are included in this Quarterly Report and the audited consolidated financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in our Annual Report on Form 10-K for the year ended December 31, 2015 filed with SEC on March 29, 2016 (the "Annual Report").

This report contains forward-looking statements that involve substantial risks and uncertainties. All statements other than historical facts contained in this report, including statements regarding our future financial position, results of operations, cash flows, business strategy and plans and objectives of management for future operations, are forward-looking statements. The words "anticipates," "believes," "expects," "plans," "intends," "seeks," "estimates," "projects," "predicts," "could," "should," "would," "will," "may," "might," and similar expressions, or the negative of such expressions, are intended to identify forward-looking statements. Such statements reflect management's current views with respect to future events and financial performance and involve risks and uncertainties, including, without limitation, economic downturn and uncertainty in Asia and Europe adversely affecting demand for our products; fluctuations in the cost of raw materials; our dependence on, or inability to attract additional, major customers for a significant portion of our net sales; our ability to increase manufacturing capabilities to satisfy orders from new customers; our ability to maintain increased margins; changes in the laws of the PRC that affect our operations; the devaluation of the U.S. Dollar relative to the Renminbi; our dependence on the growth in demand for portable electronic devices and the success of manufacturers of the end applications that use our battery products; our responsiveness to competitive market conditions; our ability to successfully manufacture our products in the time frame and amounts expected; the market acceptance of our battery products, including our lithium products; our ability to successfully develop products for and penetrate the electric transportation market; our ability to continue R&D development to keep up with technological changes; our exposure to product liability, safety, and defect claims; rising labor costs, volatile metal prices, and inflation; changes in foreign, political, social, business and economic conditions that affect our production capabilities or demand for our products; and various other matters, many of which are beyond our control. Actual results may vary materially and adversely from those anticipated, believed, estimated or otherwise indicated should one or more of these risks or uncertainties occur or if any of the risks or uncertainties described elsewhere in this report or in the "Risk Factors" section of our Annual Report occur. Consequently, all of the forward-looking statements made in this filing are qualified by these cautionary statements and there can be no assurance of the actual results or developments.

Overview

Highpower was incorporated in the state of Delaware on January 3, 2006 and was originally organized as a "blank check" shell company to investigate and acquire a target company or business seeking the perceived advantages of being a publicly held corporation. On November 2, 2007, we closed a share exchange transaction, pursuant to which we (i) became the 100% parent of HKHTC and its wholly-owned subsidiary, SZ Highpower, (ii) assumed the operations of HKHTC and its subsidiary and (iii) changed our name to Hong Kong Highpower Technology, Inc. We subsequently changed our name to Highpower International, Inc. in October 2010.

HKHTC was incorporated in Hong Kong in 2003 under the Companies Ordinance of Hong Kong. HKHTC formed HZ Highpower and SZ Springpower in 2008. HZ Highpower was dissolved in 2015. On October 8, 2013, SZ Springpower further increased its registered capital to \$15,000,000. SZ Highpower holds 69.97% of the equity interest of SZ Springpower, and HKHTC holds the remaining 30.03%. In February 2011, HKHTC formed another wholly-owned subsidiary, Icon Energy System Company Limited, a company organized under the laws of the PRC, which commenced operations in July 2011.

On May 15, 2013, GZ Highpower increased its paid-in capital from RMB15,000,000 (\$2,381,293) to RMB30,000,000 (\$4,807,847). On November 13, 2014, GZ Highpower increased its paid-in capital from RMB30,000,000 (\$4,898,119) to RMB40,000,000 (\$6,530,825) and the additional capital of RMB10,000,000 was contributed by SZ Highpower. As of September 30, 2016, SZ Highpower holds 70% of the equity interest of GZ Highpower, and four individuals hold the remaining 30%.

Through SZ Highpower, we manufacture Nickel Metal Hydride (“Ni-MH”) batteries for both consumer and industrial applications. We have developed significant expertise in Ni-MH battery technology and large-scale manufacturing that enables us to improve the quality of our battery products, reduce costs, and keep pace with evolving industry standards. In 2008, we commenced manufacturing two lines of Lithium-Ion (“Li-ion”) and Lithium polymer rechargeable batteries through SZ Springpower for higher-end, high-performance applications, such as laptops, digital cameras and wireless communication products. In March 2012, SZ Highpower formed a wholly-owned subsidiary HZ HTC. In March 2015, HZ HTC increased its paid-in capital to RMB60,000,000 (\$9,496,526). Through HZ HTC, we manufacture Lithium batteries that consist of xEV batteries, polymer rechargeable batteries and cylindrical batteries. Our automated machinery allows us to process key aspects of the manufacturing process to ensure high uniformity and precision, while leaving the non-key aspects of the manufacturing process to manual labor.

On August 30, 2016, HKHTC entered into a non-binding Cooperation Framework Agreement (the “Framework Agreement”) with Anshan Co-operation (Group) Co., Ltd. (“ACOC”) under which ACOC proposed to purchase newly issued shares of SZ Highpower, SZ Springpower and ICON for RMB540 million (approximately \$81.0 million), which would be paid directly to the subsidiaries. As a result of its purchase, ACOC would hold more than 50% in each PRC subsidiary. The Framework Agreement includes a 90 day exclusivity provision and supersedes the non-binding proposal from ACOC received by the Company on November 27, 2015. In 2015, after receiving the original non-binding proposal, the Company’s Board of Directors formed a special committee consisting of the following independent directors to consider the proposed transaction: Ping Li, who serves as chairman, Xinhai Li and T. Joseph Fisher, III. The special committee retained independent legal and financial advisors to assist it in the process. The special committee is continuing to review the proposed transaction.

We employ a broad network of sales staff in China and Hong Kong, which target key customers by arranging in-person sales presentations and providing post-sale services. The sales staff works with our customers to better address customers’ needs.

Critical Accounting Policies

See note 2 to the accompanying unaudited condensed consolidated financial statements for our critical accounting policies.

Results of Operations

The following table sets forth the unaudited consolidated statements of operations of the Company for the three and nine months ended September 30, 2016 and 2015, both in dollars and as a percentage of net sales.

Consolidated Statements of Operations

(in thousands except share and per share information)

| | <i>Three months ended September 30,</i> | | | | <i>Nine months ended September 30,</i> | | | |
|--|---|---------|-------------|---------|--|---------|-------------|---------|
| | <i>2016</i> | | <i>2015</i> | | <i>2016</i> | | <i>2015</i> | |
| Net sales | 54,143 | 100.0% | 37,557 | 100.0% | 119,972 | 100.0% | 108,330 | 100.0% |
| Cost of sales | (40,476) | (74.8)% | (30,340) | (80.8)% | (92,784) | (77.3)% | (86,994) | (80.3)% |
| Gross profit | 13,667 | 25.2% | 7,217 | 19.2% | 27,188 | 22.7% | 21,336 | 19.7% |
| | | | □ | □ | | | □ | □ |
| Research and development expenses | (3,030) | (5.6)% | (1,963) | (5.2)% | (6,688) | (5.6)% | (5,635) | (5.2)% |
| Selling and distribution expenses | (1,881) | (3.5)% | (1,713) | (4.6)% | (4,956) | (4.1)% | (5,109) | (4.7)% |
| General and administrative expenses | (5,936) | (11.0)% | (3,296) | (8.8)% | (12,255) | (10.2)% | (9,744) | (9.0)% |
| Foreign currency transaction gain | 127 | 0.2% | 1,458 | 3.9% | 637 | 0.5% | 1,902 | 1.8% |
| Total operating expenses | (10,720) | (19.8)% | (5,514) | (14.7)% | (23,262) | (19.4)% | (18,586) | (17.1)% |
| Income from operations | 2,947 | 5.4% | 1,703 | 4.5% | 3,926 | 3.3% | 2,750 | 2.5% |
| (Loss) gain on change of fair value of warrant liability | (11) | 0.0% | 511 | 1.4% | 115 | 0.1% | 942 | 0.9% |
| Other income | 506 | 0.9% | 155 | 0.4% | 1,718 | 1.4% | 742 | 0.7% |
| Investment income | 219 | 0.4% | - | - | 219 | 0.2% | - | - |
| Interest expenses | (342) | (0.6)% | (247) | (0.7)% | (1,052) | (0.9)% | (791) | (0.7)% |
| Income before taxes | 3,319 | 6.1% | 2,122 | 5.7% | 4,926 | 4.1% | 3,643 | 3.4% |
| Income taxes expenses | (769) | (1.4)% | (271) | (0.7)% | (979) | (0.8)% | (194) | (0.2)% |
| Net income | 2,550 | 4.7% | 1,851 | 4.9% | 3,947 | 3.3% | 3,449 | 3.2% |
| Less: net loss attributable to non-controlling interest | (101) | (0.2)% | (92) | (0.2)% | (413) | (0.3)% | (238) | (0.2)% |
| Net income attributable to the Company | 2,651 | 4.9% | 1,943 | 5.2% | 4,360 | 3.6% | 3,687 | 3.4% |

Three months ended September 30, 2016 and 2015

Net sales

We generate revenues from the sale of our Lithium batteries, Ni-MH batteries and new materials for three months ended September 30, 2016 and 2015. Revenues by segment were as follows (in thousands):

| | <i>Three months ended September 30,</i> | |
|-------------------|---|--------------------|
| | <i>2016</i> | <i>2015</i> |
| | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| | \$ | \$ |
| Net sales | | |
| Lithium Batteries | 34,535 | 16,964 |
| Ni-MH Batteries | 17,853 | 20,124 |
| New Materials | 1,755 | 469 |
| Total | 54,143 | 37,557 |

Net sales for the three months ended September 30, 2016 were \$54.1 million compared to \$37.6 million for the three months ended September 30, 2015, an increase of \$16.5 million, or 44.2%. The increase was mainly due to a \$17.6 million increase in net sales of our Lithium batteries (resulting from a 129.4% increase in the volume, measured in ampere hour, of batteries sold and a 11.3% decrease in the average selling price of such batteries).

Cost of sales

Cost of sales mainly consists of nickel, cobalt, lithium derived materials, labor, and overhead. Costs of sales were \$40.5 million for the three months ended September 30, 2016, as compared to \$30.3 million for the comparable period in 2015. The increase was mainly due to the increase in net sales of our Lithium batteries.

Gross profit

Gross profit for the three months ended September 30, 2016 was \$13.7 million, or 25.2% of net sales, compared to \$7.2 million, or 19.2% of net sales for the comparable period in 2015. Management considers gross profit margin a key performance indicator in managing our business. Gross profit margins are usually a factor of cost of sales, product mix and demand for product. This increase was attributed to the increase in volume of sales of our Lithium batteries, the reduction in the material purchase cost for the Lithium and Ni-MH Batteries, and improvement in our labor efficiency.

To cope with pressure on our gross margins we control production costs by preparing budgets for each department and comparing actual costs with our budgeted figures monthly and quarterly. Additionally, we have reorganized the Company's production structure and have focused more attention on employee training to enhance efficiency.

Research and development

Research and development expenses were \$3.0 million, or 5.6% of net sales, for the three months ended September 30, 2016, as compared to \$2.0 million, or 5.2% of net sales for the comparable period in 2015. This increase was primarily due to the increase of technology input on Lithium batteries.

Selling and distribution expenses

Selling and distribution expenses were \$1.9 million, or 3.5% of net sales, for the three months ended September 30, 2016 compared to \$1.7 million, or 4.6% of net sales, for the comparable period in 2015.

General and administrative expenses

General and administrative expenses were \$5.9 million, or 11.0% of net sales, for the three months ended September 30, 2016, compared to \$3.3 million, or 8.8% of net sales, for the comparable period in 2015. This increase was primarily due to a one-time expense of \$1.7 from the allowance for doubtful accounts.

Foreign currency transaction gain

We experienced a gain of \$0.1 million for the three months ended September 30, 2016 and a gain of \$1.5 million for the three months ended September 30, 2015 on the exchange rate difference between the U.S. Dollar and the RMB. The gain in exchange rate difference was due to the influence of the RMB relative to the U.S. Dollar over the respective periods.

Interest expenses

Interest expenses were \$0.3 million for the three months ended September 30, 2016, as compared to \$0.2 million for the comparable period in 2015. The increase was mainly due to the increase of non-financial borrowings.

Other income

Other income, which consists of bank interest income, government grants and sundry income, was approximately \$0.5 million for the three months ended September 30, 2016, as compared to approximately \$0.2 million for the comparable period in 2015, an increase of \$0.3 million. The increase was mainly due to the increase of income from government subsidies.

Investment income

Investment income, which represents a gain from a related party (Yipeng), was approximately \$0.2 million for the three months ended September 30, 2016.

Change in fair value change of warrant liabilities

Change in fair value change of warrant liabilities was a loss of \$11,150 for the three months ended September 30, 2016, as compared to a gain of \$0.5 million, for the comparable period in 2015. It represented the fair value change of 500,000 shares of warrants issued on April 17, 2014.

Income tax expense

During the three months ended September 30, 2016, we recorded provision for income tax expense of \$0.8 million as compared to income tax expense of \$0.3 million for the comparable period in 2015.

Net income

Net income attributable to the Company (excluding net loss attributable to non-controlling interest) for the three months ended September 30, 2016 was \$2.7, compared to net income attributable to the Company (excluding net loss attributable to non-controlling interest) of \$1.9 million for the comparable period in 2015.

Nine months Ended September 30, 2016 and 2015

Net sales

We generate revenues from the sale of our Lithium batteries, Ni-MH batteries and new materials. Revenues by segment were as follows (in thousands):

| | <i>Nine months ended September 30,</i> | |
|-------------------------|---|---------------------------|
| | <i>2016</i> | <i>2015</i> |
| | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| | \$ | \$ |
| <i>Net sales</i> | | |
| Lithium Batteries | 73,517 | 55,851 |
| Ni-MH Batteries | 42,682 | 50,659 |
| New Materials | 3,773 | 1,820 |
| Total | 119,972 | 108,330 |

Net sales for the nine months ended September 30, 2016 were \$120.0 million compared to \$108.3 million for the nine months ended September 30, 2015, an increase of \$11.7 million, or 10.7%. The increase was due to a \$17.7 million increase in net sales of our Lithium batteries (resulting from a 62.0% increase in the volume and a 18.7% decrease in the average selling price of such batteries).

Cost of sales

Cost of sales mainly consists of nickel, cobalt, lithium derived materials, labor, and overhead. Costs of sales were \$92.8 million for the nine months ended September 30, 2016, as compared to \$87.0 million for the comparable period in 2015. The increase was due to the increase in net sales of our Lithium batteries.

Gross profit

Gross profit for the nine months ended September 30, 2016 was \$27.2 million, or 22.7% of net sales, compared to \$21.3 million, or 19.7% of net sales for the comparable period in 2015. Management considers gross profit margin a key performance indicator in managing our business. Gross profit margins are usually a factor of cost of sales, product mix and demand for product. This increase was attributed to an increase in sales volume of our Lithium batteries, the reduction in the material purchase cost for the Lithium and Ni-MH Batteries, and improvement in our labor efficiency.

To cope with pressure on our gross margins we control production costs by preparing budgets for each department and comparing actual costs with our budgeted figures monthly and quarterly. Additionally, we have reorganized the Company's production structure and have focused more attention on employee training to enhance efficiency.

Research and development

Research and development expenses were approximately \$6.7 million, or 5.6% of net sales, for the nine months ended September 30, 2016 as compared to approximately \$5.6 million, or 5.2% of net sales, for the comparable period in 2015. This increase was primarily due to the increase of technology input on Lithium batteries.

Selling and distribution expenses

Selling and distribution expenses were \$5.0 million, or 4.1% of net sales, for the nine months ended September 30, 2016 compared to \$5.1 million, or 4.7% of net sales, for the comparable period in 2015.

General and administrative expenses

General and administrative expenses were \$12.3 million, or 10.2% of net sales, for the nine months ended September 30, 2016, compared to \$9.7 million, or 9.0% of net sales, for the comparable period in 2015. This increase was primarily due to a one-time expense of \$1.7 million from the allowance for doubtful accounts.

Foreign currency transaction gain

We experienced a gain of \$0.6 million for the nine months ended September 30, 2016 and a gain of \$1.9 million for the nine months ended September 30, 2015 on the exchange rate difference between the U.S. Dollar and the RMB. The gain in exchange rate difference was due to the depreciation of the RMB relative to the U.S. Dollar over the respective periods.

Interest expenses

Interest expenses were \$1.1 million for the nine months ended September 30, 2016, as compared to \$0.8 million for the comparable period in 2015. The increase in interest expense was due to an increase in borrowing.

Other income

Other income, which consists of bank interest income, government grants and sundry income, was approximately \$1.7 million for the nine months ended September 30, 2016, as compared to approximately \$0.7 million for the comparable period in 2015. The increase was mainly due to an increase of \$1.1 million income from government subsidiary.

Investment income

Investment income, which represents a gain from a related party (Yipeng), was approximately \$0.2 million for the nine months ended September 30, 2016.

Gain on fair value change of warrant liabilities

Gain on fair value change of warrant liabilities was \$0.1 million for the nine months ended September 30, 2016, as compared to \$0.9 million for the nine months ended September 30, 2015. It represented the fair value change of 500,000 shares of warrants issued on April 17, 2014.

Income tax expense

During the nine months ended September 30, 2016, we recorded provision for income tax expense of \$1.0 million as compared to income tax expense of \$0.2 million for the comparable period in 2015.

Net income

Net income attributable to the Company (excluding net loss attributable to non-controlling interest) for the nine months ended September 30, 2016 was \$4.4 million, compared to net income attributable to the Company (excluding net loss attributable to non-controlling interest) of \$3.7 million for the comparable period in 2015.

Foreign Currency and Exchange Risk

Though the reporting currency is the U.S. Dollar, the Company maintains its financial records in the functional currency of Renminbi (“RMB”). Substantially all of our operations are conducted in the PRC and we pay the majority of our expenses in RMB. Approximately 43.0% of our sales are made in U.S. Dollars. During the nine months ended September 30, 2016, the exchange rate of the RMB to the U.S. Dollar devaluated 2.7% from the level at the end of December 31, 2015. Appreciation of the RMB against the U.S. Dollar would increase our costs when translated into U.S. Dollars and could adversely affect our margins unless we make sufficient offsetting sales. Exchange rate fluctuations may also affect the value, in U.S. Dollar terms, of our net assets. In addition, the RMB is not freely convertible into foreign currency and all foreign exchange transactions must take place through authorized institutions. Due to the volatility of the US Dollar to our functional currency the Company put into place a hedging program to attempt to protect it from significant changes to the US Dollar which affects the value of its US dollar receivables and sales.

Liquidity and Capital Resources

We had cash of approximately \$13.5 million as of September 30, 2016, as compared to \$5.8 million as of December 31, 2015. Our funds are kept in financial institutions located in the PRC, which do not provide insurance for amounts on deposit. Moreover, we are subject to the regulations of the PRC which restrict the transfer of cash from the PRC, except under certain specific circumstances. Accordingly, such funds may not be readily available to us to satisfy obligations incurred outside the PRC.

To provide liquidity and flexibility in funding our operations, we borrowed funds under bank facilities and other external sources of financing. As of September 30, 2016, we had lines of credit with 6 financial institutions aggregating \$57.9 million. The maturity of these facilities is generally from one year to three years. The facilities are subject to regular review and approval. Certain of these banking facilities are guaranteed by our Chief Executive Officer, Mr. Dang Yu Pan, pledged by land use right and buildings, and contain customary affirmative and negative covenants for secured credit facilities of this type. Interest rates are generally based on the banks’ reference lending rates. No significant commitment fees are required to be paid for the banking facilities. As of September 30, 2016, we had utilized approximately \$40.0 million under such general credit facilities and had available unused credit facilities of \$17.9 million.

For the nine months ended September 30, 2016, net cash provided by operating activities was approximately \$7.2 million, as compared to \$6.1 million used in operating activities for the comparable period in 2015. The net cash increase of \$13.3 million provided by operating activities is primarily attributable to, among other items, an increase of \$18.0 million in cash inflow from accounts payable, an increase of \$8.9 million in outflow from accounts receivable and an increase of \$2.8 million in inflow from other payables.

Net cash used in investing activities was \$11.5 million for the nine months ended September 30, 2016 compared to \$7.3 million for the comparable period in 2015. The net increase of \$4.2 million of cash used in investing activities was attributable to an increase of \$3.0 million in cash outflow from payment for long-term investment and an increase of \$1.1 million in cash outflow from acquisition of plant and equipment.

Net cash provided by financing activities was \$13.3 million during the nine months ended September 30, 2016, as compared to \$7.2 million provided by financing activities for the comparable period in 2015. The net increase of \$6.1 million in net cash provided by financing activities was primarily attributable to an increase of \$6.9 million in proceeds from short-term bank loans and an increase of \$4.6 million in proceeds from non-financial institution borrowing, a decrease of \$7.4 million in proceeds from notes payable, a decrease of \$4.1 million in repayment of notes payable, and a decrease of \$1.9 million in change in restricted cash.

For the nine months ended September 30, 2016 and 2015, our inventory turnover was 6.1 times and 5.2 times, respectively. The average days outstanding of our accounts receivable at September 30, 2016 was 94 days, as compared to 85 days at September 30, 2015. Inventory turnover and average days outstanding of accounts receivable are key operating measures that management relies on to monitor our business.

In the next 12 months, we expect to expand our research, development and manufacturing capacity of lithium-based batteries and we anticipate additional capital expenditures. Currently our lithium batteries production capacity has been almost full, which limited our ambition to meet increasing demand from lithium market. Considering the current debt ratio, it is not easy to get sufficient debt loan to support our production capacity expansion blueprint. That's the main reason that we are now focus on equity financing to support the company long term development.

The use of working capital is primarily for the maintenance of our accounts receivable and inventory. We provide our major customers with payment terms ranging from 30 to 90 days. Additionally, our production lead time is approximately 30 to 40 days, from the inspection of incoming materials, to production, testing and packaging. We need to keep a large supply of raw materials, work-in-process and finished goods inventory on hand to ensure timely delivery of our products to customers. We use two methods to support our working capital needs: (i) paying our suppliers under payment terms ranging from 60 to 120 days; and (ii) using short-term bank loans. Upon receiving payment for our accounts receivable, we pay our short-term loans. Our working capital management practices are designed to ensure that we maintain sufficient working capital.

Recent Accounting Pronouncements

Please refer to Note 2 (Recently issued accounting pronouncements).

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not required for a smaller reporting company.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures", which are designed to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934, as amended(the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer, or CEO, and Chief Financial Officer, or CFO, as appropriate to allow timely decisions regarding required disclosure.

Based on an evaluation carried out as of the end of the period covered by this quarterly report, under the supervision and with the participation of our management, including our CEO and CFO, who have concluded that, our disclosure controls and procedures (as defined in Rule13a-15(e) under the Exchange Act) were effective as of September 30, 2016.

Changes in Internal Control over Financial Reporting

Based on the evaluation of our management as required by paragraph (d) of Rule 13a-15 of the Exchange Act, there were no changes in our internal control over financial reporting that occurred during this quarter ended September 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, except for appointing an interim Chief Financial Officer in August which could be deemed to be such a change.

Part II. Other Information

Item 1. Legal Proceedings

As previously reported in our Annual report on Form 10K for the year ended December 31, 2015, on January 14, 2016, FirsTrust China, Ltd filed an amended complaint in the Delaware Chancery Court (amending its initial complaint filed February 25, 2015) naming Highpower as the defendant asserting a cause of action for breach of contract and conversion of stock, and seeking damages in the form of issuance of 150,000 shares or the value of such shares, plus interest thereon, attorneys' fees and costs and expenses.

Item 1A. Risk Factors

Any investment in our common stock involves a high degree of risk. Investors should carefully consider the risks described herein and in our Annual Report on Form 10-K as filed with the SEC on March 29, 2016 and all of the information contained in our public filings before deciding whether to purchase our common stock. Other than as set forth below, there have been no material revisions to the "Risk Factors" as set forth in our Annual Report on Form 10-K.

Item 2. Unregistered Sale of Equity Securities and Use of Proceeds

None.

Item 3. Default Upon Senior Securities

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information

Working Capital Loan Contract between Springpower Technology (Shenzhen) Co., Ltd. and Industrial and Commercial Bank of China Ltd., Shenzhen Henggang Sub-branch

On June 29, 2016, SZ Springpower entered into a working capital loan contract with Industrial and Commercial Bank of China Ltd., Shenzhen Henggang Sub-branch providing for an aggregate loan of RMB10,000,000 (\$1,497,499) to be used for current funds for production and operations by SZ Springpower. The term of the loan is 12 months from the first withdrawal date. SZ Springpower must withdraw the loan before September 25, 2016, after which time the bank may cancel all or part of the facility. The interest rate will equal the one year benchmarked by interbank rates, plus 0.05% on all outstanding loan amounts. The loan is guaranteed by HZ HTC, HKHTC and our Chief Executive Officer, Dang Yu Pan. The Company's building in Shenzhen also serves as collateral for the loan.

On September 27, 2016, SZ Springpower entered into a working capital loan contract with Industrial and Commercial Bank of China Ltd., Shenzhen Henggang Branch providing for an aggregate loan of RMB10,000,000 (\$1,497,499) to be used for current funds for production and operations by SZ Springpower. The term of the loan is 12 months from the first withdrawal date. SZ Springpower must withdraw the loan before October 26, 2016, after which time the bank may cancel all or part of the facility. The interest rate will equal the one year benchmarked by interbank rates, plus 0.05% on all outstanding loan amounts. The loan is guaranteed by HZ HTC, HKHTC and our Chief Executive Officer, Dang Yu Pan. The Company's building in Shenzhen also serves as collateral for the loan.

The following constitute events of default under the loan agreement: failure to repay principal, interest, and other payables in accordance with the provisions specified in this contract, or failure to fulfill any other obligations in this contract, or contrary to the statements, guarantee and commitments in this contract; the guarantees in this contract have adversely changed to the Lender's loan, and SZ Springpower is not available to provide other guarantees approved by the lender failure to pay off any other debts due by SZ Springpower, or failure to fulfill or breach other obligations in this contract, or likely to affect the performance of the obligations in this contract; the financial performance of the profitability, debt payment ability, operating capacity and cash flow of the Borrower exceed the agreed standards, or deterioration has been or may affect the obligations in this contract; SZ Springpower's ownership structure, operation, external investment has changed adversely, which have affected or may affect the fulfillment of the obligations in this contract; SZ Springpower involves or may involve significant economic disputes, litigation, arbitration, or asset seizure, detention or enforcement, or judicial or administrative authorities for investigation or take disciplinary measures in accordance with the laws, or illegal with relevant state regulations or policies in accordance with the laws, or exposure by media, which have affected or may affect the fulfillment of the obligations in this contract; SZ Springpower's principal individual investors, key management officer's change, disappearances or restriction of personal liberty, likely to affect the performance of the obligations in this contract; false using contracts with related parties, using no actual transaction to extract the lender's funds or credit, or evasion of lender's loan right through related party transactions; having been or may be out of business, dissolution, liquidation, business reorganizations, business license has been revoked or bankruptcy; Breaches food safety, production safety, environmental protection and other environmental and social risk management related laws and regulations, regulatory requirements or industry standards, resulting in accidents, major environmental and social risk events, likely to affect the performance of the obligations in this contract; in this contract, SZ Springpower's credit rating, level of profitability, asset-liability ratio, net cash flow of operating and other indicators do not meet the credit conditions of the lender; or without the lender's written contract, pledges guarantee or provides assurance guarantees to other party, likely to affect the performance of the obligations in this contract; other adverse situations may affect in the realization of loan right in this contract.

Upon the occurrence of an event of default, the bank may: request SZ Springpower rectify the event of default within a specified time period; cancel or terminate SZ Springpower's the unused portion of the credit line and other financing arrangements in whole or in part; declare all amounts outstanding under the contract immediately due and payable; require SZ Springpower to compensate the bank for losses it incurs as a result of the event of default; or other measures permitted under applicable law or other necessary measures.

Comprehensive Credit Line Contract between Shenzhen Highpower Technology Co., Ltd and Bank of China, Buji Sub-branch
Comprehensive Credit Line Contract between Springpower Technology (Shenzhen) Co., Ltd. and Bank of China, Buji Sub-branch
Comprehensive Credit Line Contract between Icon Energy System Co., Ltd. and Bank of China, Buji Sub-branch

On July 11, 2016, Shenzhen Highpower entered into a comprehensive credit line contract with Bank of China, Buji Sub-branch, which provides for a revolving line of credit of up to RMB80,000,000 (\$11,979,993), consisting of up to RMB50,000,000 (\$7,487,496) in loans and up to RMB30,000,000 (\$4,492,497) in bank acceptance. SZ Highpower may withdraw the loan, from time to time as needed, but must make specific drawdown application on and before July 11, 2019. SZ Highpower's loan is guaranteed by SZ Springpower, our Chief Executive Officer, Dang Yu Pan. The Company's real estate properties and land use rights in Huizhou also serve as collateral for the loan.

On July 12, 2016, SZ Springpower entered into a comprehensive credit line contract with Bank of China, Buji Sub-branch, which provides for a revolving line of credit of up to RMB60,000,000 (\$8,984,995), consisting of up to RMB30,000,000 (\$4,492,498) in loans and up to RMB30,000,000 (\$4,492,497) in bank acceptance. SZ Springpower may withdraw the loan, from time to time as needed, but must make specific drawdown application on and before July 12, 2019. The loan is guaranteed by SZ Highpower, HZ HTC and our Chief Executive Officer, Dang Yu Pan. The Company's real estate properties and land use rights in Ganzhou also serve as collateral for the loan.

On July 25, 2016, ICON entered into a comprehensive credit line contract with Bank of China, Buji Sub-branch, which provides for a revolving line of credit of up to RMB20,000,000 (\$2,994,998) to be used in loan. ICON may withdraw the loan, from time to time as needed, but must make specific drawdown application on and before July 25, 2019. ICON's loan is guaranteed by SZ Highpower, SZ Springpower, HZ HTC and our Chief Executive Officer, Dang Yu Pan.

The following constitute events of default under each loan agreement: failure to comply with repayment obligations under the agreement or any affiliated credit lines; failure to use borrowed funds according to the specified purposes; any statement made by the borrower in the agreement is untrue or in violation of any commitments in the loan agreement or affiliated loan contracts; failure to provide an additional guarantor as required by the loan agreement; significant business difficulties or risks, deteriorated financial losses or losses of assets, or other financial crisis; violation of other rights and obligations under the agreement; or breach of covenants by the borrower or any guarantor in other credit agreements with the bank or affiliated institutions of the bank.

Upon the occurrence of an event of default, the bank may: request the borrower or any guarantor to rectify the event of default within a specified time period; reduce, temporarily suspend or permanently terminate the borrower's credit limit in whole or in part; temporarily suspend or permanently terminate in part or in whole the borrower's application for specific credit line under the agreement; announce the immediate expiration of all the credit lines granted under the agreement and affiliated specific credit line contracts; terminate or release the agreement, terminate or release in part or in whole any of the affiliated specific credit line contracts as well as the other contracts executed between the borrower and the bank; require compensation from the borrower on the losses thereafter caused; hold the borrower's deposit account at the bank in custody for repayment of amounts due under the agreement; exercise the real rights for security; request repayment from a guarantor; or take any other procedures deemed necessary by the bank.

Working Capital Loan Contract between Icon Energy System Co., Ltd. and Bank of China, Buji Sub-branch

Working Capital Loan Contract between Springpower Technology (Shenzhen) Co., Ltd. and Bank of China, Buji Sub-branch

Working Capital Loan Contract between Shenzhen Highpower Technology Co., Ltd and Bank of China, Buji Sub-branch

On July 27, 2016, ICON entered into a working capital loan contract with Bank of China, Buji Sub-branch providing for an aggregate loan of RMB10,000,000 (\$1,497,499) to be used by ICON to purchase raw materials. The term of the loan is 12 months from the first withdrawal date. ICON must withdraw in 30 days from July 27, 2016, after which time the bank may cancel all or part of the facility. The interest rate will equal the one year benchmarked by interbank rates, plus 1.1375% on all outstanding loan amounts. The loan is guaranteed by SZ Springpower, SZ Highpower, HZ HTC and our Chief Executive Officer, Dang Yu Pan.

On August 2, 2016, SZ Springpower entered into a working capital loan contract with Bank of China, Buji Sub-branch providing for an aggregate loan of RMB20,000,000 (\$2,994,998) to be used by SZ Springpower to purchase raw materials. The term of the loan is 12 months from the first withdrawal date. SZ Springpower must withdraw in 30 days from August 3, 2016, after which time the bank may cancel all or part of the facility. The interest rate will equal the one year benchmarked by interbank rates, plus 0.92% on all outstanding loan amounts. The loan is guaranteed by SZ Highpower, HZ HTC and our Chief Executive Officer, Dang Yu Pan. The Company's real estate properties and land use rights in Ganzhou also serve as collateral for the loan.

On September 20, 2016, SZ Springpower entered into a working capital loan contract with Bank of China, Buji Sub-branch providing for an aggregate loan of RMB10,000,000 (\$1,497,499) to be used by SZ Springpower to purchase raw materials. The term of the loan is 12 months from the first withdrawal date. SZ Springpower must withdraw in 30 days from September 20, 2016, after which time the bank may cancel all or part of the facility. The interest rate will equal the one year benchmarked by interbank rates, plus 0.92% on all outstanding loan amounts. The loan is guaranteed by SZ Highpower, HZ HTC and our Chief Executive Officer, Dang Yu Pan. The Company's real estate properties and land use rights in Ganzhou also serve as collateral for the loan.

On September 1, 2016, SZ Highpower entered into a working capital loan contract with Bank of China, Buji Sub-branch providing for an aggregate loan of RMB20,000,000 (\$2,994,998) to be used by SZ Highpower to purchase raw materials. The term of the loan is 12 months from the first withdrawal date. SZ Highpower must withdraw in 30 days from September 2, 2016, after which time the bank may cancel all or part of the facility. The interest rate will equal the one year benchmarked by interbank rates, plus 0.92% on all outstanding loan amounts. The loan is guaranteed by SZ Springpower and our Chief Executive Officer, Dang Yu Pan. The Company's real estate properties and land use rights in Huizhou also serve as collateral for the loan.

On September 20, 2016, SZ Highpower entered into a working capital loan contract with Bank of China, Buji Sub-branch providing for an aggregate loan of RMB20,000,000 (\$2,994,998) to be used by SZ Highpower to purchase raw materials. The term of the loan is 12 months from the first withdrawal date. SZ Highpower must withdraw in 30 days from September 20, 2016, after which time the bank may cancel all or part of the facility. The interest rate will equal the one year benchmarked by interbank rates, plus 0.92% on all outstanding loan amounts. The loan is guaranteed by SZ Springpower and our Chief Executive Officer, Dang Yu Pan. The Company's real estate properties and land use rights in Huizhou also serve as collateral for the loan.

The following constitute events of default under each loan agreement: failure to comply with repayment obligations under the agreement or any affiliated credit lines contract; failure to use borrowed funds according to the specified purposes; any statement made by the borrower in the agreement is untrue or in violation of any commitments in the loan agreement or affiliated loan contracts; failure to provide an additional guarantor as required by the loan agreement; significant business difficulties or risks, deteriorated financial losses or losses of assets, or other financial crisis; breach of covenants in other credit agreements with the bank or affiliated institutions of the bank; any guarantor breaches a contract or defaults under any agreement with the bank or affiliated institutions of the bank; termination of its business or engagement due to any wind-up, cancellation or bankruptcy issues; involvement or potential involvement in significant economic disputes, litigation, arbitration or assets seizure or confiscation, or its involvement in other judicial proceedings or administrative punishment proceedings that have affected or may affect its capacity to perform its obligations under the affiliated specific credit line contract; an abnormal change in any major individual investor or key management member of the borrower or such a person or entity's becoming subject to investigation or restriction by the judiciary, which have or may affect the borrower's performance of obligation under affiliated specific credit line contract; Bank of China's discovery of any situation that may affect the financial position or performance capacities of the borrower or a guarantor after the bank's annual review of the borrower's financial position and performance; failure to provide the relevant documentation acceptable to Bank of China about the inflows and outflows of large-sum and abnormal capital in capital recovery account; or being in violation of other rights and obligations under the affiliated specific credit line contract.

Upon the occurrence of an event of default, the bank may: request the borrower or any guarantor to rectify the event of default within a specified time period; reduce, temporarily suspend or permanently terminate the borrower's credit limit in whole or in part; temporarily suspend or permanently terminate in part or in whole the borrower's application for specific credit line under the agreement; announce the immediate expiration of all the credit lines granted under the affiliated specific credit line contract as well as other contracts; terminate or release the contract, terminate or release in part or in whole any of the affiliated specific credit line contract as well as the other contracts executed between the borrower and the bank; require compensation from the borrower on the losses thereafter caused; hold the borrower's deposit account at the bank in custody for repayment of amounts due under the contract; exercise the real rights for security; request repayment from a guarantor; or take any other procedures deemed necessary by the bank.

Working Capital Loan Contract between Ganzhou Highpower Technology Co., Ltd. and Bank of Ganzhou Co., Ltd.

On August 3, 2016, GZ Highpower entered into a working capital loan contract with Bank of Ganzhou Co., Ltd providing for an aggregate loan of RMB10,000,000 (\$1,497,499) to be used by GZ Highpower to turnover. The term of the loan is 12 months from the first withdrawal date. The Loan interest rate is 5.655%. The loan is guaranteed by the Company's natural person shareholder Gui Jinming, Li Xianbai, Ou Hancheng, Zhu Jie and SZ Highpower.

The following constitute events of default under each loan agreement: GZ Highpower fails to perform all or part of its obligations shall assume liability for breach of contract by law; failure to use the loan according to relevant stipulations of this Contract; failure to issue the loan according to relevant stipulations of this Contract; to make prepayment without the written consent of bank of Ganzhou; failure to repay the loan principal and interest when the loan is due; failure to use the loan for the purpose specified herein; GZ Highpower has any conduct which is enough to affect the realization of the creditor's right of Bank of Ganzhou; failure to make repayment on time or delays in payment of interest; GZ Highpower provides the bank with false or important facts concealed balance sheet, profit and loss statement, and other financial materials; failure to coordinate or accept supervision on GZ Highpower's use of the loan and production, operation and financial activities; GZ Highpower transfers or disposes its material assets without Party B's consent; an important part or all of GZ Highpower's properties are possessed by any other creditor, or are taken over by the designated trustee, receiver or similar personnel, or are detained or frozen, which may cause serious losses to the bank; without the bank's consent, GZ Highpower implements contracting, lease, shareholding reform, joint operation, business combination, merger, joint investment, division, reduce of registered capital, equity change, transfer of material assets, foreign investment, substantial increase of debts, and other acts enough to affect the realization of the creditor's right of the bank; change of domicile, mailing address, business scope, legal representative, or has major foreign investment, which is enough to affect the safety of the creditor's right of the bank; any major economic dispute or worsening of financing conditions, and financing overdue in other financial institutions, which affects the realization of the creditor's right of the bank of Ganzhou; GZ Highpower goes out of business, is dissolved, suspends operation for rectification, is revoked with its business license or is cancelled; the guarantee hereunder affects the realization of the creditor's right of the bank of Ganzhou and failure to provide other security according to the bank of Ganzhou's requirements; other serious breach of contract deemed necessary by the bank.

Upon the occurrence of an event of default, the borrower shall: unconditionally, repay and pay the Bank of Ganzhou the loan principal, interest, compound interest, default interest, penalty and compensation, and bear the Bank's arbitration cost, legal cost, attorney fee and all other expenses payable for realization of the creditor's right of the Bank of Ganzhou, the attorney fee shall be determined according to the upper limit of the charging standard of Jiangxi lawyers.

Offer Letter - Invoice Discounting/Factoring Agreement Between Hong Kong Highpower Technology Co., Ltd. and The Hongkong and Shanghai Banking Corporation Limited

Effective on August 26, 2016, HKHTC approved an Offer Letter - Invoice Discounting/Factoring Agreement with The Hongkong and Shanghai Banking Corporation Limited, providing for funds in use limit of \$4,000,000 or its equivalent. HSBC will offer to provide HKHTC with debts purchase services, which are subject to review at any time and, in any event by 15 July 2017. The discounting charge is at 2% per annum over 3-months LIBOR which will be charged on a monthly basis or such other basis as the bank may notify HKHTC time to time. The service is guaranteed by SZ Highpower, SZ Springpower, HZ HTC, and our Chief Executive Officer, Dang Yu Pan.

Yipeng Acquisition

As previously reported in its quarterly report on Form 10-Q for the period ended June 30, 2016, the Company entered into an Agreement for Equity Transfer and Capital Increase and Supplemnetary Agreement with Huizhou Yipeng Energy Technology Co. Ltd. ("Yipeng") (collectively, the "Equity Purchase Agreement") pursuant to which, on August 10, 2016, the Company purchased shares of Yipeng in a first closing. As of September 30, 2016, the Company has invested an aggregate of \$9.7 million in exchange for 35.4% of the equity interest of Yipeng, which was recorded under equity method. The second closing was scheduled to occur prior to November 5, 2016 provided that Yipeng has been approved to be listed in the catalogue of Industrial Standards of Auto Mobile Power Battery Cell (the "Catalogue") prior to October 31, 2016. Yipeng failed to be listed in the Catalogue prior to October 31, 2016 because the PRC government did not assess any new xEV cell and system manufacturers as originally expected in September. As a result, the Company postponed the second capital injection until such time as Yipeng is listed in the Catalogue.

Item 6. Exhibits

| Exhibit Number | Description of Document |
|-----------------------|---|
| 10.1 | Offer Letter - Invoice Discounting/Factoring Agreement, effective August 26, 2016, between Hong Kong Highpower Technology Co., Ltd. and The Hongkong and Shanghai Banking Corporation Limited |
| 10.2 | Working Capital Loan Contract dated August 3, 2016, between Ganzhou Highpower Technology Co., Ltd. and Bank of Ganzhou Co., Ltd. (translated to English) |
| 10.2(a) | Maximum Guarantee Contract dated August 3, 2016, between Gui Jinming and Bank of Ganzhou Co., Ltd. (translated to English) |
| 10.2(b) | Maximum Guarantee Contract dated August 3, 2016, between Lin Xianbai and Bank of Ganzhou Co., Ltd. (translated to English) |

- 10.2(c) Maximum Guarantee Contract dated August 3, 2016, between Ou Hancheng and Bank of Ganzhou Co., Ltd. (translated to English)
- 10.2(d) Maximum Guarantee Contract dated August 3, 2016, between Zhu Jie and Bank of Ganzhou Co., Ltd. (translated to English)
- 10.2(e) Maximum Guarantee Contract dated August 3, 2016, between Shenzhen Highpower Technology Co., Ltd. and Bank of Ganzhou Co., Ltd. (translated to English)
- 10.3 Comprehensive Credit Line Contract dated July 25, 2016, between Icon Energy System Co., Ltd. and Bank of China, Buji Sub-branch (translated to English)
- 10.3(a) Maximum Guarantee Contract dated July 25, 2016, between Dang Yu Pan and Bank of China, Buji Sub-branch (translated to English)
- 10.3(b) Maximum Guarantee Contract dated July 25, 2016, between Shenzhen Highpower Technology Co., Ltd. and Bank of China, Buji Sub-branch (translated to English)
- 10.3(c) Maximum Guarantee Contract dated July 25, 2016, between Springpower Technology (Shenzhen) Co., Ltd. and Bank of China, Buji Sub-branch (translated to English)
- 10.3(d) Maximum Guarantee Contract dated July 25, 2016, between Huizhou Highpower Technology Co., Ltd and Bank of China, Buji Sub-branch (translated to English)
- 10.4 Working Capital Loan Contract dated July 27, 2016, between Icon Energy System Co., Ltd. and Bank of China, Buji Sub-branch (translated to English)
- 10.5 Comprehensive Credit Line Contract dated July 11, 2016, between Shenzhen Highpower Technology Co., Ltd. and Bank of China, Buji Sub-branch (translated to English)
- 10.5(a) Personal Maximum Guarantee Contract dated July 11, 2016, between Dang Yu Pan and Bank of China, Buji Sub-branch (translated to English)
- 10.5(b) Maximum Guarantee Contract dated July 11, 2016, between Springpower Technology (Shenzhen) Co., Ltd. and Bank of China, Buji Sub-branch (translated to English)
- 10.5(c) Collateral Contract dated July 11, 2016, between Shenzhen Highpower Technology Co., Ltd. and Bank of China, Buji Sub-branch (translated to English)
- 10.6 Working Capital Loan Contract dated September 1, 2016, between Shenzhen Highpower Technology Co., Ltd. and Bank of China, Buji Sub-branch (translated to English)
- 10.7 Working Capital Loan Contract dated September 20, 2016, between Shenzhen Highpower Technology Co., Ltd. and Bank of China, Buji Sub-branch (translated to English)
- 10.8 Working Capital Loan Contract dated June 29, 2016, between Springpower Technology (Shenzhen) Co., Ltd. and Industrial and Commercial Bank of China Ltd., Shenzhen Henggang Sub-branch (translated to English)
- 10.8(a) Maximum Mortgage Contract dated June 8, 2016, between Shenzhen Highpower Technology Co., Ltd. and Industrial and Commercial Bank of China Ltd., Shenzhen Henggang Sub-branch (translated to English)
- 10.9 Working Capital Loan Contract dated September 27, 2016, between Springpower Technology (Shenzhen) Co., Ltd. and Industrial and Commercial Bank of China Ltd., Shenzhen Henggang Branch (translated to English)

- 10.10 Comprehensive Credit Line Contract dated July 12, 2016, between Springpower Technology (Shenzhen) Co., Ltd. and Bank of China, Buji Sub-branch (translated to English)
- 10.10(a) Maximum Guarantee Contract dated July 12, 2016, between Dang Yu Pan and Bank of China, Buji Sub-branch (translated to English)
- 10.10(b) Maximum Guarantee Contract dated July 12, 2016, between Shenzhen Highpower Technology Co., Ltd. and Bank of China, Buji Sub-branch (translated to English)
- 10.10(c) Maximum Guarantee Contract dated July 12, 2016, between Huizhou Highpower Technology Co., Ltd and Bank of China, Buji Sub-branch (translated to English)
- 10.10(d) Collateral Contract dated July 12, 2016, between Ganzhou Highpower Technology Co., Ltd. and Bank of China, Buji Sub-branch (translated to English)
- 10.11 Working Capital Loan Contract dated August 2, 2016, between Springpower Technology (Shenzhen) Co., Ltd. and Bank of China, Buji Sub-branch (translated to English)
- 10.12 Working Capital Loan Contract dated September 20, 2016, between Springpower Technology (Shenzhen) Co., Ltd. and Bank of China, Buji Sub-branch (translated to English)
- 31.1 Certification of Chief Executive Officer Pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer Pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1* Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 101.INS XBRL Instance Document
- 101.SCH XBRL Taxonomy Extension Schema Document
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

* This exhibit shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language in any filings.

HIGHPOWER INTERNATIONAL, INC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Highpower International, Inc.

Dated: November 10, 2016

By: /s/ Dang Yu Pan
 Dang Yu Pan
Its: Chairman of the Board and Chief Executive Officer (principal
 executive officer and duly authorized officer)

By: /s/ Sunny Pan
 Sunny Pan
Its: Interim Chief Financial Officer (principal financial and
 accounting officer)



Commercial Banking-GTRF Receivables Finance Division
(CARM 160727 & CM 160715)

CONFIDENTIAL

THE DIRECTORS
HONG KONG HIGHPOWER TECHNOLOGY COMPANY LIMITED
UNIT 12 15/F TECHNOLOGY PARK
18 ON LAI STREET SHEK MUN
SHATIN
NEW TERRITORIES

26 August 2016

Dear Sirs

Offer Letter - Invoice Discounting / Factoring Agreement

With reference to our recent discussions, we are pleased to advise that we have reviewed and revised the debts purchase services provided to you.

The Bank has introduced a new Standard Conditions For Invoice Discounting / Factoring. The attached new Standard Conditions For Invoice Discounting / Factoring shall replace the previous version of the Bank's Standard Conditions For Invoice Discounting / Factoring and shall apply to all debts purchase services provided by the Bank to you. Any reference in the Invoice Discounting / Factoring Agreement to "Standard Conditions For Invoice Discounting / Factoring" or "these Conditions" or "the Conditions" shall be deemed to be a reference to the attached new Standard Conditions For Invoice Discounting / Factoring which is expressly incorporated in the Invoice Discounting / Factoring Agreement by reference.

We offer to continue to provide you with the debt purchase services on the terms and subject to conditions set out in this letter as well as the Invoice Discounting / Factoring Agreement between you and us (incorporating, amongst other things, our new Standard Conditions For Invoice Discounting / Factoring ("**Standard Conditions**") (together constituting the "**Invoice Discounting / Factoring Agreement**"). These services are subject to review at any time and, in any event by 15 July 2017.

This is the Offer Letter referred to in the Invoice Discounting / Factoring Agreement between you and us. An expression used in this letter shall have the meaning given to it in the Invoice Discounting / Factoring Agreement, if such expression appears there.

The Hongkong and Shanghai Banking Corporation Limited
Commercial Banking Hong Kong
GTRF Receivables Finance Division
9/F, HSBC Building MongKok, 673 Nathan Road, MongKok, Kowloon
Tel; 3941 6211 Fax; 3418 4982 SWIFT; HSBCHKHH
Web Site: www.hsbc.com.hk

A. SERVICES OFFERED BY THE BANK

- * Credit Management - we provide services in respect of the collection of Debts and/or maintenance of a sales ledger in the manner from time to time determined by the Bank.
- * Debts shall be purchased on a disclosed basis as set out in Section E below.
- * Debts are purchased on a With Recourse basis.
- * Finance - we may give you the benefit of Prepayments.

B. BASIC TERMS OF FINANCE SERVICE

1. Funds In Use Limit (FIU Limit): USD4,000,000.- or its equivalent (previously USDS,000,000.-)
2. Discounting Charge (on Funds In Use): At 2% per annum over 3 months LIBOR (London Interbank Offered Rate) which will be charged on a monthly basis or such other basis as the Bank may notify you from time to time.

For details of benchmark interest rates, please refer to the attached Appendix.
3. Prepayment Percentage / Funding Limit: As specified in a Customer Limit Advice issued in respect of the relevant Customer.
4. Concentration Percentage: 100%.
5. Eligible Debt Grace Period: 60 days, unless otherwise specified in a Customer Limit Advice issued in respect of the relevant Customer.

C. BASIC TERMS OF CREDIT PROTECTION SERVICE

1. Credit Cover Percentage(s) / Credit Cover Limit(s) / Credit Protection Events: As specified in a Customer Limit Advice issued in respect of the relevant Customer.
2. First Loss: Nil

We may in our own name take out credit insurance and/or appoint Correspondent Factor(s) to collect payment of the Debts.

D. BASIC TERMS APPLICABLE TO ALL SERVICES

- | | | |
|----|---------------------------|---|
| 1. | Customer(s) | To be approved by the Bank from time to time and as advised by the Bank to the Client. |
| 2. | Service Charge: | 0.15% flat on the face value of the invoice for each Debt. |
| 3. | Maximum Terms of Payment: | 120 days unless otherwise specified in a Customer Limit Advice issued in respect of the relevant Customer. |
| 4. | Maximum Invoicing Period: | 30 days after the date of delivery of the Goods unless otherwise specified in a Customer Limit Advice issued in respect of the relevant Customer. |

E. NOTICE OF ASSIGNMENT FOR DEBTS AND COLLECTION

1. The Debts of all Customers will be purchased on a disclosed basis (that is, giving the notices of assignment for the Debts) except as otherwise agreed by us in writing.
2. The Debts shall be collected and paid into the designated account maintained by you with us and held on trust for us. However, we have the overriding right at any time to direct any Debt to be paid directly to us.

F. DOCUMENTS REQUIRED

1. You shall provide us with the following documents in each case in the form and substance satisfactory to us:-
 - (a) all security documents referred to in Section G below; and
 - (b) such other documents, terms or evidence that we may require from time to time.

No request for any Prepayment may be submitted prior to our receipt of the above documents.

2. The following supporting documents are required in relation to each Debt:-
 - (a) A copy of the confirmed purchase order (if applicable);
 - (b) A copy of the invoice endorsed with and/or accompanied by a note in the form approved by us stating our interest as assignee; and
 - (c) Evidence of Delivery of the Goods satisfactory to us.
3. If we agree, you may provide us with the lists of the Debts (which shall include the names of Customers, invoices numbers, invoices amounts, due dates of the Debts as well as such other information as required by us) in lieu of the copies of the invoices in respect of the Debts. Notwithstanding this, you shall at any time, upon request by us, promptly provide us with the copies of the invoices evidencing the Debts.

G. SECURITY AND OTHER DOCUMENTATION

As security for your obligations and liabilities to us under, inter alia, this letter and the Invoice Discounting / Factoring Agreement, we are holding the following:-

1. The Invoice Discounting / Factoring Agreement executed by you under seal supported by Board Minutes both dated 28 October 2015.
2. Tri-party agreement executed by China Export & Credit Insurance Corporation ("Sinasure"), Shenzhen Highpower Technology Co Ltd, Hong Kong Highpower Technology Company and The Hongkong and Shanghai Banking Corporation Ltd dated 1 January 2016 regarding the rights to the claim payment proceeds. Any changes to insurer's cover must be notified us immediately.

3. The Guarantee (limited to USD8,000,000.-) together with default interest and other costs and expenses from Shenzhen Highpower Technology Co Ltd together with Board Resolution both dated 28 October 2015.
4. The Guarantee (limited to USDS,000,000.-) together with default interest and other costs and expenses from Huizhou Highpower Technology Co. Ltd together with Board Resolution both dated 28 October 2015.
5. The Guarantee (limited to USD8,000,000.-) together with default interest and other costs and expenses from Springpower Technology (Shenzhen) Co Ltd together with Board Resolution both dated 28 October 2015.
6. The Guarantee (limited to USD8,000,000.-) together with default interest and other costs and expenses dated 28 October 2015 from Mr Pan Dangyu.

To comply with the Code of Banking Practice and guidance given by the Courts, the Bank needs to obtain your consent before it can provide a copy or summary of the facility, or information on your outstanding liabilities to the Bank, to any guarantor or other third party providing security (the “**Surety**”) or to the Surety’s advisors. In addition, if the Bank is obliged to make any formal demand for repayment because you have failed to settle an amount due following our customary reminder, the Bank will also need to provide the Surety with a copy of its demand letter. Whether or not the Bank has made the demand, the Bank will also need to provide the Surety with a copy of the latest statement of account and/or to give the Surety details of your outstanding liabilities to the Bank, whether actual or contingent. By accepting this letter, you are deemed to have consented to the Bank providing any of the aforesaid documents or information to the Surety, to the Surety’s solicitors and other professional advisers. Please note that if this consent is not given, the Bank will be unable to proceed with the transaction.

G. SECURITY AND OTHER DOCUMENTATION (CONT'D)

Please note that all costs and expenses (including legal fees) incurred by us in connection with the extension of these facilities and any matters arising therefrom are to be reimbursed by you on demand.

H. SPECIAL TERMS

1. Please note that Section 83 of the Banking Ordinance has imposed on us as a bank certain limitations on transactions with persons related to our directors or employees. In acknowledging this letter, you should advise us whether you are in any way related to any of our directors or employees within the meaning of Section 83 and in the absence of such advice we will assume that you are not so related. We would also ask, should you become so related subsequent to acknowledging this letter, that you immediately advise us in writing.
2. Unless expressed in writing from you to the contrary, we may provide any information relating to any of your accounts with us and any facilities we may provide to you from time to time or their conduct or any other information concerning your relationship with us to any other company or office which at the relevant time belongs to or is part of the HSBC Group.
3. Please note that our standard service charges are stipulated in the Bank's Tariff which is accessible at <https://www.commercial.hsbc.com.hk/1/2/commercial/customer-service/tariffs>. We will provide you with a hard copy of the Tariff at your request.
4. This letter is governed by and construed in accordance with the laws of Hong Kong.
5. No person other than you and us will have any right under the Contracts (Rights of Third Parties) Ordinance to enforce or enjoy the benefit of any of the provisions of this letter.
6. In the event from time to time that the actual amount of Prepayment (as defined in the Invoice Discounting/ Factoring Agreement) exceeds the Availability, we may, at our sole and absolute discretion, debit such excess amount from your account(s) maintained with us.
7. First drawdown is subject to successful pre-ledger debt verification with buyers or first buyer payment to the trustee account, whichever is earlier.
8. Acknowledgement of notification letter from your customer(s) is required.
9. All invoices billed to the factored buyers must bear our standard assignment clause.
10. Copies of all invoices billed to the factored buyers must be submitted to HSBC within 30 days after issuance, along with the relevant Proof of Delivery (POD) and Purchase Orders (if any).
11. No selective assignment, i.e. all invoices including credit notes and debit notes to the proposed factoring buyers have to be assigned to HSBC.

H. SPECIAL TERMS (CONT'D)

12. Sample invoices/ tooling invoices and debit notes will be excluded for financing.
13. Contacts (valid email addresses and mailing addresses) of the factored buyers must be provided to us for debt verification and collection purposes.
14. Notification letters (format and wording to be supplied by us) to your customer(s) shall be prepared under your company's letterhead and returned to us for our despatch.
15. You will be required for so long as these facilities are available to you to comply with the following undertaking(s)/covenant(s). Your compliance or otherwise with the following undertaking(s) /covenant(s) will not in any way prejudice or affect our right to suspend, withdraw or make demand in respect of the whole or any part of the facilities made available to you at any time. By signing this letter, you expressly acknowledge that we may suspend, withdraw or make demand for repayment of the whole or any part of the facilities at any time notwithstanding the fact that the following undertaking(s)/covenant(s) are included in this letter and whether or not you are in breach of any such undertaking(s)/covenant(s).

The Borrower, Hong Kong Highpower Technology Company Limited, hereby undertakes factored turnover of no less than USD 10,000,000.- per annum. Otherwise, commitment fee equal to the shortfall amount (i.e. USD 10,000,000.- minus factored invoice volume) times service charge of 0.15% on invoice value will be borne by the Client and calculated on pro-rata basis at the end of each quarter. Any applicable commitment fee will be added to the FIU balance not later than 15th day of the following month. Refund of commitment fee will be arranged if the minimum undertaking requirement for USD 10,000,000.- can be met in 12 months from the facility commencement.

16. Any payment and/or prepayment of the Purchase Price under or pursuant to the Invoice Discounting / Factoring Agreement shall, at our discretion, first be applied to pay and settle all sums of money, obligations and liabilities due or owing by you to the Bank in respect of any account whatsoever between you and the Bank (including, but without limitation, all moneys and liabilities owing by you in respect of the Invoice Discounting / Factoring Agreement, all general banking facilities and any other advances and facilities granted by the Bank to you and all interest thereon). **(new)**

A review fee of USD2,000.- will be charged to the debit of your current current account upon receipt of your acceptance to this offer letter.

Please arrange for your authorised signatories to sign and return to us the duplicate copy of this letter with Appendix to signify your understanding and acceptance of the terms and conditions under which debts purchase services are offered.

This offer will remain open for acceptance until the close of business on 26 September 2016 and if not accepted by that date will be deemed to have lapsed.

We are pleased to be of continued assistance.

Yours faithfully For and on behalf of
The Hongkong and Shanghai Banking Corporation Limited

/s/ Eric Cheung

Eric Cheung
Assistant Vice President
/SS

Encl

We agree to and accept all the terms and conditions set out above. For and on behalf of Hong Kong Highpower Technology Company Limited

Name:

Title:

Date:

APPENDIX : DETAILS OF BENCHMARK RATES

| Benchmark | Applicable Currency | Definition of Benchmark |
|--|----------------------------|---|
| London Interbank Offered Rate (LIBOR) [*] and 1 | USD | <p>“LIBOR” means, in relation to any advance, the applicable Screen Rate at or around 11:00 am London time two Business Days (or such other time or day as determined by the Bank if the market practice differs) before the proposed date of advance and, if any such rate is below zero, LIBOR will be deemed to be zero.</p> <p>“Business Day” means a day other than a Saturday or Sunday on which banks are open for general business in London.</p> <p>“Screen Rate” means the Relevant Administrator’s Interest Settlement Rate for the relevant currency and period displayed on the appropriate page of the Reuters screen provided that (a) if in the Bank’s sole determination its funding cost is in excess of LIBOR, the Bank may specify the cost of funding any facility or financial arrangement; or (b) if the screen page is replaced, not available or such service ceases to be available, the Bank may specify another page or service displaying the appropriate rate.</p> <p>“Relevant Administrator”, means ICE Benchmark Administration Limited or any other person to whom the administrator function of the LIBOR fixing process is transferred from time to time.</p> |

Note:

- ¹ Interpolated rates, which refers to rate calculated using linear interpolation method as recommended by The International Swaps and Derivatives Association (ISDA) for situation where there is no current quote available for below maturities:-
- LIBOR: 2 weeks, 4 months, 5 months, 7 months, 8 months, 9 months, 10 months and 11 months
- ^{*} For tenors where fixing is not published by the relevant administrator and the interpolated rate does not apply, the benchmark rate shall be the rate as specified by the Bank in its sole discretion as its cost of funding the relevant facility or financial arrangement.

BANK OF GANZHOU

Working Capital Loan Contract

Contract No.: 2885001601110051Borrower (Party A): Ganzhou Highpower Technology Co. Ltd. (Seal)Legal Representative: Qu Hancheng (Seal)

Domicile (Address): _____

Lender (Party B): Bank of Ganzhou Co., Ltd.
Bank of Ganzhou Co., Ltd. Development Zone Sub-branch (Seal)Legal Representative / Person in Charge: Guo Yunqian (Seal)

Domicile (Address): _____

Printed in 2013

Explanation

The contents of this Contract are composed of such two parts as the particular terms and conditions agreed and the terms and conditions of standard format. The particular terms and conditions agreed shall be handwritten and the terms and conditions of standard format are printed herein. The undersigned of this Contract shall have complete and accurate understanding of the meanings of all terms and conditions, without any objection.

Contents

I. Particular terms and conditions agreed

II. Terms and conditions of standard format

In accordance with the *Contract Law*, Party A and Party B make and enter into this Contract to define both parties' rights and obligations in the working capital loan relationship upon unanimity through consultation.

I. Particular terms and conditions agreed

Article 1 Currency: CNY.Article 2 Loan purpose: turnover.

Article 3 Loan amount (in words): CNY Ten Million Only; (in figures): 10,000,000.00. (In case of difference between the amount in figures and that in words, that in words shall prevail).

Article 4 Loan term: totally 12 months, from August 3, 2016 to August 2, 2017. Loan payment method: entrusted payment. If the payment object is specific and the single payment amount is more than CNY (included), the loan capital shall be paid by means of entrusted payment.

Article 5 Loan interest rate: 5.655% (30% higher than the benchmark interest rate for loans of the same period). Interest shall be paid by quarter and the date of payment of interest shall be the 20th day of the last month of each quarter (the 20th day of each month/ 20th day of the last month of each quarter). 50% shall be surcharged in case of delay in payment and 100% shall be surcharged in case of appropriation.

Article 6 Method of repayment of principal: repayment in a lump sum (repayment in a lump sum/repayment in installments). Where repayment is made in installments, the loan shall be repaid according to the following repayment plan:

_____ Repay CNY _____ on _____ (MM) _____ (DD), _____ (YYYY);

_____ Repay CNY _____ on _____ (MM) _____ (DD), _____ (YYYY);

_____ Repay CNY _____ on _____ (MM) _____ (DD), _____ (YYYY);

_____ Repay CNY _____ on _____ (MM) _____ (DD), _____ (YYYY);

_____ Repay CNY _____ on _____ (MM) _____ (DD), _____ (YYYY);

_____Repay CNY _____on _____ (MM) _____(DD), _____(YYYY);

Article 7 Guarantee method: suretyship. The Guarantor and Party B shall make and enter into a guarantee contract separately. Contract No.: 288500160811000203, 288500160811000204, 288500160811000205, 288500160811000206, 288500160811000207.

Article 8 Number of originals of Contract: two.

Article 9 Other provisions _____.

Party A: Ganzhou Highpower Technology Co. Ltd. (Seal)

Party B: Bank of Ganzhou Co., Ltd. Development Zone Sub-branch (Seal)

Legal Representative / Person in Charge:

Legal Representative / Person in Charge:

Qu Hancheng (Seal)

Guo Yunqian (Seal)

II. Terms and conditions of standard format

Article 1 The Borrower means a legal person with the capacity for civil rights and the capacity for civil conducts, or other economic organization, individual businessman, leaseholding rural household and natural person. The Borrower is in good credit standing and has no significant bad record.

Article 2 The Borrower shall use the loan according to the loan purpose specified in the particular terms and conditions agreed. Without Party B's written consent, the Borrower shall not change the loan purpose.

Party B shall manage and control payment of the loan capital through entrusted payment by Party B or independent payment by Party A. In the event that independent payment is adopted, Party A shall report to Party B the use of the loan capital each month. Party B has the right to determine the payment method according to the supervision needs.

Article 3 In the event that the actual date of issue and the date of repayment are different from the starting date of the loan term recorded in IOU due to causes of loan approval and guarantee registration, that recorded in IOU shall prevail, without affecting the determination of claims and debts.

Article 4 If the People's Bank of China adjusts interest rates for loans during the execution of this Contract and such adjustment applies to the loan under this Contract, Party B shall have the right to increase or decrease interest on the basis of the interest rate agreed herein, without notifying Party A.

Article 5 Interest of the loan hereunder shall be calculated from the actual date of issue (daily interest rate = annual interest rate /360). When the loan is due, the Borrower shall repay the principal with interest. In the event that Party A makes prepayment upon Party B's written consent, interest may be calculated according to the actual number of days.

Article 6 Party A makes a commitment to Party B that the loan materials and information provided are genuine and legitimate.

Article 7 The date of repayment under this Contract shall be the date of maturity of loan. Where repayment in installments is adopted, the term agreed shall be implemented. Party A shall, prior to the date of payment of interest or the date of repayment of principal specified herein, prepare and deposit sufficient accounts payable to the account opened by Party B and authorize Party B to transfer unconditionally.

Article 8 Rights and obligations of Party A

8.1 To use the loan according to the term and purpose specified herein.

8.2 To make up guarantee timely according to Party B's requirements.

8.3 To accept consciously Party B's investigation, understanding and supervision on the use of the loan under this Contract.

8.4 To coordinate Party B actively to investigate, understand and supervise the production, operation and financial conditions of Party A, and to provide Party B with relevant reports and materials, including profit and loss statement, and balance sheet.

8.5 To repay the loan principal and interest hereunder according to the stipulations of this Contract.

8.6 To bear relevant expenses hereunder, including but not limited to the costs of notarization, appraisal, evaluation, registration, legal investigation and review, and so on.

8.7 To send out the receipt within three days after receiving a letter of collection or a document of collection sent or delivered by other means by Party B.

8.8 In case of implementation of contracting lease, shareholding reform, joint operation, business combination, merger, joint investment, division, reduce of registered capital, equity change, transfer of material assets, foreign investment, substantial increase of debts, and other acts enough to affect the realization of the creditor's right of Party B, to notify Party B at least 30 days in advance and obtain Party B's written consent, or the foregoing acts may not be conducted prior to full repayment of all debts.

8.9 In case of change of domicile, mailing address, business scope, legal representative and other items of industrial and commercial registration, to notify Party B in written form within seven days after change of the relevant item.

8.10 To notify Party B in written form immediately when there is any other event threatening its normal business operation or causing major adverse impact on the performance of its obligation of repayment under this Contract, including but not limited to major economic dispute, bankruptcy and worsening of financial conditions.

8.11 To notify Party B in written form immediately when it goes out of business, is dissolved, suspends operation for rectification, is revoked with its business license or is cancelled, and to ensure immediate repayment of the loan principal and interest.

Article 9 Rights and obligations of Party B

9.1 For the needs of loan investigation, review and supervision, Party B may request Party A to provide the loan-related credit materials and has the right to review Party A's relevant operation and financial vouchers.

9.2 Party B has the right to deduct all accounts receivable from Party A's account according to the stipulations of this Contract or the provisions of laws.

9.3 As promised by Party A, if Party A escapes from Party B's supervision, owes the loan principal and interest or has other serious breach behavior, Party B shall have the right to implement credit sanction, make announcement to the society and urge collection through public announcement in media.

9.4 Party B shall provide Party A with the loan on time (except as otherwise delayed due to causes attributable to Party A) according to the stipulations of this Contract.

9.5 Party B shall keep confidential Party A's credit materials mastered by Party B during handling of the loan.

Article 10 Liability for breach of contract

10.1 When this Contract becomes effective, Party A and Party B shall actively perform their obligations specified herein. Either party which does not perform all or part of its obligations shall assume liability for breach of contract by law.

10.2 In the event that Party A does not use the loan according to relevant stipulations of this Contract, Party B shall have the right to charge interest from the date of issue of the loan.

10.3 In the event that Party B does not issue the loan according to relevant stipulations of this Contract, Party B shall pay Party A penalty for delay by day according to the interest rate specified herein.

10.4 If Party A makes prepayment without Party B's written consent, Party B shall have the right to charge interest according to the loan term and interest rate specified herein.

10.5 In the event that Party A fails to repay the loan principal and interest when the loan is due, Party B shall have the right to request Party A to make repayment within a time limit or deduct capital from Party A's all accounts opened with Party B for repayment. Meanwhile, Party B shall have the right to surcharge interest for the delayed loan on the basis of the interest rate specified herein and charge compound interest for the interest unpaid.

10.6 In the event that Party A does not use the loan for the purpose specified herein, Party B shall have the right to stop issue of the loan, take back all or part of the loan in advance or cancel this Contract, and surcharge interest for the default loan on the basis of the interest rate specified herein and charge compound interest for the interest unpaid.

10.7 If Party A has the breaches of sub-clause 10.5 and sub-clause 10.6 simultaneously, Party B shall investigate Party A's liability for breach according to the one which is more serious.

10.8 If Party A has any conduct which is enough to affect the realization of the creditor's right of Party B, Party B shall have the right to notify Party A in written form, and Party A shall, within seven days, make correction and take remedial measures satisfying Party B, or Party B shall have the right to cancel this Contract or stop issue of the remaining loan and take back all or part of the loan issued in advance. Where it is unable to take back the loan, Party B may charge penalty by day according to the interest rate for delayed loan. Party A's conducts which may affect the realization of the creditor's right of Party B shall include but not be limited to:

10.8.1 Party A does not make repayment on time or delays in payment of interest;

10.8.2 Party A provides Party B with false or important facts concealed balance sheet, profit and loss statement, and other financial materials;

10.8.3 Party A does not coordinate or refuses to accept Party B's supervision on Party A's use of the loan and on Party A's production, operation and financial activities;

10.8.4 Party A transfers or disposes its material assets without Party B's consent;

10.8.5 An important part or all of Party A's properties are possessed by any other creditor, or are taken over by the designated trustee, receiver or similar personnel, or are detained or frozen, which may cause serious losses to Party B;

10.8.6 Without Party B's consent, Party A implements contracting, lease, shareholding reform, joint operation, business combination, merger, joint investment, division, reduce of registered capital, equity change, transfer of material assets, foreign investment, substantial increase of debts, and other acts enough to affect the realization of the creditor's right of Party B;

10.8.7 Party A has any change of domicile, mailing address, business scope, legal representative, or has major foreign investment, which is enough to affect the safety of the creditor's right of Party B;

10.8.8 There is any major economic dispute or worsening of financing conditions, and financing overdue in other financial institutions, which affects the realization of the creditor's right of Party B.

10.9 If Party A has any breach of contract, Party A shall, unconditionally, repay and pay Party B the loan principal, interest, compound interest, default interest, penalty and compensation, and bear Party B's arbitration cost, legal cost, attorney fee and all other expenses payable for realization of the creditor's right of Party B. The attorney fee shall be determined according to the upper limit of the charging standard of Jiangxi lawyers.

Chapter 11 Effectiveness, change, cancellation and termination of contract

11.1 This Contract shall come into force upon signature and seal of both parties. Where there is guarantee, it shall come into force upon effectiveness of the guarantee contract and establishment of the real rights for security. It shall be terminated on the date of full repayment and payment of the loan principal, interest, compound interest, default interest, penalty and all other expenses payable under this Contract.

11.2 Under any one of the following circumstances, Party B shall have the right to cancel this Contract and request Party A to repay the loan principal and interest in advance and make compensation for losses:

11.2.1 Party A goes out of business, is dissolved, suspends operation for rectification, is revoked with its business license or is cancelled;

11.2.2 The guarantee hereunder affects the realization of the creditor's right of Party B and Party A is unable to provide other security according to Party B's requirements;

11.2.3 Party A has other serious breach of contract.

11.3 If Party A requires extension of the loan term, Party A shall present a written application to Party B 30 days prior to the date of expiration of this Contract. If it is agreed by Party B through review, an extension agreement shall be concluded before the loan term under this Contract is extended. This Loan Contract shall be continuously executed prior to conclusion of an extension agreement.

11.4 When this Contract becomes effective, Party A or Party B shall not change or cancel in advance this Contract without authorization, unless as otherwise provided herein. If it is necessary to change or cancel this Contract, both parties shall reach consensus through consultation and reach a written agreement. This Contract shall be continuously executed prior to conclusion of a written agreement.

Article 12 Dispute settlement

Any and all disputes between Party A and Party B during the execution of this Contract shall be settled by both parties firstly through consultation. Where consultation fails, the dispute may be settled through litigation in the court at the location where Party B is located.

| | |
|--|--|
| Party A: <u>Ganzhou Highpower Technology Co. Ltd. (Seal)</u> Legal Representative / Person in Charge: /s/ <u>Qu Hancheng (Seal)</u> | Party B: <u>Bank of Ganzhou Co., Ltd. Development Zone Sub-branch (Seal)</u> Legal Representative / Person in Charge: /s/ <u>Guo Yunqian (Seal)</u> |
|--|--|

Date of Signature: Aug. 3, 2016

Place of Signature: Ganzhou City

BANK OF GANZHOU

Maximum Guarantee ContractContract No.: 28850016081100207Guarantor (Party A): Gui Jinming

Legal Representative: _____

Domicile: _____

Creditor (Party B): Bank of Ganzhou Co., Ltd. Development Zone Sub-branchLegal Representative / Person in Charge: Guo YunqianDomicile: No. 19, Jinling Avenue, Ganzhou Development Zone

Printed in 2014

Explanation

The contents of this Contract are composed of such two parts as the particular conditions agreed and the conditions of standard format. The particular conditions agreed shall be handwritten and the conditions of standard format are printed herein. The undersigned of this Contract shall have complete and accurate understanding of the meanings of all terms and conditions, without any objection.

Contents

I. Particular terms and conditions agreed

II. Terms and conditions of standard format

In order to ensure the realization of the creditor's right, in accordance with the *Contract Law* and the *Guaranty Law*, and other relevant laws and regulations, Party A and Party B make and enter into this Contract upon unanimity through consultation.

I. Particular terms and conditions agreed

Article 1 Name of the guaranteed debtor of this Contract: Ganzhou Highpower Technology Co., Ltd.Article 2 Type of principal creditor's right guaranteed under this Contract: loan.

Article 3 Maximum amount of principal creditor's right guaranteed under this Contract: (in words) CNY Ten Million Only; (in figures): 10,000,000.00. (In case of difference between the amount in figures and that in words, that in words shall prevail).

Article 4 Debt period (settlement term): from August 3, 2016 to August 2, 2017.Article 5 Guarantee period: two years.

Article 6 The creditor's right, (in words) _____, existing prior to the signature of this Guarantee Contract, shall be included in the scope of guaranty.

Article 7 Number of originals of this Contract: _____.

Article 8 Other provisions _____.

Party A:

Gui Jinming (Signature and Fingerprint)

Legal Representative / Person in Charge:

Party B:

Bank of Ganzhou Co., Ltd. Development Zone Sub-branch (Seal)

Legal Representative / Person in Charge:

Guo Yunqian (Seal)

II. Terms and conditions of standard format

Article 1 The Guarantor is a legal person, other economic organization or natural person who has the ability of making repayment on behalf of others.

Article 2 The Guarantor has full understanding of the debt guaranteed and is willing to conclude and sign this Contract. This Contract is a maximum guarantee contract. The Guarantor shall provide suretyship guaranty for the creditor's right occurring during the settlement term within the maximum amount.

Article 3 Suretyship of joint and several liability is adopted as the method of guarantee under this Contract.

Article 5 The scope of guaranty under this Guarantee Contract shall include but not be limited to the claim principal, interest, compound interest, default interest, penalty, compensation and Party B's attorney fee for realization of the creditor's right and other relevant expenses under the Main Contract.

Article 5 If the creditor's right guaranteed hereunder is established with security for things at the same time, no matter whether the security for things is provided by the debtor or a third person, Party B may request Party A to bear liability of guarantee at any time without limitation when Party B realizes the creditor's right.

Article 6 The guarantee period under this Contract shall be calculated from the first date after expiration of the debt performance period. If the loan is repaid in installments or is recycled, it shall be calculated from the first date after expiration of the performance period of the last debt. If the creditor's right is realized in advance, it shall be calculated from the date when the creditor's right is claimed in advance.

Article 7 Rights and obligations of Party A

7.1 Party A shall, according to Party B's requirements, provide relevant materials and ensure genuine and legitimacy of the materials provided.

7.2 Party A has the obligation to send out the receipt within three days after receiving a letter of collection or a document of collection given by Party B.

7.3 Party A shall notify Party B timely of any one of the following circumstances:

7.3.1 change of its management mechanism, such as implementation of contracting, lease, joint operation, business combination, merger, division, shareholding reform, and joint investment and cooperation with foreign merchants;

7.3.2 change of business scope and registered capital, or change of equity;

7.3.3 worsening of financial conditions or involving in major economic dispute;

7.3.4 change of domicile, telephone number and legal representative.

7.4 In the event that Party B and the Borrower reach an agreement on amendment to the Main Contract, except increase of the loan amount, such amendment may not be agreed by Party A, and Party A shall continue to bear joint and several guarantee liability within the original scope of guaranty and during the original guarantee period.

7.5 If Party B transfers the main creditor to a third person within the valid period of this Contract, Party A shall continue to bear joint and several guarantee liability within the original scope of guaranty and during the original guarantee period.

7.6 If Party A provides guarantee of any form for a other third person during the valid period of this Contract, Party B's rights and interests shall not be damaged.

7.7 In the event that Party A has any one of these events, such as division, business combination, shareholding reform or others during the valid period of this Contract, Party A shall ensure to implement all guarantee liabilities under this Contract.

7.8 Party A may not bear guarantee liability when the Borrower has paid off all debts under the Main Contract.

Article 8 Rights and obligations of Party B

8.1 Party B has the right to request Party A to provide relevant documents which can prove Party B's legal identity.

8.2 Party B has the right to request Party A to provide the financial reports and other materials which can reflect Party A's credit situations.

8.3 In the event that Party B's claim is not wholly or partly compensated when the performance period of the main debt expires, Party B shall have the right to request Party A to bear guarantee liability pursuant to this Contract.

8.4 Under any one of the following circumstances, Party B shall have the right to give a written notice to Party A to bear guarantee liability in advance and Party A shall, within ten days after receiving the notice, perform guarantee liability:

8.4.1 Party B cancels this Contract by law pursuant to the Main Contract;

8.4.2 Party B takes back the loan in advance according to other situations specified in the Main Contract.

8.5 If Party B transfers to the principal creditor right to a third person within the valid period of this Contract, Party B shall notify Party A timely.

Article 9 When this Contract becomes effective, Party A and Party B shall perform their obligations completely specified in this Contract. Either party which fails to wholly or partly perform its obligations specified herein shall bear relevant liability for breach of contract and make compensation for losses caused to the other party.

Article 10 In the event that this Contract becomes invalid due to Party A's fault, Party A shall make compensation for Party B's all losses within the scope of guaranty.

Article 11 This Contract shall come into force as of the date of signature and seal of Party A and Party B and shall be terminated on the date when the borrower of the Main Contract has fully repaid and paid the loan principal, interest, compound interest, default interest, penalty, compensation, and the arbitration cost, legal cost and attorney fee of Party B for realization of the creditor's right, and all other expenses payable under the Main Contract.

Article 12 This Contract shall be independent of the Main Contract and may not become invalid with the invalidity of the Main Contract. In the event that the Main Contract becomes invalid, Party A shall continue to bear liability pursuant to this Contract.

Article 13 Either party may not change or cancel this Contract without authorization when this Contract is effective. Should this Contract be changed or cancelled, both parties shall reach consensus through consultation and reach a written agreement. This Contract shall remain in force prior to conclusion of a written agreement.

Article 14 Any and all disputes between Party A and Party B during the execution of this Contract shall be settled by both parties firstly through consultation. Where consultation fails, the dispute may be governed by court at the location where Party B is located.

Party A:

/s/ Gui Jinming (Signature and Fingerprint)

Legal Representative / Person in Charge:

Party B:

Bank of Ganzhou Co., Ltd. Development Zone Sub-branch (Seal)

Legal Representative / Person in Charge:

/s/ Guo Yunqian (Seal)

Date of Signature:

Place of Signature:

BANK OF GANZHOU

Maximum Guarantee ContractContract No.: 28850016081100205Guarantor (Party A): Li Xianbai

Legal Representative: _____

Domicile: _____

Creditor (Party B): Bank of Ganzhou Co., Ltd. Development Zone Sub-branchLegal Representative / Person in Charge: Guo YunqianDomicile: No. 19, Jinling Avenue, Ganzhou Development Zone

Printed in 2014

Explanation

The contents of this Contract are composed of such two parts as the particular conditions agreed and the conditions of standard format. The particular conditions agreed shall be handwritten and the conditions of standard format are printed herein. The undersigned of this Contract shall have complete and accurate understanding of the meanings of all terms and conditions, without any objection.

Contents

I. Particular terms and conditions agreed

II. Terms and conditions of standard format

In order to ensure the realization of the creditor's right, in accordance with the *Contract Law* and the *Guaranty Law*, and other relevant laws and regulations, Party A and Party B make and enter into this Contract upon unanimity through consultation.

I. Particular terms and conditions agreed

Article 1 Name of the guaranteed debtor of this Contract: Ganzhou Highpower Technology Co., Ltd.Article 2 Type of principal creditor's right guaranteed under this Contract: loan.Article 3 Maximum amount of principal creditor's right guaranteed under this Contract: (in words) CNY Ten Million Only; (in figures): 10,000,000.00. (In case of difference between the amount in figures and that in words, that in words shall prevail).Article 4 Debt period (settlement term): from August 3, 2016 to August 2, 2017.Article 5 Guarantee period: two years.

Article 6 The creditor's right, (in words) _____, existing prior to the signature of this Guarantee Contract, shall be included in the scope of guaranty.

Article 7 Number of originals of this Contract: _____.

Article 8 Other provisions _____.

Party A:

Li Xianbai (Signature and Fingerprint)

Legal Representative / Person in Charge:

Party B:

Bank of Ganzhou Co., Ltd. Development Zone Sub-branch (Seal)

Legal Representative / Person in Charge:

Guo Yunqian (Seal)

II. Terms and conditions of standard format

Article 1 The Guarantor is a legal person, other economic organization or natural person who has the ability of making repayment on behalf of others.

Article 2 The Guarantor has full understanding of the debt guaranteed and is willing to conclude and sign this Contract. This Contract is a maximum guarantee contract. The Guarantor shall provide suretyship guaranty for the creditor's right occurring during the settlement term within the maximum amount.

Article 3 Suretyship of joint and several liability is adopted as the method of guarantee under this Contract.

Article 5 The scope of guaranty under this Guarantee Contract shall include but not be limited to the claim principal, interest, compound interest, default interest, penalty, compensation and Party B's attorney fee for realization of the creditor's right and other relevant expenses under the Main Contract.

Article 5 If the creditor's right guaranteed hereunder is established with security for things at the same time, no matter whether the security for things is provided by the debtor or a third person, Party B may request Party A to bear liability of guarantee at any time without limitation when Party B realizes the creditor's right.

Article 6 The guarantee period under this Contract shall be calculated from the first date after expiration of the debt performance period. If the loan is repaid in installments or is recycled, it shall be calculated from the first date after expiration of the performance period of the last debt. If the creditor's right is realized in advance, it shall be calculated from the date when the creditor's right is claimed in advance.

Article 7 Rights and obligations of Party A

7.1 Party A shall, according to Party B's requirements, provide relevant materials and ensure genuine and legitimacy of the materials provided.

7.2 Party A has the obligation to send out the receipt within three days after receiving a letter of collection or a document of collection given by Party B.

7.3 Party A shall notify Party B timely of any one of the following circumstances:

7.3.1 change of its management mechanism, such as implementation of contracting, lease, joint operation, business combination, merger, division, shareholding reform, and joint investment and cooperation with foreign merchants;

7.3.2 change of business scope and registered capital, or change of equity;

7.3.3 worsening of financial conditions or involving in major economic dispute;

7.3.4 change of domicile, telephone number and legal representative.

7.4 In the event that Party B and the Borrower reach an agreement on amendment to the Main Contract, except increase of the loan amount, such amendment may not be agreed by Party A, and Party A shall continue to bear joint and several guarantee liability within the original scope of guaranty and during the original guarantee period.

7.5 If Party B transfers the main creditor to a third person within the valid period of this Contract, Party A shall continue to bear joint and several guarantee liability within the original scope of guaranty and during the original guarantee period.

7.6 If Party A provides guarantee of any form for a other third person during the valid period of this Contract, Party B's rights and interests shall not be damaged.

7.7 In the event that Party A has any one of these events, such as division, business combination, shareholding reform or others during the valid period of this Contract, Party A shall ensure to implement all guarantee liabilities under this Contract.

7.8 Party A may not bear guarantee liability when the Borrower has paid off all debts under the Main Contract.

Article 8 Rights and obligations of Party B

8.1 Party B has the right to request Party A to provide relevant documents which can prove Party B's legal identity.

8.2 Party B has the right to request Party A to provide the financial reports and other materials which can reflect Party A's credit situations.

8.3 In the event that Party B's claim is not wholly or partly compensated when the performance period of the main debt expires, Party B shall have the right to request Party A to bear guarantee liability pursuant to this Contract.

8.4 Under any one of the following circumstances, Party B shall have the right to give a written notice to Party A to bear guarantee liability in advance and Party A shall, within ten days after receiving the notice, perform guarantee liability:

8.4.1 Party B cancels this Contract by law pursuant to the Main Contract;

8.4.2 Party B takes back the loan in advance according to other situations specified in the Main Contract.

8.5 If Party B transfers to the principal creditor right to a third person within the valid period of this Contract, Party B shall notify Party A timely.

Article 9 When this Contract becomes effective, Party A and Party B shall perform their obligations completely specified in this Contract. Either party which fails to wholly or partly perform its obligations specified herein shall bear relevant liability for breach of contract and make compensation for losses caused to the other party.

Article 10 In the event that this Contract becomes invalid due to Party A's fault, Party A shall make compensation for Party B's all losses within the scope of guaranty.

Article 11 This Contract shall come into force as of the date of signature and seal of Party A and Party B and shall be terminated on the date when the borrower of the Main Contract has fully repaid and paid the loan principal, interest, compound interest, default interest, penalty, compensation, and the arbitration cost, legal cost and attorney fee of Party B for realization of the creditor's right, and all other expenses payable under the Main Contract.

Article 12 This Contract shall be independent of the Main Contract and may not become invalid with the invalidity of the Main Contract. In the event that the Main Contract becomes invalid, Party A shall continue to bear liability pursuant to this Contract.

Article 13 Either party may not change or cancel this Contract without authorization when this Contract is effective. Should this Contract be changed or cancelled, both parties shall reach consensus through consultation and reach a written agreement. This Contract shall remain in force prior to conclusion of a written agreement.

Article 14 Any and all disputes between Party A and Party B during the execution of this Contract shall be settled by both parties firstly through consultation. Where consultation fails, the dispute may be governed by court at the location where Party B is located.

Party A:

/s/ Li xianbai (Signature and Fingerprint)

Legal Representative / Person in Charge:

Party B:

Bank of Ganzhou Co., Ltd. Development Zone Sub-branch (Seal)

Legal Representative / Person in Charge:

/s/ Guo Yunqian (Seal)

Date of Signature:

Place of Signature:

BANK OF GANZHOU

Maximum Guarantee ContractContract No.: 28850016081100204Guarantor (Party A): Ou Hancheng

Legal Representative: _____

Domicile: _____

Creditor (Party B): Bank of Ganzhou Co., Ltd. Development Zone Sub-branchLegal Representative / Person in Charge: Guo YunqianDomicile: No. 19, Jinling Avenue, Ganzhou Development Zone

Printed in 2014

Explanation

The contents of this Contract are composed of such two parts as the particular conditions agreed and the conditions of standard format. The particular conditions agreed shall be handwritten and the conditions of standard format are printed herein. The undersigned of this Contract shall have complete and accurate understanding of the meanings of all terms and conditions, without any objection.

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I. Particular terms and conditions agreed

II. Terms and conditions of standard format

In order to ensure the realization of the creditor's right, in accordance with the *Contract Law* and the *Guaranty Law*, and other relevant laws and regulations, Party A and Party B make and enter into this Contract upon unanimity through consultation.

I. Particular terms and conditions agreed

Article 1 Name of the guaranteed debtor of this Contract: Ganzhou Highpower Technology Co., Ltd.Article 2 Type of principal creditor's right guaranteed under this Contract: loan.Article 3 Maximum amount of principal creditor's right guaranteed under this Contract: (in words) CNY Ten Million Only; (in figures): ¥10,000,000.00. (In case of difference between the amount in figures and that in words, that in words shall prevail).Article 4 Debt period (settlement term): from August 3, 2016 to August 2, 2017.Article 5 Guarantee period: two years.

Article 6 The creditor's right, (in words) _____, existing prior to the signature of this Guarantee Contract, shall be included in the scope of guaranty.

Article 17 Number of originals of this Contract: _____.

Article 9 Other provisions _____.

Party A:

Ou Hancheng (Signature and Fingerprint)

Legal Representative / Person in Charge:

Party B:

Bank of Ganzhou Co., Ltd. Development Zone Sub-branch (Seal)

Legal Representative / Person in Charge:

Guo Yunqian (Seal)

II. Terms and conditions of standard format

Article 1 The Guarantor is a legal person, other economic organization or natural person who has the ability of making repayment on behalf of others.

Article 2 The Guarantor has full understanding of the debt guaranteed and is willing to conclude and sign this Contract. This Contract is a maximum guarantee contract. The Guarantor shall provide suretyship guaranty for the creditor's right occurring during the settlement term within the maximum amount.

Article 3 Suretyship of joint and several liability is adopted as the method of guarantee under this Contract.

Article 5 The scope of guaranty under this Guarantee Contract shall include but not be limited to the claim principal, interest, compound interest, default interest, penalty, compensation and Party B's attorney fee for realization of the creditor's right and other relevant expenses under the Main Contract.

Article 5 If the creditor's right guaranteed hereunder is established with security for things at the same time, no matter whether the security for things is provided by the debtor or a third person, Party B may request Party A to bear liability of guarantee at any time without limitation when Party B realizes the creditor's right.

Article 6 The guarantee period under this Contract shall be calculated from the first date after expiration of the debt performance period. If the loan is repaid in installments or is recycled, it shall be calculated from the first date after expiration of the performance period of the last debt. If the creditor's right is realized in advance, it shall be calculated from the date when the creditor's right is claimed in advance.

Article 7 Rights and obligations of Party A

7.1 Party A shall, according to Party B's requirements, provide relevant materials and ensure genuine and legitimacy of the materials provided.

7.2 Party A has the obligation to send out the receipt within three days after receiving a letter of collection or a document of collection given by Party B.

7.3 Party A shall notify Party B timely of any one of the following circumstances:

7.3.1 change of its management mechanism, such as implementation of contracting, lease, joint operation, business combination, merger, division, shareholding reform, and joint investment and cooperation with foreign merchants;

7.3.2 change of business scope and registered capital, or change of equity;

7.3.3 worsening of financial conditions or involving in major economic dispute;

7.3.4 change of domicile, telephone number and legal representative.

7.4 In the event that Party B and the Borrower reach an agreement on amendment to the Main Contract, except increase of the loan amount, such amendment may not be agreed by Party A, and Party A shall continue to bear joint and several guarantee liability within the original scope of guaranty and during the original guarantee period.

7.5 If Party B transfers the main creditor to a third person within the valid period of this Contract, Party A shall continue to bear joint and several guarantee liability within the original scope of guaranty and during the original guarantee period.

7.6 If Party A provides guarantee of any form for a other third person during the valid period of this Contract, Party B's rights and interests shall not be damaged.

7.7 In the event that Party A has any one of these events, such as division, business combination, shareholding reform or others during the valid period of this Contract, Party A shall ensure to implement all guarantee liabilities under this Contract.

7.8 Party A may not bear guarantee liability when the Borrower has paid off all debts under the Main Contract.

Article 8 Rights and obligations of Party B

8.1 Party B has the right to request Party A to provide relevant documents which can prove Party B's legal identity.

8.2 Party B has the right to request Party A to provide the financial reports and other materials which can reflect Party A's credit situations.

8.3 In the event that Party B's claim is not wholly or partly compensated when the performance period of the main debt expires, Party B shall have the right to request Party A to bear guarantee liability pursuant to this Contract.

8.4 Under any one of the following circumstances, Party B shall have the right to give a written notice to Party A to bear guarantee liability in advance and Party A shall, within ten days after receiving the notice, perform guarantee liability:

8.4.1 Party B cancels this Contract by law pursuant to the Main Contract;

8.4.2 Party B takes back the loan in advance according to other situations specified in the Main Contract.

8.5 If Party B transfers to the principal creditor right to a third person within the valid period of this Contract, Party B shall notify Party A timely.

Article 9 When this Contract becomes effective, Party A and Party B shall perform their obligations completely specified in this Contract. Either party which fails to wholly or partly perform its obligations specified herein shall bear relevant liability for breach of contract and make compensation for losses caused to the other party.

Article 10 In the event that this Contract becomes invalid due to Party A's fault, Party A shall make compensation for Party B's all losses within the scope of guaranty.

Article 11 This Contract shall come into force as of the date of signature and seal of Party A and Party B and shall be terminated on the date when the borrower of the Main Contract has fully repaid and paid the loan principal, interest, compound interest, default interest, penalty, compensation, and the arbitration cost, legal cost and attorney fee of Party B for realization of the creditor's right, and all other expenses payable under the Main Contract.

Article 12 This Contract shall be independent of the Main Contract and may not become invalid with the invalidity of the Main Contract. In the event that the Main Contract becomes invalid, Party A shall continue to bear liability pursuant to this Contract.

Article 13 Either party may not change or cancel this Contract without authorization when this Contract is effective. Should this Contract be changed or cancelled, both parties shall reach consensus through consultation and reach a written agreement. This Contract shall remain in force prior to conclusion of a written agreement.

Article 14 Any and all disputes between Party A and Party B during the execution of this Contract shall be settled by both parties firstly through consultation. Where consultation fails, the dispute may be governed by court at the location where Party B is located.

Party A:

/s/ Ou Hancheng (Signature and Fingerprint)

Legal Representative / Person in Charge:

Party B:

Bank of Ganzhou Co., Ltd. Development Zone Sub-branch (Seal)

Legal Representative / Person in Charge:

/s/ Guo Yunqian (Seal)

Date of Signature:

Place of Signature:

BANK OF GANZHOU

Maximum Guarantee ContractContract No.: 28850016081100206Guarantor (Party A): Zhu Jie

Legal Representative: _____

Domicile: _____

Creditor (Party B): Bank of Ganzhou Co., Ltd. Development Zone Sub-branchLegal Representative / Person in Charge: Guo YunqianDomicile: No. 19, Jinling Avenue, Ganzhou Development Zone

Printed in 2014

Explanation

The contents of this Contract are composed of such two parts as the particular conditions agreed and the conditions of standard format. The particular conditions agreed shall be handwritten and the conditions of standard format are printed herein. The undersigned of this Contract shall have complete and accurate understanding of the meanings of all terms and conditions, without any objection.

Contents

I. Particular terms and conditions agreed

II. Terms and conditions of standard format

In order to ensure the realization of the creditor's right, in accordance with the *Contract Law* and the *Guaranty Law*, and other relevant laws and regulations, Party A and Party B make and enter into this Contract upon unanimity through consultation.

I. Particular terms and conditions agreed

Article 1 Name of the guaranteed debtor of this Contract: Ganzhou Highpower Technology Co., Ltd.Article 2 Type of principal creditor's right guaranteed under this Contract: loan.

Article 3 Maximum amount of principal creditor's right guaranteed under this Contract: (in words) CNY Ten Million Only; (in figures): 10,000,000.00. (In case of difference between the amount in figures and that in words, that in words shall prevail).

Article 4 Debt period (settlement term): from August 3, 2016 to August 2, 2017.Article 5 Guarantee period: two years.

Article 6 The creditor's right, (in words) _____, existing prior to the signature of this Guarantee Contract, shall be included in the scope of guaranty.

Article 17 Number of originals of this Contract: _____.

Article 9 Other provisions _____.

Party A:

Zhu Jie (Signature and Fingerprint)

Legal Representative / Person in Charge:

Party B:

Bank of Ganzhou Co., Ltd. Development Zone Sub-branch (Seal)

Legal Representative / Person in Charge:

Guo Yunqian (Seal)

II. Terms and conditions of standard format

Article 1 The Guarantor is a legal person, other economic organization or natural person who has the ability of making repayment on behalf of others.

Article 2 The Guarantor has full understanding of the debt guaranteed and is willing to conclude and sign this Contract. This Contract is a maximum guarantee contract. The Guarantor shall provide suretyship guaranty for the creditor's right occurring during the settlement term within the maximum amount.

Article 3 Suretyship of joint and several liability is adopted as the method of guarantee under this Contract.

Article 5 The scope of guaranty under this Guarantee Contract shall include but not be limited to the claim principal, interest, compound interest, default interest, penalty, compensation and Party B's attorney fee for realization of the creditor's right and other relevant expenses under the Main Contract.

Article 5 If the creditor's right guaranteed hereunder is established with security for things at the same time, no matter whether the security for things is provided by the debtor or a third person, Party B may request Party A to bear liability of guarantee at any time without limitation when Party B realizes the creditor's right.

Article 6 The guarantee period under this Contract shall be calculated from the first date after expiration of the debt performance period. If the loan is repaid in installments or is recycled, it shall be calculated from the first date after expiration of the performance period of the last debt. If the creditor's right is realized in advance, it shall be calculated from the date when the creditor's right is claimed in advance.

Article 7 Rights and obligations of Party A

7.1 Party A shall, according to Party B's requirements, provide relevant materials and ensure genuine and legitimacy of the materials provided.

7.2 Party A has the obligation to send out the receipt within three days after receiving a letter of collection or a document of collection given by Party B.

7.3 Party A shall notify Party B timely of any one of the following circumstances:

7.3.1 change of its management mechanism, such as implementation of contracting, lease, joint operation, business combination, merger, division, shareholding reform, and joint investment and cooperation with foreign merchants;

7.3.2 change of business scope and registered capital, or change of equity;

7.3.3 worsening of financial conditions or involving in major economic dispute;

7.3.4 change of domicile, telephone number and legal representative.

7.4 In the event that Party B and the Borrower reach an agreement on amendment to the Main Contract, except increase of the loan amount, such amendment may not be agreed by Party A, and Party A shall continue to bear joint and several guarantee liability within the original scope of guaranty and during the original guarantee period.

7.5 If Party B transfers the main creditor to a third person within the valid period of this Contract, Party A shall continue to bear joint and several guarantee liability within the original scope of guaranty and during the original guarantee period.

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8.1 Party B has the right to request Party A to provide relevant documents which can prove Party B's legal identity.

8.2 Party B has the right to request Party A to provide the financial reports and other materials which can reflect Party A's credit situations.

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8.4.1 Party B cancels this Contract by law pursuant to the Main Contract;

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Article 14 Any and all disputes between Party A and Party B during the execution of this Contract shall be settled by both parties firstly through consultation. Where consultation fails, the dispute may be governed by court at the location where Party B is located.

Party A:

/s/ Zhu Jie (Signature and Fingerprint)

Legal Representative / Person in Charge:

Party B:

Bank of Ganzhou Co., Ltd. Development Zone Sub-branch (Seal)

Legal Representative / Person in Charge:

/s/ Guo Yunqian (Seal)

Date of Signature:

Place of Signature:

BANK OF GANZHOU

Maximum Guarantee ContractContract No.: 28850016081100203Guarantor (Party A): Shenzhen Highpower Technology CO., LTD.

Legal Representative: _____

Domicile: _____

Creditor (Party B): Bank of Ganzhou Co., Ltd. Development Zone Sub-branchLegal Representative / Person in Charge: Guo YunqianDomicile: No. 19, Jinling Avenue, Ganzhou Development Zone

Printed in 2014

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Article 6 The creditor's right, (in words) _____, existing prior to the signature of this Guarantee Contract, shall be included in the scope of guaranty.

Article 7 Number of originals of this Contract: _____.

Article 8 Other provisions _____.

Party A:

Shenzhen Highpower Technology CO., LTD. (Signature and Fingerprint)

Legal Representative / Person in Charge:

Party B:

Bank of Ganzhou Co., Ltd. Development Zone Sub-branch (Seal)

Legal Representative / Person in Charge:

Guo Yunqian (Seal)

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7.3.2 change of business scope and registered capital, or change of equity;

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7.4 In the event that Party B and the Borrower reach an agreement on amendment to the Main Contract, except increase of the loan amount, such amendment may not be agreed by Party A, and Party A shall continue to bear joint and several guarantee liability within the original scope of guaranty and during the original guarantee period.

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Article 9 When this Contract becomes effective, Party A and Party B shall perform their obligations completely specified in this Contract. Either party which fails to wholly or partly perform its obligations specified herein shall bear relevant liability for breach of contract and make compensation for losses caused to the other party.

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Article 14 Any and all disputes between Party A and Party B during the execution of this Contract shall be settled by both parties firstly through consultation. Where consultation fails, the dispute may be governed by court at the location where Party B is located.

Party A:

Shenzhen Highpower Technology CO., LTD. (Signature and Fingerprint)

Legal Representative / Person in Charge:

/s/ Dangyu Pan

Party B:

Bank of Ganzhou Co., Ltd. Development Zone Sub-branch (Seal)

Legal Representative / Person in Charge:

/s/ Guo Yunqian (Seal)

Date of Signature:

Place of Signature:

Comprehensive Credit Line Contract

Reference No. : 2016 Zhenzhong Yinbue Xie Zi No.0000443

Party A: Icon Energy System (Shenzhen) Co., Ltd.

Business License: 440306503394039

Legal Representative: Dangyu Pan

Address: 4/F, Building A East, Jinmeiwei Industrial Park, High Technology Park, Shangkeng Community, Guanlan Street, Baoan District, Shenzhen

Postal code: 518000

Deposit A/C and Financial Institutions: Bank Of China, Pinghu Sub-Branch, Shenzhen, 764057938939

Telephone: 0755-89686236 ; Facsimile: 0755-89686298

Party B: Bank of China, Buji Sub-branch.

Legal Representative: DENG ZHENGBO

Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal Code: 518000

Telephone: 0755-22337156 ; Facsimile: 0755-28772290

Party A and party B for the development of friendly and mutually beneficial relations of cooperation, in line with the principles of voluntariness, equality, mutual benefit, sincerity, by consensus, reached the following agreement:

Clause 1 Scope of Business

Satisfied by condition precedent defined in this contract, Party A is allowed to apply for recurring, temporary or one-off credit line from Party B in the form of a short-term loan, deposit account overdraft, bank acceptance, trade finance, bank guarantee, or other monetary financing or credit authorization business ("Specific credit line business").

The trade finance business under this contract is included and limited to: international letter of credit, domestic letter of credit, import bill advance, shipping guarantee, packing credit, export bill purchase, export bill discount, import bill advance under LC, negotiation credit and other international and domestic trade finance business.

The bank guarantee business under this contract is including bank guarantee, standby letter of credit and all sorts of bank guarantee business.

Clause 2 Types and amount of credit line

Party B agrees to offer the following:

Currency in: Renminbi

Amount: Renmibi twenty million

RMB 20,000,000.00

Types: 1. Loans : RMB20,000,000.00

Clause 3 Usage of credit lines

1. Within the credit line period, under the agreed upper limits on each type of credit line, Party A can use the credit line recurrently. If Party A needs to apply for the one-off credit line, a written application is required. And both parties should agree that Party B has the final say on whether and how the one-off credit line will be granted. Party B will notify Party A in written once the decision is made.

2. This contract will override all the credit line contracts previously signed by Party A and Party B. Upon the effective date of this contract, all the used and unused credit lines prior to this contract will be considered as used and unused credit lines under this contract

3. Unless otherwise agreed, the following business will not occupy the credit line under this contract.

- 1) Export bill purchase business with precisely matched bills, documents and certificates
- 2) Outwards letters of credit, bank guarantee and trade finance business which Party B agreed to act as confirming bank.
- 3) Any credit line business which guaranteed by Party A by deposits, government bonds, deposit certificates issued by Party B, bank acceptance, guarantee or standby letters of credit accepted by Party B
- 4) Any other business agreed by both parties.

The above defined businesses, although they will not occupy the credit limits under this contract, they will still be considered as inseparable part of the contract, except as otherwise stipulated by the agreement.

Clause 4 Application of individual credit line business

Written applications or separate contracts (generally referred to as the individual agreement) are required from Party A to apply for a specific credit line.

Clause 5 Period of the credit

The credit line defined in clause 2 under this contract will be started from the effective date and end on July 25, 2019.

Upon negotiation, both parties can extend the contract period by signing supplementary contracts. Party B will continue to provide credit lines under supplementary contracts. All terms and conditions under this contract have the equivalent legal effects and restrictions on the supplementary contracts.

The termination of a specific credit line will only occur when all the rights and obligations are fulfilled. The above period has no limitation on specific credit line under this contract.

Clause 6 Condition Precedents of individual credit line business

Party A should fulfill the following conditions precedent before applying for a specific credit line business

- 1) File the necessary documents, stamps and signatures in Party B in relating to this contract and all the specific credit line contract under this contracts
- 2) Open the necessary bank account
- 3) Make sure the required guarantee contracts are properly in place
- 4) Other conditions precedent required for specific credit line contracts
- 5) Other conditions precedent required by Party B

Clause 7 Guaranty

For all the liabilities occurred under this contract and the specific credit line contract affiliated to this contract should be guaranteed by the following:

Maximum Amount Guarantee provided by:

- 1) Shenzhen Highpower Technology Co. Ltd, a guarantee contract is signed separately;
 - 2) Springpower Technology (Shenzhen) Co. Ltd, a guarantee contract is signed separately;
 - 3) Huizhou Highpowr Technology Co. Ltd, a guarantee contract is signed separately;
-

4) Dangyu Pan, a guarantee contract is signed separately;

Under certain circumstances that Party A or the Guarantor might be unable to fulfill or make Party B believe they are unable to fulfill the contractual capacity, e.g: Guarantee Contracts are invalid, Party A is or will be under significant business difficulties or risks: deteriorated financials, litigation issues which might affect its repayment ability, Guarantors were found default in other contracts with Party B, devaluation, dismissal or damage of collateral which might cause the value of the collateral slaked or losses. Party B reserves the right to and Party A has the obligation to additional or replace the guarantor.

Clause 8 Statement and Commitment

1. Party A's statement:

1) Party A is legally registered and operating, and owning the full civil rights required by this contract.

2) Signing and performing the contract is the true will of Party A, Party A has been granted all necessary authorizations in effect before signing the contract. The contract does not form a default for other contracts signed and performed by Party A. It is Party A's responsibility to complete all required approvals, registrations, permits and filings.

3) All documents and information provided by Party A to Party B are true, complete, accurate and effective.

4) All the transactions mentioned by Party A for apply specific credit line should be real and not for illegal purposes such as: money laundry.

5) No hidden events regarding Party A and guarantor's financial and repayment abilities

2. Party A's commitment:

1) Timely delivery of the financial statements and other relevant information, (including but not limited to annual, quarterly and monthly financial reports.

2) Cooperate in Party B's exam and inspection on the utilization of the loan as well as Party A's financials and operations

3) Any counter-guarantee agreement between the guarantors and Party A will not affect the Party B's underlying rights under this contract

4) Under circumstances Party A or Guarantor's capability of performing the contract might be affected, Party A should notify Party B in time. Those circumstances include but are not limited to significant organizational changes, e.g. business splitting, merger and termination, disposal of major assets, restructuring, reorganization, joint venture arrangement with foreign capitals, changing of controlling shareholders or de facto control of Party A, capital reduction, liquidation, re-pledge of the encumbered assets, withdrawal, bankruptcy, dissolution and involvement in significant lawsuits.

5) Party A committed not to distribute bonus during the credit period

6) Agreed by both parties, for the purpose to ensure the Party B's claims on credit funds and Party B's convenience to monitoring the repayment progress, Party A should guarantee the proportion of sales fund received in Party A's account opened with Party B over Party A's total sales should be matching to the proportion of Party A's credit line received from Party B over Party A's total credit line received from financial institution.

7) During the period of credit, the company's (party A/Shenzhen highpower technology co., ltd./springpower technology (Shenzhen) co., ltd.) pledge of accounts receivable to a third party to get the written consent of party B, and party B shall enjoy the right of accounts receivable pledge first place; The equipment of party A/ Shenzhen highpower technology co., ltd./springpower technology (Shenzhen) co., ltd./Huizhou highpower technology co., ltd. cannot be mortgaged to any third party.

8) If any one borrower of party A/ Shenzhen highpower technology co., ltd./springpower technology (Shenzhen) co., ltd. defaults, party B can think other borrowers to default, and have the right to take appropriate preservation measures; If group(HPJ) ratio above 75%, party B has the right to request party A to increase measures or reduce the credit limit, until the debt ratio below 75%.

9) Party A promises to provide collateral did not sign more than 3 years of the lease.

10) Something out of this agreement and individual agreement, party A agrees to be dealt with in accordance with party B's relevant provisions and business practices.

Clause 9 Related party and related party transaction of Party A

Party A is not defined as Group Credit Customer by Party B in accordance with "Guidance of Risk Management by Commercial Banks for Granting Credit to Customer Groups"

Clause 10 Breach of Covenants

Any of the following situations would be considered as breach of contract covenant:

1. Party A did not perform the repayment obligation under this contract or the affiliated specific credit line contracts
2. Party A has not used the credit funds according to agreed purposes.
3. Party A's statement in this contract or the affiliated specific contracts are untrue or in violation with Party A's commitment in this or the affiliated specific contracts.
4. Under the circumstance defined in 2.4) in Clause 8, Party A refused to provide additional guarantee or replacement of new guarantor
5. Party B is or will be under significant business difficulties or risks: deteriorated financials, significant financial losses and loss of assets (including but not limited asset losses for fulfill guarantee obligations) or other financial crisis.
6. Party A is in violation with other rights and obligations agreed in this contract.
7. Party A breaches the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.
8. Guarantors breach the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.

When any of the above mentioned situation noticed, Party B will perform the following in separate or all at the same time:

- 1) Request Party A or Guarantor to rectify within a definite time.
 - 2) Reduce, temporarily pause or permanently terminate Party A's Credit limit in part or in all
 - 3) Temporarily pause or permanently terminate in part or in all of Party A's application on specific credit line under this contract.
 - 4) Announce the immediate expiration on all the credit lines granted under this contract and affiliated specific credit line contracts.
 - 5) Terminate or release this contract, terminate or release in part or in all of the affiliated specific credit line contracts as well as the other contracts signed between Party A and Party B.
 - 6) Request compensation from Party A on the losses thereafter caused.
 - 7) Party A's deposit account in Party B will be hold in custody for debt pay off for the comprehensive credit line and specific credit line under this contract. All the undue liabilities were deeming due and entitled the immediate payoff from Party A's restricted accounts. If the currency in deposit account is different from the currency of the liabilities, the exchange rate on the date of the hold in custody will be applied.
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- 8) Real rights granted by way of security will be executed.
- 9) Assume the guarantee responsibility on Guarantors.
- 10) Other necessary procedures on Party B's concern

Clause 11 Rights reserved

Either party might reserve part of or all of the rights under this contract and the affiliated specific credit line contracts, this does not imply the party has surrendered or remitted the unperformed rights and obligations.

Either party might sometimes tolerate, extend or delay the execution of certain rights, this does not deem as the party has surrendered or remitted the rights.

Clause 12 Change, Modification, Termination and Partial invalidity

Upon negotiation and agreement by both parties, this contract can be changed and modified, the written record of the changes and modifications should form the inseparable part of this contract.

Unless ruled by law or both parties formed a separate agreement, the contract would not be terminated prior to all the rights and obligations defined are fulfilled.

Unless ruled by law or both parties formed a separate agreement, the void of single terms under this contract should no invalid other contract under this contract.

Clause 13 Applicable Law and Resolution for Dispute

1. This contract is entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China.
2. The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts

Clause 14 Attachments

The following annexes and other annexes and single agreements commonly confirmed by both parties shall constitute an integral part of this Agreement and shall have the same equal legal force as this Agreement.

Annex 1:Attached Provisions for Individual Cases.

Clause 15 Other terms and conditions

1. Without Party B's prior written approval, Party A is not allowed to transfer the rights and obligations under this contract to 3rd Parties.
 2. Party A should give the consent that, Party B might somehow authorize other affiliated institutions of Bank of China to perform the obligation. The performing party is entitled to all the rights and obligations under this contract and the affiliated credit line contracts, the performing party reserves the rights to appeal a resolution of dispute if necessary.
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3. The contract has equivalent restrictions to the successors or inherits of both parties.
4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.
5. The title and name of business product is for business purposes, will not used for interpretation of the contract terms and the rights and obligations.
6. If required by the governing institutions, Party B might not be able to perform the obligations agreed in this contract. Party is exempted from punishment under this circumstance.

Clause 16 Effectiveness of the contract

This contract is established and entered into effective upon signing or sealing by the legal representatives (or person-in-charge) of Party A and Party B or their duly authorized agents, together with sealing by the company chop.

This contract will be print and signed in seven copies, Party A and the guarantors hold one copy each, Party B holds three copies, collateral registry authority holds one copy, each copy has the same legal effect.

/s/ Dangyu Pan

Stamp of Party A

Signature of director or authorized representative

/s/ [COMPANY SEAL]

Stamp of Party B

Signature of legal representative or authorized representative

/s/ Deng Zhengbo

Annex 1: Attached Provisions for Individual Cases.

If there are discrepancies in contents in the attachment with this contract, this contract should prevail. The clause 1 of this contract prevail the credit contract.

1. The article 6 of this agreement "sequel, the premise condition of individual credit business" 5 "party B that party a shall meet other conditions as" adjustment of article 6, original article 5 is adjusted for "credit line of party A within the time limit for every year of careful for examination and approval by party B.
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Maximum Amount Guaranty Contract

(Applicable if guarantor is natural person)

Reference No. : 2016 Zhenzhong Yinbubaoezi No.00443D

Guarantor: Dangyu Pan
Type of certification: Identification Card
Certification number: 430104196803184316
Address: the Dormitory of Shenzhen Highpower Technology Co., Ltd.
Postal code: 518000
Telephone: 0755-89686236 ; Facsimile: 0755-89686298

Creditor: Bank of China, Buji Sub-branch.
Legal Representative: DENG ZHENGBO
Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal code: 518000
Telephone: 0755-22337156 ; Facsimile: 0755-28772290

In order to guarantee specified in article 1 of this contract under the main contract, the payment of the debt guarantor willing to provide guarantee to the creditor. The both parties signed this contract through equal consultation. Except as otherwise agreed in this contract, the words of the contract in explanation are based on the main contract.

Clause 1 Principle Contract

1. The principle contract is "Comprehensive credit contract (2016zhenzhongyinbuxiezi No 0000443)" and its supplements signed between Creditor and Debtor, icon energy system (Shenzhen) co., ltd.

Clause 2 Principle Creditor's rights and the period

Unless otherwise agreed, the creditor's rights under the following contracts and the creditor's rights occurred before the engagement of this contract constitutes the principle creditor's rights of this contract.

The creditor's right occurred under comprehensive contract starting from the date of effectiveness, and ends upon the expiration of all the specific creditor's rights.

Clause 3 The maximum amount guaranteed

1. The maximum amount assumed guaranteed is:

Currency: Renminbi

Amount (Capital letter): twenty million only

Amount (in numbers): 20,000,000.00

2. The principle creditor's rights under the principle contract constitute the principle creditor's rights under this contract, which includes: loan principle, interest, compound interest, punitive interest, liquidated damage, the cost for realization of the creditor's right (includes but not limited to the announcement fee, delivery fees, appraisal fees, legal fees, travel expenses, assessment fees, auction fees, the property preservation fee, compulsory execution fee and etc), as well as the Pledgee's loss due to the breach of covenants.

The sum of the above terms constitutes the maximum amount of guaranteed for this contract.

Clause 4 Types of guaranty
Joint responsibility guaranty.

Clause 5 The guarantee responsibilities

Under the circumstance that, the debtor of principle contract failed to pay off the creditor's rights when due (on due date or early termination date), the guaranty is assumed to be responsible in accordance with this contract.

The due date in the previous sentence means the repayment date agreed in the principle contract. The early termination date is the termination date request by creditor per law or per agreements under the principle contracts.

Creditor's rights on other guarantee contracts or collateral contracts should not have an impact on the performing of this contract. Guarantor should assume responsibility under this contract rather than plea with the execution in order.

Clause 6 The responsible period

The responsible period for this contract is two years after the establishment of the creditor's rights under Clause 2.

During the period, Creditor is entitled to the right to request the assumption of responsibility from Guarantor in full or in part on one or on all creditor rights.

Clause 7 The duration of action

During the period that the creditor's rights have not been paid off when due, Guarantor is assumed responsible under the joint responsibility guarantee. Creditor is entitled to claim the rights within the responsible period defined in Clause 6, the duration of action started upon the request.

Clause 8 The relationship between this contract and the principle contract

Upon the termination or early termination of the principle contract, Guarantor assumes guarantee responsibility on occurred debt.

The change of principle contract will not be informed to the Guarantor unless under the following circumstances, change of currency, interest rate, amount, period, or other terms which might affect the increase of the amount of the principle creditor's rights or extend the effective period of the principle contract. Guarantor remains obligated to assume the guarantee responsibility to the changed principle contract.

Under the previous stated circumstance which Guarantor's consent is required, Pledgor Guarantor is entitled to the right to reject to assume the guarantee responsibility on the incremental portion.

Under the circumstances that, Creditor provide the letter of credit, trade financing services to debtor under the principle contract, Guarantor won't be notified but assumed guarantee responsibility. It is the Creditor's responsibility to registry for the incremental business contract.

Clause 9 Statements and Commitments

Guarantor's statement:

a) Guarantor is a natural person who possesses the capacity for civil rights and civil conducts in People's Republic of China to perform this contract. Party A can perform the civil conduct independently, no bad credit records such as debt overdue, overdue interest, malicious overdraft on credit card, no criminal records, qualified to be a legal guarantor.

- b) Guarantor has full understanding about the terms and conditions set forth in the contract. It is Guarantor's true will to provide guarantee to debtor.
- c) The establishment of this contract will not constitute a breach of covenant of any other previous contract Guarantor engaged in.
- d) All documents and information provided by Guarantor to Creditor are true, complete, accurate and effective.
- e) Guarantor is willing to cooperate in the checking and inspection of its financial conditions performed by Creditor.
- f) Guarantor did not conceal any existing liability upon the signing of the contract
- g) Inform the Creditor in time for any issues might affect Guarantor's performing capability, which including but not limited to losses of assets, transfer, donation, assume responsibility on liabilities, involved in significant law suits or disputes.
- h) If the Guarantor is married, make sure the sponsor's consent is obtained.

Clause 10 Authorization of access to personal information

Guarantor authorizes the access of personal information in the personal credit information database in the People's Bank of China to Creditor under the following circumstances.

1. Reference check on the Guarantor's credit status.
2. Reference check on the Guarantor's guarantee status.
3. After-loan management on the personal credit and guarantee status
4. Accept the credit line application of which the Guarantor guaranteed or to be legal representative or one of the funders.

Clause 11 Breach of covenants

Any of the following situations would be considered as breach of contract covenant:

1. Guarantor is in violation with the previous terms of the contract.
2. The statements of the Guarantor is untrue or in violation with its commitments
3. The occurrence of issues defined under the point 7 of clause 9 which might affect the Guarantor's financial position and performing capability.
4. In violation with other rights and obligations agreed in this contract.
5. Guarantor breaches the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.

When any of the above mentioned situations noticed, Creditor will perform the following in separate or all at the same time:

- 1) Request Guarantor to rectify within a definite time.
 - 2) Reduce, temporarily pause or permanently terminate Guarantor's Credit limit in part or in all
 - 3) Temporarily pause or permanently terminate in part or in all of Guarantor's application on specific credit line under this contract.
 - 4) Announce the immediate expiration on all the credit lines granted under this contract and affiliated specific credit line contracts.
 - 5) Terminate or release this contract, terminate or release in part or in all of the affiliated specific credit line contracts as well as the other contracts signed between Guarantor and Creditor
 - 6) Request compensation from Guarantor on the losses thereafter caused.
-

- 7) Assume the guarantee responsibility on Guarantors.
- 8) Other necessary procedures on Party B's concern

Clause 12 Rights reserved

Either party might reserve part of or all of the rights under this contract and the affiliated specific credit line contracts, this does not imply the party has surrendered or remitted the unperformed rights and obligations.

Either party might sometimes tolerate, extend or delay the execution of certain rights, this does not deem as the party has surrendered or remitted the rights.

Clause 13 Change, Modification, Termination and Partial invalidity

Upon negotiation and agreement by both parties, this contract can be changed and modified, the written record of the changes and modifications should form the inseparable part of this contract.

Unless ruled by law or both parties formed a separate agreement, the contract would not be terminated prior to all the rights and obligations defined are fulfilled.

Unless ruled by law or both parties formed a separate agreement, the void of single terms under this contract should no invalid other contract under this contract.

Clause 14 Applicable Law and Resolution for Dispute

1. This contract is entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China.
2. The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts

Clause 15 Attachments

Sponsor's consent.

Clause 16 Other terms and conditions

1. Without Creditor's prior written approval, Guarantor is not allowed to transfer the rights and obligations under this contract to 3rd Parties.
 2. Guarantor should give the consent that, Creditor might somehow authorize other affiliated institutions of Bank of China to perform the obligation. The performing party is entitled to all the rights and obligations under this contract and the affiliated credit line contracts, the performing party reserves the rights to appeal a resolution of dispute if necessary.
 3. The contract has equivalent restrictions to the successors or inherits of both parties.
 4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.
 5. The title and name of business product is for business purposes, will not used for interpretation of the contract terms and the rights and obligations.
-

Clause 17 Effectiveness of the contract

This contract is established and entered into effective upon signing or sealing by the legal representatives (or person-in-charge) of Pledgor and Pledgee or their duly authorized agents, together with sealing by the company chop.

The pledge is established upon the effectiveness of this contract.

This contract will be printed and signed in five copies, Guarantor and the debtor hold one copy each, Creditor holds three copies; each copy has the same legal effect

/s/ Dangyu Pan

Signature of Guarantor and Sponsor

/s/ [COMPANY SEAL]

Stamp of Creditor (if Pledgee is a corporation)

Signature of legal representative or authorized representative

/s/ Deng Zhengbo

Consent letter

I (Name: Zhoutao Yin, Certificate type: Identification Card , ID number: 430104196810294329) am the spouse of the guarantor DANG YU PAN under the maximum amount guarantee contract (No. : 2016zhenzhongyinbubaoezi No.00443D). I agree to undertake the responsibility of the maximum amount guarantee contract by the couple's property.

Maximum Amount Guaranty Contract

Reference No. : 2016 Zhenzhong Yinbubaoezi No.00443A

Guarantor: Shenzhen Highpower Technology Co., Ltd
Business License: 440307503274740
Legal Representative: Dangyu Pan
Address: Building 1, NO 68, Xinxia Road, Pinghu street, Longgang district, Shenzhen;
Postal code: 518000
Deposit A/C and financial institutions: Bank of China, Pinghu Sub-branch, Shenzhen, 744557938816
Telephone: 0755-89686236; Facsimile: 0755-89686298

Creditor: Bank of China, Buji Sub-branch.
Legal Representative: DENG ZHENGBO
Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal code: 518000
Telephone: 0755-22337156 ; Facsimile: 0755-28772290

In order to guarantee specified in article 1 of this contract under the main contract, the payment of the debt guarantor willing to provide guarantee to the creditor. The both parties signed this contract through equal consultation. Except as otherwise agreed in this contract, the words of the contract in explanation are based on the main contract.

Clause 1 Principle Contract

1. The principle contract is "Comprehensive credit contract (2016zhenzhongyinbubaoezi No 0000443)" and its supplements signed between Creditor and Debtor, icon energy system (Shenzhen) co., ltd.

Clause 2 Principle Creditor's rights and the period

Unless otherwise agreed, the creditor's rights under the following contracts and the creditor's rights occurred before the engagement of this contract constitutes the principle creditor's rights of this contract.

The creditor's right occurred under comprehensive contract starting from the date of effectiveness, and ends upon the expiration of all the specific creditor's rights.

Clause 3 The maximum amount guaranteed

1. The maximum amount assumed guaranteed is:

Currency: Renminbi

Amount (Capital letter): twenty million only

Amount (in numbers): 20,000,000.00

2. The principle creditor's rights under the principle contract constitute the principle creditor's rights under this contract, which includes: loan principle, interest, compound interest, punitive interest, liquidated damage, the cost for realization of the creditor's right (includes but not limited to the announcement fee, delivery fees, appraisal fees, legal fees, travel expenses, assessment fees, auction fees, the property preservation fee, compulsory execution fee and etc), as well as the Pledgee's loss due to the breach of covenants.

The sum of the above terms constitutes the maximum amount of guaranteed for this contract.

Clause 4 Types of guaranty

Joint responsibility guaranty.

Clause 5 The guarantee responsibilities

Under the circumstance that, the debtor of principle contract failed to pay off the creditor's rights when due (on due date or early termination date), the guaranty is assumed to be responsible in accordance with this contract.

The due date in the previous sentence means the repayment date agreed in the principle contract. The early termination date is the termination date request by creditor per law or per agreements under the principle contracts.

Creditor's rights on other guarantee contracts or collateral contracts should not have an impact on the performing of this contract. Guarantor should assume responsibility under this contract rather than plea with the execution in order.

Clause 6 The responsible period

The responsible period for this contract is two years after the establishment of the creditor's rights under Clause 2

During the period, Creditor is entitled to the right to request the assumption of responsibility from Guarantor in full or in part on one or on all creditor rights.

Clause 7 The duration of action

During the period that the creditor's rights have not been paid off when due, Guarantor is assumed responsible under the joint responsibility guarantee. Creditor is entitled to claim the rights within the responsible period defined in Clause 6, the duration of action started upon the request.

Clause 8 The relationship between this contract and the principle contract

Upon the termination or early termination of the principle contract, Guarantor assumes guarantee responsibility on occurred debt.

The change of principle contract will not be informed to the Guarantor unless under the following circumstances, change of currency, interest rate, amount, period, or other terms which might affect the increase of the amount of the principle creditor's rights or extend the effective period of the principle contract. Guarantor remains obligated to assume the guarantee responsibility to the changed principle contract.

Under the previous stated circumstance which Guarantor's consent is required, Pledgor Guarantor is entitled to the right to reject to assume the guarantee responsibility on the incremental portion.

Under the circumstances that, Creditor provide the letter of credit, trade financing services to debtor under the principle contract, Guarantor won't be notified but assumed guarantee responsibility. It is the Creditor's responsibility to registry for the incremental business contract.

Clause 9 Statements and Commitments

Guarantor's statement:

1. Guarantor is legally registered and operating, and owns the full civil rights required by this contract.
 2. Signing and performing the contract is the true will of Guarantor, Guarantor has been granted all necessary authorizations in effect before signing the contract. The contract does not form a default for other contracts signed and performed by Guarantor. It is Guarantor's responsibility to complete all required approvals, registrations, permits and filings.
 3. All document and information provided by Guarantor to Creditor are true, complete, accurate and effective.
 4. Guarantor is willing to cooperate in the check and inspection on its financial conditions performed by Creditor.
-

5. Guarantor did not conceal any existing liability upon the signing of the contract

6. Inform the Creditor in time for any issues might affect Guarantor's performing capability, which including but not limited to business splitting, merger and termination, disposal of major assets, restructuring, reorganization, joint venture arrangement with foreign capitals, changing of controlling shareholders or de facto control of Party A, capital reduction, liquidation, re-pledge the encumbered assets, withdrawal, bankruptcy, dissolution and involved in significant law suits.

Clause 10 Breach of covenants

Any of the following situations would be considered as breach of contract covenant:

1. Guarantor is in violation with the previous terms of the contract.
2. The statements of the Guarantor is untrue or in violation with its commitments
3. The occurrence of issues defined under the point 6 of clause 9 which might affect the Guarantor's financial position and performing capability.
4. Experiencing the termination of operation or bankruptcy.
5. In violation with other rights and obligations agreed in this contract.
6. Guarantor breaches the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.

When any of the above mentioned situations noticed, Creditor will perform the following in separate or all at the same time:

- 1) Request Guarantor to rectify within a definite time.
- 2) Reduce, temporarily pause or permanently terminate Guarantor's Credit limit in part or in all
- 3) Temporarily pause or permanently terminate in part or in all of Guarantor's application on specific credit line under this contract.
- 4) Announce the immediate expiration on all the credit lines granted under this contract and affiliated specific credit line contracts.
- 5) Terminate or release this contract, terminate or release in part or in all of the affiliated specific credit line contracts as well as the other contracts signed between Guarantor and Creditor
- 6) Request compensation from Guarantor on the losses thereafter caused.
- 7) Assume the guarantee responsibility on Guarantors.
- 8) Other necessary procedures on Party B's concern

Clause 11 Rights reserved

Either party might reserve part of or all of the rights under this contract and the affiliated specific credit line contracts, this does not imply the party has surrendered or remitted the unperformed rights and obligations.

Either party might sometimes tolerate, extend or delay the execution of certain rights, this does not deem as the party has surrendered or remitted the rights.

Clause 12 Change, Modification, Termination and Partial invalidity

Upon negotiation and agreed by both parties, this contract can be changed and modified, the written record of the changes and modifications should form the inseparable part of this contract.

Unless ruled by law or both parties formed a separate agreement, the contract would not be terminated prior to all the rights and obligations defined are fulfilled.

Unless ruled by law or both parties formed a separate agreement, the void of single terms under this contract should no invalid other contract under this contract.

Clause 13 Applicable Law and Resolution for Dispute

This contract is entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China. The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts

Clause 14 Attachments

After both sides confirmed the annex shall form an integral part of this contract, have the same legal effect with this contract.

Clause 15 Other terms and conditions

1. Without Creditor's prior written approval, Guarantor is not allowed to transfer the rights and obligations under this contract to 3rd Parties.
2. Guarantor should give the consent that, Creditor might somehow authorize other affiliated institution of Bank of China to perform the obligation. The performing party entitles all the rights and obligations under this contract and the affiliated credit line contracts, the performing party reserves the rights to appeal a resolution of dispute if necessary.
3. The contract has equivalent restrictions to the successors or inherits of both parties.
4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.
5. The title and name of business product is for business purposes, will not used for interpretation of the contract terms and the rights and obligations.

Clause 16 Effectiveness of the contract

This contract is established and enters into effective upon signing or sealing by the legal representatives (or person-in-charge) of Guarantor and Creditor or their duly authorized agents, together with sealing by the company chop.

The pledge is established upon the effectiveness of this contract.

This contract will be printed and signed in four copies, Creditor holds two copies, Guarantor and the debtor hold one copy each; each copy has the same legal effect

[COMPANY SEAL]

Stamp of Guarantor (if Guarantor is a corporation)

Signature of Authorized Representative /s/ Dangyu Pan

/s/ [COMPANY SEAL]

Stamp of Creditor (if Creditor is a corporation)

Signature of legal representative or authorized representative /s/ Deng Zhengbo

Maximum Amount Guaranty Contract

Reference No. : 2016 Zhenzhong Yinbubaoezi No.00443B

Guarantor: Springpower Technology (Shenzhen) Co., Ltd

Business Licences: 440306503295562

Legal Representative: Dangyu Pan

Address: Factory A, Chaoshun Industrial Zone, Renmin Road, Fumin Residential Area, Guanlan Street, BaoAn District, Shenzhen

Postal code: 518000

Deposit A/C and financial institutions: Bank of China, Pinghu Sub-branch, Shenzhen, 764057938815

Telephone: 0755-28010758; Facsimile: 0755-28010758

Creditor: Bank of China, Buji Sub-branch.

Legal Representative: DENG ZHENGBO

Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal code: 518000

Telephone: 0755-22337156 ; Facsimile: 0755-28772290

In order to guarantee specified in article 1 of this contract under the main contract, the payment of the debt guarantor willing to provide guarantee to the creditor. The both parties signed this contract through equal consultation. Except as otherwise agreed in this contract, the words of the contract in explanation are based on the main contract.

Clause 1 Principle Contract

1. The principle contract is "Comprehensive credit contract (2016zhenzhongyinbuexiezi No 0000443)" and its supplements signed between Creditor and Debtor, icon energy system (Shenzhen) co., ltd.

Clause 2 Principle Creditor's rights and the period

Unless otherwise agreed, the creditor's rights under the following contracts and the creditor's rights occurred before the engagement of this contract constitutes the principle creditor's rights of this contract.

The creditor's right occurred under comprehensive contract starting from the date of effectiveness, and ends upon the expiration of all the specific creditor's rights.

Clause 3 The maximum amount guaranteed

1. The maximum amount assumed guaranteed is:

Currency: Renminbi

Amount (Capital letter): twenty million only

Amount (in numbers): 20,000,000.00

2. The principle creditor's rights under the principle contract constitute the principle creditor's rights under this contract, which includes: loan principle, interest, compound interest, punitive interest, liquidated damage, the cost for realization of the creditor's right (includes but not limited to the announcement fee, delivery fees, appraisal fees, legal fees, travel expenses, assessment fees, auction fees, the property preservation fee, compulsory execution fee and etc), as well as the Pledgee's loss due to the breach of covenants.

The sum of the above terms constitutes the maximum amount of guaranteed for this contract.

Clause 4 Types of guaranty

Joint responsibility guaranty.

Clause 5 The guarantee responsibilities

Under the circumstance that, the debtor of principle contract failed to pay off the creditor's rights when due (on due date or early termination date), the guaranty is assumed to be responsible in accordance with this contract.

The due date in the previous sentence means the repayment date agreed in the principle contract. The early termination date is the termination date request by creditor per law or per agreements under the principle contracts.

Creditor's rights on other guarantee contracts or collateral contracts should not have an impact on the performing of this contract. Guarantor should assume responsibility under this contract rather than plea with the execution in order.

Clause 6 The responsible period

The responsible period for this contract is two years after the establishment of the creditor's rights under Clause 2

During the period, Creditor is entitled to the right to request the assumption of responsibility from Guarantor in full or in part on one or on all creditor rights.

Clause 7 The duration of action

During the period that the creditor's rights have not been paid off when due, Guarantor is assumed responsible under the joint responsibility guarantee. Creditor is entitled to claim the rights within the responsible period defined in Clause 6, the duration of action started upon the request.

Clause 8 The relationship between this contract and the principle contract

Upon the termination or early termination of the principle contract, Guarantor assumes guarantee responsibility on occurred debt.

The change of principle contract will not be informed to the Guarantor unless under the following circumstances, change of currency, interest rate, amount, period, or other terms which might affect the increase of the amount of the principle creditor's rights or extend the effective period of the principle contract. Guarantor remains obligated to assume the guarantee responsibility to the changed principle contract.

Under the previous stated circumstance which Guarantor's consent is required, Pledgor Guarantor is entitled to the right to reject to assume the guarantee responsibility on the incremental portion.

Under the circumstances that, Creditor provide the letter of credit, trade financing services to debtor under the principle contract, Guarantor won't be notified but assumed guarantee responsibility. It is the Creditor's responsibility to registry for the incremental business contract.

Clause 9 Statements and Commitments

Guarantor's statement:

1. Guarantor is legally registered and operating, and owns the full civil rights required by this contract.
 2. Signing and performing the contract is the true will of Guarantor, Guarantor has been granted all necessary authorizations in effect before signing the contract. The contract does not form a default for other contracts signed and performed by Guarantor. It is Guarantor's responsibility to complete all required approvals, registrations, permits and filings.
 3. All document and information provided by Guarantor to Creditor are true, complete, accurate and effective.
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4. Guarantor is willing to cooperate in the check and inspection on its financial conditions performed by Creditor.
5. Guarantor did not conceal any existing liability upon the signing of the contract
6. Inform the Creditor in time for any issues might affect Guarantor's performing capability, which including but not limited to business splitting, merger and termination, disposal of major assets, restructuring, reorganization, joint venture arrangement with foreign capitals, changing of controlling shareholders or de facto control of Party A, capital reduction, liquidation, re-pledge the encumbered assets, withdrawal, bankruptcy, dissolution and involved in significant law suits.

Clause 10 Breach of covenants

Any of the following situations would be considered as breach of contract covenant:

1. Guarantor is in violation with the previous terms of the contract.
2. The statements of the Guarantor is untrue or in violation with its commitments
3. The occurrence of issues defined under the point 6 of clause 9 which might affect the Guarantor's financial position and performing capability.
4. Experiencing the termination of operation or bankruptcy.
5. In violation with other rights and obligations agreed in this contract.
6. Guarantor breaches the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.

When any of the above mentioned situations noticed, Creditor will perform the following in separate or all at the same time:

- 1) Request Guarantor to rectify within a definite time.
- 2) Reduce, temporarily pause or permanently terminate Guarantor's Credit limit in part or in all
- 3) Temporarily pause or permanently terminate in part or in all of Guarantor's application on specific credit line under this contract.
- 4) Announce the immediate expiration on all the credit lines granted under this contract and affiliated specific credit line contracts.
- 5) Terminate or release this contract, terminate or release in part or in all of the affiliated specific credit line contracts as well as the other contracts signed between Guarantor and Creditor
- 6) Request compensation from Guarantor on the losses thereafter caused.
- 7) Assume the guarantee responsibility on Guarantors.
- 8) Other necessary procedures on Party B's concern

Clause 11 Rights reserved

Either party might reserve part of or all of the rights under this contract and the affiliated specific credit line contracts, this does not imply the party has surrendered or remitted the unperformed rights and obligations.

Either party might sometimes tolerate, extend or delay the execution of certain rights, this does not deem as the party has surrendered or remitted the rights.

Clause 12 Change, Modification, Termination and Partial invalidity

Upon negotiation and agreed by both parties, this contract can be changed and modified, the written record of the changes and modifications should form the inseparable part of this contract.

Unless ruled by law or both parties formed a separate agreement, the contract would not be terminated prior to all the rights and obligations defined are fulfilled.

Unless ruled by law or both parties formed a separate agreement, the void of single terms under this contract should no invalid other contract under this contract.

Clause 13 Applicable Law and Resolution for Dispute

This contract is entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China. The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts

Clause 14 Attachments

After both sides confirmed the annex shall form an integral part of this contract, have the same legal effect with this contract.

Clause 15 Other terms and conditions

1. Without Creditor's prior written approval, Guarantor is not allowed to transfer the rights and obligations under this contract to 3rd Parties.
2. Guarantor should give the consent that, Creditor might somehow authorize other affiliated institution of Bank of China to perform the obligation. The performing party entitles all the rights and obligations under this contract and the affiliated credit line contracts, the performing party reserves the rights to appeal a resolution of dispute if necessary.
3. The contract has equivalent restrictions to the successors or inherits of both parties.
4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.
5. The title and name of business product is for business purposes, will not used for interpretation of the contract terms and the rights and obligations.

Clause 16 Effectiveness of the contract

This contract is established and enters into effective upon signing or sealing by the legal representatives (or person-in-charge) of Guarantor and Creditor or their duly authorized agents, together with sealing by the company chop.

The pledge is established upon the effectiveness of this contract.

This contract will be printed and signed in four copies, Creditor holds two copies, Guarantor and the debtor hold one copy each; each copy has the same legal effect

[COMPANY SEAL]

Stamp of Guarantor (if Guarantor is a corporation)

Signature of Authorized Representative /s/ Dangyu Pan

/s/ [COMPANY SEAL]

Stamp of Creditor (if Creditor is a corporation)

Signature of legal representative or authorized representative /s/ Deng Zhengbo

Maximum Amount Guaranty Contract

Reference No. : 2016 Zhenzhong Yinbubaoezi No.00443C

Guarantor: Huizhou Highpower technology Co., Ltd
Business Licences: 441300000177233
Legal Representative: Dangu Pan
Address: Xinhua Industrial Development Zone, Maan Town, Huicheng District, Huizhou.
Postal code: 518000
Deposit A/C and financial institutions: Bank of China, Pinghu Sub-branch, Shenzhen, 764062693628
Telephone: 0755-89686236; Facsimile: 0755-89686298

Creditor: Bank of China, Buji Sub-branch.
Legal Representative: DENG ZHENGBO
Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal code: 518000
Telephone: 0755-22337156 ; Facsimile: 0755-28772290

In order to guarantee specified in article 1 of this contract under the main contract, the payment of the debt guarantor willing to provide guarantee to the creditor. The both parties signed this contract through equal consultation. Except as otherwise agreed in this contract, the words of the contract in explanation are based on the main contract.

Clause 1 Principle Contract

The principle contract is "Comprehensive credit contract (2016 Zhenzhong Yinbue Xie Zi No 0000443)" and its supplements signed between Creditor and Debtor, icon energy system (Shenzhen) co., ltd.

Clause 2 Principle Creditor's rights and the period

Unless otherwise agreed, the creditor's rights under the following contracts and the creditor's rights occurred before the engagement of this contract constitutes the principle creditor's rights of this contract.

The creditor's right occurred under comprehensive contract starting from the date of effectiveness, and ends upon the expiration of all the specific creditor's rights.

Clause 3 The maximum amount guaranteed

1. The maximum amount assumed guaranteed is:

Currency: Renminbi

Amount (Capital letter): twenty million only

Amount (in numbers): 20,000,000.00

2. The principle creditor's rights under the principle contract constitute the principle creditor's rights under this contract, which includes: loan principle, interest, compound interest, punitive interest, liquidated damage, the cost for realization of the creditor's right (includes but not limited to the announcement fee, delivery fees, appraisal fees, legal fees, travel expenses, assessment fees, auction fees, the property preservation fee, compulsory execution fee and etc), as well as the Pledgee's loss due to the breach of covenants.

The sum of the above terms constitutes the maximum amount of guaranteed for this contract.

Clause 4 Types of guaranty

Joint responsibility guaranty.

Clause 5 The guarantee responsibilities

Under the circumstance that, the debtor of principle contract failed to pay off the creditor's rights when due (on due date or early termination date), the guaranty is assumed to be responsible in accordance with this contract.

The due date in the previous sentence means the repayment date agreed in the principle contract. The early termination date is the termination date request by creditor per law or per agreements under the principle contracts.

Creditor's rights on other guarantee contracts or collateral contracts should not have an impact on the performing of this contract. Guarantor should assume responsibility under this contract rather than plea with the execution in order.

Clause 6 The responsible period

The responsible period for this contract is two years after the establishment of the creditor's rights under Clause 2

During the period, Creditor is entitled to the right to request the assumption of responsibility from Guarantor in full or in part on one or on all creditor rights.

Clause 7 The duration of action

During the period that the creditor's rights have not been paid off when due, Guarantor is assumed responsible under the joint responsibility guarantee. Creditor is entitled to claim the rights within the responsible period defined in Clause 6, the duration of action started upon the request.

Clause 8 The relationship between this contract and the principle contract

Upon the termination or early termination of the principle contract, Guarantor assumes guarantee responsibility on occurred debt.

The change of principle contract will not be informed to the Guarantor unless under the following circumstances, change of currency, interest rate, amount, period, or other terms which might affect the increase of the amount of the principle creditor's rights or extend the effective period of the principle contract. Guarantor remains obligated to assume the guarantee responsibility to the changed principle contract.

Under the previous stated circumstance which Guarantor's consent is required, Pledgor Guarantor is entitled to the right to reject to assume the guarantee responsibility on the incremental portion.

Under the circumstances that, Creditor provide the letter of credit, trade financing services to debtor under the principle contract, Guarantor won't be notified but assumed guarantee responsibility. It is the Creditor's responsibility to registry for the incremental business contract.

Clause 9 Statements and Commitments

Guarantor's statement:

1. Guarantor is legally registered and operating, and owns the full civil rights required by this contract.
 2. Signing and performing the contract is the true will of Guarantor, Guarantor has been granted all necessary authorizations in effect before signing the contract. The contract does not form a default for other contracts signed and performed by Guarantor. It is Guarantor's responsibility to complete all required approvals, registrations, permits and filings.
 3. All document and information provided by Guarantor to Creditor are true, complete, accurate and effective.
 4. Guarantor is willing to cooperate in the check and inspection on its financial conditions performed by Creditor.
-

5. Guarantor did not conceal any existing liability upon the signing of the contract

6. Inform the Creditor in time for any issues might affect Guarantor's performing capability, which including but not limited to business splitting, merger and termination, disposal of major assets, restructuring, reorganization, joint venture arrangement with foreign capitals, changing of controlling shareholders or de facto control of Party A, capital reduction, liquidation, re-pledge the encumbered assets, withdrawal, bankruptcy, dissolution and involved in significant law suits.

Clause 10 Breach of covenants

Any of the following situations would be considered as breach of contract covenant:

1. Guarantor is in violation with the previous terms of the contract.
2. The statements of the Guarantor is untrue or in violation with its commitments
3. The occurrence of issues defined under the point 6 of clause 9 which might affect the Guarantor's financial position and performing capability.
4. Experiencing the termination of operation or bankruptcy.
5. In violation with other rights and obligations agreed in this contract.
6. Guarantor breaches the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.

When any of the above mentioned situations noticed, Creditor will perform the following in separate or all at the same time:

- 1) Request Guarantor to rectify within a definite time.
- 2) Reduce, temporarily pause or permanently terminate Guarantor's Credit limit in part or in all
- 3) Temporarily pause or permanently terminate in part or in all of Guarantor's application on specific credit line under this contract.
- 4) Announce the immediate expiration on all the credit lines granted under this contract and affiliated specific credit line contracts.
- 5) Terminate or release this contract, terminate or release in part or in all of the affiliated specific credit line contracts as well as the other contracts signed between Guarantor and Creditor
- 6) Request compensation from Guarantor on the losses thereafter caused.
- 7) Assume the guarantee responsibility on Guarantors.
- 8) Other necessary procedures on Party B's concern

Clause 11 Rights reserved

Either party might reserve part of or all of the rights under this contract and the affiliated specific credit line contracts, this does not imply the party has surrendered or remitted the unperformed rights and obligations.

Either party might sometimes tolerate, extend or delay the execution of certain rights, this does not deem as the party has surrendered or remitted the rights.

Clause 12 Change, Modification, Termination and Partial invalidity

Upon negotiation and agreed by both parties, this contract can be changed and modified, the written record of the changes and modifications should form the inseparable part of this contract.

Unless ruled by law or both parties formed a separate agreement, the contract would not be terminated prior to all the rights and obligations defined are fulfilled.

Unless ruled by law or both parties formed a separate agreement, the void of single terms under this contract should no invalid other contract under this contract.

Clause 13 Applicable Law and Resolution for Dispute

This contract is entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China. The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts

Clause 14 Attachments

After both sides confirmed the annex shall form an integral part of this contract, have the same legal effect with this contract.

Clause 15 Other terms and conditions

1. Without Creditor's prior written approval, Guarantor is not allowed to transfer the rights and obligations under this contract to 3rd Parties.
2. Guarantor should give the consent that, Creditor might somehow authorize other affiliated institution of Bank of China to perform the obligation. The performing party entitles all the rights and obligations under this contract and the affiliated credit line contracts, the performing party reserves the rights to appeal a resolution of dispute if necessary.
3. The contract has equivalent restrictions to the successors or inherits of both parties.
4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.
5. The title and name of business product is for business purposes, will not used for interpretation of the contract terms and the rights and obligations.

Clause 16 Effectiveness of the contract

This contract is established and enters into effective upon signing or sealing by the legal representatives (or person-in-charge) of Guarantor and Creditor or their duly authorized agents, together with sealing by the company chop.

The pledge is established upon the effectiveness of this contract.

This contract will be printed and signed in four copies, Creditor holds two copies, Guarantor and the debtor hold one copy each; each copy has the same legal effect

[COMPANY SEAL]

Stamp of Guarantor (if Guarantor is a corporation)

Signature of Authorized Representative /s/ Dangyu Pan

[COMPANY SEAL]

Stamp of Creditor (if Creditor is a corporation)

Signature of legal representative or authorized representative /s/ Deng Zhengbo

Working Capital Loan Contract

Reference No. : 2016nianzhengzhongyinyinbujiezi No.0063

Party A: Icon Energy System (Shenzhen) Co., Ltd.

Business License: 440306503394039

Legal Representative: Dangyu Pan

Address: 4/F, Building A East, Jinmeiwei Industrial Park, High Technology Park, Shangkeng Community, Guanlan Street, Baoan District, Shenzhen

Postal code: 518000

Deposit A/C and financial institutions: Bank of China, Pinghu Sub-branch, Shenzhen, 764057938939

Telephone: 0755-89686236 ; Facsimile: 0755-89686298

Party B: Bank of China, Buji Sub-branch.

Legal Representative: DENG ZHENGBO

Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal code: 518000

Telephone: 0755-22337156 ; Facsimile: 0755-28772290

The borrower and lender conclude the contract for the loan of party A to Party B through equal consultation.

This contract is the affiliated specific credit contract under the "Comprehensive Credit Line Contract" (Reference No.: 2016 Zhenzhong yinebuxiezi No. 0000443), which is signed by Icon Energy System (Shenzhen) Co., Ltd. and Bank of China, Buji Sub-branch.

Clause 1 Amount

Party B agrees to provide the following loan:

Currency in: RMB

Amount: ten million only

RMB 10,000,000.00

Clause 2 Period of the loan

The period of the loan is 12 months starting from the first withdrawal date in part or in whole.

It is Party A's obligation to withdraw funds on the date as agreed. Any late withdrawal will not result in delay/extension of repayment.

Clause 3 Use of loan

Purpose of loan: Purchase of raw materials

Party A is prohibited from changing the use of loan without Party B's written approval. The restrictions include but are not limited to changing the use of loan to fixed assets or equity investments, as well as production activities prohibited by the central governments.

Clause 4 lending rate and interest calculations

1. Lending rate is floating rate, which is reset every 12 months starting from the first withdrawal date. The rate resetting date is the first day of each floating period.

For each withdrawal in installments:

■ RMB floating rate

A. First withdrawal (during the first floating period) interest rate is the twelve-month benchmark lending interest rate, set by Interbank rates, plus 113.75;

B. On the interest resetting date, the new interest rate is the spot one-year lending interest rate, benchmarked by Interbank rates, plus 113.75 on all outstanding loan amounts.

2. Interest calculation

Interest is calculated starting from the actual withdrawal date on the actual amount of money withdrawn and the number of days outstanding.

Interest calculation formula: Interest = Principal × actual number of days × daily rate.

Daily rate calculation is: daily rate = APR / 360.

3. The method of interest settlement

Interest settlement takes place on the 20th of each month, the 21st is the interest payment date.

If the final loan principal payment date is different from the interest payment date, the borrower should pay off all interest on the principal payment date.

4. Penalty interest

(1) For the loan overdue or violated use the loan purpose, penalty interest rate will apply to the loan amount that is overdue or misappropriated from the date of overdue or misappropriation until the principal and interest are paid off.

On both overdue and misappropriation of loans, a higher penalty interest rate shall be charged.

(2) If the borrower does not pay interest and/or penalty interest by the interest payment date, the interest is calculated based on Clause 3 and 4.

(3) Penalty rate

■ The penalty interest rate on floating-rate loans

According to the floating period and the method of floating as agreed in Clause 1, the penalty interest rate of the overdue loan shall be the agreed interest rate plus 50%, and the penalty interest rate of the misappropriated loan shall be the agreed interest rate plus 100%;

Clause 5 Withdrawal Conditions

Withdrawal must meet the following conditions:

1. This contract and its attachments have become effective.
2. Party A has provided guarantees requested by Party B, and the guarantee contract has become effective and has accomplished legal procedures of approval and registration.
3. Party A has provided Party B with loan documents, seals, personnel list, specimen signature, and complete the relevant evidence.
4. Party A has opened the account for fulfilling this contract requested by Party B.
5. Party A should submit written withdrawal application, documentary proof for using of loans and complete the relevant formalities for withdrawal before 5 banking days.
6. Party A has submitted resolution books and power of attorney signed by the board or other authorities to Party B.

Withdrawal can be refused by Party B if Party A has not met the above conditions, but agreed by Party B.

Clause 6 Date and method of withdrawal

1. All loans should be withdrawn in 30 days from 27th Jul 2016.
 2. Party B has the right to refuse the withdrawal application of unused loan which is over the date of withdrawal.
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Clause 7 Payment of the loan

1. The account

The loan should be granted and paid through the account opened by Party A:

Account Name: icon energy system (Shenzhen) co., ltd.

Account number: 764057938939

2. The way of payment

(1) The way of payment should be in accordance with laws and regulations, regulatory requirements and the contract. The way of single payment of the Loan should be approved in written withdrawal application. Party B has the right to change the way of payment or stop providing the loan if the way of payment in the application doesn't meet the requirement.

(3) Borrower makes the payment on its own.

(4) The change of payment. The way of payment should be changed when the payment, credit rating or other conditions of Party A has changed after submitting withdrawal application. Party A should provide the written change application, should resubmit the withdrawal application and documentary proof for using of loans if the sum, payment object or the use of loans has changed.

3. The specific requirements of entrusted payment

(1) Entrusted payment. Party B pay to the specified account directly which is written in this contract, including the name of account, account number and the sum of payment.

(2) To provide the transaction information. Party A should provide the account of loans, the account information of counterparty and relevant documents when entrusted payment. All document provided to Party B should be true, integral and effective, or Party B does not assume any responsibility for failed transaction, and occurred repayment obligations do not be affected.

(3) Party B's obligations under the entrusted payment

A. Party B pay to the specified account after examination and approval of Party A's commission books and other related transaction information when entrusted payment.

B. If Party B found that the proof materials and other related trading purposes material provided by Party A does not comply with this contract or the presence of other defects, Party B has the right to require Party A to supplement, replace, description or re-submit the relevant materials. Before these materials are submitted, Party B has the right to refuse the issuance and payment of the relevant amounts.

C. Party B will assume no responsibility and the generated obligations of Party A will be not affected if Party B cannot pay the loan to the counterparty in time in accordance with payment order of Party A because of the refund by opening bank of the counterparty. Party A hereby authorizes Party B to freeze the fund returned by opening bank of the counterparty. In this case, Party A shall resubmit the payment order and use proven materials and other related transaction materials.

(4) Party A shall not piecemeal way to circumvent the trustee to pay Party B.

5. Party B has right to redefine the terms of payment and loan disbursement or stop the loan if the following situations occurred:

(1) Party A violates the contract to circumvent entrusted payment of Party B by piecemeal way.

(2) Party A's credit status drops or main business profitability is not good.

(3) The use of loan is abnormal.

(4) Party A fails to provide the records and information of the loan requested by Party B timely.

(5) Party A contravenes this section to use the loan.

Clause 8 Repayment

1. Party A shall specify the following account as capital recovery account and provide the information of this account. Party B has the right to ask Party A to explain inflows and outflows of large-sum and abnormal capital, as well as monitor capital recovery account.

Account Name: icon energy system (Shenzhen) co., ltd.

Account number: 764057938939

2. Except otherwise agreed, on the expiry date, Party A must repay all the loans under this contract.

If Party A wants to change the plan of repayment, a written application confirmed in writing by both parties jointly should be submitted in 10 banking days before the loans maturity.

3. Unless otherwise agreed, Party A has the right to decide repayment order of the principal or interest. If there are several expiring loans or overdue loans which are repaid in installment way under this contract, Party B has the right to decide the liquidation sequence of a repayment. Party B has the right to decide the priority of the repayment order if multiple contracts expire at the same time.

4. Unless otherwise agreed, Party A can repay in advance, but Party A should notice Party B in written 15 banking days advance. The amount of the first advance payment used to repay the final maturity of the loan, in reverse order to repay the loans.

5. Party A must deposit funds in the following account three banking days advance of every expiring principle with interest. Party B has the right to take the funds from the account on the expiry date.

Account Name: Shenzhen Highpower Technology Co., Ltd.

Account number: 764057938939

Clause 9 Guarantee

1. To ensure that borrowing under this agreement is repaid, the following guarantees shall be adopted:

1) This contract is the main contract of Guaranty Contract of Maximum Amount (NO: 2016ZHENZHONGYINBUBAOEZI00443A) signed by SHENZHEN HIGHPOWER TECHNOLOGY CO., LTD. (Guarantor) and Party B. Guarantor provides the maximum amount guarantee.

2) This contract is the main contract of Guaranty Contract of Maximum Amount (NO: 2016ZHENZHONGYINBUBAOEZI00443B) signed by SPRINGPOWER TECHNOLOGY (SHENZHEN) CO., LTD. (Guarantor) and Party B. Guarantor provides the maximum amount guarantee.

3) This contract is the main contract of Guaranty Contract of Maximum Amount (NO: 2016ZHENZHONGYINBUBAOEZI00443C) signed by HUIZHOU HIGHPOWER TECHNOLOGY CO., LTD. (Guarantor) and Party B. Guarantor provides the maximum amount guarantee.

4) This contract is the main contract of Guaranty Contract of Maximum Amount (NO: 2016ZHENZHONGYINBUBAOEZI00443D) signed by DAGNYU PAN (Guarantor) And Party B. Guarantor provides the maximum amount guarantee.

2. Under certain circumstance, Party B believes that will affect the capacity for fulfilling the contract of Party A or Guarantor, or Guarantee Contracts are invalid, revoked or dissolved, or the financial position of Party A/Guarantor deteriorate or Party A/Guarantor involved in litigation issues, or other factors which might affect its repayment ability, or guarantors were found default in other contracts with Party B, or devaluation, dismiss or damage of collaterals which might cause the value of the collaterals slaked or losses, Party B reserves the right to request Party A and Party A has the obligation to add or replace the guarantor.

Clause 10 Statement and Commitment

1. Party A's statement:

1) Party A is legally register and exist with full capacity for civil rights and civil conduct;

2) Signing and performing the contract is the true will of Party A, Party A has been granted all legal and valid authorizations before signing the contract. The contract does not form a default for other contracts signed and performed by Party A and other legal documents. It is Party A's responsibility to complete all required approvals, registrations, permits and filings.

3) All document and information, financial statement, certificates and other materials provided by Party A to Party B are true, complete, accurate and effective.

4) All the transactions mentioned by Party A for apply specific credit line should be real and not for illegal purposes such as: money laundry.

5) No hidden events regarding Party A and guarantor's financial and repayment abilities.

6) Party A and the loan project reach the national environmental standards, not in the list of the enterprises which have problems of energy consumption and pollution, don't have the risk of energy consumption and pollution.

2. Party A's commitment:

1) Party A shall submit the financial statements and other relevant information regularly, including but not limited to annual, quarterly and monthly financial reports.

2) Any counter-guarantee agreement between the guarantors and Party A will not affect the Party B's underlying rights under this contract.

3) Cooperated in Party B's exam and inspection on the utilization of the loan as well as Party A's financials and operations.

4) Under circumstances Party A or Guarantor's capability of performing the contract might be affected, Party A should notify Party B in written in time. Those circumstances included but not limited to merger, division, decrease of capital, equity transfer, investment, a substantial increase of debt financing, a major asset and credit assignment.

Party A should notify Party B in time, when the following things occurred:

A. changes of articles of association, the scope of business, registered capital and legal representative of Party A or Guarantor.

B. Any form of management mode change, including joint operation, invest and cooperate with foreigners, contract management, reorganization, restructuring, listing plan.

C. Party A is involved in major litigation or arbitration, or property or collateral is seized, detained or regulated, or set new guarantee in collateral.

D. Out of business, dissolution, liquidation, suspend business for rectification, cancellation, revocation of the business license or (be) filed for bankruptcy.

E. Shareholders, directors and senior management personnel suspected of serious cases or economic disputes.

F. Default events in other contracts.

G. Operating difficulties and financial situation has deteriorated.

(5) The repayment to Party B prior to shareholders, and is comparable to other creditors of the same kind debts.

Party A is prohibited to repay the loan to shareholders before paying off the principal and interests under the contract.

(6) If Party A fails to pay principal, interests and fees on time in the fiscal year, any form of dividends is forbidden.

(7) Party A cannot dispose of assets to reduce its debt paying ability and promises the total amount of external guarantee is not 1 time higher than its net assets, and the total amount of external guarantee and the amount of single guarantee shall not exceed the limitation set by the articles of association.

(8) Except the use agreed in this contract or agreed by Party B, Party A is prohibited to transfer the loans to other accounts or related accounts.

Party A should provide documentary proof when the loan is transferred to other accounts or related accounts.

(9) Party B has the right to call the loan advanced according to the situation of capital return of Party A.

Clause 11 disclosure of the affiliated transaction inside Party A 's group

Party A is a Group customer confirmed by Party B according to the "Commercial Bank Group guidelines for customer credit risk management business"(hereinafter referred to as "guideline"). During the credit period, Party A shall promptly report to Party B about more than 10% of net assets associated with the transaction, including but not limited to: the parties to the transaction of the association; trading program and nature of the transaction; the amount of the transaction or the corresponding ratio; pricing policies (including no amount or only nominal amounts of transactions).

Under any of the following circumstances, Party B shall have the right to unilaterally decide to suspend the unused loan and recover part or all of the principal and interest of the loan in advance: use the false contracts which are signed with affiliated parties to discount or pledge at bank and to obtain bank funds or credit with notes receivable and accounts receivable without actual trade background; the occurrence of major mergers, acquisitions and reorganization which are considered by Party B may affect the loan safety; evasion or discarding of bank debts on purpose through affiliated transactions; other circumstances stipulated in article eighteenth of "guidelines".

Clause 12 Breach of Covenants

Each of the following events and issues constitute Party A in the event of default under the contract:

1. Party A did not perform the repayment obligation under this contract;
 2. Party A has not used the credit funds according to agreed purposes, or has not paid the loan by agreed way in this contract;
 3. Party A's statements in this contract are untrue or in violation with commitments made by Party A in this contract.
 4. Under the circumstance defined in 2.(4) of Clause 10, Party A refused to provide additional guarantee or replacement of a new guarantor.
 5. Deterioration of credit, or profitability, debt paying ability, operating ability, cash flow and other financial indicators of Party A deteriorate, breaking the contract index constraint agreed or other financial covenants.
 6. Party A breaches other contracts signed with Party B or other affiliated institutions of Bank of China.
 7. Guarantors breach contracts, or have default events with Party B or other affiliated institutions of Bank of China.
 8. The termination of business or dissolution, revocation or bankruptcy of Party A.
 9. Party A is or may be involved in major economic disputes, litigation, arbitration, or its assets were seized, detained or enforced, or investigated or punished by the judicial organ or taxation, industry and commerce administrative organs in accordance with the law, has been or may affect its ability to fulfill the obligations under this contract.
 10. Abnormal change, missing, legal restriction of personal liberty and investigation by judicial authorities of Party A's major individual investors, key management personnel, which have been or may affect Party A to fulfill the obligations under this contract.
 11. Party B finds the problems which may affect the borrower or guarantor's financial situation and performance capabilities when reviewing Party A's financial condition and performance capabilities every year (every year from the effective date of the contract);
-

12. Party A cannot provide materials to Party B to explain large and abnormal capital inflow and outflow in the account.
13. Party A is in violation with other rights and obligations agreed in this contract.

When any of the above situations occurred, Party B will perform the following in separate or all at the same time according to the specific situation:

- 1) Require Party A or Guarantor to rectify defaults within a definite time.
- 2) Reduce completely or partly, pause or terminate Party A's Credit limit.
- 3) Pause or terminate completely or partly Party A's business applications in this contract or in other contracts between Party A and Party B specific credit line under this contract. Pause or terminate completely or partly, or cancel or stop offering, paying and settling the unissued loans and unsettled trade financing.
- 4) Announce the immediate expiration on all or part of the outstanding loans, principle and interest of trade financing and other accounts payable under this contract or other contracts between Party A and Party B.
- 5) Terminate or release this contract, terminate or release contracts between Party A and Party B completely or partly.
- 6) Require compensation from Party A on the losses caused by Party A to Party B.
- 7) Deduct the fund from Party A's deposit accounts to pay off the debts to Party B under this contract. All the undue funds in the accounts were considered as acceleration of maturity. If the currency in deposit account is different from the currency of Party B's loans, the exchange rate on the date of the hold in custody will be applied.
- 8) Real rights of pledge will be executed.
- 9) Require Guarantors assume liability of guaranty.
- 10) Other necessary or probable procedures on Party B's concern.

Clause 13 Rights reserved

One party does not perform part or all of the rights under this contract, nor does not require the other party to perform, undertake part or all of the obligations and responsibilities, which does not mean the abdication of the right or exemption of the obligation and responsibility.

Any tolerance, extension or delay from one party to another party for exercising of rights under this contract does not affect the rights one party enjoys according to this contract and laws and regulations, and does not mean the abdication of the right.

Clause 14 Changes, Modification, Termination

Upon negotiation and agreed by both parties, this contract can be changed and modified by written. Any of the changes and modifications should form the inseparable part of this contract.

Unless otherwise provided for in any law or regulation or stipulated between the parties, this contract would not be terminated prior to all the rights and obligations are fulfilled.

Unless otherwise provided for in any law or regulation or stipulated between the parties, the invalidation of single terms under this contract should not affect the validation of other terms under this contract.

Clause 15 Applicable Law and Resolution for Dispute

1. This contract is applicable to the laws of People's Republic of China.

During the performance of this contract or in connection with all disputes relating to this contract, the two parties settled through friendly consultations. If negotiation cannot reach agreement, both parties can apply to the local people's court of Party A or other affiliated institutions of Bank of China.

Clause 16 Attachments

The Appendix hereof and the other appendix confirmed by both parties shall form an integral part of this contract, and shall be of legally equal effect with this contract.

1. Withdrawal application;

Clause 17 Other terms and conditions

1. Without Party B's written approval, Party A is not allowed to transfer the rights and obligations under this contract to the 3rd Parties.
2. Party A should give the consent that Party B might somehow authorize other affiliated institution of Bank of China to perform the obligation. The performing party entitles all the rights and obligations under this contract, the performing party reserves the rights to appeal a resolution of dispute if necessary.
3. The contract has equivalent restrictions to the successors or inherits of both parties.
4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.
5. The transactions under the contract based on independent interests. According to relevant laws, regulations and regulatory requirements, other parties of the transaction constitutes a connected party or associated persons, any party shall not seek to use this relationship to affect the fair of transaction.
6. The title and name of business in this contract is only for business purposes, will not be used for interpretation of the contract terms, the rights and obligations.
7. In accordance with the provisions of the relevant laws and regulations, supervision, Party B has the right to provide the information of this contract and other relevant information to the credit system of the people's Bank of China and other legally established credit information database, for organizations or individuals who have the appropriate qualifications to query and use.
8. If the drawdown date or the repayment date is in legal holidays, then it is delayed to the first working day after the holidays.
9. If required by the governing institutions, Party B might not be able to perform the obligations agreed in this contract, Party B has the right to stop or change the contract or its clauses, and Party B is exempted from punishment under this circumstance.

Clause 18 Effective of the contract

This contract enters into force upon the date when it is signed or sealed and affixed with official seals by the legal representatives or entrusted agents of Party A and Party B.

This contract is signed in quadruplicate, each party holds two copies, which have the equal legal effect.

/s/ [Stamp of Party A]

Signature /s/ Dangyu Pan

/s/ [Stamp of Party B]

Signature /s/ Deng Zhengbo

Comprehensive Credit Line Contract

Reference No. : 2016 zhenzhongyinbuexiezi No.0000444

Party A: Shenzhen Highpower Technology (Shenzhen) Co., Ltd

Business License: 440307503274740

Legal Representative: Dangyu Pan

Address: Building 1, No 68, Xinxia Road, Pinghu Stereet, Longgang, Shenzhen

Postal code: 518000

Deposit A/C and financial institutions: Bank of China, Pinghu Sub-branch, Shenzhen, 744557938816

Telephone: 0755-89686236 ; Facsimile: 0755- 89686298

Party B: Bank of China, Buji Sub-branch.

Legal Representative: DENG ZHENGBO

Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal code: 518000

Telephone: 0755-22337156 ; Facsimile: 0755-28772290

Party A and party B for the development of friendly and mutually beneficial relations of cooperation, in line with the principles of voluntariness, equality, mutual benefit, sincerity, by consensus, reached the following agreement:

Clause 1 Scope of Business

Satisfied by condition precedent defined in this contract, Party A is allowed to apply for recurring, temporary or one-off credit line from Party B in the form of a short-term loan, deposit account overdraft, bank acceptance, trade finance, bank guarantee, or other monetary financing or credit authorization business ("Specific credit line business").

The trade finance business under this contract is included and limited to: international letter of credit, domestic letter of credit, import bill advance, shipping guarantee, packing credit, export bill purchase, export bill discount, import bill advance under LC, negotiation credit and other international and domestic trade finance business.

The bank guarantee business under this contract is including bank guarantee, standby letter of credit and all sorts of bank guarantee business.

Clause 2 Types and amount of credit line

Party B agrees to offer the following:

Currency in: Renminbi

Amount: Renminbi eighty million

RMB 80,000,000.00

Types: 1. Loans : RMB50,000,000.00

2. Bank Acceptances: RMB30,000,000.00

Clause 3 Usage of credit lines

1. Within the credit line period, under the agreed upper limits on each type of credit line, Party A can use the credit line recurrently. If Party A needs to apply for the one-off credit line, a written application is required. And both parties should agree that Party B has the final say on whether and how the one-off credit line will be granted. Party B will notify Party A in written once the decision is made.

2. This contract will override all the credit line contracts previously signed by Party A and Party B. Upon the effective date of this contract, all the used and unused credit lines prior to this contract will be considered as used and unused credit lines under this contract

3. Unless otherwise agreed, the following business will not occupy the credit line under this contract.

- 1) Export bill purchase business with precisely matched bills, documents and certificates
- 2) Outwards letters of credit, bank guarantee and trade finance business which Party B agreed to act as confirming bank.
- 3) Any credit line business which guaranteed by Party A by deposits, government bonds, deposit certificates issued by Party B, bank acceptance, guarantee or standby letters of credit accepted by Party B
- 4) Any other business agreed by both parties.

The above defined businesses, although they will not occupy the credit limits under this contract, they will still be considered as inseparable part of the contract.

Clause 4 Application of specific credit line business

Written applications or separate contracts are required from Party A to apply for a specific credit line.

Clause 5 Period

The credit line defined in clause 2 under this contract will be started from the effective date and end on July 11, 2019.

Upon negotiation, both parties can extend the contract period by signing supplementary contracts. Party B will continue to provide credit lines under supplementary contracts. All terms and conditions under this contract have the equivalent legal effects and restrictions on the supplementary contracts.

The termination of a specific credit line will only occur when all the rights and obligations are fulfilled. The above period has no limitation on specific credit line under this contract.

Clause 6 Condition Precedents of specific credit line business

Party A should fulfill the following conditions precedent before applying for a specific credit line business

- 1) File the necessary documents, stamps and signatures in Party B in relating to this contract and all the specific credit line contract under this contracts
- 2) Open the necessary bank account
- 3) Make sure the required guarantee contracts are properly in place
- 4) Other conditions precedent required for specific credit line contracts
- 5) Other conditions precedent required by Party B

Clause 7 Guaranty

For all the liabilities occurred under this contract and the specific credit line contract affiliated to this contract should be guaranteed by the following:

Maximum Amount Guarantee provided by:

- 1) Springpower Technology (Shenzhen) Co. Ltd, a guarantee contract is signed separately;
- 2 Dangyu Pan, a guarantee contract is signed separately;

Collateral on the Maximum Amount

- 1) The collateral is provided by Shenzhen Highpower Technology Co. Ltd, a collateral contract is signed separately;

Under certain circumstances that Party A or the Guarantor might be unable to fulfill or make Party B believe they are unable to fulfill the contractual capacity, e.g: Guarantee Contracts are invalid, Party A is or will be under significant business difficulties or risks: deteriorated financials, litigation issues which might affect its repayment ability, Guarantors were found default in other contracts with Party B, devaluation, dismissal or damage of collaterals which might cause the value of the collaterals slaked or losses. Party B reserves the right to and Party A has the obligation to additional or replace the guarantor.

Clause 8 Statement and Commitment

1. Party A's statement:

- 1) Party A is legally registered and operating, and owning the full civil rights required by this contract.
- 2) Signing and performing the contract is the true will of Party A, Party A has been granted all necessary authorizations in effect before signing the contract. The contract does not form a default for other contracts signed and performed by Party A. It is Party A's responsibility to complete all required approvals, registrations, permits and filings.
- 3) All documents and information provided by Party A to Party B are true, complete, accurate and effective.
- 4) All the transactions mentioned by Party A for apply specific credit line should be real and not for illegal purposes such as: money laundry.
- 5) No hidden events regarding Party A and guarantor's financial and repayment abilities

2. Party A's commitment:

- 1) Timely delivery of the financial statements and other relevant information, (including but not limited to annual, quarterly and monthly financial reports.
 - 2) Cooperate in Party B's exam and inspection on the utilization of the loan as well as Party A's financials and operations
 - 3) Any counter-guarantee agreement between the guarantors and Party A will not affect the Party B's underlying rights under this contract
 - 4) Under circumstances Party A or Guarantor's capability of performing the contract might be affected, Party A should notify Party B in time. Those circumstances include but are not limited to significant organizational changes, e.g. business splitting, merger and termination, disposal of major assets, restructuring, reorganization, joint venture arrangement with foreign capitals, changing of controlling shareholders or de facto control of Party A, capital reduction, liquidation, re-pledge of the encumbered assets, withdrawal, bankruptcy, dissolution and involvement in significant lawsuits.
 - 5) Party A committed not to distribute bonus during the credit period
 - 6) Agreed by both parties, for the purpose to ensure the Party B's claims on credit funds and Party B's convenience to monitoring the repayment progress, Party A should guarantee the proportion of sales fund received in Party A's account opened with Party B over Party A's total sales should be matching to the proportion of Party A's credit line received from Party B over Party A's total credit line received from financial institution.
 - 7) During the period of credit, the company's (Party A/Icon Energy System (Shenzhen) Co., Ltd./Springpower Technology (Shenzhen) Co., Ltd.) pledge of accounts receivable to a third party to get the written consent of party B, and party B shall enjoy the right of accounts receivable pledge first place; the equipment of Party A/Icon Energy System (Shenzhen) Co., Ltd./Springpower Technology (Shenzhen) Co., Ltd./Huizhou Highpower Technology Co., Ltd. cannot be mortgaged to any third party.
 - 8) If any one borrower of Party A/Icon Energy System (Shenzhen) Co., Ltd./Springpower Technology (Shenzhen) Co., Ltd. defaults, Party B can think other borrowers to default, and have the right to take appropriate preservation measures; if group (HPJ) ratio above 75%, Party B has the right to request Party A to increase measures or reduce the credit limit, until the debt ratio below 75%.
 - 9) Party A promises to provide collateral did not sign more than 3 years of the lease.
 - 10) Something out of this agreement and individual agreement, Party A agrees to be dealt with in accordance with Party B's relevant provisions and business practices.
-

Clause 9 Related party and related party transaction of Party A

Party A is not defined as Group Credit Customer by Party B in accordance with “Guidance of Risk Management by Commercial Banks for Granting Credit to Customer Groups”

Clause 10 Breach of Covenants

Any of the following situations would be considered as breach of contract covenant:

1. Party A did not perform the repayment obligation under this contract or the affiliated specific credit line contracts
2. Party A has not used the credit funds according to agreed purposes.
3. Party A’s statement in this contract or the affiliated specific contracts are untrue or in violation with Party A’s commitment in this or the affiliated specific contracts.
4. Under the circumstance defined in 2.4) in Clause 8, Party A refused to provide additional guarantee or replacement of new guarantor
5. Party B is or will be under significant business difficulties or risks: deteriorated financials, significant financial losses and loss of assets (including but not limited asset losses for fulfill guarantee obligations) or other financial crisis.
6. Party A is in violation with other rights and obligations agreed in this contract.
7. Party A breaches the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.
8. Guarantors breach the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.

When any of the above mentioned situation noticed, Party B will perform the following in separate or all at the same time:

- 1) Request Party A or Guarantor to rectify within a definite time.
 - 2) Reduce, temporarily pause or permanently terminate Party A’s Credit limit in part or in all
 - 3) Temporarily pause or permanently terminate in part or in all of Party A’s application on specific credit line under this contract.
 - 4) Announce the immediate expiration on all the credit lines granted under this contract and affiliated specific credit line contracts.
 - 5) Terminate or release this contract, terminate or release in part or in all of the affiliated specific credit line contracts as well as the other contracts signed between Party A and Party B.
 - 6) Request compensation from Party A on the losses thereafter caused.
 - 7) Party A’s deposit account in Party B will be hold in custody for debt pay off for the comprehensive credit line and specific credit line under this contract. All the undue liabilities were deeming due and entitled the immediate payoff from Party A’s restricted accounts. If the currency in deposit account is different from the currency of the liabilities, the exchange rate on the date of the hold in custody will be applied.
 - 8) Real rights granted by way of security will be executed.
 - 9) Assume the guarantee responsibility on Guarantors.
 - 10) Other necessary procedures on Party B’s concern
-

Clause 11 Rights reserved

Either party might reserve part of or all of the rights under this contract and the affiliated specific credit line contracts, this does not imply the party has surrendered or remitted the unperformed rights and obligations.

Either party might sometimes tolerate, extend or delay the execution of certain rights, this does not deem as the party has surrendered or remitted the rights.

Clause 12 Change, Modification, Termination and Partial invalidity

Upon negotiation and agreement by both parties, this contract can be changed and modified, the written record of the changes and modifications should form the inseparable part of this contract.

Unless ruled by law or both parties formed a separate agreement, the contract would not be terminated prior to all the rights and obligations defined are fulfilled.

Unless ruled by law or both parties formed a separate agreement, the void of single terms under this contract should no invalid other contract under this contract.

Clause 13 Applicable Law and Resolution for Dispute

1. This contract is entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China.
2. The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts

Clause 14 Attachments

The following annexes and other annexes and single agreements commonly confirmed by both parties shall constitute an integral part of this Agreement and shall have the same equal legal force as this Agreement.

Annex 1: Attached Provisions for Individual Cases.

Clause 15 Other terms and conditions

1. Without Party B's prior written approval, Party A is not allowed to transfer the rights and obligations under this contract to 3rd Parties.
2. Party A should give the consent that, Party B might somehow authorize other affiliated institutions of Bank of China to perform the obligation. The performing party is entitled to all the rights and obligations under this contract and the affiliated credit line contracts, the performing party reserves the rights to appeal a resolution of dispute if necessary.
3. The contract has equivalent restrictions to the successors or inherits of both parties.
4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.
5. The title and name of business product is for business purposes, will not used for interpretation of the contract terms and the rights and obligations.
6. If required by the governing institutions, Party B might not be able to perform the obligations agreed in this contract. Party is exempted from punishment under this circumstance.

Clause 16 Effectiveness of the contract

This contract is established and entered into effective upon signing or sealing by the legal representatives (or person-in-charge) of Party A and Party B or their duly authorized agents, together with sealing by the company chop.

This contract will be print and signed in seven copies, Party A and the guarantors hold one copy each, Party B holds three copies, collateral registry authority holds one copy, each copy has the same legal effect.

/s/ Dangyu Pan

Stamp of Party A

Signature of director or authorized representative

/s/ [COMPANY SEAL]

Stamp of Party B

Signature of legal representative or authorized representative /s/ Deng Zhengbo

Annex 1: Attached Provisions for Individual Cases.

If there are discrepancies in contents in the attachment with this contract, this contract should prevail. The clause 1/2 of this contract prevail the credit contract.

1. Specific to the 2nd paragraph of Clause 3:" This contract will override all the credit line contracts previously signed by Party A and Party B. Upon the effective date of this contract, all the used and unused credit lines prior to this contract will be considered as used and unused credit lines under this contract".

"all the credit line contracts previously signed" here means the contract signed with reference no of "2015 zhenzhongyinbuexiezi No. 0000465.

2. The article 6 of this agreement "sequel, the premise condition of individual credit business" 5 "Party B that Party A shall meet other conditions as" adjustment of article 6, original article 5 is adjusted for "credit line of Party A within the time limit for every year of careful for examination and approval byParty B.

Maximum Amount Guaranty Contract

(Applicable if guarantor is natural person)

Reference No. : 2016zhenzhongyinyinbubaoezi No.00444B

Guarantor: Dangyu Pan

Type of certification: identification card

Certification number: 430104196803184316

Address: Building A2, Luoshan Industrial Zone, Longgang District, Shenzhen

Postal code: 518000

Telephone: 0755-89686236 ; Facsimile: 0755-89686298

Creditor: Bank of China, Buji Sub-branch.

Legal Representative: DENG ZHENGBO

Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal code: 518000

Telephone: 0755-22337156 ; Facsimile: 0755-28772290

To guarantee the performing of the principle contract stated in Clause 1, both parties agree the following:

Clause 1 Principle Contract

1. The principle contract is "Comprehensive credit contract (2016zhenzhongyinyinbubaoezi No 0000444)" and its supplements signed between Creditor and Debtor, Shenzhen Highpower Technology Co., Ltd

Clause 2 Principle Creditor's rights and the period

Unless otherwise agreed, the creditor's rights under the following contracts and the creditor's rights occurred before the engagement of this contract constitutes the principle creditor's rights of this contract.

The creditor's right occurred under comprehensive contract starting from the date of effectiveness, and ends upon the expiration of all the specific creditor's rights.

Clause 3 The maximum amount guaranteed

1. The maximum amount assumed guaranteed is:

Currency: Renminbi

Amount (Capital letter): eighty million

Amount (in numbers): 80,000,000.00

2. The principle creditor's rights under the principle contract constitute the principle creditor's rights under this contract, which includes: loan principle, interest, compound interest, punitive interest, liquidated damage, the cost for realization of the creditor's right (includes but not limited to the announcement fee, delivery fees, appraisal fees, legal fees, travel expenses, assessment fees, auction fees, the property preservation fee, compulsory execution fee and etc), as well as the Pledgee's loss due to the breach of covenants.

The sum of the above terms constitutes the maximum amount of guaranteed for this contract.

Clause 4 Types of guaranty

Joint responsibility guaranty.

Clause 5 The guarantee responsibilities

Under the circumstance that, the debtor of principle contract failed to pay off the creditor's rights when due (on due date or early termination date), the guaranty is assumed to be responsible in accordance with this contract.

The due date in the previous sentence means the repayment date agreed in the principle contract. The early termination date is the termination date request by creditor per law or per agreements under the principle contracts.

Creditor's rights on other guarantee contracts or collateral contracts should not have an impact on the performing of this contract. Guarantor should assume responsibility under this contract rather than plea with the execution in order.

Clause 6 The responsible period

The responsible period for this contract is two years after the establishment of the creditor's rights under Clause 2

During the period, Creditor is entitled to the right to request the assumption of responsibility from Guarantor in full or in part on one or on all creditor rights.

Clause 7 The duration of action

During the period that the creditor's rights have not been paid off when due, Guarantor is assumed responsible under the joint responsibility guarantee. Creditor is entitled to claim the rights within the responsible period defined in Clause 6, the duration of action started upon the request.

Clause 8 The relationship between this contract and the principle contract

Upon the termination or early termination of the principle contract, Guarantor assumes guarantee responsibility on occurred debt.

The change of principle contract will not be informed to the Guarantor unless under the following circumstances, change of currency, interest rate, amount, period, or other terms which might affect the increase of the amount of the principle creditor's rights or extend the effective period of the principle contract. Guarantor remains obligated to assume the guarantee responsibility to the changed principle contract.

Under the previous stated circumstance which Guarantor's consent is required, Pledgor Guarantor is entitled to the right to reject to assume the guarantee responsibility on the incremental portion.

Under the circumstances that, Creditor provide the letter of credit, trade financing services to debtor under the principle contract, Guarantor won't be notified but assumed guarantee responsibility. It is the Creditor's responsibility to registry for the incremental business contract.

Clause 9 Statements and Commitments

Guarantor's statement:

a) Guarantor is a natural person who possesses the capacity for civil rights and civil conducts in People's Republic of China to perform this contract. Party A can perform the civil conduct independently, no bad credit records such as debt overdue, overdue interest, malicious overdraft on credit card, no criminal records, qualified to be a legal guarantor.

b) Guarantor has full understanding about the terms and conditions set forth in the contract. It is Guarantor's true will to provide guarantee to debtor.

c) The establishment of this contract will not constitute a breach of covenant of any other previous contract Guarantor engaged in.

- d) All documents and information provided by Guarantor to Creditor are true, complete, accurate and effective.
- e) Guarantor is willing to cooperate in the checking and inspection of its financial conditions performed by Creditor.
- f) Guarantor did not conceal any existing liability upon the signing of the contract
- g) Inform the Creditor in time for any issues might affect Guarantor's performing capability, which including but not limited to losses of assets, transfer, donation, assume responsibility on liabilities, involved in significant law suits or disputes.
- h) If the Guarantor is married, make sure the sponsor's consent is obtained.

Clause 10 Authorization of access to personal information

Guarantor authorizes the access of personal information in the personal credit information database in the People's Bank of China to Creditor under the following circumstances.

1. Reference check on the Guarantor's credit status.
2. Reference check on the Guarantor's guarantee status.
3. After-loan management on the personal credit and guarantee status
4. Accept the credit line application of which the Guarantor guaranteed or to be legal representative or one of the funders.

Clause 11 Breach of covenants

Any of the following situations would be considered as breach of contract covenant:

1. Guarantor is in violation with the previous terms of the contract.
2. The statements of the Guarantor is untrue or in violation with its commitments
3. The occurrence of issues defined under the point 7 of clause 9 which might affect the Guarantor's financial position and performing capability.
4. In violation with other rights and obligations agreed in this contract.
5. Guarantor breaches the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.

When any of the above mentioned situations noticed, Creditor will perform the following in separate or all at the same time:

- 1) Request Guarantor to rectify within a definite time.
 - 2) Reduce, temporarily pause or permanently terminate Guarantor's Credit limit in part or in all
 - 3) Temporarily pause or permanently terminate in part or in all of Guarantor's application on specific credit line under this contract.
 - 4) Announce the immediate expiration on all the credit lines granted under this contract and affiliated specific credit line contracts.
 - 5) Terminate or release this contract, terminate or release in part or in all of the affiliated specific credit line contracts as well as the other contracts signed between Guarantor and Creditor
 - 6) Request compensation from Guarantor on the losses thereafter caused.
 - 7) Assume the guarantee responsibility on Guarantors.
 - 8) Other necessary procedures on Party B's concern
-

Clause 12 Rights reserved

Either party might reserve part of or all of the rights under this contract and the affiliated specific credit line contracts, this does not imply the party has surrendered or remitted the unperformed rights and obligations.

Either party might sometimes tolerate, extend or delay the execution of certain rights, this does not deem as the party has surrendered or remitted the rights.

Clause 13 Change, Modification, Termination and Partial invalidity

Upon negotiation and agreement by both parties, this contract can be changed and modified, the written record of the changes and modifications should form the inseparable part of this contract.

Unless ruled by law or both parties formed a separate agreement, the contract would not be terminated prior to all the rights and obligations defined are fulfilled.

Unless ruled by law or both parties formed a separate agreement, the void of single terms under this contract should no invalid other contract under this contract.

Clause 14 Applicable Law and Resolution for Dispute

1. This contract is entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China.
2. The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts

Clause 15 Attachments

Sponsor's consent.

Clause 16 Other terms and conditions

1. Without Creditor's prior written approval, Guarantor is not allowed to transfer the rights and obligations under this contract to 3rd Parties.
2. Guarantor should give the consent that, Creditor might somehow authorize other affiliated institutions of Bank of China to perform the obligation. The performing party is entitled to all the rights and obligations under this contract and the affiliated credit line contracts, the performing party reserves the rights to appeal a resolution of dispute if necessary.
3. The contract has equivalent restrictions to the successors or inherits of both parties.
4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.
5. The title and name of business product is for business purposes, will not used for interpretation of the contract terms and the rights and obligations.

Clause 17 Effectiveness of the contract

This contract is established and entered into effective upon signing or sealing by the legal representatives (or person-in-charge) of Pledgor and Pledgee or their duly authorized agents, together with sealing by the company chop.

The pledge is established upon the effectiveness of this contract.

This contract will be printed and signed in five copies, Guarantor and the debtor hold one copy each, Creditor holds three copies; each copy has the same legal effect

/s/ Dangu Pan

Signature of Guarantor and Sponsor

/s/ [COMPANY SEAL]

Stamp of Creditor (if Pledgee is a corporation)

Signature of legal representative or authorized representative

/s/ Deng Zhengbo

Consent letter

I (Name: Zhoutao Yin, Certificate Type: Identification Card , ID Number: 430104196810294329) am the spouse of the guarantor DANG YU PAN under the maximum amount guarantee contract (No. : 2016 zhenzhongyinbubaoezi No.00444B). I agree to undertake the responsibility of the maximum amount guarantee contract by the couple's property.

Maximum Amount Guaranty Contract

Reference No. : 2016 zhenzhongyinbubaoezi No.00444A

Guarantor: Springpower Technology (Shenzhen) Co., Ltd

Business Licenses: 440306503295562

Legal Representative: Dangyu Pan

Address: Factory A, Chaoshun Industrial Zone, Renmin Road, Fumin Residential Area, Guanlan, BaoAn District,

Postal code: 518000

Deposit A/C and financial institutions: Bank of China, Pinghu Sub-branch, Shenzhen, 764057938815

Telephone: 0755-28010758; Facsimile: 0755-28010758

Creditor: Bank of China, Buji Sub-branch.

Legal Representative: DENG ZHENGBO

Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal code: 518000

Telephone:0755- 22337156 ; Facsimile: 0755-28772290

In order to guarantee specified in article 1 of this contract under the main contract, the payment of the debt guarantor willing to provide guarantee to the creditor. The parties through equal consultation to conclude the contract. Except as otherwise agreed in this contract, the contract of the words in explanation on the basis of the main contract.

Clause 1 Principle Contract

1. The principle contract is “Comprehensive credit contract (2016 zhenzhongyinbuxiezi No 0000444)” and its supplements signed between Creditor and Debtor, Shenzhen Highpower Technology Co., Ltd

Clause 2 Principle Creditor’s rights and the period

Unless otherwise agreed, the creditor’s rights under the following contracts and the creditor’s rights occurred before the engagement of this contract constitutes the principle creditor’s rights of this contract.

The creditor’s right occurred under comprehensive contract starting from the date of effectiveness, and ends upon the expiration of all the specific creditor’s rights.

Clause 3 The maximum amount guaranteed

1. The maximum amount assumed guaranteed is:

Currency: Renminbi

Amount (Capital letter): eighty million

Amount (in numbers): 80,000,000.00

2. The principle creditor’s rights under the principle contract constitute the principle creditor’s rights under this contract, which includes: loan principle, interest, compound interest, punitive interest, liquidated damage, the cost for realization of the creditor’s right (includes but not limited to the announcement fee, delivery fees, appraisal fees, legal fees, travel expenses, assessment fees, auction fees, the property preservation fee, compulsory execution fee and etc), as well as the Pledgee’s loss due to the breach of covenants.

The sum of the above terms constitutes the maximum amount of guaranteed for this contract.

Clause 4 Types of guaranty

Joint responsibility guaranty.

Clause 5 The guarantee responsibilities

Under the circumstance that, the debtor of principle contract failed to pay off the creditor's rights when due (on due date or early termination date), the guaranty is assumed to be responsible in accordance with this contract.

The due date in the previous sentence means the repayment date agreed in the principle contract. The early termination date is the termination date request by creditor per law or per agreements under the principle contracts.

Creditor's rights on other guarantee contracts or collateral contracts should not have an impact on the performing of this contract. Guarantor should assume responsibility under this contract rather than plea with the execution in order.

Clause 6 The responsible period

The responsible period for this contract is two years after the establishment of the creditor's rights under Clause 2

During the period, Creditor is entitled to the right to request the assumption of responsibility from Guarantor in full or in part on one or on all creditor rights.

Clause 7 The duration of action

During the period that the creditor's rights have not been paid off when due, Guarantor is assumed responsible under the joint responsibility guarantee. Creditor is entitled to claim the rights within the responsible period defined in Clause 6, the duration of action started upon the request.

Clause 8 The relationship between this contract and the principle contract

Upon the termination or early termination of the principle contract, Guarantor assumes guarantee responsibility on occurred debt.

The change of principle contract will not be informed to the Guarantor unless under the following circumstances, change of currency, interest rate, amount, period, or other terms which might affect the increase of the amount of the principle creditor's rights or extend the effective period of the principle contract. Guarantor remains obligated to assume the guarantee responsibility to the changed principle contract.

Under the previous stated circumstance which Guarantor's consent is required, Pledgor Guarantor is entitled to the right to reject to assume the guarantee responsibility on the incremental portion.

Under the circumstances that, Creditor provide the letter of credit, trade financing services to debtor under the principle contract, Guarantor won't be notified but assumed guarantee responsibility. It is the Creditor's responsibility to registry for the incremental business contract.

Clause 9 Statements and Commitments

Guarantor's statement:

1. Guarantor is legally registered and operating, and owns the full civil rights required by this contract.
 2. Signing and performing the contract is the true will of Guarantor, Guarantor has been granted all necessary authorizations in effect before signing the contract. The contract does not form a default for other contracts signed and performed by Guarantor. It is Guarantor's responsibility to complete all required approvals, registrations, permits and filings.
 3. All document and information provided by Guarantor to Creditor are true, complete, accurate and effective.
-

4. Guarantor is willing to cooperate in the check and inspection on its financial conditions performed by Creditor.
5. Guarantor did not conceal any existing liability upon the signing of the contract
6. Inform the Creditor in time for any issues might affect Guarantor's performing capability, which including but not limited to business splitting, merger and termination, disposal of major assets, restructuring, reorganization, joint venture arrangement with foreign capitals, changing of controlling shareholders or de facto control of Party A, capital reduction, liquidation, re-pledge the encumbered assets, withdrawal, bankruptcy, dissolution and involved in significant law suits.

Clause 10 Breach of covenants

Any of the following situations would be considered as breach of contract covenant:

1. Guarantor is in violation with the previous terms of the contract.
2. The statements of the Guarantor is untrue or in violation with its commitments
3. The occurrence of issues defined under the point 6 of clause 9 which might affect the Guarantor's financial position and performing capability.
4. Experiencing the termination of operation or bankruptcy.
5. In violation with other rights and obligations agreed in this contract.
6. Guarantor breaches the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.

When any of the above mentioned situations noticed, Creditor will perform the following in separate or all at the same time:

- 1) Request Guarantor to rectify within a definite time.
- 2) Reduce, temporarily pause or permanently terminate Guarantor's Credit limit in part or in all
- 3) Temporarily pause or permanently terminate in part or in all of Guarantor's application on specific credit line under this contract.
- 4) Announce the immediate expiration on all the credit lines granted under this contract and affiliated specific credit line contracts.
- 5) Terminate or release this contract, terminate or release in part or in all of the affiliated specific credit line contracts as well as the other contracts signed between Guarantor and Creditor
- 6) Request compensation from Guarantor on the losses thereafter caused.
- 7) Assume the guarantee responsibility on Guarantors.
- 8) Other necessary procedures on Party B's concern

Clause 11 Rights reserved

Either party might reserve part of or all of the rights under this contract and the affiliated specific credit line contracts, this does not imply the party has surrendered or remitted the unperformed rights and obligations.

Either party might sometimes tolerate, extend or delay the execution of certain rights, this does not deem as the party has surrendered or remitted the rights.

Clause 12 Change, Modification, Termination and Partial invalidity

Upon negotiation and agreed by both parties, this contract can be changed and modified, the written record of the changes and modifications should form the inseparable part of this contract.

Unless ruled by law or both parties formed a separate agreement, the contract would not be terminated prior to all the rights and obligations defined are fulfilled.

Unless ruled by law or both parties formed a separate agreement, the void of single terms under this contract should no invalid other contract under this contract.

Clause 13 Applicable Law and Resolution for Dispute

This contract is entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China.

The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts

Clause 14 Attachments

After both sides confirmed the annex shall form an integral part of this contract, have the same legal effect with this contract.

Clause 15 Other terms and conditions

1. Without Creditor's prior written approval, Guarantor is not allowed to transfer the rights and obligations under this contract to 3rd Parties.
2. Guarantor should give the consent that, Creditor might somehow authorize other affiliated institution of Bank of China to perform the obligation. The performing party entitles all the rights and obligations under this contract and the affiliated credit line contracts, the performing party reserves the rights to appeal a resolution of dispute if necessary.
3. The contract has equivalent restrictions to the successors or inherits of both parties.
4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.
5. The title and name of business product is for business purposes, will not used for interpretation of the contract terms and the rights and obligations.

Clause 16 Effectiveness of the contract

This contract is established and enters into effective upon signing or sealing by the legal representatives (or person-in-charge) of Guarantor and Creditor or their duly authorized agents, together with sealing by the company chop.

The pledge is established upon the effectiveness of this contract.

This contract will be printed and signed in four copies, Creditor holds two copies, Guarantor and the debtor hold one copy each; each copy has the same legal effect

[COMPANY SEAL]

Stamp of Guarantor (if Guarantor is a corporation)

Signature of Authorized Representative /s/ Dangyu Pan

/s/ [COMPANY SEAL]

Stamp of Creditor (if Creditor is a corporation)

Signature of legal representative or authorized representative /s/ Deng Zhengbo

Collateral Contract

Reference No. : 2016 zhenzhongyinbudiezi No.0044

Pledgor: Shenzhen Highpower Technology Co., Ltd

Business License: 440307503274740

Legal Representative: Dangyu Pan

Address: Building 1, No 68, Xinxia Road, Pinghu Street, Longgang, Shenzhen

Postal code: 518000

Deposit A/C and financial institutions: Bank of China, Pinghu Sub-branch, Shenzhen, 744557938816

Telephone: 0755-89686136 ; Facsimile: 0755-89686298

Pledgee: Bank of China, Buji Sub-branch.

Legal Representative: DENG ZHENGBO

Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal code: 518000

Telephone: 0755-22337156 ; Facsimile:0755- 28772290

To guarantee the performing of the principle contract stated in Clause 1, both party agrees the following:

Clause 1 Principle Contract

1. The principle contract is "Comprehensive credit contract (2016 zhenzhongyinbuexiezi No 0000444)" and its supplements signed between Creditor and Debtor, Shenzhen Highpower Technology Co., Ltd

Clause 2 Principle Creditor's rights and the period

Unless otherwise agreed, the creditor's rights under the following contracts and the creditor's rights occurred before the engagement of this contract constitute the principle creditor's rights of this contract.

1. The creditor's right occurred under comprehensive contract starting from the date of effectiveness, and end upon the expiration of all the specific creditor's rights.

Clause 3 The maximum amount guaranteed

1. The maximum amount assumed guaranteed is:

Currency: Renminbi

Amount (Capital letter): eighty million only

Amount (in numbers): 80,000,000.00

2. The principle creditor's rights under the principle contract constitute the principle creditor's rights under this contract, which includes: loan principle, interest, compound interest, punitive interest, liquidated damage, the cost for realization of the creditor's right (includes but not limited to the announcement fee, delivery fees, appraisal fees, legal fees, travel expenses, assessment fees, auction fees, the property preservation fee, compulsory execution fee and etc), as well as the Pledgee's loss due to the breach of covenants.

The sum of the above terms constitutes the maximum amount of guaranteed for this contract.

Clause 4 The Collateral

For details of the collateral please refer to the appendix "Details of the underlying assets".

During the period of collateral, if the Collateral is broken or damaged, Pledgee is entitled to the primary rights for compensation from insurance, compensation or subsidy, Pledgee can withdraw the compensation amount even though the collateral period is undue

If the Collateral is buildings, Pledgor should notify the Pledgee immediately after the Pledgor acknowledged the removal of the building. If the compensation of the removal is through change of property, Pledgor should coordinate the paid off of the principle of creditor's rights with debtor and Pledgee per Pledgee's request, or replace the Collateral with the new building or new collateral per Pledgee's request. After the original Collateral is lost and the new Collateral is not yet registered, Pledgor should provide additional guarantee by qualified guarantor. For the compensation that is in the form of cash, Pledgee is entitled to the primary rights from compensation, and entitled to the right to request the Pledgor to deposit the cash into the appointed custody accounts, and subsequent security by deposit contract should be signed and effected.

Clause 5 The registration

Within 15 days after the sign-off of this contract, Pledgor and Pledgee should finish the registry in the authorities.

Pledgor and Pledgee should file a change in registry with the authorities within 10 days after the change.

Clause 6 The possession and management of the Collateral

The possession and management of the Collateral will be on the Pledgor, however, the certifications of rights should be under the custody of the Pledgee. Pledgor should accept the inspection and check from time to time.

Pledgor should properly maintain the Collateral to ensure the safety and well-being of the Collaterals, Pledgor should take responsibility on daily maintenance and repairs.

Without the written consent of the Pledgee, Pledgor is not allowed to transfer, lend, invest, or restructure the Collateral. With Pledgee's written consent, the proceedings of disposal should be deposited in the appointed accounts.

Clause 7 The circumstances that the value of the Collaterals is diminished

Before the creditor's rights has been fully paid off, Pledgee is entitled to the right to stop Pledgor's behavior, if such behavior is diminishing the value of the underlying assets. Pledgee is entitled to the right to request Pledgor to recover the value of the asset or provide additional guarantee to secure the proportion of lost.

If the Pledgor failed to recover the value of the asset nor can it provide addition guarantee, Pledgee might request early pay-off of the creditor's rights. Pledgee might execute the rights to assume guarantee responsibility if the Pledgor refused the above.

If the diminished value is due to the irresistible reason, Pledgor should take action to avoid further deteriorate and notify the Pledgee in writing immediately

Clause 8 Interest generated from the account receivables

The interest generated from the pledged account receivables should be assumed responsible to the creditor's rights after the deduction of the cost of collecting those interests.

Clause 9 Insurance of the underlying assets (Optional)

The mortgage shall apply to insurance companies and the mortgage shall be negotiated and insurance time limit according to the both sides talks things over certain risks insured, the insured amount shall not be less than the mortgaged property assessment value, the policy content shall comply with the requirements of the mortgagee, shall not do harm to the mortgagee rights restrictive conditions. Before the principal claim this contract fully pay off, the mortgagor shall not be any reason to interrupt, terminate, modify or change the policy, and shall take all reasonable and necessary measures to ensure the insurance stipulated in this article remain valid. If the mortgagor is not insured, or in violation of the agreement, the mortgagee has the right to determine insurance or continue to insure the mortgaged property, insurance fee shall be borne by the mortgagor, and can and therefore may give the loss caused by the mortgagee shall be recorded in the balance of creditor's rights. / days after signing this contract, the mortgagor shall be submitted to the mortgagee, the mortgaged property insurance policy original will because of insurance events and enjoys insurance gold to request authority transferred to the mortgagee. Pay off before the main creditor's rights in this contract. The insurance policy original by the mortgagee of the tube.

Clause 10 The guarantee responsibilities

Under the circumstance that, the debtor of principle contract failed to pay off the creditor's rights when due (on due date or early termination date), the pledge is assumed to be responsible in accordance with this contract.

The due date in the previous sentence means the repayment date agreed in the principle contract. The early termination date is the termination date request by creditor per law or per agreements under the principle contracts.

Clause 11 The way and period of the pledgee's rights

Once guarantee responsibility established, Pledgee is entitled to the right to request the execution of the assumption of the guarantee 's responsibility in accordance to law and regulation.

Pledgee should execute the rights within the duration of action.

Clause 12 The realization of the pledgee's rights

Once guarantee responsibility is assumed, Pledgee is entitled to the right to request the execution immediately. The execution action includes but is not limited to compromise for discount, sale the assets through auction, etc. Pledgor should cooperate on the above mentioned actions. The proceeds received after the cost of execution, should be use to pay off the principle creditor's rights under the principle contracts.

Under the circumstance that, the expiration of account receivables is earlier than the expiration of the principle creditor's rights, the amount collected from the pledged account receivables by Pledgor should be deposited in the appointed account. And the deposit should still assume the guarantee responsibility for the undue principle creditor's rights.

Pledgor's rights on other guarantee contracts or collateral contracts should not have an impact on the performing of this contract. Pledgor should assume responsibility under this contract rather than plea with the execution in order.

Clause 13 The relationship between this contract and the principle contract

Upon the termination or early termination of the principle contract, Pledgor assumed guarantee responsibility on occurred debt.

The change of principle contract will not be informed to the Pledgor unless under the following circumstances, change of currency, interest rate, amount, period, or other terms which might affect the increase of the amount of the principle creditor's rights or extend the effective period of the principle contract. Pledgor remains to assume the guarantee responsibility to the changed principle contract.

Under the previous stated circumstance which Pledgor's consent is required, Pledgor is entitled to the right to reject the assumption of the guarantee responsibility on the incremental portion.

Under the circumstances that, Pledgee provide the letter of credit, trade financing services to debtor under the principle contract, Pledgor won't be notified but assumed guarantee responsibility. It is the Pledgee's responsibility to register for the incremental business contract.

Clause 14 Statements and Commitments

Pledgor's statement:

1. Pledgor is legally registry and operating, and owning the full civil rights required by this contract.
2. Pledgor committed that no joint owner attached on the Collateral, or if any, written consents has been obtained. Pledgor agreed to hand over the written consent to Pledgee for custody.
3. Signing and performing the contract is the true will of Pledgor, Pledgor has been granted all necessary authorizations in effect before signing the contract. The contract does not form a default for other contracts signed and performed by Pledgor. It is Pledgor's responsibility to complete all required approvals, registrations, permits and filings.
4. All documents and information provided by Pledgor to Pledgee are true, complete, accurate and effective.
5. Pledgor did not conceal all the other creditor's rights, factoring and financing attached to the underlying assets.
6. Under the circumstances that new creditor's rights are attached on the underlying assets or significant argue and dispute on the underlying contracts, Pledgor should notify Pledgee immediately.
7. If the Collateral is construction in process, Pledgor committed that no other creditor's rights is attached, if any, a written consent of abortion is obtained. Pledgor agreed to hand over the written consent to Pledgee for custody.

Clause 15 Default of the contract

Pledgor's absent or delay in the registration procedure will be considered the event of default. Pledgee's loss from the default should be compensated by Pledgor.

Clause 16 Breach of covenants

Any of the following situations would be considered as breach of contract covenant:

1. Pledgor is in violation with the previous terms of the contract, transferred or disposed all or part of the assets.
2. Pledgor impeded in any form Pledgee's execution the rights.
3. Under the clause 7 of this contract that diminished of the value of the accounts receivables, and Pledgor cannot provide additional guarantee.
4. The statements of the Pledgor are untrue or in violation with its commitments
5. Pledgor is in violation with other rights and obligations agreed in this contract.
6. Pledgor is or will be under significant business changes such as termination of operation, dismissal or bankruptcy.
7. Pledgor breaches the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.

When any of the above mentioned situations noticed, Pledgee will perform the following in separate or all at the same time:

- 1) Request Pledgor to rectify within a definite time.
 - 2) Reduce, temporarily pause or permanently terminate Pledgor's Credit limit in part or in all
 - 3) Temporarily pause or permanently terminate in part or in all of Pledgor's application on specific credit line under this contract.
 - 4) Announce the immediate expiration on all the credit lines granted under this contract and affiliated specific credit line contracts.
-

- 5) Terminate or release this contract, terminate or release in part or in all of the affiliated specific credit line contracts as well as the other contracts signed between Pledgor and Pledgee
- 6) Request compensation from Pledgor on the losses thereafter caused.
- 7) Assume the guarantee responsibility on Guarantors.
- 8) Other necessary procedures on Party B's concern

Clause 17 Rights reserved

Either party might reserve part of or all of the rights under this contract and the affiliated specific credit line contracts, this does not imply the party has surrendered or remitted the unperformed rights and obligations.

Either party might sometimes tolerate, extend or delay the execution of certain rights, this does not deem as the party has surrendered or remitted the rights.

Clause 18 Change, Modification, Termination and Partial invalid

Upon negotiation and agreed by both parties, this contract can be changed and modified, the written record of the changes and modifications should form the inseparable part of this contract.

Unless ruled by law or both parties formed a separate agreement, the contract would not be terminated prior to all the rights and obligations defined are fulfilled.

Unless ruled by law or both parties formed a separate agreement, the void of single terms under this contract should no invalid other contract under this contract.

Clause 19 Applicable Law and Resolution for Dispute

1. This contract entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China.
2. The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts

Clause 20 Attachments

Details of underlying assets.

Clause 21 Other terms and conditions

1. Without Pledgee's prior written approval, Pledgor is not allowed to transfer the rights and obligations under this contract to 3rd Parties.
 2. Pledgor should give the consent that, Pledgee might somehow authorize other affiliated institutions of Bank of China to perform the obligation. The performing party is entitled to all the rights and obligations under this contract and the affiliated credit line contracts, the performing party reserves the rights to appeal a resolution of dispute if necessary.
 3. The contract has equivalent restrictions to the successors or inherits of both parties.
 4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.
 5. The title and name of business product is for business purposes, will not used for interpretation of the contract terms and the rights and obligations.
 6. Special agreements between Pledgor and Pledgee, If the realization value of the underlying assets exceeds the maximum amount of guarantee specified in Clause 3, Pledgor agree that the primary compensation to Pledgee will not restricted to the amount defined in Clause 3 and Clause 10. Pledgee entitled the compensation from the full proceeds from disposal.
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Clause 22 Effectiveness of the contract

This contract is established and enters into effective upon signing or sealing by the legal representatives (or person-in-charge) of Pledgor and Pledgee or their duly authorized agents, together with sealing by the company chop.

The pledge is established upon the effectiveness of this contract.

This contract will be printed and signed in six copies, Pledgor and the debtor hold one copy each, Pledgee holds three copies, the registration authority holds one copy, each copy has the same legal effect

Stamp of Pledgor

Signature of director or authorized representative /s/ Dangyu Pan

/s/ [COMPANY SEAL]

Stamp of Pledgee (if Pledgee is a corporation)

Signature of legal representative or authorized representative /s/ DENG ZHENGBO

Attachment:

Working Capital Loan Contract

Reference No. : 2016 nianzhengzhongyinbujiezi No.0075

Party A: Shenzhen Highpower Technology Co., Ltd

Business License: 440307503274740

Legal Representative: Dangyu Pan

Address: Building 1, 68 Xinxia Street, Pinghu, Longgang, Shenzhen;

Postal code: 518000

Deposit A/C and financial institutions: Bank of China, Pinghu Sub-branch, Shenzhen, 744557938816

Telephone: 89686236; Facsimile: 89686298

Party B: Bank of China, Buji Sub-branch.

Legal Representative: DENG ZHENGBO

Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal code: 518000

Telephone: 0755-22337156; Facsimile: 0755-28772290

Borrowers and lenders through equal consultation, the lender to borrowers liquidity loan agreement and conclude the contract.

This contract is the affiliated specific credit contract under the "Comprehensive Credit Line Contract" (Reference No.: 2016zhengzhongyinebuxiezi No. 0000444), which is signed by Shenzhen Highpower Technology Co., Ltd and Bank of China, Buji Sub-branch.

Clause 1 Amount

Party B agrees to provide the following loan:

Currency in: RMB

Amount: RMB Twenty million only

RMB 20,000,000.00

Clause 2 Period

The period of the loan is 12 months starting from the first withdrawal date in part or in whole. It is Party A's obligation to withdraw funds on the date as agreed. Any late withdrawal will not result in delay/extension of repayment.

Clause 3 Use of loan

Purpose of loan: Purchase of raw materials

Party A is prohibited from changing the use of loan without Party B's written approval. The restrictions include but are not limited to changing the use of loan to fixed assets or equity investments, as well as production activities prohibited by the central governments.

Clause 4 Lending rate and interest calculations

1. Lending rate is floating rate, which is reset every 12 months starting from the first withdrawal date. The rate resetting date is the first day of each floating period.

For each withdrawal in installments:

■ RMB floating rate

A. First withdrawal (during the first floating period) interest rate is the twelve-month benchmark lending interest rate, set by Interbank rates, plus 92;

B. On the interest resetting date, the new interest rate is the spot one-year lending interest rate, benchmarked by Interbank rates, plus 92 on all outstanding loan amounts.

2. Interest calculation

Interest is calculated starting from the actual withdrawal date on the actual amount of money withdrawn and the number of days outstanding.

Interest calculation formula: $\text{Interest} = \text{Principal} \times \text{actual number of days} \times \text{daily rate}$.

Daily rate calculation is: $\text{daily rate} = \text{APR} / 360$.

3. The method of interest settlement

Interest settlement takes place on the 20th of each month, the 21st is the interest payment date.

If the final loan principal payment date is different from the interest payment date, the borrower should pay off all interest on the principal payment date.

4. Penalty interest

(1) For the loan overdue or violated use the loan purpose, penalty interest rate will apply to the loan amount that is overdue or misappropriated from the date of overdue or misappropriation until the principal and interest are paid off.

On both overdue and misappropriation of loans, a higher penalty interest rate shall be charged.

(2) If the borrower does not pay interest and/or penalty interest by the interest payment date, the interest is calculated based on Clause 3 and 4.

(3) Penalty rate

■ The penalty interest rate on floating-rate loans

According to the floating period and the method of floating as agreed in Clause 1, the penalty interest rate of the overdue loan shall be the agreed interest rate plus 50%, and the penalty interest rate of the misappropriated loan shall be the agreed interest rate plus 100%;

Clause 5 Withdrawal Conditions

Withdrawal must meet the following conditions:

1. This contract and its attachments have become effective.
2. Party A has provided guarantees requested by Party B, and the guarantee contract has become effective and has accomplished legal procedures of approval and registration.
3. Party A has provided Party B with loan documents, seals, personnel list, specimen signature, and complete the relevant evidence.
4. Party A has opened the account for fulfilling this contract requested by Party B.
5. Party A should submit written withdrawal application, documentary proof for using of loans and complete the relevant formalities for withdrawal before 5 banking days.
6. Party A has submitted resolution books and power of attorney signed by the board or other authorities to Party B.

Withdrawal can be refused by Party B if Party A has not met the above conditions, but agreed by Party B.

Clause 6 Date and method of withdrawal

1. All loans should be withdrawn within 30 days from 2ed Sep 2016.
 2. Party B has the right to refuse the withdrawal application of unused loan which is over the date of withdrawal.
-

Clause 7 Payment of the loan

1. The account

The loan should be granted and paid through the account opened by Party A:

Account Name: Shenzhen Highpower Technology Co., Ltd.

Account number:744557938816

2. The way of payment

(1) The way of payment should be in accordance with laws and regulations, regulatory requirements and the contract. The way of single payment of the Loan should be approved in written withdrawal application. Party B has the right to change the way of payment or stop providing the loan if the way of payment in the application doesn't meet the requirement.

(3) Borrower makes the payment on its own.

(4) The change of payment. The way of payment should be changed when the payment, credit rating or other conditions of Party A has changed after submitting withdrawal application. Party A should provide the written change application, should resubmit the withdrawal application and documentary proof for using of loans if the sum, payment object or the use of loans has changed.

3. The specific requirements of entrusted payment

(1) Entrusted payment. Party B pay to the specified account directly which is written in this contract, including the name of account, account number and the sum of payment.

(2) To provide the transaction information. Party A should provide the account of loans, the account information of counterparty and relevant documents when entrusted payment. All document provided to Party B should be true, integral and effective, or Party B does not assume any responsibility for failed transaction, and occurred repayment obligations do not be affected.

(3) Party B's obligations under the entrusted payment

A. Party B pay to the specified account after examination and approval of Party A's commission books and other related transaction information when entrusted payment.

B. If Party B found that the proof materials and other related trading purposes material provided by Party A does not comply with this contract or the presence of other defects, Party B has the right to require Party A to supplement, replace, description or re-submit the relevant materials. Before these materials are submitted, Party B has the right to refuse the issuance and payment of the relevant amounts.

C. Party B will assume no responsibility and the generated obligations of Party A will be not affected if Party B cannot pay the loan to the counterparty in time in accordance with payment order of Party A because of the refund by opening bank of the counterparty. Party A hereby authorizes Party B to freeze the fund returned by opening bank of the counterparty. In this case, Party A shall resubmit the payment order and use proven materials and other related transaction materials.

(4) Party A shall not piecemeal way to circumvent the trustee to pay Party B.

5. Party B has right to redefine the terms of payment and loan disbursement or stop the loan if the following situations occurred:

(1) Party A violates the contract to circumvent entrusted payment of Party B by piecemeal way.

(2) Party A's credit status drops or main business profitability is not good.

(3) The use of loan is abnormal.

(4) Party A fails to provide the records and information of the loan requested by Party B timely.

(5) Party A contravenes this section to use the loan.

Clause 8 Repayment

1. Party A shall specify the following account as capital recovery account and provide the information of this account. Party B has the right to ask Party A to explain inflows and outflows of large-sum and abnormal capital, as well as monitor capital recovery account.

Account Name: Shenzhen Highpower Technology Co., Ltd.

Account number: 744557938816

2. Except otherwise agreed, on the expiry date, Party A must repay all the loans under this contract.

If Party A wants to change the plan of repayment, a written application confirmed in writing by both parties jointly should be submitted in 10 banking days before the loans maturity.

3. Unless otherwise agreed, Party A has the right to decide repayment order of the principal or interest. If there are several expiring loans or overdue loans which are repaid in installment way under this contract, Party B has the right to decide the liquidation sequence of a repayment. Party B has the right to decide the priority of the repayment order if multiple contracts expire at the same time.

4. Unless otherwise agreed, Party A can repay in advance, but Party A should notice Party B in written 15 banking days advance. The amount of the first advance payment used to repay the final maturity of the loan, in reverse order to repay the loans.

5. Party A must deposit funds in the following account three banking days advance of every expiring principle with interest. Party B has the right to take the funds from the account on the expiry date.

Account Name: Shenzhen Highpower Technology Co., Ltd.

Account number: 744557938816

Clause 9 Guarantee

1. To ensure that borrowing under this agreement is repaid, the following guarantees shall be adopted:

1) This contract is the main contract of Guaranty Contract of Maximum Amount (NO: 2016ZHENZHONGYINBUBAOEZI00444A) signed by SPRINGPOWER TECHNOLOGY (SHENZHEN) CO., LTD. (Guarantor) and Party B. Guarantor provides the maximum amount guarantee.

2) This contract is the main contract of Guaranty Contract of Maximum Amount (NO: 2016ZHENZHONGYINBUBAOEZI00444B) signed by DAGNYU PAN (Guarantor) And Party B. Guarantor provides the maximum amount guarantee.

3) This contract is the main contract of Pledge Contract of Maximum Amount (NO: 2016ZHENZHONGYINBUDIEZI0044) signed by SHENZHEN HIGHPOWER TECHNOLOGY CO., LTD. And Party B.

2. Under certain circumstance, Party B believes that will affect the capacity for fulfilling the contract of Party A or Guarantor, or Guarantee Contracts are invalid, revoked or dissolved, or the financial position of Party A/Guarantor deteriorate or Party A/Guarantor involved in litigation issues, or other factors which might affect its repayment ability, or guarantors were found default in other contracts with Party B, or devaluation, dismiss or damage of collaterals which might cause the value of the collaterals slaked or losses, Party B reserves the right to request Party A and Party A has the obligation to add or replace the guarantor.

Clause 10 Statement and Commitment

1. Party A's statement:

- 1) Party A is legally register and exist with full capacity for civil rights and civil conduct;
- 2) Signing and performing the contract is the true will of Party A, Party A has been granted all legal and valid authorizations before signing the contract. The contract does not form a default for other contracts signed and performed by Party A and other legal documents. It is Party A's responsibility to complete all required approvals, registrations, permits and filings.
- 3) All document and information, financial statement, certificates and other materials provided by Party A to Party B are true, complete, accurate and effective.
- 4) All the transactions mentioned by Party A for apply specific credit line should be real and not for illegal purposes such as: money laundry.
- 5) No hidden events regarding Party A and guarantor's financial and repayment abilities.
- 6) Party A and the loan project reach the national environmental standards, not in the list of the enterprises which have problems of energy consumption and pollution, don't have the risk of energy consumption and pollution.

2. Party A's commitment:

- 1) Party A shall submit the financial statements and other relevant information regularly, including but not limited to annual, quarterly and monthly financial reports.
- 2) Any counter-guarantee agreement between the guarantors and Party A will not affect the Party B's underlying rights under this contract.
- 3) Cooperated in Party B's exam and inspection on the utilization of the loan as well as Party A's financials and operations.
- 4) Under circumstances Party A or Guarantor's capability of performing the contract might be affected, Party A should notify Party B in written in time. Those circumstances included but not limited to merger, division, decrease of capital, equity transfer, investment, a substantial increase of debt financing, a major asset and credit assignment.

Party A should notify Party B in time, when the following things occurred:

- A. changes of articles of association, the scope of business, registered capital and legal representative of Party A or Guarantor.
- B. Any form of management mode change, including joint operation, invest and cooperate with foreigners, contract management, reorganization, restructuring, listing plan.
- C. Party A is involved in major litigation or arbitration, or property or collateral is seized, detained or regulated, or set new guarantee in collateral.
- D. Out of business, dissolution, liquidation, suspend business for rectification, cancellation, revocation of the business license or (be) filed for bankruptcy.
- E. Shareholders, directors and senior management personnel suspected of serious cases or economic disputes.
- F. Default events in other contracts.
- G. Operating difficulties and financial situation has deteriorated.

(5) The repayment to Party B prior to shareholders, and is comparable to other creditors of the same kind debts.

Party A is prohibited to repay the loan to shareholders before paying off the principal and interests under the contract.

(6) If Party A fails to pay principal, interests and fees on time in the fiscal year, any form of dividends is forbidden.

(7) Party A cannot dispose of assets to reduce its debt paying ability and promises the total amount of external guarantee is not 1 time higher than its net assets, and the total amount of external guarantee and the amount of single guarantee shall not exceed the limitation set by the articles of association.

(8) Except the use agreed in this contract or agreed by Party B, Party A is prohibited to transfer the loans to other accounts or related accounts.

Party A should provide documentary proof when the loan is transferred to other accounts or related accounts.

(9) Party B has the right to call the loan advanced according to the situation of capital return of Party A.

Clause 11 disclosure of the affiliated transaction inside Party A 's group

Party A is a Group customer confirmed by Party B according to the "Commercial Bank Group guidelines for customer credit risk management business"(hereinafter referred to as "guideline"). During the credit period, Party A shall promptly report to Party B about more than 10% of net assets associated with the transaction, including but not limited to: the parties to the transaction of the association; trading program and nature of the transaction; the amount of the transaction or the corresponding ratio; pricing policies (including no amount or only nominal amounts of transactions).

Under any of the following circumstances, Party B shall have the right to unilaterally decide to suspend the unused loan and recover part or all of the principal and interest of the loan in advance: use the false contracts which are signed with affiliated parties to discount or pledge at bank and to obtain bank funds or credit with notes receivable and accounts receivable without actual trade background; the occurrence of major mergers, acquisitions and reorganization which are considered by Party B may affect the loan safety; evasion or discarding of bank debts on purpose through affiliated transactions; other circumstances stipulated in article eighteenth of "guidelines".

Clause 12 Breach of Covenants

Each of the following events and issues constitute Party A in the event of default under the contract:

1. Party A did not perform the repayment obligation under this contract;
 2. Party A has not used the credit funds according to agreed purposes, or has not paid the loan by agreed way in this contract;
 3. Party A's statements in this contract are untrue or in violation with commitments made by Party A in this contract.
 4. Under the circumstance defined in 2.(4) of Clause 10, Party A refused to provide additional guarantee or replacement of a new guarantor.
 5. Deterioration of credit, or profitability, debt paying ability, operating ability, cash flow and other financial indicators of Party A deteriorate, breaking the contract index constraint agreed or other financial covenants.
 6. Party A breaches other contracts signed with Party B or other affiliated institutions of Bank of China.
 7. Guarantors breach contracts, or have default events with Party B or other affiliated institutions of Bank of China.
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8. The termination of business or dissolution, revocation or bankruptcy of Party A.
9. Party A is or may be involved in major economic disputes, litigation, arbitration, or its assets were seized, detained or enforced, or investigated or punished by the judicial organ or taxation, industry and commerce administrative organs in accordance with the law, has been or may affect its ability to fulfill the obligations under this contract.
10. Abnormal change, missing, legal restriction of personal liberty and investigation by judicial authorities of Party A's major individual investors, key management personnel, which have been or may affect Party A to fulfill the obligations under this contract.
11. Party B finds the problems which may affect the borrower or guarantor's financial situation and performance capabilities when reviewing Party A's financial condition and performance capabilities every year (every year from the effective date of the contract);
12. Party A cannot provide materials to Party B to explain large and abnormal capital inflow and outflow in the account.
13. Party A is in violation with other rights and obligations agreed in this contract.

When any of the above situations occurred, Party B will perform the following in separate or all at the same time according to the specific situation:

- 1) Require Party A or Guarantor to rectify defaults within a definite time.
- 2) Reduce completely or partly, pause or terminate Party A's Credit limit.
- 3) Pause or terminate completely or partly Party A's business applications in this contract or in other contracts between Party A and Party B specific credit line under this contract. Pause or terminate completely or partly, or cancel or stop offering, paying and settling the unissued loans and unsettled trade financing.
- 4) Announce the immediate expiration on all or part of the outstanding loans, principle and interest of trade financing and other accounts payable under this contract or other contracts between Party A and Party B.
- 5) Terminate or release this contract, terminate or release contracts between Party A and Party B completely or partly.
- 6) Require compensation from Party A on the losses caused by Party A to Party B.
- 7) Deduct the fund from Party A's deposit accounts to pay off the debts to Party B under this contract. All the undue funds in the accounts were considered as acceleration of maturity. If the currency in deposit account is different from the currency of Party B's loans, the exchange rate on the date of the hold in custody will be applied.
- 8) Real rights of pledge will be executed.
- 9) Require Guarantors assume liability of guaranty.
- 10) Other necessary or probable procedures on Party B's concern.

Clause 13 Rights reserved

One party does not perform part or all of the rights under this contract, nor does not require the other party to perform, undertake part or all of the obligations and responsibilities, which does not mean the abdication of the right or exemption of the obligation and responsibility.

Any tolerance, extension or delay from one party to another party for exercising of rights under this contract does not affect the rights one party enjoys according to this contract and laws and regulations, and does not mean the abdication of the right.

Clause 14 Changes, Modification, Termination

Upon negotiation and agreed by both parties, this contract can be changed and modified by written. Any of the changes and modifications should form the inseparable part of this contract.

Unless otherwise provided for in any law or regulation or stipulated between the parties, this contract would not be terminated prior to all the rights and obligations are fulfilled.

Unless otherwise provided for in any law or regulation or stipulated between the parties, the invalidation of single terms under this contract should not affect the validation of other terms under this contract.

Clause 15 Applicable Law and Resolution for Dispute

1. This contract is applicable to the laws of People's Republic of China.

During the performance of this contract or in connection with all disputes relating to this contract, the two parties settled through friendly consultations. If negotiation cannot reach agreement, both parties can apply to the local people's court of Party A or other affiliated institutions of Bank of China.

Clause 16 Attachments

The Appendix hereof and the other appendix confirmed by both parties shall form an integral part of this contract, and shall be of legally equal effect with this contract.

1. Withdrawal application;

Clause 17 Other terms and conditions

1. Without Party B's written approval, Party A is not allowed to transfer the rights and obligations under this contract to the 3rd Parties.
 2. Party A should give the consent that Party B might somehow authorize other affiliated institution of Bank of China to perform the obligation. The performing party entitles all the rights and obligations under this contract, the performing party reserves the rights to appeal a resolution of dispute if necessary.
 3. The contract has equivalent restrictions to the successors or inherits of both parties.
 4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.
 5. The transactions under the contract based on independent interests. According to relevant laws, regulations and regulatory requirements, other parties of the transaction constitutes a connected party or associated persons, any party shall not seek to use this relationship to affect the fair of transaction.
 6. The title and name of business in this contract is only for business purposes, will not be used for interpretation of the contract terms, the rights and obligations.
 7. In accordance with the provisions of the relevant laws and regulations, supervision, Party B has the right to provide the information of this contract and other relevant information to the credit system of the people's Bank of China and other legally established credit information database, for organizations or individuals who have the appropriate qualifications to query and use.
 8. If the drawdown date or the repayment date is in legal holidays, then it is delayed to the first working day after the holidays.
-

9. If required by the governing institutions, Party B might not be able to perform the obligations agreed in this contract, Party B has the right to stop or change the contract or its clauses, and Party B is exempted from punishment under this circumstance.

Clause 18 Effective of the contract

This contract enters into force upon the date when it is signed or sealed and affixed with official seals by the legal representatives or entrusted agents of Party A and Party B.

This contract is signed in quadruplicate, each party holds two copies, which have the equal legal effect.

/s/ [Stamp of Party A]

Signature /s/ Dangyu Pan

/s/ [Stamp of Party B]

Signature /s/ Deng Zhengbo

Working Capital Loan Contract

Reference No. : 2016 nianzhongyinyinbujiezi No.0079

Party A: Shenzhen Highpower Technology Co., Ltd

Business License: 440307503274740

Legal Representative: Dangyu Pan

Address: Building 1, 68 Xinxia Street, Pinghu, Longgang, Shenzhen;

Postal code: 518000

Deposit A/C and financial institutions: Bank of China, Pinghu Sub-branch, Shenzhen, 744557938816

Telephone: 0755-89686236; Facsimile: 0755-89686298

Party B: Bank of China, Buji Sub-branch.

Legal Representative: DENG ZHENGBO

Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal code: 51800

Telephone: 0755-22337156; Facsimile: 0755-28772290

Borrowers and lenders through equal consultation, the lender to borrowers liquidity loan agreement and conclude the contract.

This contract is the affiliated specific credit contract under the "Comprehensive Credit Line Contract" (Reference No.: 2015 zhenzhongyinebuxiezi No. 0000465), which is signed by Shenzhen Highpower Technology Co., Ltd and Bank of China, Buji Sub-branch.

Clause 1 Amount

Party B agrees to provide the following loan:

Currency in: RMB

Amount: RMB Twenty million only

RMB 20,000,000.00

Clause 2 Period

The period of the loan is 12 months starting from the first withdrawal date in part or in whole. It is Party A's obligation to withdraw funds on the date as agreed. Any late withdrawal will not result in delay/extension of repayment.

Clause 3 Use of loan

Purpose of loan: Purchase of raw materials

Party A is prohibited from changing the use of loan without Party B's written approval. The restrictions include but are not limited to changing the use of loan to fixed assets or equity investments, as well as production activities prohibited by the central governments.

Clause 4 lending rate and interest calculations

1. Lending rate is floating rate, which is reset every 12 months starting from the first withdrawal date. The rate resetting date is the first day of each floating period.

For each withdrawal in installments:

■ RMB floating rate

A. First withdrawal (during the first floating period) interest rate is the twelve-month benchmark lending interest rate, set by Interbank rates, plus 92;

B. On the interest resetting date, the new interest rate is the spot one-year lending interest rate, benchmarked by Interbank rates, plus 92 on all outstanding loan amounts.

2. Interest calculation

Interest is calculated starting from the actual withdrawal date on the actual amount of money withdrawn and the number of days outstanding.

Interest calculation formula: Interest = Principal × actual number of days × daily rate.

Daily rate calculation is: daily rate = APR / 360.

3. The method of interest settlement

Interest settlement takes place on the 20th of each month, the 21st is the interest payment date.

If the final loan principal payment date is different from the interest payment date, the borrower should pay off all interest on the principal payment date.

4. Penalty interest

(1) For the loan overdue or violated use the loan purpose, penalty interest rate will apply to the loan amount that is overdue or misappropriated from the date of overdue or misappropriation until the principal and interest are paid off.

On both overdue and misappropriation of loans, a higher penalty interest rate shall be charged.

(2) If the borrower does not pay interest and/or penalty interest by the interest payment date, the interest is calculated based on Clause 3 and 4.

(3) Penalty rate

■ The penalty interest rate on floating-rate loans

According to the floating period and the method of floating as agreed in Clause 1, the penalty interest rate of the overdue loan shall be the agreed interest rate plus 50%, and the penalty interest rate of the misappropriated loan shall be the agreed interest rate plus 100%;

Clause 5 Withdrawal Conditions

Withdrawal must meet the following conditions:

1. This contract and its attachments have become effective.
2. Party A has provided guarantees requested by Party B, and the guarantee contract has become effective and has accomplished legal procedures of approval and registration.
3. Party A has provided Party B with loan documents, seals, personnel list, specimen signature, and complete the relevant evidence.
4. Party A has opened the account for fulfilling this contract requested by Party B.
5. Party A should submit written withdrawal application, documentary proof for using of loans and complete the relevant formalities for withdrawal before 5 banking days.
6. Party A has submitted resolution books and power of attorney signed by the board or other authorities to Party B.

Withdrawal can be refused by Party B if Party A has not met the above conditions, but agreed by Party B.

Clause 6 Date and method of withdrawal

1. All loans should be withdrawn in 30 days from 20th Sep 2016.
 2. Party B has the right to refuse the withdrawal application of unused loan which is over the date of withdrawal.
-

Clause 7 Payment of the loan

1. The account

The loan should be granted and paid through the account opened by Party A:

Account Name: Shenzhen Highpower Technology Co., Ltd.

Account number: 744557938816

2. The way of payment

(1) The way of payment should be in accordance with laws and regulations, regulatory requirements and the contract. The way of single payment of the Loan should be approved in written withdrawal application. Party B has the right to change the way of payment or stop providing the loan if the way of payment in the application doesn't meet the requirement.

(3) Borrower makes the payment on its own.

(4) The change of payment. The way of payment should be changed when the payment, credit rating or other conditions of Party A has changed after submitting withdrawal application. Party A should provide the written change application, should resubmit the withdrawal application and documentary proof for using of loans if the sum, payment object or the use of loans has changed.

3. The specific requirements of entrusted payment

(1) Entrusted payment. Party B pay to the specified account directly which is written in this contract, including the name of account, account number and the sum of payment.

(2) To provide the transaction information. Party A should provide the account of loans, the account information of counterparty and relevant documents when entrusted payment. All document provided to Party B should be true, integral and effective, or Party B does not assume any responsibility for failed transaction, and occurred repayment obligations do not be affected.

(3) Party B's obligations under the entrusted payment

A. Party B pay to the specified account after examination and approval of Party A's commission books and other related transaction information when entrusted payment.

B. If Party B found that the proof materials and other related trading purposes material provided by Party A does not comply with this contract or the presence of other defects, Party B has the right to require Party A to supplement, replace, description or re-submit the relevant materials. Before these materials are submitted, Party B has the right to refuse the issuance and payment of the relevant amounts.

C. Party B will assume no responsibility and the generated obligations of Party A will be not affected if Party B cannot pay the loan to the counterparty in time in accordance with payment order of Party A because of the refund by opening bank of the counterparty. Party A hereby authorizes Party B to freeze the fund returned by opening bank of the counterparty. In this case, Party A shall resubmit the payment order and use proven materials and other related transaction materials.

(4) Party A shall not piecemeal way to circumvent the trustee to pay Party B.

5. Party B has right to redefine the terms of payment and loan disbursement or stop the loan if the following situations occurred:

(1) Party A violates the contract to circumvent entrusted payment of Party B by piecemeal way.

(2) Party A's credit status drops or main business profitability is not good.

(3) The use of loan is abnormal.

(4) Party A fails to provide the records and information of the loan requested by Party B timely.

(5) Party A contravenes this section to use the loan.

Clause 8 Repayment

1. Party A shall specify the following account as capital recovery account and provide the information of this account. Party B has the right to ask Party A to explain inflows and outflows of large-sum and abnormal capital, as well as monitor capital recovery account.

Account Name: Shenzhen Highpower Technology Co., Ltd.

Account number: 744557938816

2. Except otherwise agreed, on the expiry date, Party A must repay all the loans under this contract.

If Party A wants to change the plan of repayment, a written application confirmed in writing by both parties jointly should be submitted in 10 banking days before the loans maturity.

3. Unless otherwise agreed, Party A has the right to decide repayment order of the principal or interest. If there are several expiring loans or overdue loans which are repaid in installment way under this contract, Party B has the right to decide the liquidation sequence of a repayment. Party B has the right to decide the priority of the repayment order if multiple contracts expire at the same time.

4. Unless otherwise agreed, Party A can repay in advance, but Party A should notice Party B in written 15 banking days advance. The amount of the first advance payment used to repay the final maturity of the loan, in reverse order to repay the loans.

5. Party A must deposit funds in the following account three banking days advance of every expiring principle with interest. Party B has the right to take the funds from the account on the expiry date.

Account Name: Shenzhen Highpower Technology Co., Ltd.

Account number: 744557938816

Clause 9 Guarantee

1. To ensure that borrowing under this agreement is repaid, the following guarantees shall be adopted:

1) This contract is the main contract of Guaranty Contract of Maximum Amount (NO: 2016 ZHENZHONGYINBUBAOEZI00444A) signed by SPRINGPOWER TECHNOLOGY (SHENZHEN) CO., LTD. (Guarantor) and Party B. Guarantor provides the maximum amount guarantee.

2) This contract is the main contract of Guaranty Contract of Maximum Amount (NO: 2016 ZHENZHONGYINBUBAOEZI00444B) signed by DAGNYU PAN (Guarantor) And Party B. Guarantor provides the maximum amount guarantee.

3) This contract is the main contract of Pledge Contract of Maximum Amount (NO: 2016 ZHENZHONGYINBUDIEZI0044) signed by SHENZHEN HIGHPOWER TECHNOLOGY CO., LTD. And Party B.

2. Under certain circumstance, Party B believes that will affect the capacity for fulfilling the contract of Party A or Guarantor, or Guarantee Contracts are invalid, revoked or dissolved, or the financial position of Party A/Guarantor deteriorate or Party A/Guarantor involved in litigation issues, or other factors which might affect its repayment ability, or guarantors were found default in other contracts with Party B, or devaluation, dismiss or damage of collaterals which might cause the value of the collaterals slaked or losses, Party B reserves the right to request Party A and Party A has the obligation to add or replace the guarantor.

Clause 10 Statement and Commitment

1. Party A's statement:

1) Party A is legally register and exist with full capacity for civil rights and civil conduct;

2) Signing and performing the contract is the true will of Party A, Party A has been granted all legal and valid authorizations before signing the contract. The contract does not form a default for other contracts signed and performed by Party A and other legal documents. It is Party A's responsibility to complete all required approvals, registrations, permits and filings.

- 3) All document and information, financial statement, certificates and other materials provided by Party A to Party B are true, complete, accurate and effective.
- 4) All the transactions mentioned by Party A for apply specific credit line should be real and not for illegal purposes such as: money laundry.
- 5) No hidden events regarding Party A and guarantor's financial and repayment abilities.
- 6) Party A and the loan project reach the national environmental standards, not in the list of the enterprises which have problems of energy consumption and pollution, don't have the risk of energy consumption and pollution.

2. Party A's commitment:

- 1) Party A shall submit the financial statements and other relevant information regularly, including but not limited to annual, quarterly and monthly financial reports.
- 2) Any counter-guarantee agreement between the guarantors and Party A will not affect the Party B's underlying rights under this contract.
- 3) Cooperated in Party B's exam and inspection on the utilization of the loan as well as Party A's financials and operations.
- 4) Under circumstances Party A or Guarantor's capability of performing the contract might be affected, Party A should notify Party B in written in time. Those circumstances included but not limited to merger, division, decrease of capital, equity transfer, investment, a substantial increase of debt financing, a major asset and credit assignment.

Party A should notify Party B in time, when the following things occurred:

- A. changes of articles of association, the scope of business, registered capital and legal representative of Party A or Guarantor.
- B. Any form of management mode change, including joint operation, invest and cooperate with foreigners, contract management, reorganization, restructuring, listing plan.
- C. Party A is involved in major litigation or arbitration, or property or collateral is seized, detained or regulated, or set new guarantee in collateral.
- D. Out of business, dissolution, liquidation, suspend business for rectification, cancellation, revocation of the business license or (be) filed for bankruptcy.
- E. Shareholders, directors and senior management personnel suspected of serious cases or economic disputes.
- F. Default events in other contracts.
- G. Operating difficulties and financial situation has deteriorated.

(5) The repayment to Party B prior to shareholders, and is comparable to other creditors of the same kind debts.

Party A is prohibited to repay the loan to shareholders before paying off the principal and interests under the contract.

(6) If Party A fails to pay principal, interests and fees on time in the fiscal year, any form of dividends is forbidden.

(7) Party A cannot dispose of assets to reduce its debt paying ability and promises the total amount of external guarantee is not 1 time higher than its net assets, and the total amount of external guarantee and the amount of single guarantee shall not exceed the limitation set by the articles of association.

(8) Except the use agreed in this contract or agreed by Party B, Party A is prohibited to transfer the loans to other accounts or related accounts.

Party A should provide documentary proof when the loan is transferred to other accounts or related accounts.

(9) Party B has the right to call the loan advanced according to the situation of capital return of Party A.

Clause 11 disclosure of the affiliated transaction inside Party A 's group

Party A is a Group customer confirmed by Party B according to the "Commercial Bank Group guidelines for customer credit risk management business"(hereinafter referred to as "guideline"). During the credit period, Party A shall promptly report to Party B about more than 10% of net assets associated with the transaction, including but not limited to: the parties to the transaction of the association; trading program and nature of the transaction; the amount of the transaction or the corresponding ratio; pricing policies (including no amount or only nominal amounts of transactions).

Under any of the following circumstances, Party B shall have the right to unilaterally decide to suspend the unused loan and recover part or all of the principal and interest of the loan in advance: use the false contracts which are signed with affiliated parties to discount or pledge at bank and to obtain bank funds or credit with notes receivable and accounts receivable without actual trade background; the occurrence of major mergers, acquisitions and reorganization which are considered by Party B may affect the loan safety; evasion or discarding of bank debts on purpose through affiliated transactions; other circumstances stipulated in article eighteenth of "guidelines".

Clause 12 Breach of Covenants

Each of the following events and issues constitute Party A in the event of default under the contract:

1. Party A did not perform the repayment obligation under this contract;
 2. Party A has not used the credit funds according to agreed purposes, or has not paid the loan by agreed way in this contract;
 3. Party A's statements in this contract are untrue or in violation with commitments made by Party A in this contract.
 4. Under the circumstance defined in 2.(4) of Clause 10, Party A refused to provide additional guarantee or replacement of a new guarantor.
 5. Deterioration of credit, or profitability, debt paying ability, operating ability, cash flow and other financial indicators of Party A deteriorate, breaking the contract index constraint agreed or other financial covenants.
 6. Party A breaches other contracts signed with Party B or other affiliated institutions of Bank of China.
 7. Guarantors breach contracts, or have default events with Party B or other affiliated institutions of Bank of China.
 8. The termination of business or dissolution, revocation or bankruptcy of Party A.
 9. Party A is or may be involved in major economic disputes, litigation, arbitration, or its assets were seized, detained or enforced, or investigated or punished by the judicial organ or taxation, industry and commerce administrative organs in accordance with the law, has been or may affect its ability to fulfill the obligations under this contract.
 10. Abnormal change, missing, legal restriction of personal liberty and investigation by judicial authorities of Party A's major individual investors, key management personnel, which have been or may affect Party A to fulfill the obligations under this contract.
 11. Party B finds the problems which may affect the borrower or guarantor's financial situation and performance capabilities when reviewing Party A's financial condition and performance capabilities every year (every year from the effective date of the contract);
 12. Party A cannot provide materials to Party B to explain large and abnormal capital inflow and outflow in the account.
 13. Party A is in violation with other rights and obligations agreed in this contract.
-

When any of the above situations occurred, Party B will perform the following in separate or all at the same time according to the specific situation:

- 1) Require Party A or Guarantor to rectify defaults within a definite time.
- 2) Reduce completely or partly, pause or terminate Party A's Credit limit.
- 3) Pause or terminate completely or partly Party A's business applications in this contract or in other contracts between Party A and Party B specific credit line under this contract. Pause or terminate completely or partly, or cancel or stop offering, paying and settling the unissued loans and unsettled trade financing.
- 4) Announce the immediate expiration on all or part of the outstanding loans, principle and interest of trade financing and other accounts payable under this contract or other contracts between Party A and Party B.
- 5) Terminate or release this contract, terminate or release contracts between Party A and Party B completely or partly.
- 6) Require compensation from Party A on the losses caused by Party A to Party B.
- 7) Deduct the fund from Party A's deposit accounts to pay off the debts to Party B under this contract. All the undue funds in the accounts were considered as acceleration of maturity. If the currency in deposit account is different from the currency of Party B's loans, the exchange rate on the date of the hold in custody will be applied.
- 8) Real rights of pledge will be executed.
- 9) Require Guarantors assume liability of guaranty.
- 10) Other necessary or probable procedures on Party B's concern.

Clause 13 Rights reserved

One party does not perform part or all of the rights under this contract, nor does not require the other party to perform, undertake part or all of the obligations and responsibilities, which does not mean the abdication of the right or exemption of the obligation and responsibility.

Any tolerance, extension or delay from one party to another party for exercising of rights under this contract does not affect the rights one party enjoys according to this contract and laws and regulations, and does not mean the abdication of the right.

Clause 14 Changes, Modification, Termination

Upon negotiation and agreed by both parties, this contract can be changed and modified by written. Any of the changes and modifications should form the inseparable part of this contract.

Unless otherwise provided for in any law or regulation or stipulated between the parties, this contract would not be terminated prior to all the rights and obligations are fulfilled.

Unless otherwise provided for in any law or regulation or stipulated between the parties, the invalidation of single terms under this contract should not affect the validation of other terms under this contract.

Clause 15 Applicable Law and Resolution for Dispute

1. This contract is applicable to the laws of People's Republic of China.

During the performance of this contract or in connection with all disputes relating to this contract, the two parties settled through friendly consultations. If negotiation cannot reach agreement, both parties can apply to the local people's court of Party A or other affiliated institutions of Bank of China.

Clause 16 Attachments

The Appendix hereof and the other appendix confirmed by both parties shall form an integral part of this contract, and shall be of legally equal effect with this contract.

1. Withdrawal application;

Clause 17 Other terms and conditions

1. Without Party B's written approval, Party A is not allowed to transfer the rights and obligations under this contract to the 3rd Parties.
2. Party A should give the consent that Party B might somehow authorize other affiliated institution of Bank of China to perform the obligation. The performing party entitles all the rights and obligations under this contract, the performing party reserves the rights to appeal a resolution of dispute if necessary.
3. The contract has equivalent restrictions to the successors or inherits of both parties.
4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.
5. The transactions under the contract based on independent interests. According to relevant laws, regulations and regulatory requirements, other parties of the transaction constitutes a connected party or associated persons, any party shall not seek to use this relationship to affect the fair of transaction.
6. The title and name of business in this contract is only for business purposes, will not be used for interpretation of the contract terms, the rights and obligations.
7. In accordance with the provisions of the relevant laws and regulations, supervision, Party B has the right to provide the information of this contract and other relevant information to the credit system of the people's Bank of China and other legally established credit information database, for organizations or individuals who have the appropriate qualifications to query and use.
8. If the drawdown date or the repayment date is in legal holidays, then it is delayed to the first working day after the holidays.
9. If required by the governing institutions, Party B might not be able to perform the obligations agreed in this contract, Party B has the right to stop or change the contract or its clauses, and Party B is exempted from punishment under this circumstance.

Clause 18 Effective of the contract

This contract enters into force upon the date when it is signed or sealed and affixed with official seals by the legal representatives or entrusted agents of Party A and Party B.

This contract is signed in quadruplicate, each party holds two copies, which have the equal legal effect.

/s/ [Stamp of Party A]

Signature /s/ Dangyu Pan

/s/ [Stamp of Party B]

Signature

/s/ Deng Zhengbo

Number :0400000928-2016 nian(Henggang) No. 00045

Working capital loan contract

Important note: The contract is signed between borrower and lender according to laws and on equal and willing basis, and all the terms of this contract are true meaning of both sides. In order to protect the borrower's legitimate rights and interests, the lender hereby inform the borrower to pay full attention to all the terms concerning the rights and obligations of both parties , especially the bold parts of the contract.

The lender: Industrial and Commercial Bank of China Ltd. Shenzhen Henggang Branch

Person in charge: Duoping Yang Contact: Weifeng Tian

Residence (address): East City Center Garden Street Shops 132, 132A, 133, Henggang Street, Longgang District, Shenzhen

Zip Code: 518115

Tel 0755 -28433033 Fax 0755 -28858699 E-mail: /

Borrower: Springpower Technology (Shenzhen) Co., Ltd.

Legal representative: Dangyu Pan Contact: Sun Xun

Residence (address): Factory A, Chaoshun Industrial Zone, Renmin Road, Fumin Residential Area, Guanlan, BaoAn District,

Zip Code: 518000

Tel: 0755 -89686236 Fax: 0755-89686819 E-mail: /

After equal negotiation, both sides agreed to enter into this particular contract.

The first part Basic Provisions

Article 1 The Use of the Loan

The loan Can be used for the below purpose and shouldn't be used for any other purposes without written consent of the lender, the lender has the right to monitor the use of funds.

Use of loan: The loan can be used as current funds for production and operations.

Article 2 The Loan Amount and Duration

2.1 The amount under this contract is RMB10,000,000.00 (RMB TEN MILLION ONLY)

2.2 The term under this contract is 12 months from the date of actual withdrawal (if separate withdrawal, from the date of the first withdrawal), the actual withdrawal date is the date on IOU.

Article 3 Rate, Interest and Cost

3.1 To determine the RMB loan interest rates

RMB loan interest rates shall be determined according to the following **(3)**

(1) Fixed interest rate. Annual interest rate shall be % and will not change during the duration.

(2) Floating interest rates. Interest rate shall be determined by base rate plus floating rate. Base rate is the corresponding base lending rate announced by the People's Bank of China on **the effective date of the contract** with underlying term the same as in section 2.2. The floating rate is **% of the base rate**, and shall not change within the loan period. After withdrawal, the interest rates shall be adjusted every **6** months. The date to determine the second period's interest rate is the corresponding date when the first period ends. If the corresponding date does not exist, then choose the last day of that month. Interest rate of each withdrawals shall be adjusted according to .

A, the interest rate for each withdrawal during any six month period shall be determined according to the rate set at the beginning of the underlying period regardless of the number of withdrawals and shall be adjusted at the next six month period.

B, Borrowing rates of each withdrawal are determined and adjusted individually.

(3) Floating interest rates. Interest rate shall be determined by base rate plus floating rate. Base rate is up 5% of national interbank lending rates and the rate cannot change during the period.

3.2 To determine the foreign exchange loan interest rates

Borrowing rates in foreign currency follow the / ways to determine:

(1) Fixed interest rate. Annual interest rate shall be / and shall not change during the duration.

(2) Floating interest rates, borrowing rates to / months / (LIBOR / HIBOR) as the base rate plus / basis points (one basis point to 0.01%) consisting of a floating interest rate spreads. Contract period plus point spreads remain unchanged. The use of sub-pen drawing and each withdrawal rates were calculated. Borrower after the withdrawal, following the / ways to adjust the benchmark interest rate, interest-bearing segment:

A, the benchmark interest rate changes in accordance with the corresponding period. The second phase of the benchmark interest rate adjustment date for a full withdrawal on the corresponding day after, if you adjust the month and the withdrawal does not exist on the corresponding date, places corresponding to the last day of the month, day, and so on other phases.

B, the benchmark interest rate changes in the first day of each Interest Period.

(3) Other: /

3.3 Interest for the borrower under the contract is calculated on a daily basis from the date of withdrawal and is paid on a monthly basis (month / quarter / half year) interest settlement. When the loan matures, interest should be settles along with the principal. One day interest rate = interest rate / 360.

3.4 Late penalty rate under the contract is 150% of the original loan interest rate, penalty interest rate for misappropriation of the loan is 150% of the original loan interest rate.

Article 4 Withdrawal (This Section Does Not Apply to Loan Cycles)

4.1 Funds should be withdrawn based on the actual needs, the borrower can make single or multiple withdrawals to the loan amount limit before 25th Sep 2016.

4.2 If the borrower does not withdraw according to the contract, the lender has the right to cancel all or part of the remaining unused balance.

Article 5 Repayment

5.1 Borrower repay the loan under this contract in one single lump sum.

5.2 If the Borrower prepay the principal in advance, the borrower should compensate the lender. The compensation should be calculated as: the amount of principle that is prepaid x the remaining time under the contract (number of months) x 0.1%; the number of months calculated for remaining time should be rounded to the greater integral number.

Article 6 Cycle Loan Special Agreement

Not Applicable.

Article 7 Guarantees

7.1 Loans under the contract are guaranteed, by 2402,Unit 3,Building 3,Dongfangqinyuan 2,Longgang, Hong Kong Highpower Technology Co., Ltd., Huizhou Highpower Technology Co., Ltd. and the legal person, Dangyu Pan 's personal joint responsibility for promissory guarantee.

7.2 Under the contract, the corresponding maximum guarantee contracts are the following:

Maximum amount of guarantee contract name: "the maximum guaranteed contract" (ID: ICBC 0400000928-2015henggangbaozi 0014)

Guarantor: Huizhou Highpower Technology Co., Ltd.

Maximum amount of guarantee contract name: "the maximum guaranteed contract" (ID: ICBC 0400000928-2015 henggangbaozi 0013)

Guarantor: Hong Kong Highpower Technology Co., Ltd.

Maximum amount of guarantee contract name: "the maximum guaranteed contract" (ID: ICBC 0400000928-2015 henggangbaozi 0012)

Guarantor: Dangyu Pan

Maximum amount of guarantee contract name: "the maximum Collateral contract" (ID: ICBC 0400000928-2016 henggangdizi 0024)

Guarantor: Shenzhen Highpower Technology Co., Ltd.

Article 8 Financial Agreement

Not applicable.

Article 9 Dispute Resolution

Dispute resolution under this contract is resolved through litigation at the court with jurisdiction where the lender is located.

Article 10 Other

10.1 Contract is in triplicate, the borrower has one copy, the lender has two copies, which have the same legal effect.

10.2 The following attachments along with other attachments mutually recognized form an integral part of this contract, and have the same legal effect as the contract:

Annex 1: Notice of Withdrawal

Annex 2: commission payment protocol

Article 11 Other Matters Agreed by the Parties

Article 11 Other provisions agreed by both parties

11.1 Prior confirmation of address for service

1. The Lender and the Borrower confirm the following mailing address and method indicated in this Contract as the Borrower's effective address and method for service of various notices, letters, and legal documents of the people's court or arbitration institutions (including but not limited to summons, notice of trial, written judgment, order, mediation agreement and notice for performance within a time limit, etc.).

Borrower's effective address and method for service:

Address for service: (1) Zip Code: 518000; Legal Domicile: Workshop Building A, Shunchao Industrial Zone, Renmin Road, Danhu Community, Guanlan Street, Bao'an District, Shenzhen City

Legal Representative (Principal) or Designated Recipient: Pan Dangyu

Tel. (Office/Residential/Mobile): 13510066248

Other methods: /

2. The Borrower ensures that the address for service given above is accurate and effective. In case of change of the address for service given above, the Borrower ensures to notify the Lender in written form within 10 working days after the change, or the service given according to the address given above shall remain effective and the Borrower shall bear all legal consequences arising therefrom.

3. In the event that a document cannot be served but is returned because the Borrower's address for service is incorrect or is changed without timely notifying the Lender in written form and the document is not signed or is rejected, the Borrower shall agree the date of return as the date of service (if different mails to different addresses are returned on different dates, the date which is later shall be adopted).

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The second part Specific Provisions

Article 1 Rate and Interest

1.1 In foreign currency borrowings, LIBOR is the benchmark interest rate on the withdrawal date or two banking days before the adjustment date of base interest rate (11:00 noon London time) Reuters (REUTERS) Financial Telecommunication terminal "LIBOR" page displays the borrower under this contract currency interbank offered rate; HIBOR as the benchmark interest rate adjustment date or withdrawal two banking days before (11:15 noon Hong Kong time) Reuters (REUTRES) Financial Telecommunication terminal "HIBOR" page shows the same industry in HK Offered Rate.

1.2 For loans with floating interest rates under the contract, , the rules to adjust the underlying interest rate will not be changed.

1.3 For loans with interest rates settled monthly, interest settlement date is 20th of each month; For loans with interest rates settled quarterly, the interest settlement date is the 20th of the last month of each quarter; For loans with interest rates settled semi-annually, interest settlement dates are June 20 and December 20 of each year.

1.4 The first interest period is from the actual withdrawal date to the date of the first interest settlement date; the last interest period is from the following day after the previous interest period to the final repayment date; other interest period is from the following day after the previous interest period to the next interest settlement date.

1.5 In the case the People's Bank of China adjust the policies to mandate loan interest rate, the lender will follow such policies, and will not notify the borrower.

1.6 Upon signing the contract, if the loan interest rate is discounted from the base interest rate determined by People's Bank of China, the Lender has the right to reevaluate the discount given to the Borrower based on the national policies, credit quality of the borrower, and the changes of the guarantors, etc. The Lender has the discretion to decide on the cancellation of part or all discount, and will notify the borrower in the due course.

Article 2 Loan Withdrawal and Release

2.1 Upon withdrawal, the borrower must meet the following prerequisites, otherwise lenders are not obliged to release any funds to the borrower, except the lender agrees to advance loans:

- (1) Except loans on credit, the Borrower has provided appropriate guarantee according to the Lender's requirements, and related guarantee procedures are completed;
- (2) No breaches occurred under this contract or other contracts signed by the Borrower and the Lender.;
- (3) Evidence of use of funds provided by the borrower conforms to the agreed use of funds;
- (4) Provide any other materials needed by the lender.

2.2 The written documents provided by the Borrower to the Lender upon withdrawal shall be original; Under conditions that original written documents can not be provided, after the consent of the Lender, a copy of the duplicate with the official seal stamped from the Borrower.

2.3 Borrowers must submit withdrawal notice to the Lender at least five banking days in advance before any withdrawal. Once withdrawal notice is submitted, without the written consent of the lender, it may not be revoked.

2.4 If the Borrower meets the prerequisites for withdrawal or agreed by the Lender to advance the loan, the lender transfers loan amount to the designated borrowers' account, the lender is deemed to have issued the loan to the Borrower in accordance with the contract.

2.5 In accordance with relevant regulatory requirements and management requirements of lenders, loans more than certain amount or that meet other conditions should be paid by entrusted payment of the Lender, the Lender should pay loans to the designated object with the borrower's withdrawal application and payment commission.

Therefore, the Borrower should sign entrusted payment agreement with the Lender as the attachment of the contract, and should open or designate a specific account at the Lender's bank to settle the payments.

Article 3 Repayment

3.1 The Borrower shall timely repay the contract principal, interest and other payables in full. On the payment date and one banking day before each settlement day, current payable interest, principal and other payables should be fully deposited into the repayment account opened at the Lender's bank, which shall be collected by the Lender on the repayment date or interest settlement date, or the Lender has the right to require the Borrower handle transfer procedure. If the repayment amount in the account is insufficient to cover all due amounts of the Borrower, the lender has the right to decide the liquidation order.

3.2 The Borrower should submit written application 10 banking days in advance for advanced repayment of all or part of the loans to the lender with the consent of the Lender to pay compensation to the Lender in accordance with the standard agreed in the contract.

3.3 The Borrower shall repay due principal, interest and other payables in advance with the consent of the Lender according to the contract on the advanced repayment date ..

3.4 The lender has the right to call loans in advance according to the returning situation of borrower's funds.

3.5 If the actual loan period is shorten because of the advanced repayment by the Borrower or advanced loan call by the Lender according to the contract, the corresponding interest rate level will not be adjusted.

Article 4 Cycle Loan

Not applicable.

Article 5 Guarantee

5.1 In addition to loans on credit, the borrower should provide legitimate and effective guarantee that is accepted by the Lender to fulfill the obligations under the contract .. Guarantee contracts are signed separately.

5.2 Borrower shall promptly notify the lender, and further provides other guarantees accepted by the Lender under the conditions that damages, depreciation, property disputes, being seized or detained, or discreet disposal of collateral by the Borrower, or the guarantor's financial condition changes adversely,

5.3 If accounts receivables are pledged as collaterals under the contract during the period the contract is still effective, the lender has the right to declare early maturity of loans, and require the borrower to immediately repay some or all of loan principal and interest, or request additional legitimate and effective collaterals against the loans, if one of the following conditions occur,

(1) The pledgor of the accounts receivable bad debt increases on the payer of which the accounts receivable are pledged, for two consecutive months;

(2) The accounts receivable that is uncollectable accounts for over 5% of the pledgor's total accounts receivable.

(3) The accounts receivable is due and uncollectable when trade disputes (including but not limited to quality, technology, service-related disputes) or debt disputes between the pledgor and payer

Article 6 Account Management

6.1 Borrower shall designate a special account at the Lender's bank for cash inflows for collecting sales revenues or planned capital repayment. Corresponding to the sales in the form of non-cash settlement, the borrower should ensure timely receipt of funds into the designated account.

6.2 Lender has the right to monitor the designated account, including but not limited to the capital income and expenditure, the borrower should cooperate. If required by the Lender, the Borrower should enter into a special account control agreement.

Article 7 Representations and Warranties

Borrower makes the following representations and warranties to the lender, and such representations and warranties remains in effect under the term of the contract:

7.1 Borrower shall have the qualification, and ability to perform the contract signed with the Lender.

7.2 The Borrower has received all the necessary authorization or approval to sign and perform this contract, which is not in violation of the Articles of Association and relevant laws and regulations, and shall bear other obligations under the contract not in conflict with other contracts.

7.3 The borrower has been scheduled to meet other debt payments, bank loan principal and interest owed no malicious behavior.

7.4 The borrower has a sound organizational and financial management system, in the last year of production and management process has not a major act of violation of discipline, the current senior management has no significant adverse record.

7.5 The borrower provides to the lender of all documents and information are true, accurate, complete and effective, there is no false record, misleading statement or significant omission.

7.6 The borrower provides to the lender's financial and accounting reports are prepared under Chinese accounting standards, true, fair and complete reflection of the borrower's operations and liabilities, and the borrower's financial situation has not any material adverse change since the most recent financial reporting period. 7.7 The borrower has not concealed to the lender any litigation, arbitration or claim involved.

Article 8 Borrower Commitment

- 8.1 The Borrower withdraws and uses funds under terms and conditions in the contract. The borrowed money is not used for fixed assets and equity and other investments, not in any way into the stock market, futures market or uses prohibited by relevant laws and regulations.
- 8.2 Repay the loan principal and interest and other payables in accordance with the contract.
- 8.3 Accept and actively cooperate with the lender for account analysis, inspection, on-site reviews, etc., including use of the loan, including the use of funds and supervision of the inspection. In accordance with the lender's requirements, the borrower periodically provides summary reports for the use of funds.
- 8.4 Accept the lender's credit check required by the lender, and provide the lender with balance sheet, income statement and other financial and accounting information reflecting the borrower's solvency, to actively assist and cooperate with the lender to investigate and review its financial situation and production operations.
- 8.5 Before paying off the loan principal and interest under the contract and other payables, the Borrower is not allowed to repay and dividends.
- 8.6 For the merger, divestiture, reduction, changes in ownership, transfer of substantial assets and debt, significant foreign investment, substantial increase in debt financing and other activities that may adversely affect the rights of the Lender's interest, prior written consent is required by the lender.
- 8.7 One of the following circumstances occurs, notify the lender:
- (1) The change on articles of incorporation, business scope, registered capital, the legal representative;
 - (2) Out of business, dissolution, liquidation, business for rectification, revocation of business license is revoked or application (by application) bankruptcy;
 - (3) Or may be involved in major economic disputes, litigation, arbitration, or the property was legally seized, detained or regulation;
 - (4) Shareholders, directors and senior management is currently involved in serious cases or economic disputes.
- 8.8 Timely, completely and accurately disclose related party relationships and related party transactions.
- 8.9 Sign and verify notices mailed, or in the form, from lender ..
- 8.10 Not dispose of assets in order to reduce the solvency; provide guarantees to third parties without damaging the interest of the lender.
- 8.11 If the loans under the contract are on credit basis, the Borrower should provide complete, true, accurate information to reflect providing guarantees that may affect its obligations under this contract, and acquire written consent from the lender.
- 8.12 Take responsibility for the expenses from the Lender in purpose of fulfillment of contracts, including but not limited to litigation or arbitration fees, property preservation fees, legal fees, execution fees, assessments fees, auction fees, notice fees.
- 8.13 Debt settlement under the contract is in priority to its shareholders, and at least has equal status with the borrower's other similar debt from other creditors and borrowers.
- 8.14 Reinforce the social and environmental risk management, and agree to accept inspections by the Lender. If requested by the Lender, the Borrower agrees to provide the corresponding report.

Article 9 Lender Commitment

- 9.1 Release loans to the Borrower in accordance with the contract.
- 9.2 Maintains the confidentiality of non-public information, except required by laws and regulations otherwise.
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Article 10 Breach of Contract

10.1 Any of the following events constitutes an event of breach:

- (1) The borrower fails to repay principal, interest, and other payables in accordance with the provisions specified in this contract, or fails to fulfill any other obligations in this contract, or contrary to the statements, guarantee and commitments in this contract;
- (2) The guarantees in this contract have adversely changed to the Lender's loan, and the Borrower is not available to provide other guarantees approved by the lender;
- (3) Fail to pay off any other debts due by the Borrower, or fails to fulfill or breach other obligations in this contract, or likely to affect the performance of the obligations in this contract;
- (4) The financial performance of the profitability, debt payment ability, operating capacity and cash flow of the Borrower exceed the agreed standards, or deterioration has been or may affect the obligations in this contract;
- (5) The Borrower's ownership structure, operation, external investment has changed adversely, which have affected or may affect the fulfillment of the obligations in this contract;
- (6) Borrower involves or may involve significant economic disputes, litigation, arbitration, or asset seizure, detention or enforcement, or judicial or administrative authorities for investigation or take disciplinary measures in accordance with the laws, or illegal with relevant state regulations or policies in accordance with the laws, or exposure by media, which have affected or may affect the fulfillment of the obligations in this contract;
- (7) The borrower's principal individual investors, key management officer's change, disappearances or restriction of personal liberty, likely to affect the performance of the obligations in this contract;
- (8) The borrower using false contracts with related parties, using no actual transaction to extract the lender's funds or credit, or evasion of lender's loan right through related party transactions;
- (9) Borrowers have been or may be out of business, dissolution, liquidation, business reorganizations, business license has been revoked or bankruptcy;
- (10) Borrowers breaches food safety, production safety, environmental protection and other environmental and social risk management related laws and regulations, regulatory requirements or industry standards, resulting in accidents, major environmental and social risk events, likely to affect the performance of the obligations in this contract;
- (11) In this contract, the borrowing is paid by credit, the borrower's credit rating, level of profitability, asset-liability ratio, net cash flow of operating and other indicators do not meet the credit conditions of the lender; or without the lender's written contract, pledges guarantee or provides assurance guarantees to other party, likely to affect the performance of the obligations in this contract;
- (12) Other adverse situations may affect in the realization of loan right in this contract.

10.2 If the borrower breaches of contract, the lender has the right to take one or more of the following measures:

- (1) Require the borrower to remedy the default within a certain time limit
 - (2) Terminate other financing funds in other contract issued to the borrower by the lender, cancel part or all of undrawn borrowings and other financing amount of borrower;
 - (3) Announce the outstanding loan and other financing amount between the lender and the borrower in this contract, and take back the outstanding amounts;
 - (4) Requires the borrower to compensate the loss of the lender caused by the breach of contract;
 - (5) Measures according to provisions of laws and regulations, provisions of this contract and other necessary measures.
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10.3 If the borrower fails to repay the due loan (including loan declared expire immediately), the lender has the right to charge penalty interest according to penalty interest rate agreed by this contract from the due date. The interest fails to repay on time, charge compound interest according to overdue penalty interest rate.

10.4 Borrower fails to use the loan for agreed usage, the lender has the right charge penalty interest on embezzlement according to embezzlement penalty interest rate agreed by this contract. The interest fails to repay on time during the embezzlement period, charge compound interest according to embezzlement penalty interest rate.

10.5 The borrower simultaneously happens the situations in section 10.3, 10.4, choosing the heavier interest rate to charge, cannot impose in double.

10.6 If the borrower does not repay the principal, interest (including interest and compound interest) or other payables on time, the lender has the right to announcements through the media for collection.

10.7 If the control or controlled relationship between related parties of the borrower and the borrower changes, or the related parties of the borrower happens the other situations except the situations of (1) and (2) in above provision 10.1, likely to affect the performance of the obligations of the borrower in this contract, the lender has the right to take the measures agreed in the contract.

Article 11 Deduction

11.1 Borrower does not repay the due debt in this contract according to this contract(including the debt declared due immediately), the lender has the right to deduct corresponding amount from all the functional and foreign accounts opened at the branches of ICBC, until all the debt of the borrower in this contract are paid off.

11.2 If the currency of deduct payments is inconsistent with the currency in this contract, the exchange rate on the deduction day is the applicable exchange rate. The interest and other fees during the deduction fees and debt pay off day, and the difference because of fluctuations the exchange rate during this period is assumed by the borrower.

11.3 If deducted amount for the lender is insufficient to pay off all debts, the lender has the right to determine the payment order.

Article 12 Transfer of Rights and Obligations

12.1 Lender has the right to transfer all or part of the right in this contract to a third party, the transferring actions do not need to acquire the consent of the borrower. If without the consent of the lender in writing, the borrower cannot transfer any right and obligations in this contract to a third party.

12.2 The Lender or China Industrial and Commercial Bank Limited ("ICBC") can Authorize or commit the other branches to perform the rights and obligations in this contract according to operation need, or transfer the loan right in this contract to the other branches of ICBC, the borrower must agree, and the above actions of the lender do not need to ask for permission of borrower. The other branches which undertake the lender's rights and obligations have the right to perform all rights in this contract, and have right to apply for litigation, arbitration, compulsory execution for the disputes in this contract in the branch's name.

Article 13 Effect, Change and Terminate of This Contract

13.1 This contract is effective since the signature date, and is terminated on the day the borrower performs all the obligations in this contract.

13.2 Any change of this contract shall be agreed by all parties involved and be made in writing. The changes of provisions and agreements are part of the contract, has equal legal right with the contract. Except the changed part, the rest part of this contract is still valid, before the changes is in effect, the original terms of this contract is still valid.

13.3 The change or termination of this contract will not affect the right of all parties involved to require compensation. The termination of this contract, will not affect the effectiveness of the dispute settlement provisions.

Article 14 Law and Dispute Resolution

The contract formation, validity, interpretation, performance and dispute settlement are applicable PRC laws. All caused by the contract or in connection with the contract-related disputes and disputes, both parties should be resolved through consultation, the consultation fails according to the contract settlement.

Article 15 Complete Contract

The first part of this contract, "borrowing conditions" and the second part of the "liquidity loan contract terms," together form a complete loan contract, the same two words have the same meaning. The loan borrower is constrained by the above two parts.

Article 16 Notice

16.1 All notices under the contract should be given in writing. Unless otherwise agreed, the parties designated residence stated in this contract for communication and contact address. Address of any party or other contact is changed, shall be in writing promptly notify the other party.

16.2 One party can notify the other party in the form of announcement or notary service if the recipient party refuses to receive other circumstances that cause inability to deliver.

Article 17 Special Provisions for Value-added Tax

17.1 The costs/interest and expenses (to be determined pursuant to the specific contract) that the Borrower pay the Lender under this Contract shall be a tax-included price.

17.2 If the Borrower requests the Lender to issue a value-added tax invoice, the Borrower shall register information with the Lender. The information registered shall include full name of the Borrower, identification number or social credit code of the taxpayer, address, telephone number, opening bank and account number. The Borrower shall ensure that the relevant information provided for the Lender is accurate, correct and complete. The Borrower shall, according to the Lender's requirements, provide relevant supporting materials. The specific requirements shall be announced by the Lender through website notice or website announcement.

17.3 If the Borrower collects a value-added tax invoice itself, the Borrower shall provide the Lender with a power of attorney sealed, designate a person for collecting and define the identification card number of the person. The person designated shall take the original of his identification card for collecting the value-added tax invoice. In case of change of the person designated for collecting, the Borrower shall issue to the Lender a new power of attorney sealed. In the event that the Borrower selects to collect the value-added tax invoice by post, the Borrower shall also provide the correct mailing information for service. In case of change of the mailing information, the Borrower shall notify the Lender timely in written form.

17.4 If the Lender is unable to issue a value-added tax invoice timely due to force majeure, such as natural disaster, government act and social exceptional events, or due to causes attributable to tax authorities, the Lender shall have the right to postpone issue of a value-added tax invoice, without bearing any liability.

17.5 If the Borrower is unable to receive a relevant copy of the value-added tax invoice due to causes not attributable to the Lender, such as loss, damage or delay of the invoice after the Borrower collects or the Lender submits to a third party to post the invoice, or if the Borrower is unable to make deduction due to delay of the value-added tax invoice, the Lender shall not bear liability of compensation for the Borrower's relevant economic losses.

17.6 Should a special red-letter invoice of value-added tax be issued resulting from sales return, suspension of taxable service or wrong information of invoice, or authentication failure of deduction copy and invoice copy, where the Lender should submit an Information Table for Issuing a Special Red-Letter Invoice of Value-Added Tax to a tax authority in accordance with relevant laws, regulations and policy documents, the Borrower shall submit an Information Table for Issuing a Special Red-Letter Invoice of Value-Added Tax to the tax authority, and the Lender shall issue a special red-letter invoice of value-added tax after the tax authority makes review and notifies the Lender.

17.7 In case of adjustment of the national tax rate during the execution period of this Contract, the Lender shall have the right to adjust the price agreed herein according to the change of the national tax rate.

Article 18 Miscellaneous

18.1 No failure to exercise or partially exercise or delay in exercising any right hereunder by the Lender shall be deemed as a waiver or change of this right or any other right or affect the Lender to further exercise this right or other rights.

18.2 The invalidity or enforceability of any provision of the Contract shall neither affect the validity or enforceability of any other provision hereof nor affect the validity of the entire Contract.

18.3 According to the provisions of relevant laws and regulations or the requirements of the financial regulatory institutions, the Lender shall have the right to provide the information related to this Contract and the Borrower's other relevant information for the credit consulting system of the People's Bank of China and other credit information database established by law, for the eligible institutions or individuals for consultation and use. For the purpose of conclusion and performance of this Contract, the Lender shall also have the right to inquire the Borrower's relevant information through the credit consulting system of the People's Bank of China and other credit information database established by law.

18.4 The terms of "the affiliated parties", "the relationship between affiliated parties", "the affiliated party transaction", "the main individual investor" and "the key managerial personnel" stated in the Contract shall have the same meanings as those defined in the Accounting Standards for Enterprises No. 36 - Disclosure of Affiliated Parties (Finance and Accounting (2006) No. 3) issued by the Ministry of Finance and future amendment thereto.

18.5 The term "environmental and social risk" means the danger and relevant risk which are likely to cause by the Borrower and its affiliated party during construction, production and operation activities, including the environmental and social problems related to energy consumption, pollution, land, health, safety, resettlement of inhabitants, ecological protection and climate change.

18.6 The documents and vouchers for the loan hereunder made and kept by the Lender according to its business rules shall constitute effective evidences of proving the claim and debt relationship between the Borrower and the Lender and shall be binding upon the Borrower.

18.7 In this Contract, (1) this Contract referred to herein shall include any amendment or supplementation to this Contract; (2) the headings to the articles hereof are for ease of reference only, and in no event shall the substance of any paragraph be interpreted and the contents and scope be restricted by such headings; (3) if the date of withdrawal or repayment is not a banking day, it shall be extended to the next banking day.

Both parties confirm: the Borrower and the Lender have made full consultation on all terms and conditions of this Contract. The Lender has reminded the Borrower to pay special attention to the provisions for the rights and obligations of both parties and have overall and correct understanding of these provisions. At the Borrower's request, the Lender has interpreted and explained relevant provisions. The Borrower has carefully read and fully understood of all terms and conditions of this Contract (including Part 1 Basic Provisions and Part 2 Specific Provisions). Both the Borrower and the Lender have completely consistent understanding of all terms and conditions of this Contract and have no objection to the contents of this Contract.

Lender (Seal): Industrial and Commercial Bank of China Limited Shenzhen Henggang Sub-branch

Industrial and Commercial Bank of China Limited Shenzhen Henggang Sub-branch (Seal)

Person in Charge/Authorized Agent: Yang Duoping (Seal)

Borrower (Seal): Springpower Technology (Shenzhen) Co., Ltd.

Springpower TECHNOLOGY (SHENZHEN) CO., LTD. (SEAL)

Legal Representative/Authorized Agent: Pan Dangyu (Seal)

Date of Signature: June 29, 2016

Maximum Mortgage Contract

Important hint: this Contract has been concluded and enacted by and between the parties hereto on the basis of equality and willingness. All terms and conditions of this Contract are the presentation of the parties' true meaning. To protect the Mortgagor's lawful rights and interests, the Creditor hereby proposes the Mortgage to pay full attention to the terms and conditions in bold.

Mortgagee: Industrial and Commercial Bank of China Shenzhen Henggang Sub-branch (hereinafter referred to as Party B)

Person in Charge: Yang Duoping

Business Address: 132, 132A and 133, Skirt Building, Dongcheng Central Park, Henggang Street, Longgang District, Shenzhen

Tel. and Fax:

Mortgagor: Shenzhen Highpower Technology Co., Ltd. (hereinafter referred to as Party A)

Legal Representative: Pan Dangyu

Business Address or Domicile: Bldg. 1, No. 68, Xinsha Road, Pinghu Street, Longgang District, Shenzhen

Tel. and Fax:

In order to ensure the realization of the creditor's right of Party A, Party B is willing to provide guaranty of mortgage (counter guarantee) for Party A. To specify both parties' rights and obligations, in accordance with this Contract *Law*, the *Guarantee Law*, the *Property Law* and other relevant laws and regulations, Party A and Party B make and enter into this Contract through unanimity through equal consultation.

Article 1 Principal Creditor's Right Guaranteed

1.1 The principal creditor's right guaranteed by Party B shall be the creditor's right reserved by Party A on the Debtor in accordance with the domestic and foreign currency loan contract, contract of transferring foreign exchange to loan, bank acceptance agreement, L/C issuing agreement/contract, guarantee issuing agreement, international and domestic trade financing agreement, forward foreign exchange settlement and sales agreement, and other financial derivative product agreements and documents (hereinafter referred to as the Main Contract) made and entered into by and between Party A and Shupeng Technology (Shenzhen) Co., Ltd. (hereinafter referred to as the Debtor) within the maximum balance of CNY25,000,000.00 (in words: CNY Twenty-Five Million Only (where the amount in words is different from the amount in figures, the amount in words shall prevail) during the period from June 8, 2016 to June 8, 2021 (including the starting date and the date of expiry), no matter whether the creditor's right is due prior to the expiration of the aforesaid period or it has been established prior to the establishment of the maximum mortgage.

1.2 The term "maximum balance" mentioned in the preceding paragraph means the sum of all CNY balances converted from creditor's right in different currencies according to the middle rate of foreign exchanged issued by Party A on the date of establishment of the principal creditor's right that Party B bears liability of guarantee.

Article 2 Scope of Guaranty of Mortgage

The scope of guaranty of maximum mortgage shall include the principal and interest of the principal creditor's right, compound interest, default interest, penalty, damages, exchange losses (losses arising from change of exchange rate) and expenses for realization of mortgage right (including but not limited to legal cost, attorney fee, appraisal cost, auction cost and sales cost). However, the expenses for realization of mortgage right shall be firstly deducted from the incomes from liquidation of the mortgaged property but shall not be included in the maximum balance as set forth in sub-clause 1.1.

Article 3 Mortgaged Property

3.1 Refer to the *List of Mortgaged Property* for the mortgaged property. As an annex to this Contract, the *List of Mortgaged Property* shall be equally authentic with this Contract.

3.2 The validity of Party A's mortgage right comes up to the ancillary component, accessory rights, appurtenance, additives, natural and legal fruits and subrogation of the mortgaged property, as well as the insurance money, compensation and damages arising from damage to, loss of or requisition of the mortgaged property.

3.3 In the event that the mortgaged property is detained by the people's court due to the Debtor's failure to perform the debt due or due to occurrence of situations where mortgage right may be realized as agreed herein, from the date of detaining, Party A shall have the right to charge natural and legal fruits derived from the mortgaged property. The fruits shall be firstly used for deducting the expenses for charging fruits.

3.4 Stipulations for the value of the mortgaged property stipulated in the *List of Mortgaged Property* shall not be deemed as evaluation basis for the Lender to dispose the mortgaged property nor restrict the Lender to exercise its mortgage.

3.5 The ownership certificate and relevant materials of the mortgaged property shall be kept by Party A upon common confirmation by Party A and Party B, except as otherwise prescribed by laws and regulations.

3.6 During the duration of the mortgage right, Party B shall maintain the mortgaged property under sound conditions but shall not use the mortgaged property unreasonably to devalue the mortgaged property. Party A shall have the right to check the management and use status of the mortgaged property.

3.7 In the event that the mortgaged property is damaged, lost or expropriated, Party B shall notify Party A immediately and provide Party A timely with the documents of proving damage, loss or expropriation of the mortgaged property issued by the relevant competent authority or department.

3.8 In the event that the mortgaged property is damaged, lost or expropriated, the insurance benefits, compensatory damages or compensation obtained by Party B shall be used for repaying the Debtor's debt under the Main Contract, or upon Party A's consent, be used for recovering the value of the mortgaged property or being deposited in the account designated by Party A for guarantying the performance of the debt under the Main Contract. The undiminished value of the mortgaged property shall be also guaranteed by the principal creditor's right.

3.9 Party B shall immediately stop its behavior, which enables to reduce the value of the mortgaged property. In case of devaluation of the mortgaged property, Party B shall timely recover the value of the mortgaged property or provide a guarantee equivalent to the value reduced.

Article 4 Mortgage Registration

Party A and Party B shall go through formalities for mortgage registration with the relevant mortgage registration authority within 10 days after the signature of this Contract. Should change of registration be handled by law where there is any change of the registered items, Party A and Party B shall go through formalities for change of registration timely. The registration expenses shall be borne by Party B, except as otherwise prescribed by laws and regulations.

Article 5 Insurance

5.1 Party B shall, within 15 days as of the signature of this Contract, handle the insurance procedures of the mortgaged property at Party A's request. In case that insurance for the mortgaged property cannot be completed once due to reasons attributable to the insurance institution, Party B shall timely handle renewal procedures to ensure the insurance for the mortgaged property not to be interrupted within the valid term of this Contract.

5.2 The insurance policy shall indicate that: in case of occurrence of any insured accident, Party A shall be the first payee (first beneficiary) and the insurer shall directly pay Party A the insurance fund. No terms in the insurance policy may limit the rights and interests of Party A.

5.3 Within the valid term of this Contract, Party B shall not suspend or cancel the said insurances by any reason. In case of suspension of the insurance, Party B shall have the right to go through insurance formalities on behalf of Party A, and all the expenses arising therefrom shall be borne by Party A.

5.4 Within the valid term of this Contract, in case of occurrence of any insured accident against the mortgaged property, the insurance indemnities shall be disposed in accordance with Sub-clause 3.8.

Article 6 Determination of Principal Creditor's Right

The creditor's right guaranteed with maximum mortgage shall be determined under any one of the following circumstances:

- A. the term specified in sub-clause 1.1 expires;
- B. it is impossible to occur a new creditor's right;
- C. the mortgaged property is sealed or detained;
- D. the Debtor and Party B are announced bankruptcy or cancelled;
- E. other circumstances for determination of creditor's right as prescribed by law.

Article 7 Floating Mortgage

7.1 In the event that Party B mortgages its current and future production equipment, raw materials, semi-finished products or finished products, the Mortgaged Property shall be determined under any one of the following circumstances:

- A. the debt performance period expires and the creditor's right of Party A is not realized;
- B. Party B is announced bankruptcy or cancelled;
- C. there is any circumstance for realization of Party A's mortgage right as set forth in sub-clause 8.1.
- D. there is any other situation which seriously affects realization of the creditor's right of Party A.

7.2 In the event that Party B provides Party A with maximum mortgage guaranty with the foregoing property, other stipulations of this Contract, as well as the stipulations of this Article, shall apply.

Article 8 Realization of Mortgage Right

8.1 Under any one of the following circumstances, Party A shall have the right to realize the mortgage right:

- A. the principal creditor's right of Party A is mature (including acceleration of maturity) but is not repaid by the Debtor;
- B. Party B fails to timely recover the value of the mortgaged property or fails to provide a guarantee equivalent to the value reduced under the circumstances specified in sub-clause 3.9;
- C. Party B or the Debtor goes into bankruptcy, winding-up, dissolution, and liquidation, or ceases its operation for reorganization, or its business license is suspended or canceled;
- D. Party B fails to follow the principle of fair transaction and disposes the mortgaged property for which floating mortgage has been set during the production and operation processes;
- E. Other circumstances specified by laws and regulations under which Party A can realize the mortgage right.

8.2 When exercising the mortgage right, Party A may, through consultation with Party B, sell by auction or sell off the mortgaged property and gain compensation firstly from the funds obtained therefrom, or discount the mortgaged property to repay the debt owed by the Debtor. In the event that Party A and Party B fail to reach an agreement on the method of realization of the mortgage right, Party A may directly apply to the people's court to sell by auction or sell off the mortgaged property.

8.3 If the currency of the money obtained from disposal of the mortgaged property is different from that under the Main Contract, Party B shall repay Party A the creditor's right after translating the foreign currency to the currency under the Main Contract according to the applicable exchange rate announced by Party A.

Article 9 Party B's Representations and Warranties

Party B gives to Party A the following representations and warranties:

9.1 Party B is the owner of the mortgaged property or the manager authorized by the State and has full right to dispose the mortgaged property. There is no dispute about the ownership, use right or business management right of the mortgaged property. To provide the guaranty of mortgage for Party A, all necessary authorizations or approvals have been approved in accordance with the procedures and authorities specified in the articles of association of the Company, all not in violation of laws, regulations and other relevant provisions.

9.2 If Party B is a listed company or a branch controlled by a listed company, Party B ensures to timely perform information disclosure obligations for the guaranty items in accordance with the *Securities Law*, the *Share Listing Rules of Stock Exchange*, and requirements of relevant laws, regulations and provisions.

9.3 Party B is completely voluntary to provide the guaranty of mortgage for the Debtor. Representation of Party B's meaning under this Contract is true. For international and domestic trade finance, Party B accepts that the basic transaction based on which financing is made is true with no fraud.

9.4 The mortgaged property under this Contract may be mortgaged by law and there shall be no limitation.

9.5 Full and reasonable explanation has been made for flaw of the mortgaged property, if any.

9.6 The mortgaged property is not sealed, detained or supervised by law.

9.7 If the mortgaged property is partly or wholly leased, the fact of mortgage of the mortgaged property shall have been notified to the lessee and the lease of the mortgaged property shall be notified to Party A in written form.

9.8 The mortgaged property is not mortgaged for any other creditor, or it is mortgaged for other creditor but the establishment of mortgage has been notified to Party A in written form.

9.9 The mortgaged property is not a public property, or it is a public property but the co-owner's written consent on matters concerning mortgage has been obtained.

9.10 If the principal creditor's right guaranteed under this Contract is the international trade financing that Party A provides the Debtor, Party B shall accept and recognize the relevant international common practice of the relevant business.

Article 10 Commitments of Party B

Party B makes the following commitments to Party A:

10.1 Under any one of the following circumstances, Party B shall, unnecessary to obtain Party B's consent, continue to perform its liability to guarantee under this Contract:

A. the Main Contract is modified through consultation by Party A and the Main Debtor, and the Debtor's debt is not added or the debt performance term is postponed;

B. under international and domestic trade finance, Party A and the Debtor changes the letter of credit related to the Main Contract, without adding the Debtor's payment obligations under the letter of credit, or extending the payment term;

C. Party A transfers the principal creditor's right and maximum mortgage right.

10.2 Without Party A's written consent, Party B may not re-establish any form of mortgage and pledge for the mortgaged property hereunder, nor lease, transfer or present the mortgaged property to any a third person. Party B shall protect the mortgaged property against damage.

10.3 Party B shall bear all expenses of Party A for realizing the mortgaged property under this Contract, including but not limited to legal cost, attorney fee, appraisal cost, auction cost and sales cost.

10.4 Party A's mortgage right is or may be infringed by a third party, Party B shall timely give a written notice to Party A and assist Party A against infringement.

10.5 Party B shall give positive coordination to Party A when Party A exercises the mortgage right. There is no barrier to restrict Party A to exercise the mortgage right.

10.6 In case of any one of the following circumstances, Party B shall timely notify Party A:

- A. where its articles of association, business scope, registered capital or legal representative is changed, or its equity is changed;
- B. where it goes into winding-up, dissolution and liquidation, or its business license is suspended or canceled, or it goes into bankruptcy;
- C. where there is or may be major economic dispute, litigation or arbitration; or its property is closed down, detained or supervised lawfully;
- D. where Party B is a natural person, and his address, working unit or contact way is changed.

10.7 Party B shall timely receive and sign the written notice given by Party A.

10.8 If Party A's principal creditor's right has other guaranty, either provided by the Debtor or a third party, Party A shall be entitled to make a decision on the order to realize guaranty by itself. Party B commits no to rise a plead. Where Party A waives, changes or loses other guaranty interests under the Main Contract, Party B's liability to guarantee shall remain in effect but shall not be invalid or exempted therefrom.

10.9 Purchaser's financing under the domestic letter of credit, under import letter of credit and import bill advance/import payment for another, in case of any one of the following circumstances, Party B shall have the obligation of incontestable guaranty of mortgage. Party B shall not, for any payment obligation under the letter of credit specified by judicial authority or administrative authority, issue stop payment order or restraining order, or take measures to seal, detain and freeze relevant property of the letter of credit or take other similar measures to present exemption or defense:

- A. the designated personnel or the authorized personnel of Party A has favorably paid according to Party A's order;
- B. Party A or its designated personnel or its authorized personnel has favorably issued a due payment confirmation for the loan under the domestic letter of credit or has favorably accepted the documents under the import letter of credit;
- C. the confirming bank of the letter of credit has favorably performed the payment obligation;
- D. the negotiation bank of the letter of credit has favorably made negotiation.

10.10 Under shipping guarantee, endorsement of bill of lading and authorized withdrawal, Party B shall not present exemption or defense due to the Debtor's rejection on payment of relevant letter of credit.

Article 11 Commitments of Party A

Party A makes the following commitments to Party B:

11.1 Party A shall keep confidential the undisclosed information in the relevant documents, financial data and other relevant materials provided by Party B when performing obligations under this Contract, except otherwise stipulated by relevant laws and regulations or specified in this Contract.

11.2 The incomes from disposal of the mortgaged property shall be firstly used to pay all debts within the scope of the guaranty of maximum mortgage and the reaming part shall be timely returned to Party B.

Article 12 Breach of Contract

12.1 Upon effectiveness of this Contract, either party's failure to perform any obligation under this Contract or either party's violation of any representation, assurance and promise under this Contract shall constitute a breach of contract. The default party shall compensate the other party for losses to the other party arising therefrom.

12.2 In case that one party violates this Contract, the other party shall be entitled to take any measures prescribed in the Law of the People's Republic of China, and relevant laws and regulations.

Article 13 Effectiveness, Change and Cancellation

13.1 This Contract shall come into force as of the date of the signature of this Contract and shall expire when the principal creditor's right of Party A is paid off.

13.2 In case of any change to this Contract, a written form shall be concluded by and between the parties hereto upon unanimity through consultation. The provisions or agreement changed shall be deemed as a part of this Contract and shall be equally authentic with this Contract. The terms and conditions except those changed shall remain in effect. The original terms and conditions shall remain in effect before the effectiveness of those changed.

13.3 The invalidity or enforceability of any provision of this Contract shall neither affect the validity or enforceability of any other provision hereof nor affect the validity of the entire Contract.

13.4 Change and cancellation of this Contract shall not affect this Contracting parties' right to claim for compensation for the losses. Cancellation of this Contract shall not affect the validity of the provisions concerning settlement of dispute.

Article 14 Dispute Settlement

The formation, validity, interpretation, execution and settlement of disputes in respect of this Contract shall be governed by the relevant laws of the People's Republic of China. Any dispute arising from and in connection with this Contract shall be settled by Party A and Party B through friendly consultation. If a dispute cannot be settled through consultation, the following B shall be adopted for settlement:

A. Any and all disputes arising from and in connection with the execution of this Contract shall be submitted to the Arbitration Committee of Shenzhen for arbitration in accordance with the current arbitration rules of the Committee. The award of the arbitration shall be final and binding upon the parties.

B. Any and all disputes arising from and in connection with the execution of this Contract shall be submitted to Shenzhen Court of International Arbitration (South China International Economic and Trade Arbitration Commission) for arbitration. Arbitration shall be carried out in the Financial Arbitration Center, Free Trade Zone of South China International Economic and Trade Arbitration Commission. The award of the arbitration shall be final and binding upon the parties.

C. Settlement shall be made by means of litigation with the local court of Party A.

Article 15 Miscellaneous

15.1 Without Party A's written consent, Party B shall not transfer all or any of its rights and obligations under the Contract.

15.2 No failure to exercise or partially exercise or delay in exercising any right hereunder by Party A shall be deemed as a waiver or change of the right or any other right or affect Party B to further exercise the right or other rights.

15.3 Party B shall be entitled to, in accordance with relevant laws and regulations, or other regulatory documents or requirements of financial regulators, provide the relevant information of the Contract and other relevant information for the credit information basic database of the People's Bank of China or other credit database established by law for the qualified institutions or individuals to search and use. Party A shall also have the right to, for the purpose of the conclusion and performance of the Contract, search Party B's relevant information through the credit information basic database of the People's Bank of China or other credit database established by law.

15.4 This Contract is made out in three originals for Party A, Party B and the relevant registration authority each holding one, which shall be equally authentic.

Article 16 Other Provisions Agreed by both Parties

16.1 Prior confirmation of address for service

1. Party A and Party B confirm the following mailing address and method indicated in this Contract as the effective address and method for service of various notices, letters, and legal documents of the people's court or arbitration institutions (including but not limited to summons, notice of trial, written judgment, order, mediation agreement and notice for performance within a time limit, etc.).

Party B's effective address and method for service:

Address for Service:

(1) Zip Code: 518000; Legal Domicile: Bldg. 1, No. 68, Xinsha Road, Pinghu Street, Longgang District, Shenzhen

Legal Representative (Principal) or Designated Recipient: Pan Dangyu

Tel. (Office/Residential/Mobile): 13510066248

Other methods: /

2. Party B ensures that the address for service given above is accurate and effective. In case of change of the address for service given above, the Borrower ensures to notify Party A in written form within 15 working days after the change, or the service given according to the address given above shall remain effective and Party B shall bear all legal consequences arising therefrom.

3. In the event that a document cannot be served but is returned because Party B's address for service is incorrect or is changed without timely notifying Party A in written form and the document is not signed or is rejected, Party B shall agree the date of return as the date of service (if different mails to different addresses are returned on different dates, the date which is later shall be adopted).

16.2 /

Annex: *List of Mortgaged Property*

Party A (Seal): Industrial and Commercial Bank of China Limited Shenzhen Henggang Sub-branch
Industrial and Commercial Bank of China Limited Shenzhen Henggang Sub-branch (Seal)

Authorized Signatory: /s/ Yang Duoping (Seal)

Party B (Seal): Shenzhen Highpower Technology Co., Ltd.

Shenzhen Highpower Technology Co., Ltd. (Seal)

Legal Representative (Authorized Agent): /s/ Pan Dangyu (Seal)

Co-owner of the Mortgaged Property: /

Date of Signature: June 8, 2016

Annex:

List of Mortgaged Property

| Name | Ownership Certificate No. | Location | Status | Appraisal Value | Others |
|--|---------------------------|---|--------|-----------------|---|
| Room 2402, Unit 3, Bldg. 3, Phase II, Dongfang Qinyuan | S.F.D.Z. 6000554903 | Room 2402, Unit 3, Bldg. 3, Phase II, Dongfang Qinyuan, Longgang District, Shenzhen | Good | CNY7,109,646.00 | Shenzhen Highpower Technology Co. Ltd. (100%) |
| | | | | | |
| | | | | | |

Mortgagor: Shenzhen Highpower Technology Co. Ltd.

Shenzhen Highpower Technology Co. Ltd. (Seal)

Co-owner of the Mortgaged Property (if any): _____ / _____

Mortgagee: Industrial and Commercial Bank of China Limited Shenzhen Henggang Sub-branch

Industrial and Commercial Bank of China Limited Shenzhen Henggang Sub-branch (Seal)

Number :0400000928-2016 nian(Henggang) No. 00080

Working Capital Loan Contract

Important note: The contract is signed between borrower and lender according to laws and on equal and willing basis, and all the terms of this contract are true meaning of both sides. In order to protect the borrower's legitimate rights and interests, the lender hereby inform the borrower to pay full attention to all the terms concerning the rights and obligations of both parties , especially the bold parts of the contract.

The lender: Industrial and Commercial Bank of China Ltd. Shenzhen Henggang Branch

Person in charge: Duoping Yang Contact: Weifeng Tian

Residence (address): East City Center Garden Street Shops 132, 132A, 133, Henggang Street, Longgang District, Shenzhen

Zip Code: 518115

Tel 0755 -28433033 Fax 0755 -28858699 E-mail: /

Borrower: Springpower Technology (Shenzhen) Co., Ltd.

Legal representative: Dangyu Pan Contact: Sun Xun

Residence (address): Factory A, Chaoshun Industrial Zone, Renmin Road, Fumin Residential Area, Guanlan, BaoAn District,

Zip Code: 518000

Tel: 0755 -89686236 Fax: 0755-89686819 E-mail: /

After equal negotiation, both sides agreed to enter into this particular contract.

The first part Basic Provisions**Article 1 The Use of the Loan**

The loan Can be used for the below purpose and shouldn't be used for any other purposes without written consent of the lender, the lender has the right to monitor the use of funds.

Use of loan: The loan can be used as current funds for production and operations.

Article 2 The Loan Amount and Duration

2.1 The amount under this contract is RMB10,000,000.00 (RMB TEN MILLION ONLY)

2.2 The term under this contract is 12 months from the date of actual withdrawal (if separate withdrawal, from the date of the first withdrawal), the actual withdrawal date is the date on IOU.

Article 3 Rate, Interest and Cost**3.1 to determine the RMB loan interest rates**

RMB loan interest rates shall be determined according to the following **(3)**

(1) Fixed interest rate. Annual interest rate shall be /% and will not change during the duration.

(2) Floating interest rates. Interest rate shall be determined by base rate plus floating rate. Base rate is the corresponding base lending rate announced by the People's Bank of China on **the effective date of the contract** with underlying term the same as in section 2.2. The floating rate is **% of the base rate**, and shall not change within the loan period. After withdrawal, the interest rates shall be adjusted every **6** months. The date to determine the second period's interest rate is the corresponding date when the first period ends. If the corresponding date does not exist, then choose the last day of that month. Interest rate of each withdrawals shall be adjusted according to .

A, the interest rate for each withdrawal during any six month period shall be determined according to the rate set at the beginning of the underlying period regardless of the number of withdrawals and shall be adjusted at the next six month period.

B, Borrowing rates of each withdrawal are determined and adjusted individually.

(3) Floating interest rates. Interest rate shall be determined by base rate plus floating rate. Base rate is up 5% of national interbank lending rates and the rate cannot change during the period.

3.2 to determine the foreign exchange loan interest rates

Borrowing rates in foreign currency follow the / ways to determine:

(1) Fixed interest rate. Annual interest rate shall be / and shall not change during the duration.

(2) Floating interest rates, borrowing rates to / months / (LIBOR / HIBOR) as the base rate plus / basis points (one basis point to 0.01%) consisting of a floating interest rate spreads. Contract period plus point spreads remain unchanged. The use of sub-pen drawing and each withdrawal rates were calculated. Borrower after the withdrawal, following the / ways to adjust the benchmark interest rate, interest-bearing segment:

A, the benchmark interest rate changes in accordance with the corresponding period. The second phase of the benchmark interest rate adjustment date for a full withdrawal on the corresponding day after, if you adjust the month and the withdrawal does not exist on the corresponding date, places corresponding to the last day of the month, day, and so on other phases.

B, the benchmark interest rate changes in the first day of each Interest Period.

(3) Other: /

3.3 Interest for the borrower under the contract is calculated on a daily basis from the date of withdrawal and is paid on a monthly basis (month / quarter / half year) interest settlement. When the loan matures, interest should be settles along with the principal. One day interest rate = interest rate / 360.

3.4 Late penalty rate under the contract is 150% of the original loan interest rate, penalty interest rate for misappropriation of the loan is 150% of the original loan interest rate.

Article 4 Withdrawal (This Section Does Not Apply to Loan Cycles)

4.1 Funds should be withdrawn based on the actual needs, the borrower can make single or multiple withdrawals to the loan amount limit before 26th Oct 2016.

4.2 If the borrower does not withdraw according to the contract, the lender has the right to cancel all or part of the remaining unused balance.

Article 5 Repayment

5.1 Borrower repay the loan under this contract in one single lump sum.

5.2 If the Borrower prepay the principal in advance, the borrower should compensate the lender. The compensation should be calculated as: the amount of principle that is prepaid x the remaining time under the contract (number of months) x 0.1%; the number of months calculated for remaining time should be rounded to the greater integral number.

Article 6 Cycle Loan Special Agreement

Not Applicable.

Article 7 Guarantees

7.1 Loans under the contract are guaranteed, by 2402, Unit 3, Building 3, Dongfangqinyuan 2, Longgang, Hong Kong Highpower Technology Co., Ltd., Huizhou Highpower Technology Co., Ltd. and the legal person, Dangyu Pan 's personal joint responsibility for promissory guarantee.

7.2 Under the contract, the corresponding maximum guarantee contracts are the following:

Maximum amount of guarantee contract name: "the maximum guaranteed contract" (ID: ICBC 0400000928-2015 henggangbaozi 0014)

Guarantor: Huizhou Highpower Technology Co., Ltd.

Maximum amount of guarantee contract name: "the maximum guaranteed contract" (ID: ICBC 0400000928-2015 henggangbaozi 0013)

Guarantor: Hong Kong Highpower Technology Co., Ltd.

Maximum amount of guarantee contract name: "the maximum guaranteed contract" (ID: ICBC 0400000928-2015 henggangbaozi 0012)

Guarantor: Dangyu Pan

Maximum amount of guarantee contract name: "the maximum Collateral contract" (ID: ICBC 0400000928-2016 henggangdizi 0024)

Guarantor: Shenzhen Highpower Technology Co., Ltd.

Article 8 Financial Agreement

Not Applicable.

Article 9 Dispute Resolution

Dispute resolution under this contract is resolved through litigation at the court with jurisdiction where the lender is located.

Article 10 Other

10.1 Contract is in triplicate, the borrower has one copy, the lender has two copies, which have the same legal effect.

10.2 The following attachments along with other attachments mutually recognized form an integral part of this contract, and have the same legal effect as the contract:

Annex 1: Notice of Withdrawal

Annex 2: commission payment protocol

Article 11 Other Matters Agreed by the Parties

Article 11 Other provisions agreed by both parties

11.1 Prior confirmation of address for service

1. The Lender and the Borrower confirm the following mailing address and method indicated in this Contract as the Borrower's effective address and method for service of various notices, letters, and legal documents of the people's court or arbitration institutions (including but not limited to summons, notice of trial, written judgment, order, mediation agreement and notice for performance within a time limit, etc.).

Borrower's effective address and method for service:

Address for service: (1) Zip Code: 518000; Legal Domicile: Workshop Building A, Shunchao Industrial Zone, Renmin Road, Danhu Community, Guanlan Street, Bao'an District, Shenzhen City

Legal Representative (Principal) or Designated Recipient: Pan Dangyu

Tel. (Office/Residential/Mobile): 13510066248

Other methods: /

2. The Borrower ensures that the address for service given above is accurate and effective. In case of change of the address for service given above, the Borrower ensures to notify the Lender in written form within 10 working days after the change, or the service given according to the address given above shall remain effective and the Borrower shall bear all legal consequences arising therefrom.

3. In the event that a document cannot be served but is returned because the Borrower's address for service is incorrect or is changed without timely notifying the Lender in written form and the document is not signed or is rejected, the Borrower shall agree the date of return as the date of service (if different mails to different addresses are returned on different dates, the date which is later shall be adopted).

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The Second Part Specific Provisions

Article 1 Rate and Interest

1.1 In foreign currency borrowings, LIBOR is the benchmark interest rate on the withdrawal date or two banking days before the adjustment date of base interest rate (11:00 noon London time) Reuters (REUTERS) Financial Telecommunication terminal "LIBOR" page displays the borrower under this contract currency interbank offered rate; HIBOR as the benchmark interest rate adjustment date or withdrawal two banking days before (11:15 noon Hong Kong time) Reuters (REUTERS) Financial Telecommunication terminal "HIBOR" page shows the same industry in HK Offered Rate.

1.2 For loans with floating interest rates under the contract, the rules to adjust the underlying interest rate will not be changed.

1.3 For loans with interest rates settled monthly, interest settlement date is 20th of each month; For loans with interest rates settled quarterly, the interest settlement date is the 20th of the last month of each quarter; For loans with interest rates settled semi-annually, interest settlement dates are June 20 and December 20 of each year.

1.4 The first interest period is from the actual withdrawal date to the date of the first interest settlement date; the last interest period is from the following day after the previous interest period to the final repayment date; other interest period is from the following day after the previous interest period to the next interest settlement date.

1.5 In the case the People's Bank of China adjust the policies to mandate loan interest rate, the lender will follow such policies, and will not notify the borrower.

1.6 Upon signing the contract, if the loan interest rate is discounted from the base interest rate determined by People's Bank of China, the Lender has the right to reevaluate the discount given to the Borrower based on the national policies, credit quality of the borrower, and the changes of the guarantors, etc. The Lender has the discretion to decide on the cancellation of part or all discount, and will notify the borrower in the due course.

Article 2 Loan Withdrawal and Release

2.1 Upon withdrawal, the borrower must meet the following prerequisites, otherwise lenders are not obliged to release any funds to the borrower, except the lender agrees to advance loans:

- (1) Except loans on credit, the Borrower has provided appropriate guarantee according to the Lender's requirements, and related guarantee procedures are completed;
- (2) No breaches occurred under this contract or other contracts signed by the Borrower and the Lender.;
- (3) Evidence of use of funds provided by the borrower conforms to the agreed use of funds;
- (4) Provide any other materials needed by the lender.

2.2 The written documents provided by the Borrower to the Lender upon withdrawal shall be original; Under conditions that original written documents can not be provided, after the consent of the Lender, a copy of the duplicate with the official seal stamped from the Borrower.

2.3 Borrowers must submit withdrawal notice to the Lender at least five banking days in advance before any withdrawal. Once withdrawal notice is submitted, without the written consent of the lender, it may not be revoked.

2.4 If the Borrower meets the prerequisites for withdrawal or agreed by the Lender to advance the loan, the lender transfers loan amount to the designated borrowers' account, the lender is deemed to have issued the loan to the Borrower in accordance with the contract.

2.5 In accordance with relevant regulatory requirements and management requirements of lenders, loans more than certain amount or that meet other conditions should be paid by entrusted payment of the Lender, the Lender should pay loans to the designated object with the borrower's withdrawal application and payment commission.

Therefore, the Borrower should sign entrusted payment agreement with the Lender as the attachment of the contract, and should open or designate a specific account at the Lender's bank to settle the payments.

Article 3 Repayment

3.1 The Borrower shall timely repay the contract principal, interest and other payables in full. On the payment date and one banking day before each settlement day, current payable interest, principal and other payables should be fully deposited into the repayment account opened at the Lender's bank, which shall be collected by the Lender on the repayment date or interest settlement date, or the Lender has the right to require the Borrower handle transfer procedure. If the repayment amount in the account is insufficient to cover all due amounts of the Borrower, the lender has the right to decide the liquidation order.

3.2 The Borrower should submit written application 10 banking days in advance for advanced repayment of all or part of the loans to the lender with the consent of the Lender to pay compensation to the Lender in accordance with the standard agreed in the contract.

3.3 The Borrower shall repay due principal, interest and other payables in advance with the consent of the Lender according to the contract on the advanced repayment date ..

3.4 The lender has the right to call loans in advance according to the returning situation of borrower's funds.

3.5 If the actual loan period is shorten because of the advanced repayment by the Borrower or advanced loan call by the Lender according to the contract, the corresponding interest rate level will not be adjusted.

Article 4 Cycle Loan

Not Applicable.

Article 5 Guarantee

5.1 In addition to loans on credit, the borrower should provide legitimate and effective guarantee that is accepted by the Lender to fulfill the obligations under the contract. Guarantee contracts are signed separately.

5.2 Borrower shall promptly notify the lender, and further provides other guarantees accepted by the Lender under the conditions that damages, depreciation, property disputes, being seized or detained, or discreet disposal of collateral by the Borrower, or the guarantor's financial condition changes adversely,

5.3 If accounts receivables are pledged as collaterals under the contract during the period the contract is still effective, the lender has the right to declare early maturity of loans, and require the borrower to immediately repay some or all of loan principal and interest, or request additional legitimate and effective collaterals against the loans, if one of the following conditions occur,

(1) The pledgor of the accounts receivable bad debt increases on the payer of which the accounts receivable are pledged, for two consecutive months;

(2) The accounts receivable that is uncollectable accounts for over 5% of the pledgor's total accounts receivable.

(3) The accounts receivable is due and uncollectable when trade disputes (including but not limited to quality, technology, service-related disputes) or debt disputes between the pledgor and payer

Article 6 Account Management

6.1 Borrower shall designate a special account at the Lender's bank for cash inflows for collecting sales revenues or planned capital repayment. Corresponding to the sales in the form of non-cash settlement, the borrower should ensure timely receipt of funds into the designated account.

6.2 Lender has the right to monitor the designated account, including but not limited to the capital income and expenditure, the borrower should cooperate. If required by the Lender, the Borrower should enter into a special account control agreement.

Article 7 Representations and Warranties

Borrower makes the following representations and warranties to the lender, and such representations and warranties remains in effect under the term of the contract:

7.1 Borrower shall have the qualification, and ability to perform the contract signed with the Lender.

7.2 The Borrower has received all the necessary authorization or approval to sign and perform this contract, which is not in violation of the Articles of Association and relevant laws and regulations, and shall bear other obligations under the contract not in conflict with other contracts.

7.3 The borrower has been scheduled to meet other debt payments, bank loan principal and interest owed no malicious behavior.

7.4 The borrower has a sound organizational and financial management system, in the last year of production and management process has not a major act of violation of discipline, the current senior management has no significant adverse record.

7.5 The borrower provides to the lender of all documents and information are true, accurate, complete and effective, there is no false record, misleading statement or significant omission.

7.6 The borrower provides to the lender's financial and accounting reports are prepared under Chinese accounting standards, true, fair and complete reflection of the borrower's operations and liabilities, and the borrower's financial situation has not any material adverse change since the most recent financial reporting period. 7.7 The borrower has not concealed to the lender any litigation, arbitration or claim involved.

Article 8 Borrower Commitment

- 8.1 The Borrower withdraws and uses funds under terms and conditions in the contract. The borrowed money is not used for fixed assets and equity and other investments, not in any way into the stock market, futures market or uses prohibited by relevant laws and regulations.
- 8.2 Repay the loan principal and interest and other payables in accordance with the contract.
- 8.3 Accept and actively cooperate with the lender for account analysis, inspection, on-site reviews, etc., including use of the loan, including the use of funds and supervision of the inspection. In accordance with the lender's requirements, the borrower periodically provides summary reports for the use of funds.
- 8.4 Accept the lender's credit check required by the lender, and provide the lender with balance sheet, income statement and other financial and accounting information reflecting the borrower's solvency, to actively assist and cooperate with the lender to investigate and review its financial situation and production operations.
- 8.5 Before paying off the loan principal and interest under the contract and other payables, the Borrower is not allowed to repay and dividends.
- 8.6 For the merger, divestiture, reduction, changes in ownership, transfer of substantial assets and debt, significant foreign investment, substantial increase in debt financing and other activities that may adversely affect the rights of the Lender's interest, prior written consent is required by the lender.
- 8.7 One of the following circumstances occurs, notify the lender:
- (1) The change on articles of incorporation, business scope, registered capital, the legal representative;
 - (2) Out of business, dissolution, liquidation, business for rectification, revocation of business license is revoked or application (by application) bankruptcy;
 - (3) Or may be involved in major economic disputes, litigation, arbitration, or the property was legally seized, detained or regulation;
 - (4) Shareholders, directors and senior management is currently involved in serious cases or economic disputes.
- 8.8 Timely, completely and accurately disclose related party relationships and related party transactions.
- 8.9 Sign and verify notices mailed, or in the form, from lender ..
- 8.10 Not dispose of assets in order to reduce the solvency; provide guarantees to third parties without damaging the interest of the lender.
- 8.11 If the loans under the contract are on credit basis, the Borrower should provide complete, true, accurate information to reflect providing guarantees that may affect its obligations under this contract, and acquire written consent from the lender.
- 8.12 Take responsibility for the expenses from the Lender in purpose of fulfillment of contracts, including but not limited to litigation or arbitration fees, property preservation fees, legal fees, execution fees, assessments fees, auction fees, notice fees.
- 8.13 Debt settlement under the contract is in priority to its shareholders, and at least has equal status with the borrower's other similar debt from other creditors and borrowers.
- 8.14 Reinforce the social and environmental risk management, and agree to accept inspections by the Lender. If requested by the Lender, the Borrower agrees to provide the corresponding report.

Article 9 Lender Commitment

- 9.1 Release loans to the Borrower in accordance with the contract.
- 9.2 Maintains the confidentiality of non-public information, except required by laws and regulations otherwise.

Article 10 Breach of Contract

- 10.1 Any of the following events constitutes an event of breach:
-

(1) The borrower fails to repay principal, interest, and other payables in accordance with the provisions specified in this contract, or fails to fulfill any other obligations in this contract, or contrary to the statements, guarantee and commitments in this contract;

(2) The guarantees in this contract have adversely changed to the Lender's loan, and the Borrower is not available to provide other guarantees approved by the lender;

(3) Fail to pay off any other debts due by the Borrower, or fails to fulfill or breach other obligations in this contract, or likely to affect the performance of the obligations in this contract;

(4) The financial performance of the profitability, debt payment ability, operating capacity and cash flow of the Borrower exceed the agreed standards, or deterioration has been or may affect the obligations in this contract;

(5) The Borrower's ownership structure, operation, external investment has changed adversely, which have affected or may affect the fulfillment of the obligations in this contract;

(6) Borrower involves or may involve significant economic disputes, litigation, arbitration, or asset seizure, detention or enforcement, or judicial or administrative authorities for investigation or take disciplinary measures in accordance with the laws, or illegal with relevant state regulations or policies in accordance with the laws, or exposure by media, which have affected or may affect the fulfillment of the obligations in this contract;

(7) The borrower's principal individual investors, key management officer's change, disappearances or restriction of personal liberty, likely to affect the performance of the obligations in this contract;

(8) The borrower using false contracts with related parties, using no actual transaction to extract the lender's funds or credit, or evasion of lender's loan right through related party transactions;

(9) Borrowers have been or may be out of business, dissolution, liquidation, business reorganizations, business license has been revoked or bankruptcy;

(10) Borrowers breaches food safety, production safety, environmental protection and other environmental and social risk management related laws and regulations, regulatory requirements or industry standards, resulting in accidents, major environmental and social risk events, likely to affect the performance of the obligations in this contract;

(11) In this contract, the borrowing is paid by credit, the borrower's credit rating, level of profitability, asset-liability ratio, net cash flow of operating and other indicators do not meet the credit conditions of the lender; or without the lender's written contract, pledges guarantee or provides assurance guarantees to other party, likely to affect the performance of the obligations in this contract;

(12) Other adverse situations may affect in the realization of loan right in this contract.

10.2 If the borrower breaches of contract, the lender has the right to take one or more of the following measures:

(1) Require the borrower to remedy the default within a certain time limit

(2) Terminate other financing funds in other contract issued to the borrower by the lender, cancel part or all of undrawn borrowings and other financing amount of borrower;

(3) Announce the outstanding loan and other financing amount between the lender and the borrower in this contract, and take back the outstanding amounts;

(4) Requires the borrower to compensate the loss of the lender caused by the breach of contract;

(5) Measures according to provisions of laws and regulations, provisions of this contract and other necessary measures.

10.3 If the borrower fails to repay the due loan (including loan declared expire immediately), the lender has the right to charge penalty interest according to penalty interest rate agreed by this contract from the due date. The interest fails to repay on time, charge compound interest according to overdue penalty interest rate.

10.4 Borrower fails to use the loan for agreed usage, the lender has the right charge penalty interest on embezzlement according to embezzlement penalty interest rate agreed by this contract. The interest fails to repay on time during the embezzlement period, charge compound interest according to embezzlement penalty interest rate.

10.5 The borrower simultaneously happens the situations in section 10.3, 10.4, choosing the heavier interest rate to charge, cannot impose in double.

10.6 If the borrower does not repay the principal, interest (including interest and compound interest) or other payables on time, the lender has the right to announcements through the media for collection.

10.7 If the control or controlled relationship between related parties of the borrower and the borrower changes, or the related parties of the borrower happens the other situations except the situations of (1) and (2) in above provision 10.1, likely to affect the performance of the obligations of the borrower in this contract, the lender has the right to take the measures agreed in the contract.

Article 11 Deduction

11.1 Borrower does not repay the due debt in this contract according to this contract(including the debt declared due immediately), the lender has the right to deduct corresponding amount from all the functional and foreign accounts opened at the branches of ICBC, until all the debt of the borrower in this contract are paid off.

11.2 If the currency of deduct payments is inconsistent with the currency in this contract, the exchange rate on the deduction day is the applicable exchange rate. The interest and other fees during the deduction fees and debt pay off day, and the difference because of fluctuations the exchange rate during this period is assumed by the borrower.

11.3 If deducted amount for the lender is insufficient to pay off all debts, the lender has the right to determine the payment order.

Article 12 Transfer of Rights and Obligations

12.1 Lender has the right to transfer all or part of the right in this contract to a third party, the transferring actions do not need to acquire the consent of the borrower. If without the consent of the lender in writing, the borrower cannot transfer any right and obligations in this contract to a third party.

12.2 The Lender or China Industrial and Commercial Bank Limited ("ICBC") can Authorize or commit the other branches to perform the rights and obligations in this contract according to operation need, or transfer the loan right in this contract to the other branches of ICBC, the borrower must agree, and the above actions of the lender do not need to ask for permission of borrower. The other branches which undertake the lender's rights and obligations have the right to perform all rights in this contract, and have right to apply for litigation, arbitration, compulsory execution for the disputes in this contract in the branch's name.

Article 13 Effect, Change and Terminate of This Contract

13.1 This contract is effective since the signature date, and is terminated on the day the borrower performs all the obligations in this contract.

13.2 Any change of this contract shall be agreed by all parties involved and be made in writing. The changes of provisions and agreements are part of the contract, has equal legal right with the contract. Except the changed part, the rest part of this contract is still valid, before the changes is in effect, the original terms of this contract is still valid.

13.3 The change or termination of this contract will not affect the right of all parties involved to require compensation. The termination of this contract, will not affect the effectiveness of the dispute settlement provisions.

Article 14 Law and Dispute Resolution

The contract formation, validity, interpretation, performance and dispute settlement are applicable PRC laws. All caused by the contract or in connection with the contract-related disputes and disputes, both parties should be resolved through consultation, the consultation fails according to the contract settlement.

Article 15 Confirmation of Address for Litigation/Arbitration

15.1 The Lender and the Borrower confirm the mailing address and method indicated in the first page of this Contract as the Borrower's effective address and method for service of Litigation/arbitration (including but not limited to summons, notice of trial, written judgment, order, mediation agreement and notice for performance within a time limit, etc.).

15.2 the borrower agree to arbitration or court use this contract page written arbitration/litigation document to fax, E-mail, except written judgments or orders and conciliation statements.

15.3 the service agreement shall apply to the procedures of arbitration and litigation in the first instance, second instance and retrial and implementation stages. To the above address of service agency or court of arbitration for delivery can be directly by mail.

15.4 The Borrower ensures that the address for service given above is accurate and effective. In case of change of the address for service given above, the Borrower ensures to notify the Lender in written form in time, or the service given according to the address given above shall remain effective and the Borrower shall bear all legal consequences arising therefrom.

Article 16 Complete Contract

The first part of this contract, "borrowing conditions" and the second part of the "liquidity loan contract terms," together form a complete loan contract, the same two words have the same meaning. The loan borrower is constrained by the above two parts.

Article 17 Notice

17.1 All notices under the contract should be given in writing. Unless otherwise agreed, the parties designated residence stated in this contract for communication and contact address. Address of any party or other contact is changed, shall be in writing promptly notify the other party.

17.2 One party can notify the other party in the form of announcement or notary service if the recipient party refuses to receive other circumstances that cause inability to deliver.

Article 18 Special Provisions for Value-Added Tax

18.1 The costs/interest and expenses (to be determined pursuant to the specific contract) that the Borrower pay the Lender under this Contract shall be a tax-included price.

18.2 If the Borrower requests the Lender to issue a value-added tax invoice, the Borrower shall register information with the Lender. The information registered shall include full name of the Borrower, identification number or social credit code of the taxpayer, address, telephone number, opening bank and account number. The Borrower shall ensure that the relevant information provided for the Lender is accurate, correct and complete. The Borrower shall, according to the Lender's requirements, provide relevant supporting materials. The specific requirements shall be announced by the Lender through website notice or website announcement.

18.3 If the Borrower collects a value-added tax invoice itself, the Borrower shall provide the Lender with a power of attorney sealed, designate a person for collecting and define the identification card number of the person. The person designated shall take the original of his identification card for collecting the value-added tax invoice. In case of change of the person designated for collecting, the Borrower shall issue to the Lender a new power of attorney sealed. In the event that the Borrower selects to collect the value-added tax invoice by post, the Borrower shall also provide the correct mailing information for service. In case of change of the mailing information, the Borrower shall notify the Lender timely in written form.

18.4 If the Lender is unable to issue a value-added tax invoice timely due to force majeure, such as natural disaster, government act and social exceptional events, or due to causes attributable to tax authorities, the Lender shall have the right to postpone issue of a value-added tax invoice, without bearing any liability.

18.5 If the Borrower is unable to receive a relevant copy of the value-added tax invoice due to causes not attributable to the Lender, such as loss, damage or delay of the invoice after the Borrower collects or the Lender submits to a third party to post the invoice, or if the Borrower is unable to make deduction due to delay of the value-added tax invoice, the Lender shall not bear liability of compensation for the Borrower's relevant economic losses.

18.6 Should a special red-letter invoice of value-added tax be issued resulting from sales return, suspension of taxable service or wrong information of invoice, or authentication failure of deduction copy and invoice copy, where the Lender should submit an Information Table for Issuing a Special Red-Letter Invoice of Value-Added Tax to a tax authority in accordance with relevant laws, regulations and policy documents, the Borrower shall submit an Information Table for Issuing a Special Red-Letter Invoice of Value-Added Tax to the tax authority, and the Lender shall issue a special red-letter invoice of value-added tax after the tax authority makes review and notifies the Lender.

18.7 In case of adjustment of the national tax rate during the execution period of this Contract, the Lender shall have the right to adjust the price agreed herein according to the change of the national tax rate.

Article 19 Miscellaneous

19.1 No failure to exercise or partially exercise or delay in exercising any right hereunder by the Lender shall be deemed as a waiver or change of this right or any other right or affect the Lender to further exercise this right or other rights.

19.2 The invalidity or enforceability of any provision of the Contract shall neither affect the validity or enforceability of any other provision hereof nor affect the validity of the entire Contract.

19.3 According to the provisions of relevant laws and regulations or the requirements of the financial regulatory institutions, the Lender shall have the right to provide the information related to this Contract and the Borrower's other relevant information for the credit consulting system of the People's Bank of China and other credit information database established by law, for the eligible institutions or individuals for consultation and use. For the purpose of conclusion and performance of this Contract, the Lender shall also have the right to inquire the Borrower's relevant information through the credit consulting system of the People's Bank of China and other credit information database established by law.

19.4 The terms of “the affiliated parties”, “the relationship between affiliated parties”, “the affiliated party transaction”, “the main individual investor” and “the key managerial personnel” stated in the Contract shall have the same meanings as those defined in the Accounting Standards for Enterprises No. 36 - Disclosure of Affiliated Parties (Finance and Accounting (2006) No. 3) issued by the Ministry of Finance and future amendment thereto.

19.5 The term “environmental and social risk” means the danger and relevant risk which are likely to cause by the Borrower and its affiliated party during construction, production and operation activities, including the environmental and social problems related to energy consumption, pollution, land, health, safety, resettlement of inhabitants, ecological protection and climate change.

19.6 The documents and vouchers for the loan hereunder made and kept by the Lender according to its business rules shall constitute effective evidences of proving the claim and debt relationship between the Borrower and the Lender and shall be binding upon the Borrower.

19.7 In this Contract, (1) this Contract referred to herein shall include any amendment or supplementation to this Contract; (2) the headings to the articles hereof are for ease of reference only, and in no event shall the substance of any paragraph be interpreted and the contents and scope be restricted by such headings; (3) if the date of withdrawal or repayment is not a banking day, it shall be extended to the next banking day.

Both parties confirm: the Borrower and the Lender have made full consultation on all terms and conditions of this Contract. The Lender has reminded the Borrower to pay special attention to the provisions for the rights and obligations of both parties and have overall and correct understanding of these provisions. At the Borrower’s request, the Lender has interpreted and explained relevant provisions. The Borrower has carefully read and fully understood of all terms and conditions of this Contract (including Part 1 Basic Provisions and Part 2 Specific Provisions). Both the Borrower and the Lender have completely consistent understanding of all terms and conditions of this Contract and have no objection to the contents of this Contract.

Lender (Seal): Industrial and Commercial Bank of China Limited Shenzhen Henggang Sub-branch

Industrial and Commercial Bank of China Limited Shenzhen Henggang Sub-branch (Seal)

Person in Charge/Authorized Agent: Yang Duoping (Seal)

Borrower (Seal): Springpower Technology (Shenzhen) Co., Ltd.

Springpower TECHNOLOGY (SHENZHEN) CO., LTD. (SEAL)

Legal Representative/Authorized Agent: Pan Dangyu (Seal)

Date of Signature: Sep 27, 2016

Comprehensive Credit Line Contract

Reference No. : 2016 zhenzhongyinbuexiezi No.0000445

Party A: Springpower Technology (Shenzhen) Co., Ltd

Business Licenses: 440306503295562

Legal Representative: Dangyu Pan

Address: Factory A, Chaoshun Industrial Zone, Renmin Road, Fumin Residential Area, Guanlan, BaoAn District,

Postal code: 518000

Deposit A/C and financial institutions: Bank of China, Pinghu Sub-branch, Shenzhen, 764057938815

Telephone: 0755-28010758; Facsimile:0755- 28010758

Party B: Bank of China, Buji Sub-branch.

Legal Representative:DENG ZHENGBO

Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal code: 518000

Telephone: 0755-22337156 ; Facsimile: 0755-28772290

Party A and party B for the development of friendly and mutually beneficial relations of cooperation, in line with the principles of voluntariness, equality, mutual benefit, sincerity, by consensus, reached the following agreement:

Clause 1 Scope of Business

Satisfied by condition precedent defined in this contract, Party A is allowed to apply for recurring, temporary or one-off credit line from Party B in the form of a short-term loan, deposit account overdraft, bank acceptance, trade finance, bank guarantee, or other monetary financing or credit authorization business ("Specific credit line business").

The trade finance business under this contract is included and limited to: international letter of credit, domestic letter of credit, import bill advance, shipping guarantee, packing credit, export bill purchase, export bill discount, import bill advance under LC, negotiation credit and other international and domestic trade finance business.

The bank guarantee business under this contract is including bank guarantee, standby letter of credit and all sorts of bank guarantee business.

Clause 2 Types and amount of credit line

Party B agrees to offer the following:

Currency in: Renminbi

Amount: Renmibi sixty million only

RMB 60,000,000.00

Types: 1. Loans : RMB30,000,000.00

2. Bank Acceptances: RMB30,000,000.00

Clause 3 Usage of credit lines

1. Within the credit line period, under the agreed upper limits on each type of credit line, Party A can use the credit line recurrently.

If Party A needs to apply for the one-off credit line, a written application is required. And both parties should agree that Party B has the final say on whether and how the one-off credit line will be granted. Party B will notify Party A in written once the decision is made.

2. This contract will override all the credit line contracts previously signed by Party A and Party B. Upon the effective date of this contract, all the used and unused credit lines prior to this contract will be considered as used and unused credit lines under this contract

3. Unless otherwise agreed, the following business will not occupy the credit line under this contract.

- 1) Export bill purchase business with precisely matched bills, documents and certificates
- 2) Outwards letters of credit, bank guarantee and trade finance business which Party B agreed to act as confirming bank.
- 3) Any credit line business which guaranteed by Party A by deposits, government bonds, deposit certificates issued by Party B, bank acceptance, guarantee or standby letters of credit accepted by Party B
- 4) Any other business agreed by both parties.

The above defined businesses, although they will not occupy the credit limits under this contract, they will still be considered as inseparable part of the contract.

Clause 4 Application of specific credit line business

Written applications or separate contracts are required from Party A to apply for a specific credit line.

Clause 5 Period

The credit line defined in clause 2 under this contract will be started from the effective date and end on July 12, 2019.

Upon negotiation, both parties can extend the contract period by signing supplementary contracts. Party B will continue to provide credit lines under supplementary contracts. All terms and conditions under this contract have the equivalent legal effects and restrictions on the supplementary contracts.

The termination of a specific credit line will only occur when all the rights and obligations are fulfilled. The above period has no limitation on specific credit line under this contract.

Clause 6 Condition Precedents of specific credit line business

Party A should fulfill the following conditions precedent before applying for a specific credit line business

- 1) File the necessary documents, stamps and signatures in Party B in relating to this contract and all the specific credit line contract under this contracts
- 2) Open the necessary bank account
- 3) Make sure the required guarantee contracts are properly in place
- 4) Other conditions precedent required for specific credit line contracts
- 5) Other conditions precedent required by Party B

Clause 7 Guaranty

For all the liabilities occurred under this contract and the specific credit line contract affiliated to this contract should be guaranteed by the following:

Maximum Amount Guarantee provided by:

- 1) Shenzhen Highpower Technology Co. Ltd, a guarantee contract is signed separately;
- 2) Huizhou Highpower Technology Co. Ltd, a guarantee contract is signed separately;
- 3) Dangyu Pan, a guarantee contract is signed separately;

Collateral on the Maximum Amount

- 1) The collateral is provided by Ganzhou Highpower Technology Co. Ltd, a collateral contract is signed separately;
-

Under certain circumstances that Party A or the Guarantor might be unable to fulfill or make Party B believe they are unable to fulfill the contractual capacity, e.g: Guarantee Contracts are invalid, Party A is or will be under significant business difficulties or risks: deteriorated financials, litigation issues which might affect its repayment ability, Guarantors were found default in other contracts with Party B, devaluation, dismissal or damage of collaterals which might cause the value of the collaterals slaked or losses. Party B reserves the right to and Party A has the obligation to additional or replace the guarantor.

Clause 8 Statement and Commitment

1. Party A's statement:

- 1) Party A is legally registered and operating, and owning the full civil rights required by this contract.
- 2) Signing and performing the contract is the true will of Party A, Party A has been granted all necessary authorizations in effect before signing the contract. The contract does not form a default for other contracts signed and performed by Party A. It is Party A's responsibility to complete all required approvals, registrations, permits and filings.
- 3) All documents and information provided by Party A to Party B are true, complete, accurate and effective.
- 4) All the transactions mentioned by Party A for apply specific credit line should be real and not for illegal purposes such as: money laundry.
- 5) No hidden events regarding Party A and guarantor's financial and repayment abilities

2. Party A's commitment:

- 1) Timely delivery of the financial statements and other relevant information, (including but not limited to annual, quarterly and monthly financial reports.
 - 2) Cooperate in Party B's exam and inspection on the utilization of the loan as well as Party A's financials and operations
 - 3) Any counter-guarantee agreement between the guarantors and Party A will not affect the Party B's underlying rights under this contract
 - 4) Under circumstances Party A or Guarantor's capability of performing the contract might be affected, Party A should notify Party B in time. Those circumstances include but are not limited to significant organizational changes, e.g. business splitting, merger and termination, disposal of major assets, restructuring, reorganization, joint venture arrangement with foreign capitals, changing of controlling shareholders or de facto control of Party A, capital reduction, liquidation, re-pledge of the encumbered assets, withdrawal, bankruptcy, dissolution and involvement in significant lawsuits.
 - 5) Party A committed not to distribute bonus during the credit period
 - 6) Agreed by both parties, for the purpose to ensure the Party B's claims on credit funds and Party B's convenience to monitoring the repayment progress, Party A should guarantee the proportion of sales fund received in Party A's account opened with Party B over Party A's total sales should be matching to the proportion of Party A's credit line received from Party B over Party A's total credit line received from financial institution.
 - 7) During the period of credit, the company's(Party A/Icon Energy System (Shenzhen) Co., Ltd./Shenzhen Highpower Technology Co., Ltd.) pledge of accounts receivable to a third party to get the written consent of Party B, and Party B shall enjoy the right of accounts receivable pledge first place; The equipment of Party A/Icon Energy System (Shenzhen) Co., Ltd./ Shenzhen Highpower Technology Co., Ltd./Huizhou Highpower Technology Co., Ltd. cannot be mortgaged to any third party.
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8) If any one borrower of Party A/Icon Energy System (Shenzhen) Co., Ltd./ Shenzhen Highpower Technology Co., Ltd. defaults, Party B can think other borrowers to default, and have the right to take appropriate preservation measures; if group (HPJ) ratio above 75%, Party B has the right to request Party A to increase measures or reduce the credit limit, until the debt ratio below 75%.

9) Party A promises to provide collateral did not sign more than 3 years of the lease.

10) Something out of this agreement and individual agreement, party A agrees to be dealt with in accordance with party B's relevant provisions and business practices.

Clause 9 Related party and related party transaction of Party A

Party A is not defined as Group Credit Customer by Party B in accordance with "Guidance of Risk Management by Commercial Banks for Granting Credit to Customer Groups"

Clause 10 Breach of Covenants

Any of the following situations would be considered as breach of contract covenant:

1. Party A did not perform the repayment obligation under this contract or the affiliated specific credit line contracts
2. Party A has not used the credit funds according to agreed purposes.
3. Party A's statement in this contract or the affiliated specific contracts are untrue or in violation with Party A's commitment in this or the affiliated specific contracts.
4. Under the circumstance defined in 2.4) in Clause 8, Party A refused to provide additional guarantee or replacement of new guarantor
5. Party B is or will be under significant business difficulties or risks: deteriorated financials, significant financial losses and loss of assets (including but not limited asset losses for fulfill guarantee obligations) or other financial crisis.
6. Party A is in violation with other rights and obligations agreed in this contract.
7. Party A breaches the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.
8. Guarantors breach the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.

When any of the above mentioned situation noticed, Party B will perform the following in separate or all at the same time:

- 1) Request Party A or Guarantor to rectify within a definite time.
 - 2) Reduce, temporarily pause or permanently terminate Party A's Credit limit in part or in all
 - 3) Temporarily pause or permanently terminate in part or in all of Party A's application on specific credit line under this contract.
 - 4) Announce the immediate expiration on all the credit lines granted under this contract and affiliated specific credit line contracts.
 - 5) Terminate or release this contract, terminate or release in part or in all of the affiliated specific credit line contracts as well as the other contracts signed between Party A and Party B.
 - 6) Request compensation from Party A on the losses thereafter caused.
 - 7) Party A's deposit account in Party B will be hold in custody for debt pay off for the comprehensive credit line and specific credit line under this contract. All the undue liabilities were deeming due and entitled the immediate payoff from Party A's restricted accounts. If the currency in deposit account is different from the currency of the liabilities, the exchange rate on the date of the hold in custody will be applied.
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- 8) Real rights granted by way of security will be executed.
- 9) Assume the guarantee responsibility on Guarantors.
- 10) Other necessary procedures on Party B's concern

Clause 11 Rights reserved

Either party might reserve part of or all of the rights under this contract and the affiliated specific credit line contracts, this does not imply the party has surrendered or remitted the unperformed rights and obligations.

Either party might sometimes tolerate, extend or delay the execution of certain rights, this does not deem as the party has surrendered or remitted the rights.

Clause 12 Change, Modification, Termination and Partial invalidity

Upon negotiation and agreement by both parties, this contract can be changed and modified, the written record of the changes and modifications should form the inseparable part of this contract.

Unless ruled by law or both parties formed a separate agreement, the contract would not be terminated prior to all the rights and obligations defined are fulfilled.

Unless ruled by law or both parties formed a separate agreement, the void of single terms under this contract should no invalid other contract under this contract.

Clause 13 Applicable Law and Resolution for Dispute

1. This contract is entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China.
2. The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts

Clause 14 Attachments

The following annexes and other annexes and single agreements commonly confirmed by both parties shall constitute an integral part of this Agreement and shall have the same equal legal force as this Agreement.

Annex 1: Attached Provisions for Individual Cases.

Clause 15 Other terms and conditions

1. Without Party B's prior written approval, Party A is not allowed to transfer the rights and obligations under this contract to 3rd Parties.
 2. Party A should give the consent that, Party B might somehow authorize other affiliated institutions of Bank of China to perform the obligation. The performing party is entitled to all the rights and obligations under this contract and the affiliated credit line contracts, the performing party reserves the rights to appeal a resolution of dispute if necessary.
 3. The contract has equivalent restrictions to the successors or inherits of both parties.
 4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.
 5. The title and name of business product is for business purposes, will not used for interpretation of the contract terms and the rights and obligations.
 6. If required by the governing institutions, Party B might not be able to perform the obligations agreed in this contract. Party is exempted from punishment under this circumstance.
-

Clause 16 Effectiveness of the contract

This contract is established and entered into effective upon signing or sealing by the legal representatives (or person-in-charge) of Party A and Party B or their duly authorized agents, together with sealing by the company chop.

This contract will be print and signed in seven copies, Party A and the guarantors hold one copy each, Party B holds three copies, collateral registry authority holds one copy, each copy has the same legal effect.

/s/ Dangyu Pan

Stamp of Party A

Signature of director or authorized representative

/s/ [COMPANY SEAL]

Stamp of Party B

Signature of legal representative or authorized representative /s/ Deng Zhengbo

Annex 1: Attached Provisions for Individual Cases.

If there are discrepancies in contents in the attachment with this contract, this contract should prevail. The clause 1/2 of this contract prevail the credit contract.

1. Specific to the 2nd paragraph of Clause 3:” This contract will override all the credit line contracts previously signed by Party A and Party B. Upon the effective date of this contract, all the used and unused credit lines prior to this contract will be considered as used and unused credit lines under this contract”.

“all the credit line contracts previously signed” here means the contract signed with reference no of “2016 zhenzhongyinbuxiezi No. 0000466.

2. The article 6 of this agreement "sequel, the premise condition of individual credit business" 5 "Party B that Party A shall meet other conditions as" adjustment of article 6, original article 5 is adjusted for "credit line of Party A within the time limit for every year of careful for examination and approval by Party B.

Maximum Amount Guaranty Contract
(Applicable if guarantor is natural person)

Reference No. : 2016 zhenzhongyinbubaoezi No.00445C

Guarantor: Dangyu Pan
Type of certification: identification card
Certification number: 430104196803184316
Address: Building A2, Luoshan Industrial Zone, Longgang District, Shenzhen
Postal code: 518000
Telephone: 0755-89686236 ; Facsimile:0755- 89686298

Creditor: Bank of China, Buji Sub-branch.
Legal Representative: DENG ZHENGBO
Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal code: 518000
Telephone: 0755- 22337156 ; Facsimile: 0755- 28772290

To guarantee the performing of the principle contract stated in Clause 1, both parties agree the following:

Clause 1 Principle Contract

1. The principle contract is “Comprehensive credit contract (2016 zhenzhongyinbuxiezi No 0000445)” and its supplements signed between Creditor and Debtor, Springpower Technology (Shenzhen) Co., Ltd

Clause 2 Principle Creditor’s rights and the period

Unless otherwise agreed, the creditor’s rights under the following contracts and the creditor’s rights occurred before the engagement of this contract constitutes the principle creditor’s rights of this contract.

The creditor’s right occurred under comprehensive contract starting from the date of effectiveness, and ends upon the expiration of all the specific creditor’s rights.

Clause 3 The maximum amount guaranteed

1. The maximum amount assumed guaranteed is:

Currency: Renminbi
Amount (Capital letter): sixty million
Amount (in numbers): 60,000,000.00

2. The principle creditor’s rights under the principle contract constitute the principle creditor’s rights under this contract, which includes: loan principle, interest, compound interest, punitive interest, liquidated damage, the cost for realization of the creditor’s right (includes but not limited to the announcement fee, delivery fees, appraisal fees, legal fees, travel expenses, assessment fees, auction fees, the property preservation fee, compulsory execution fee and etc), as well as the Pledgee’s loss due to the breach of covenants.

The sum of the above terms constitutes the maximum amount of guaranteed for this contract.

Clause 4 Types of guaranty

Joint responsibility guaranty.

Clause 5 The guarantee responsibilities

Under the circumstance that, the debtor of principle contract failed to pay off the creditor's rights when due (on due date or early termination date), the guaranty is assumed to be responsible in accordance with this contract.

The due date in the previous sentence means the repayment date agreed in the principle contract. The early termination date is the termination date request by creditor per law or per agreements under the principle contracts.

Creditor's rights on other guarantee contracts or collateral contracts should not have an impact on the performing of this contract. Guarantor should assume responsibility under this contract rather than plea with the execution in order.

Clause 6 The responsible period

The responsible period for this contract is two years after the establishment of the creditor's rights under Clause 2

During the period, Creditor is entitled to the right to request the assumption of responsibility from Guarantor in full or in part on one or on all creditor rights.

Clause 7 The duration of action

During the period that the creditor's rights have not been paid off when due, Guarantor is assumed responsible under the joint responsibility guarantee. Creditor is entitled to claim the rights within the responsible period defined in Clause 6, the duration of action started upon the request.

Clause 8 The relationship between this contract and the principle contract

Upon the termination or early termination of the principle contract, Guarantor assumes guarantee responsibility on occurred debt.

The change of principle contract will not be informed to the Guarantor unless under the following circumstances, change of currency, interest rate, amount, period, or other terms which might affect the increase of the amount of the principle creditor's rights or extend the effective period of the principle contract. Guarantor remains obligated to assume the guarantee responsibility to the changed principle contract.

Under the previous stated circumstance which Guarantor's consent is required, Pledgor Guarantor is entitled to the right to reject to assume the guarantee responsibility on the incremental portion.

Under the circumstances that, Creditor provide the letter of credit, trade financing services to debtor under the principle contract, Guarantor won't be notified but assumed guarantee responsibility. It is the Creditor's responsibility to registry for the incremental business contract.

Clause 9 Statements and Commitments

Guarantor's statement:

a) Guarantor is a natural person who possesses the capacity for civil rights and civil conducts in People's Republic of China to perform this contract. Party A can perform the civil conduct independently, no bad credit records such as debt overdue, overdue interest, malicious overdraft on credit card, no criminal records, qualified to be a legal guarantor.

b) Guarantor has full understanding about the terms and conditions set forth in the contract. It is Guarantor's true will to provide guarantee to debtor.

c) The establishment of this contract will not constitute a breach of covenant of any other previous contract Guarantor engaged in.

- d) All documents and information provided by Guarantor to Creditor are true, complete, accurate and effective.
- e) Guarantor is willing to cooperate in the checking and inspection of its financial conditions performed by Creditor.
- f) Guarantor did not conceal any existing liability upon the signing of the contract
- g) Inform the Creditor in time for any issues might affect Guarantor's performing capability, which including but not limited to losses of assets, transfer, donation, assume responsibility on liabilities, involved in significant law suits or disputes.
- h) If the Guarantor is married, make sure the sponsor's consent is obtained.

Clause 10 Authorization of access to personal information

Guarantor authorizes the access of personal information in the personal credit information database in the People's Bank of China to Creditor under the following circumstances.

1. Reference check on the Guarantor's credit status.
2. Reference check on the Guarantor's guarantee status.
3. After-loan management on the personal credit and guarantee status
4. Accept the credit line application of which the Guarantor guaranteed or to be legal representative or one of the funders.

Clause 11 Breach of covenants

Any of the following situations would be considered as breach of contract covenant:

1. Guarantor is in violation with the previous terms of the contract.
2. The statements of the Guarantor is untrue or in violation with its commitments
3. The occurrence of issues defined under the point 7 of clause 9 which might affect the Guarantor's financial position and performing capability.
4. In violation with other rights and obligations agreed in this contract.
5. Guarantor breaches the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.

When any of the above mentioned situations noticed, Creditor will perform the following in separate or all at the same time:

- 1) Request Guarantor to rectify within a definite time.
 - 2) Reduce, temporarily pause or permanently terminate Guarantor's Credit limit in part or in all
 - 3) Temporarily pause or permanently terminate in part or in all of Guarantor's application on specific credit line under this contract.
 - 4) Announce the immediate expiration on all the credit lines granted under this contract and affiliated specific credit line contracts.
 - 5) Terminate or release this contract, terminate or release in part or in all of the affiliated specific credit line contracts as well as the other contracts signed between Guarantor and Creditor
 - 6) Request compensation from Guarantor on the losses thereafter caused.
 - 7) Assume the guarantee responsibility on Guarantors.
 - 8) Other necessary procedures on Party B's concern
-

Clause 12 Rights reserved

Either party might reserve part of or all of the rights under this contract and the affiliated specific credit line contracts, this does not imply the party has surrendered or remitted the unperformed rights and obligations.

Either party might sometimes tolerate, extend or delay the execution of certain rights, this does not deem as the party has surrendered or remitted the rights.

Clause 13 Change, Modification, Termination and Partial invalidity

Upon negotiation and agreement by both parties, this contract can be changed and modified, the written record of the changes and modifications should form the inseparable part of this contract.

Unless ruled by law or both parties formed a separate agreement, the contract would not be terminated prior to all the rights and obligations defined are fulfilled.

Unless ruled by law or both parties formed a separate agreement, the void of single terms under this contract should no invalid other contract under this contract.

Clause 14 Applicable Law and Resolution for Dispute

1. This contract is entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China.
2. The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts

Clause 15 Attachments

Sponsor's consent.

Clause 16 Other terms and conditions

1. Without Creditor's prior written approval, Guarantor is not allowed to transfer the rights and obligations under this contract to 3rd Parties.
2. Guarantor should give the consent that, Creditor might somehow authorize other affiliated institutions of Bank of China to perform the obligation. The performing party is entitled to all the rights and obligations under this contract and the affiliated credit line contracts, the performing party reserves the rights to appeal a resolution of dispute if necessary.
3. The contract has equivalent restrictions to the successors or inherits of both parties.
4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.
5. The title and name of business product is for business purposes, will not used for interpretation of the contract terms and the rights and obligations.

Clause 17 Effectiveness of the contract

This contract is established and entered into effective upon signing or sealing by the legal representatives (or person-in-charge) of Pledgor and Pledgee or their duly authorized agents, together with sealing by the company chop.

The pledge is established upon the effectiveness of this contract.

This contract will be printed and signed in five copies, Guarantor and the debtor hold one copy each, Creditor holds three copies; each copy has the same legal effect

/s/ Dangyu Pan

Signature of Guarantor and Sponsor

/s/ [COMPANY SEAL]

Stamp of Creditor (if Pledgee is a corporation)

Signature of legal representative or authorized representative /s/ Deng Zhengbo

Consent letter

I (Name: Zhoutao Yin, Certificate Type: Identification Card , ID Number: 430104196810294329) am the spouse of the guarantor DANG YU PAN under the maximum amount guarantee contract (No. : 2016 zhenzhongyinbubaoezi No.00445C). I agree to undertake the responsibility of the maximum amount guarantee contract by the couple's property.

Maximum Amount Guaranty Contract

Reference No. : 2016 zhenzhongyinbubaoezi No.00445A

Guarantor: Shenzhen Highpower Technology Co., Ltd
Business License: 440307503274740
Legal Representative: Dangyu Pan
Address: Building 1, 68 Xinxia Street, Pinghu, Longgang, Shenzhen;
Postal code: 518000
Deposit A/C and financial institutions: Bank of China, Pinghu Sub-branch, Shenzhen, 744557938816
Telephone: 0755-89686236; Facsimile: 0755-89686298

Creditor: Bank of China, Buji Sub-branch.
Legal Representative: DENG ZHENGBO
Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal code: 518000
Telephone: 0755-22337156 ; Facsimile: 0755- 28772290

In order to guarantee specified in article 1 of this contract under the main contract, the payment of the debt guarantor willing to provide guarantee to the creditor. The parties through equal consultation to conclude the contract. Except as otherwise agreed in this contract, the contract of the words in explanation on the basis of the main contract.

Clause 1 Principle Contract

1. The principle contract is “Comprehensive credit contract (2016 zhenzhongyinbuxiezi No 0000445)” and its supplements signed between Creditor and Debtor, Springpower Technology (Shenzhen) Co., Ltd.

Clause 2 Principle Creditor’s rights and the period

Unless otherwise agreed, the creditor’s rights under the following contracts and the creditor’s rights occurred before the engagement of this contract constitutes the principle creditor’s rights of this contract.

The creditor’s right occurred under comprehensive contract starting from the date of effectiveness, and ends upon the expiration of all the specific creditor’s rights.

Clause 3 The maximum amount guaranteed

1. The maximum amount assumed guaranteed is:

Currency: Renminbi

Amount (Capital letter): sixty million only

Amount (in numbers): 60,000,000.00

2. The principle creditor’s rights under the principle contract constitute the principle creditor’s rights under this contract, which includes: loan principle, interest, compound interest, punitive interest, liquidated damage, the cost for realization of the creditor’s right (includes but not limited to the announcement fee, delivery fees, appraisal fees, legal fees, travel expenses, assessment fees, auction fees, the property preservation fee, compulsory execution fee and etc), as well as the Pledgee’s loss due to the breach of covenants.

The sum of the above terms constitutes the maximum amount of guaranteed for this contract.

Clause 4 Types of guaranty

Joint responsibility guaranty.

Clause 5 The guarantee responsibilities

Under the circumstance that, the debtor of principle contract failed to pay off the creditor's rights when due (on due date or early termination date), the guaranty is assumed to be responsible in accordance with this contract.

The due date in the previous sentence means the repayment date agreed in the principle contract. The early termination date is the termination date request by creditor per law or per agreements under the principle contracts.

Creditor's rights on other guarantee contracts or collateral contracts should not have an impact on the performing of this contract. Guarantor should assume responsibility under this contract rather than plea with the execution in order.

Clause 6 The responsible period

The responsible period for this contract is two years after the establishment of the creditor's rights under Clause 2

During the period, Creditor is entitled to the right to request the assumption of responsibility from Guarantor in full or in part on one or on all creditor rights.

Clause 7 The duration of action

During the period that the creditor's rights have not been paid off when due, Guarantor is assumed responsible under the joint responsibility guarantee. Creditor is entitled to claim the rights within the responsible period defined in Clause 6, the duration of action started upon the request.

Clause 8 The relationship between this contract and the principle contract

Upon the termination or early termination of the principle contract, Guarantor assumes guarantee responsibility on occurred debt.

The change of principle contract will not be informed to the Guarantor unless under the following circumstances, change of currency, interest rate, amount, period, or other terms which might affect the increase of the amount of the principle creditor's rights or extend the effective period of the principle contract. Guarantor remains obligated to assume the guarantee responsibility to the changed principle contract.

Under the previous stated circumstance which Guarantor's consent is required, Pledgor Guarantor is entitled to the right to reject to assume the guarantee responsibility on the incremental portion.

Under the circumstances that, Creditor provide the letter of credit, trade financing services to debtor under the principle contract, Guarantor won't be notified but assumed guarantee responsibility. It is the Creditor's responsibility to registry for the incremental business contract.

Clause 9 Statements and Commitments

Guarantor's statement:

1. Guarantor is legally registered and operating, and owns the full civil rights required by this contract.
 2. Signing and performing the contract is the true will of Guarantor, Guarantor has been granted all necessary authorizations in effect before signing the contract. The contract does not form a default for other contracts signed and performed by Guarantor. It is Guarantor's responsibility to complete all required approvals, registrations, permits and filings.
 3. All document and information provided by Guarantor to Creditor are true, complete, accurate and effective.
 4. Guarantor is willing to cooperate in the check and inspection on its financial conditions performed by Creditor.
-

5. Guarantor did not conceal any existing liability upon the signing of the contract

6. Inform the Creditor in time for any issues might affect Guarantor's performing capability, which including but not limited to business splitting, merger and termination, disposal of major assets, restructuring, reorganization, joint venture arrangement with foreign capitals, changing of controlling shareholders or de facto control of Party A, capital reduction, liquidation, re-pledge the encumbered assets, withdrawal, bankruptcy, dissolution and involved in significant law suits.

Clause 10 Breach of covenants

Any of the following situations would be considered as breach of contract covenant:

1. Guarantor is in violation with the previous terms of the contract.
2. The statements of the Guarantor is untrue or in violation with its commitments
3. The occurrence of issues defined under the point 6 of clause 9 which might affect the Guarantor's financial position and performing capability.
4. Experiencing the termination of operation or bankruptcy.
5. In violation with other rights and obligations agreed in this contract.
6. Guarantor breaches the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.

When any of the above mentioned situations noticed, Creditor will perform the following in separate or all at the same time:

- 1) Request Guarantor to rectify within a definite time.
- 2) Reduce, temporarily pause or permanently terminate Guarantor's Credit limit in part or in all
- 3) Temporarily pause or permanently terminate in part or in all of Guarantor's application on specific credit line under this contract.
- 4) Announce the immediate expiration on all the credit lines granted under this contract and affiliated specific credit line contracts.
- 5) Terminate or release this contract, terminate or release in part or in all of the affiliated specific credit line contracts as well as the other contracts signed between Guarantor and Creditor
- 6) Request compensation from Guarantor on the losses thereafter caused.
- 7) Assume the guarantee responsibility on Guarantors.
- 8) Other necessary procedures on Party B's concern

Clause 11 Rights reserved

Either party might reserve part of or all of the rights under this contract and the affiliated specific credit line contracts, this does not imply the party has surrendered or remitted the unperformed rights and obligations.

Either party might sometimes tolerate, extend or delay the execution of certain rights, this does not deem as the party has surrendered or remitted the rights.

Clause 12 Change, Modification, Termination and Partial invalidity

Upon negotiation and agreed by both parties, this contract can be changed and modified, the written record of the changes and modifications should form the inseparable part of this contract.

Unless ruled by law or both parties formed a separate agreement, the contract would not be terminated prior to all the rights and obligations defined are fulfilled.

Unless ruled by law or both parties formed a separate agreement, the void of single terms under this contract should no invalid other contract under this contract.

Clause 13 Applicable Law and Resolution for Dispute

This contract is entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China. The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts

Clause 14 Attachments

After both sides confirmed the annex shall form an integral part of this contract, have the same legal effect with this contract.

Clause 15 Other terms and conditions

1. Without Creditor's prior written approval, Guarantor is not allowed to transfer the rights and obligations under this contract to 3rd Parties.
2. Guarantor should give the consent that, Creditor might somehow authorize other affiliated institution of Bank of China to perform the obligation. The performing party entitles all the rights and obligations under this contract and the affiliated credit line contracts, the performing party reserves the rights to appeal a resolution of dispute if necessary.
3. The contract has equivalent restrictions to the successors or inherits of both parties.
4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.
5. The title and name of business product is for business purposes, will not used for interpretation of the contract terms and the rights and obligations.

Clause 16 Effectiveness of the contract

This contract is established and enters into effective upon signing or sealing by the legal representatives (or person-in-charge) of Guarantor and Creditor or their duly authorized agents, together with sealing by the company chop.

The pledge is established upon the effectiveness of this contract.

This contract will be printed and signed in four copies, Creditor holds two copies, Guarantor and the debtor hold one copy each; each copy has the same legal effect

[COMPANY SEAL]

Stamp of Guarantor (if Guarantor is a corporation) /s/ Dangyu Pan

Signature of Authorized Representative

/s/ [COMPANY SEAL]

Stamp of Creditor (if Creditor is a corporation)

Signature of legal representative or authorized representative /s/Deng Zhengbo

Maximum Amount Guaranty Contract

Reference No. : 2016 zhenzhongyinbubaoezi No.00445B

Guarantor: Huizhou Highpower technology Co., Ltd
Business Licenses: 441300000177233
Legal Representative: Dangyu Pan
Address: Xihu Industrial Development Zone, Maan Town, Huicheng District, Huizhou.
Postal code: 518000
Deposit A/C and financial institutions: Bank of China, Pinghu Sub-branch, Shenzhen, 764062693628
Telephone: 0755-89686236; Facsimile: 0755-89686298

Creditor: Bank of China, Buji Sub-branch.
Legal Representative: DENG ZHENGBO
Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal code: 518000
Telephone: 0755- 22337156 ; Facsimile: 0755-28772290

In order to guarantee specified in article 1 of this contract under the main contract, the payment of the debt guarantor willing to provide guarantee to the creditor. The parties through equal consultation to conclude the contract. Except as otherwise agreed in this contract, the contract of the words in explanation on the basis of the main contract.

Clause 1 Principle Contract

The principle contract is "Comprehensive credit contract (2016 zhenzhongyinbuxiezi No 0000445)" and its supplements signed between Creditor and Debtor, Springpower Technology (Shenzhen) Co., Ltd.

Clause 2 Principle Creditor's rights and the period

Unless otherwise agreed, the creditor's rights under the following contracts and the creditor's rights occurred before the engagement of this contract constitutes the principle creditor's rights of this contract.

The creditor's right occurred under comprehensive contract starting from the date of effectiveness, and ends upon the expiration of all the specific creditor's rights.

Clause 3 The maximum amount guaranteed

1. The maximum amount assumed guaranteed is:

Currency: Renminbi

Amount (Capital letter): sixty million

Amount (in numbers): 60,000,000.00

2. The principle creditor's rights under the principle contract constitute the principle creditor's rights under this contract, which includes: loan principle, interest, compound interest, punitive interest, liquidated damage, the cost for realization of the creditor's right (includes but not limited to the announcement fee, delivery fees, appraisal fees, legal fees, travel expenses, assessment fees, auction fees, the property preservation fee, compulsory execution fee and etc), as well as the Pledgee's loss due to the breach of covenants.

The sum of the above terms constitutes the maximum amount of guaranteed for this contract.

Clause 4 Types of guaranty

Joint responsibility guaranty.

Clause 5 The guarantee responsibilities

Under the circumstance that, the debtor of principle contract failed to pay off the creditor's rights when due (on due date or early termination date), the guaranty is assumed to be responsible in accordance with this contract.

The due date in the previous sentence means the repayment date agreed in the principle contract. The early termination date is the termination date request by creditor per law or per agreements under the principle contracts.

Creditor's rights on other guarantee contracts or collateral contracts should not have an impact on the performing of this contract. Guarantor should assume responsibility under this contract rather than plea with the execution in order.

Clause 6 The responsible period

The responsible period for this contract is two years after the establishment of the creditor's rights under Clause 2

During the period, Creditor is entitled to the right to request the assumption of responsibility from Guarantor in full or in part on one or on all creditor rights.

Clause 7 The duration of action

During the period that the creditor's rights have not been paid off when due, Guarantor is assumed responsible under the joint responsibility guarantee. Creditor is entitled to claim the rights within the responsible period defined in Clause 6, the duration of action started upon the request.

Clause 8 The relationship between this contract and the principle contract

Upon the termination or early termination of the principle contract, Guarantor assumes guarantee responsibility on occurred debt.

The change of principle contract will not be informed to the Guarantor unless under the following circumstances, change of currency, interest rate, amount, period, or other terms which might affect the increase of the amount of the principle creditor's rights or extend the effective period of the principle contract. Guarantor remains obligated to assume the guarantee responsibility to the changed principle contract.

Under the previous stated circumstance which Guarantor's consent is required, Pledgor Guarantor is entitled to the right to reject to assume the guarantee responsibility on the incremental portion.

Under the circumstances that, Creditor provide the letter of credit, trade financing services to debtor under the principle contract, Guarantor won't be notified but assumed guarantee responsibility. It is the Creditor's responsibility to registry for the incremental business contract.

Clause 9 Statements and Commitments

Guarantor's statement:

1. Guarantor is legally registered and operating, and owns the full civil rights required by this contract.
 2. Signing and performing the contract is the true will of Guarantor, Guarantor has been granted all necessary authorizations in effect before signing the contract. The contract does not form a default for other contracts signed and performed by Guarantor. It is Guarantor's responsibility to complete all required approvals, registrations, permits and filings.
 3. All document and information provided by Guarantor to Creditor are true, complete, accurate and effective.
 4. Guarantor is willing to cooperate in the check and inspection on its financial conditions performed by Creditor.
-

5. Guarantor did not conceal any existing liability upon the signing of the contract

6. Inform the Creditor in time for any issues might affect Guarantor's performing capability, which including but not limited to business splitting, merger and termination, disposal of major assets, restructuring, reorganization, joint venture arrangement with foreign capitals, changing of controlling shareholders or de facto control of Party A, capital reduction, liquidation, re-pledge the encumbered assets, withdrawal, bankruptcy, dissolution and involved in significant law suits.

Clause 10 Breach of covenants

Any of the following situations would be considered as breach of contract covenant:

1. Guarantor is in violation with the previous terms of the contract.
2. The statements of the Guarantor is untrue or in violation with its commitments
3. The occurrence of issues defined under the point 6 of clause 9 which might affect the Guarantor's financial position and performing capability.
4. Experiencing the termination of operation or bankruptcy.
5. In violation with other rights and obligations agreed in this contract.
6. Guarantor breaches the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.

When any of the above mentioned situations noticed, Creditor will perform the following in separate or all at the same time:

- 1) Request Guarantor to rectify within a definite time.
- 2) Reduce, temporarily pause or permanently terminate Guarantor's Credit limit in part or in all
- 3) Temporarily pause or permanently terminate in part or in all of Guarantor's application on specific credit line under this contract.
- 4) Announce the immediate expiration on all the credit lines granted under this contract and affiliated specific credit line contracts.
- 5) Terminate or release this contract, terminate or release in part or in all of the affiliated specific credit line contracts as well as the other contracts signed between Guarantor and Creditor
- 6) Request compensation from Guarantor on the losses thereafter caused.
- 7) Assume the guarantee responsibility on Guarantors.
- 8) Other necessary procedures on Party B's concern

Clause 11 Rights reserved

Either party might reserve part of or all of the rights under this contract and the affiliated specific credit line contracts, this does not imply the party has surrendered or remitted the unperformed rights and obligations.

Either party might sometimes tolerate, extend or delay the execution of certain rights, this does not deem as the party has surrendered or remitted the rights.

Clause 12 Change, Modification, Termination and Partial invalidity

Upon negotiation and agreed by both parties, this contract can be changed and modified, the written record of the changes and modifications should form the inseparable part of this contract.

Unless ruled by law or both parties formed a separate agreement, the contract would not be terminated prior to all the rights and obligations defined are fulfilled.

Unless ruled by law or both parties formed a separate agreement, the void of single terms under this contract should no invalid other contract under this contract.

Clause 13 Applicable Law and Resolution for Dispute

This contract is entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China. The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts

Clause 14 Attachments

After both sides confirmed the annex shall form an integral part of this contract, have the same legal effect with this contract.

Clause 15 Other terms and conditions

1. Without Creditor's prior written approval, Guarantor is not allowed to transfer the rights and obligations under this contract to 3rd Parties.
2. Guarantor should give the consent that, Creditor might somehow authorize other affiliated institution of Bank of China to perform the obligation. The performing party entitles all the rights and obligations under this contract and the affiliated credit line contracts, the performing party reserves the rights to appeal a resolution of dispute if necessary.
3. The contract has equivalent restrictions to the successors or inherits of both parties.
4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.
5. The title and name of business product is for business purposes, will not used for interpretation of the contract terms and the rights and obligations.

Clause 16 Effectiveness of the contract

This contract is established and enters into effective upon signing or sealing by the legal representatives (or person-in-charge) of Guarantor and Creditor or their duly authorized agents, together with sealing by the company chop.

The pledge is established upon the effectiveness of this contract.

This contract will be printed and signed in four copies, Creditor holds two copies, Guarantor and the debtor hold one copy each; each copy has the same legal effect

[COMPANY SEAL]

Stamp of Guarantor (if Guarantor is a corporation)

Signature of Authorized Representative /s/ Dangyu Pan

[COMPANY SEAL]

Stamp of Creditor (if Creditor is a corporation)

Signature of legal representative or authorized representative /s/ Deng Zhengbo

Collateral Contract

Reference No. : 2016 zhenzhongyinbudiezi No.0045

Pledgor: Ganzhou Highpower Technology Co., Ltd

Business License: 440307503274740

Legal Representative: Dangyu Pan

Address: Shuixi Industry Zone, Zhanggong, Ganzhou, Jiangxi

Postal code: 341000

Deposit A/C and financial institutions: Industrial and Commercial Bank of China, Gongjiang Branch, Ganzhou, 1510221909000036225

Telephone: 0797-7373907; Facsimile: 0797-7373867

Pledgee: Bank of China, Buji Sub-branch.

Legal Representative: DENG ZHENGBO

Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal code: 518000

Telephone: 0755-22337156 ; Facsimile: 0755-28772290

To guarantee the performing of the principle contract stated in Clause 1, both party agrees the following:

Clause 1 Principle Contract

1. The principle contract is "Comprehensive credit contract (2016 zhenzhongyinbuexiezi No 0000445)" and its supplements signed between Creditor and Debtor, Springpower Technology (Shenzhen) Co., Ltd

Clause 2 Principle Creditor's rights and the period

Unless otherwise agreed, the creditor's rights under the following contracts and the creditor's rights occurred before the engagement of this contract constitute the principle creditor's rights of this contract.

1. The creditor's right occurred under comprehensive contract starting from the date of effectiveness, and end upon the expiration of all the specific creditor's rights.

Clause 3 The maximum amount guaranteed

1. The maximum amount assumed guaranteed is:

Currency: Renminbi

Amount (Capital letter): sixty million only

Amount (in numbers): 60,000,000.00

2. The principle creditor's rights under the principle contract constitute the principle creditor's rights under this contract, which includes: loan principle, interest, compound interest, punitive interest, liquidated damage, the cost for realization of the creditor's right (includes but not limited to the announcement fee, delivery fees, appraisal fees, legal fees, travel expenses, assessment fees, auction fees, the property preservation fee, compulsory execution fee and etc), as well as the Pledgee's loss due to the breach of covenants.

The sum of the above terms constitutes the maximum amount of guaranteed for this contract.

Clause 4 The Collateral

For details of the collateral please refer to the appendix "Details of the underlying assets".

During the period of collateral, if the Collateral is broken or damaged, Pledgee is entitled to the primary rights for compensation from insurance, compensation or subsidy, Pledgee can withdraw the compensation amount even though the collateral period is undue

If the Collateral is buildings, Pledgor should notify the Pledgee immediately after the Pledgor acknowledged the removal of the building. If the compensation of the removal is through change of property, Pledgor should coordinate the paid off of the principle of creditor's rights with debtor and Pledgee per Pledgee's request, or replace the Collateral with the new building or new collateral per Pledgee's request. After the original Collateral is lost and the new Collateral is not yet registered, Pledgor should provide additional guarantee by qualified guarantor. For the compensation that is in the form of cash, Pledgee is entitled to the primary rights from compensation, and entitled to the right to request the Pledgor to deposit the cash into the appointed custody accounts, and subsequent security by deposit contract should be signed and effected.

Clause 5 The registration

With 15 days after the sign-off of this contract, Pledgor and Pledgee should finish the registry in the authorities.

Pledgor and Pledgee should file a change in registry with the authorities within 10 days after the change.

Clause 6 The possession and management of the Collateral

The possession and management of the Collateral will be on the Pledgor, however, the certifications of rights should be under the custody of the Pledgee. Pledgor should accept the inspection and check from time to time.

Pledgor should properly maintain the Collateral to ensure the safety and well-being of the Collaterals, Pledgor should take responsibility on daily maintenance and repairs.

Without the written consent of the Pledgee, Pledgor is not allowed to transfer, lend, invest, or restructure the Collateral. With Pledgee's written consent, the proceedings of disposal should be deposited in the appointed accounts.

Clause 7 The circumstances that the value of the Collaterals is diminished

Before the creditor's rights has been fully paid off, Pledgee is entitled to the right to stop Pledgor's behavior, if such behavior is diminishing the value of the underlying assets. Pledgee is entitled to the right to request Pledgor to recover the value of the asset or provide additional guarantee to secure the proportion of lost.

If the Pledgor failed to recover the value of the asset nor can it provide addition guarantee, Pledgee might request early pay-off of the creditor's rights. Pledgee might execute the rights to assume guarantee responsibility if the Pledgor refused the above.

If the diminished value is due to the irresistible reason, Pledgor should take action to avoid further deteriorate and notify the Pledgee in writing immediately

Clause 8 Interest generated from the account receivables

The interest generated from the pledged account receivables should be assumed responsible to the creditor's rights after the deduction of the cost of collecting those interests.

Clause 9 Insurance of the underlying assets (Optional)

The mortgagor shall apply to insurance companies and the mortgagee shall be negotiated and insurance time limit according to the both sides talks things over certain risks insured, the insured amount shall not be less than the mortgaged property assessment value, the policy content shall comply with the requirements of the mortgagee, shall not do harm to the mortgagee rights restrictive conditions. Before the principal claim this contract fully pay off, the mortgagor shall not be any reason to interrupt, terminate, modify or change the policy, and shall take all reasonable and necessary measures to ensure the insurance stipulated in this article remain valid. If the mortgagor is not insured, or in violation of the agreement, the mortgagee has the right to determine insurance or continue to insure the mortgaged property, insurance fee shall be borne by the mortgagor, and can and therefore may give the loss caused by the mortgagee shall be recorded in the balance of creditor's rights. / days after signing this contract, the mortgagor shall be submitted to the mortgagee, the mortgaged property insurance policy original will because of insurance events and enjoys insurance gold to request authority transferred to the mortgagee. Pay off before the main creditor's rights in this contract. The insurance policy original by the mortgagee of the tube.

Clause 10 The guarantee responsibilities

Under the circumstance that, the debtor of principle contract failed to pay off the creditor's rights when due (on due date or early termination date), the pledge is assumed to be responsible in accordance with this contract.

The due date in the previous sentence means the repayment date agreed in the principle contract. The early termination date is the termination date request by creditor per law or per agreements under the principle contracts.

Clause 11 The way and period of the pledgee's rights

Once guarantee responsibility established, Pledgee is entitled to the right to request the execution of the assumption of the guarantee 's responsibility in accordance to law and regulation.

Pledgee should execute the rights within the duration of action.

Clause 12 The realization of the pledgee's rights

Once guarantee responsibility is assumed, Pledgee is entitled to the right to request the execution immediately. The execution action includes but is not limited to compromise for discount, sale the assets through auction, etc. Pledgor should cooperate on the above mentioned actions. The proceeds received after the cost of execution, should be use to pay off the principle creditor's rights under the principle contracts.

Under the circumstance that, the expiration of account receivables is earlier than the expiration of the principle creditor's rights, the amount collected from the pledged account receivables by Pledgor should be deposited in the appointed account. And the deposit should still assume the guarantee responsibility for the undue principle creditor's rights.

Pledgor's rights on other guarantee contracts or collateral contracts should not have an impact on the performing of this contract. Pledgor should assume responsibility under this contract rather than plea with the execution in order.

Clause 13 The relationship between this contract and the principle contract

Upon the termination or early termination of the principle contract, Pledgor assumed guarantee responsibility on occurred debt.

The change of principle contract will not be informed to the Pledgor unless under the following circumstances, change of currency, interest rate, amount, period, or other terms which might affect the increase of the amount of the principle creditor's rights or extend the effective period of the principle contract. Pledgor remains to assume the guarantee responsibility to the changed principle contract.

Under the previous stated circumstance which Pledgor's consent is required, Pledgor is entitled to the right to reject the assumption of the guarantee responsibility on the incremental portion.

Under the circumstances that, Pledgee provide the letter of credit, trade financing services to debtor under the principle contract, Pledgor won't be notified but assumed guarantee responsibility. It is the Pledgee's responsibility to register for the incremental business contract.

Clause 14 Statements and Commitments

Pledgor's statement:

1. Pledgor is legally registry and operating, and owning the full civil rights required by this contract.
2. Pledgor committed that no joint owner attached on the Collateral, or if any, written consents has been obtained. Pledgor agreed to hand over the written consent to Pledgee for custody.
3. Signing and performing the contract is the true will of Pledgor, Pledgor has been granted all necessary authorizations in effect before signing the contract. The contract does not form a default for other contracts signed and performed by Pledgor. It is Pledgor's responsibility to complete all required approvals, registrations, permits and filings.
4. All documents and information provided by Pledgor to Pledgee are true, complete, accurate and effective.
5. Pledgor did not conceal all the other creditor's rights, factoring and financing attached to the underlying assets.
6. Under the circumstances that new creditor's rights are attached on the underlying assets or significant argue and dispute on the underlying contracts, Pledgor should notify Pledgee immediately.
7. If the Collateral is construction in process, Pledgor committed that no other creditor's rights is attached, if any, a written consent of abortion is obtained. Pledgor agreed to hand over the written consent to Pledgee for custody.

Clause 15 Default of the contract

Pledgor's absent or delay in the registration procedure will be considered the event of default. Pledgee's loss from the default should be compensated by Pledgor.

Clause 16 Breach of covenants

Any of the following situations would be considered as breach of contract covenant:

1. Pledgor is in violation with the previous terms of the contract, transferred or disposed all or part of the assets.
2. Pledgor impeded in any form Pledgee's execution the rights.
3. Under the clause 7 of this contract that diminished of the value of the accounts receivables, and Pledgor cannot provide additional guarantee.
4. The statements of the Pledgor are untrue or in violation with its commitments
5. Pledgor is in violation with other rights and obligations agreed in this contract.
6. Pledgor is or will be under significant business changes such as termination of operation, dismissal or bankruptcy.
7. Pledgor breaches the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.

When any of the above mentioned situations noticed, Pledgee will perform the following in separate or all at the same time:

- 1) Request Pledgor to rectify within a definite time.
 - 2) Reduce, temporarily pause or permanently terminate Pledgor's Credit limit in part or in all
 - 3) Temporarily pause or permanently terminate in part or in all of Pledgor's application on specific credit line under this contract.
 - 4) Announce the immediate expiration on all the credit lines granted under this contract and affiliated specific credit line contracts.
-

- 5) Terminate or release this contract, terminate or release in part or in all of the affiliated specific credit line contracts as well as the other contracts signed between Pledgor and Pledgee
- 6) Request compensation from Pledgor on the losses thereafter caused.
- 7) Assume the guarantee responsibility on Guarantors.
- 8) Other necessary procedures on Party B's concern

Clause 17 Rights reserved

Either party might reserve part of or all of the rights under this contract and the affiliated specific credit line contracts, this does not imply the party has surrendered or remitted the unperformed rights and obligations.

Either party might sometimes tolerate, extend or delay the execution of certain rights, this does not deem as the party has surrendered or remitted the rights.

Clause 18 Change, Modification, Termination and Partial invalid

Upon negotiation and agreed by both parties, this contract can be changed and modified, the written record of the changes and modifications should form the inseparable part of this contract.

Unless ruled by law or both parties formed a separate agreement, the contract would not be terminated prior to all the rights and obligations defined are fulfilled.

Unless ruled by law or both parties formed a separate agreement, the void of single terms under this contract should no invalid other contract under this contract.

Clause 19 Applicable Law and Resolution for Dispute

1. This contract entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China.
2. The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts

Clause 20 Attachments

Details of underlying assets.

Clause 21 Other terms and conditions

1. Without Pledgee's prior written approval, Pledgor is not allowed to transfer the rights and obligations under this contract to 3rd Parties.
 2. Pledgor should give the consent that, Pledgee might somehow authorize other affiliated institutions of Bank of China to perform the obligation. The performing party is entitled to all the rights and obligations under this contract and the affiliated credit line contracts, the performing party reserves the rights to appeal a resolution of dispute if necessary.
 3. The contract has equivalent restrictions to the successors or inherits of both parties.
 4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.
 5. The title and name of business product is for business purposes, will not used for interpretation of the contract terms and the rights and obligations.
 6. Special agreements between Pledgor and Pledgee, If the realization value of the underlying assets exceeds the maximum amount of guarantee specified in Clause 3, Pledgor agree that the primary compensation to Pledgee will not restricted to the amount defined in Clause 3 and Clause 10. Pledgee entitled the compensation from the full proceeds from disposal.
-

Clause 22 Effectiveness of the contract

This contract is established and enters into effective upon signing or sealing by the legal representatives (or person-in-charge) of Pledgor and Pledgee or their duly authorized agents, together with sealing by the company chop.

The pledge is established upon the effectiveness of this contract.

This contract will be printed and signed in six copies, Pledgor and the debtor hold one copy each, Pledgee holds three copies, the registration authority holds one copy, each copy has the same legal effect

Stamp of Pledgor

Signature of director or authorized representative /s/ Dangyu Pan

/s/ [COMPANY SEAL]

Stamp of Pledgee (if Pledgee is a corporation)

Signature of legal representative or authorized representative /s/ Deng Zhengbo

Attachment:

Working Capital Loan Contract

Reference No. : 2016nianzhengzhongyinjiezi No.0064

Party A: Springpower Technology (Shenzhen) Co., Ltd.

Business Licenses: 440306503295562

Legal Representative: Dangu Pan

Address: Factory A, Chaoshun Industrial Zone, Renmin Road, Fumin Residential Area, Guanlan, BaoAn District, Shenzhen

Postal code: 518000

Deposit A/C and financial institutions: Bank of China, Pinghu Sub-branch, Shenzhen, 764057938815

Telephone: 0755-28010758; Facsimile: 0755-28010758

Party B: Bank of China, Buji Sub-branch.

Legal Representative: DENG ZHENGBO

Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal code: 518112

Telephone: 0755-22337156; Facsimile: 0755-28772290

Borrowers and lenders through equal consultation, the lender to borrowers liquidity loan agreement and conclude the contract.

This contract is the affiliated specific credit contract under the "Comprehensive Credit Line Contract" (Reference No.: 2016 zhenzhongyinebuxiezi No. 0000445), which is signed by Springpower Technology (Shenzhen) Co., Ltd. and Bank of China, Buji Sub-branch.

Clause 1 Amount

Party B agrees to provide the following loan:

Currency in: RMB

Amount: RMB Twenty million only

RMB 20,000,000.00

Clause 2 Period

The period of the loan is 12 months starting from the first withdrawal date in part or in whole. It is Party A's obligation to withdraw funds on the date as agreed. Any late withdrawal will not result in delay/extension of repayment.

Clause 3 Use of loan

Purpose of loan: Purchase of raw materials

Party A is prohibited from changing the use of loan without Party B's written approval. The restrictions include but are not limited to changing the use of loan to fixed assets or equity investments, as well as production activities prohibited by the central governments.

Clause 4 lending rate and interest calculations

1. Lending rate is floating rate, which is reset every 12 months starting from the first withdrawal date. The rate resetting date is the first day of each floating period.

For each withdrawal in installments:

- RMB floating rate
-

A. First withdrawal (during the first floating period) interest rate is the twelve-month benchmark lending interest rate, set by Interbank rates, plus 92;

B. On the interest resetting date, the new interest rate is the spot one-year lending interest rate, benchmarked by Interbank rates, plus 92 on all outstanding loan amounts.

2. Interest calculation

Interest is calculated starting from the actual withdrawal date on the actual amount of money withdrawn and the number of days outstanding.

Interest calculation formula: Interest = Principal × actual number of days × daily rate.

Daily rate calculation is: daily rate = APR / 360.

3. The method of interest settlement

Interest settlement takes place on the 20th of each month, the 21st is the interest payment date.

If the final loan principal payment date is different from the interest payment date, the borrower should pay off all interest on the principal payment date.

4. Penalty interest

(1) For the loan overdue or violated use the loan purpose, penalty interest rate will apply to the loan amount that is overdue or misappropriated from the date of overdue or misappropriation until the principal and interest are paid off.

On both overdue and misappropriation of loans, a higher penalty interest rate shall be charged.

(2) If the borrower does not pay interest and/or penalty interest by the interest payment date, the interest is calculated based on Clause 3 and 4.

(3) Penalty rate

■ The penalty interest rate on floating-rate loans

According to the floating period and the method of floating as agreed in Clause 1, the penalty interest rate of the overdue loan shall be the agreed interest rate plus 50%, and the penalty interest rate of the misappropriated loan shall be the agreed interest rate plus 100%;

Clause 5 Withdrawal Conditions

Withdrawal must meet the following conditions:

1. This contract and its attachments have become effective.
2. Party A has provided guarantees requested by Party B, and the guarantee contract has become effective and has accomplished legal procedures of approval and registration.
3. Party A has provided Party B with loan documents, seals, personnel list, specimen signature, and complete the relevant evidence.
4. Party A has opened the account for fulfilling this contract requested by Party B.
5. Party A should submit written withdrawal application, documentary proof for using of loans and complete the relevant formalities for withdrawal before 5 banking days.
6. Party A has submitted resolution books and power of attorney signed by the board or other authorities to Party B.

Withdrawal can be refused by Party B if Party A has not met the above conditions, but agreed by Party B.

Clause 6 Date and method of withdrawal

1. All loans should be withdrawn in 30 days from 3rd Aug 2016.
 2. Party B has the right to refuse the withdrawal application of unused loan which is over the date of withdrawal.
-

Clause 7 Payment of the loan

1. The account

The loan should be granted and paid through the account opened by Party A:

Account Name: Springpower Technology (Shenzhen) Co., Ltd.

Account number: 764057938815

2. The way of payment

(1) The way of payment should be in accordance with laws and regulations, regulatory requirements and the contract. The way of single payment of the Loan should be approved in written withdrawal application. Party B has the right to change the way of payment or stop providing the loan if the way of payment in the application doesn't meet the requirement.

(3) Borrower makes the payment on its own.

(4) The change of payment. The way of payment should be changed when the payment, credit rating or other conditions of Party A has changed after submitting withdrawal application. Party A should provide the written change application, should resubmit the withdrawal application and documentary proof for using of loans if the sum, payment object or the use of loans has changed.

3. The specific requirements of entrusted payment

(1) Entrusted payment. Party B pay to the specified account directly which is written in this contract, including the name of account, account number and the sum of payment.

(2) To provide the transaction information. Party A should provide the account of loans, the account information of counterparty and relevant documents when entrusted payment. All document provided to Party B should be true, integral and effective, or Party B does not assume any responsibility for failed transaction, and occurred repayment obligations do not be affected.

(3) Party B's obligations under the entrusted payment

A. Party B pay to the specified account after examination and approval of Party A's commission books and other related transaction information when entrusted payment.

B. If Party B found that the proof materials and other related trading purposes material provided by Party A does not comply with this contract or the presence of other defects, Party B has the right to require Party A to supplement, replace, description or re-submit the relevant materials. Before these materials are submitted, Party B has the right to refuse the issuance and payment of the relevant amounts.

C. Party B will assume no responsibility and the generated obligations of Party A will be not affected if Party B cannot pay the loan to the counterparty in time in accordance with payment order of Party A because of the refund by opening bank of the counterparty. Party A hereby authorizes Party B to freeze the fund returned by opening bank of the counterparty. In this case, Party A shall resubmit the payment order and use proven materials and other related transaction materials.

(4) Party A shall not piecemeal way to circumvent the trustee to pay Party B.

5. Party B has right to redefine the terms of payment and loan disbursement or stop the loan if the following situations occurred:

(1) Party A violates the contract to circumvent entrusted payment of Party B by piecemeal way.

(2) Party A's credit status drops or main business profitability is not good.

(3) The use of loan is abnormal.

(4) Party A fails to provide the records and information of the loan requested by Party B timely.

(5) Party A contravenes this section to use the loan.

Clause 8 Repayment

1. Party A shall specify the following account as capital recovery account and provide the information of this account. Party B has the right to ask Party A to explain inflows and outflows of large-sum and abnormal capital, as well as monitor capital recovery account.

Account Name: Springpower Technology (Shenzhen) Co., Ltd.

Account number: 764057938815

2. Except otherwise agreed, on the expiry date, Party A must repay all the loans under this contract.

If Party A wants to change the plan of repayment, a written application confirmed in writing by both parties jointly should be submitted in 10 banking days before the loans maturity.

3. Unless otherwise agreed, Party A has the right to decide repayment order of the principal or interest. If there are several expiring loans or overdue loans which are repaid in installment way under this contract, Party B has the right to decide the liquidation sequence of a repayment. Party B has the right to decide the priority of the repayment order if multiple contracts expire at the same time.

4. Unless otherwise agreed, Party A can repay in advance, but Party A should notice Party B in written 15 banking days advance. The amount of the first advance payment used to repay the final maturity of the loan, in reverse order to repay the loans.

5. Party A must deposit funds in the following account three banking days advance of every expiring principle with interest. Party B has the right to take the funds from the account on the expiry date.

Account Name: Springpower Technology (Shenzhen) Co., Ltd.

Account number: 764057938815

Clause 9 Guarantee

1. To ensure that borrowing under this agreement is repaid, the following guarantees shall be adopted:

This contract is the main contract of Guaranty Contract of Maximum Amount (NO: 2016 ZHENZHONGYINBUBAOEZI00445A) signed by SHENZHEN HIGHPOWER TECHNOLOGY CO., LTD. (Guarantor) and Party B. Guarantor provides the maximum amount guarantee.

This contract is the main contract of Guaranty Contract of Maximum Amount (NO: 2016 ZHENZHONGYINBUBAOEZI00445B) signed by HUIZHOU HIGHPOWER TECHNOLOGY CO., LTD. (Guarantor) and Party B. Guarantor provides the maximum amount guarantee.

This contract is the main contract of Guaranty Contract of Maximum Amount (NO: 2016 ZHENZHONGYINBUBAOEZI00445C) signed by DAGNYU PAN (Guarantor) And Party B. Guarantor provides the maximum amount guarantee.

This contract is the main contract of Pledge Contract of Maximum Amount (NO: 2016 ZHENZHONGYINBUDIEZI0045) signed by GANZHOU HIGHPOWER TECHNOLOGY CO., LTD. And Party B.

2. Under certain circumstance, Party B believes that will affect the capacity for fulfilling the contract of Party A or Guarantor, or Guarantee Contracts are invalid, revoked or dissolved, or the financial position of Party A/Guarantor deteriorate or Party A/Guarantor involved in litigation issues, or other factors which might affect its repayment ability, or guarantors were found default in other contracts with Party B, or devaluation, dismiss or damage of collaterals which might cause the value of the collaterals slaked or losses, Party B reserves the right to request Party A and Party A has the obligation to add or replace the guarantor.

Clause 10 Statement and Commitment

1. Party A's statement:

- 1) Party A is legally register and exist with full capacity for civil rights and civil conduct;
-

2) Signing and performing the contract is the true will of Party A, Party A has been granted all legal and valid authorizations before signing the contract. The contract does not form a default for other contracts signed and performed by Party A and other legal documents. It is Party A's responsibility to complete all required approvals, registrations, permits and filings.

3) All document and information, financial statement, certificates and other materials provided by Party A to Party B are true, complete, accurate and effective.

4) All the transactions mentioned by Party A for apply specific credit line should be real and not for illegal purposes such as: money laundry.

5) No hidden events regarding Party A and guarantor's financial and repayment abilities.

6) Party A and the loan project reach the national environmental standards, not in the list of the enterprises which have problems of energy consumption and pollution, don't have the risk of energy consumption and pollution.

2. Party A's commitment:

1) Party A shall submit the financial statements and other relevant information regularly, including but not limited to annual, quarterly and monthly financial reports.

2) Any counter-guarantee agreement between the guarantors and Party A will not affect the Party B's underlying rights under this contract.

3) Cooperated in Party B's exam and inspection on the utilization of the loan as well as Party A's financials and operations.

4) Under circumstances Party A or Guarantor's capability of performing the contract might be affected, Party A should notify Party B in written in time. Those circumstances included but not limited to merger, division, decrease of capital, equity transfer, investment, a substantial increase of debt financing, a major asset and credit assignment.

Party A should notify Party B in time, when the following things occurred:

A. changes of articles of association, the scope of business, registered capital and legal representative of Party A or Guarantor.

B. Any form of management mode change, including joint operation, invest and cooperate with foreigners, contract management, reorganization, restructuring, listing plan.

C. Party A is involved in major litigation or arbitration, or property or collateral is seized, detained or regulated, or set new guarantee in collateral.

D. Out of business, dissolution, liquidation, suspend business for rectification, cancellation, revocation of the business license or (be) filed for bankruptcy.

E. Shareholders, directors and senior management personnel suspected of serious cases or economic disputes.

F. Default events in other contracts.

G. Operating difficulties and financial situation has deteriorated.

(5) The repayment to Party B prior to shareholders, and is comparable to other creditors of the same kind debts.

Party A is prohibited to repay the loan to shareholders before paying off the principal and interests under the contract.

(6) If Party A fails to pay principal, interests and fees on time in the fiscal year, any form of dividends is forbidden.

(7) Party A cannot dispose of assets to reduce its debt paying ability and promises the total amount of external guarantee is not 1 time higher than its net assets, and the total amount of external guarantee and the amount of single guarantee shall not exceed the limitation set by the articles of association.

(8) Except the use agreed in this contract or agreed by Party B, Party A is prohibited to transfer the loans to other accounts or related accounts.

Party A should provide documentary proof when the loan is transferred to other accounts or related accounts.

(9) Party B has the right to call the loan advanced according to the situation of capital return of Party A.

Clause 11 disclosure of the affiliated transaction inside Party A 's group

Party A is a Group customer confirmed by Party B according to the "Commercial Bank Group guidelines for customer credit risk management business"(hereinafter referred to as "guideline"). During the credit period, Party A shall promptly report to Party B about more than 10% of net assets associated with the transaction, including but not limited to: the parties to the transaction of the association; trading program and nature of the transaction; the amount of the transaction or the corresponding ratio; pricing policies (including no amount or only nominal amounts of transactions).

Under any of the following circumstances, Party B shall have the right to unilaterally decide to suspend the unused loan and recover part or all of the principal and interest of the loan in advance: use the false contracts which are signed with affiliated parties to discount or pledge at bank and to obtain bank funds or credit with notes receivable and accounts receivable without actual trade background; the occurrence of major mergers, acquisitions and reorganization which are considered by Party B may affect the loan safety; evasion or discarding of bank debts on purpose through affiliated transactions; other circumstances stipulated in article eighteenth of "guidelines".

Clause 12 Breach of Covenants

Each of the following events and issues constitute Party A in the event of default under the contract:

1. Party A did not perform the repayment obligation under this contract;
 2. Party A has not used the credit funds according to agreed purposes, or has not paid the loan by agreed way in this contract;
 3. Party A's statements in this contract are untrue or in violation with commitments made by Party A in this contract.
 4. Under the circumstance defined in 2.(4) of Clause 10, Party A refused to provide additional guarantee or replacement of a new guarantor.
 5. Deterioration of credit, or profitability, debt paying ability, operating ability, cash flow and other financial indicators of Party A deteriorate, breaking the contract index constraint agreed or other financial covenants.
 6. Party A breaches other contracts signed with Party B or other affiliated institutions of Bank of China.
 7. Guarantors breach contracts, or have default events with Party B or other affiliated institutions of Bank of China.
 8. The termination of business or dissolution, revocation or bankruptcy of Party A.
 9. Party A is or may be involved in major economic disputes, litigation, arbitration, or its assets were seized, detained or enforced, or investigated or punished by the judicial organ or taxation, industry and commerce administrative organs in accordance with the law, has been or may affect its ability to fulfill the obligations under this contract.
 10. Abnormal change, missing, legal restriction of personal liberty and investigation by judicial authorities of Party A's major individual investors, key management personnel, which have been or may affect Party A to fulfill the obligations under this contract.
 11. Party B finds the problems which may affect the borrower or guarantor's financial situation and performance capabilities when reviewing Party A's financial condition and performance capabilities every year (every year from the effective date of the contract);
-

12. Party A cannot provide materials to Party B to explain large and abnormal capital inflow and outflow in the account.
13. Party A is in violation with other rights and obligations agreed in this contract.

When any of the above situations occurred, Party B will perform the following in separate or all at the same time according to the specific situation:

- 1) Require Party A or Guarantor to rectify defaults within a definite time.
- 2) Reduce completely or partly, pause or terminate Party A's Credit limit.
- 3) Pause or terminate completely or partly Party A's business applications in this contract or in other contracts between Party A and Party B specific credit line under this contract. Pause or terminate completely or partly, or cancel or stop offering, paying and settling the unissued loans and unsettled trade financing.
- 4) Announce the immediate expiration on all or part of the outstanding loans, principle and interest of trade financing and other accounts payable under this contract or other contracts between Party A and Party B.
- 5) Terminate or release this contract, terminate or release contracts between Party A and Party B completely or partly.
- 6) Require compensation from Party A on the losses caused by Party A to Party B.
- 7) Deduct the fund from Party A's deposit accounts to pay off the debts to Party B under this contract. All the undue funds in the accounts were considered as acceleration of maturity. If the currency in deposit account is different from the currency of Party B's loans, the exchange rate on the date of the hold in custody will be applied.
- 8) Real rights of pledge will be executed.
- 9) Require Guarantors assume liability of guaranty.
- 10) Other necessary or probable procedures on Party B's concern.

Clause 13 Rights reserved

One party does not perform part or all of the rights under this contract, nor does not require the other party to perform, undertake part or all of the obligations and responsibilities, which does not mean the abdication of the right or exemption of the obligation and responsibility.

Any tolerance, extension or delay from one party to another party for exercising of rights under this contract does not affect the rights one party enjoys according to this contract and laws and regulations, and does not mean the abdication of the right.

Clause 14 Changes, Modification, Termination

Upon negotiation and agreed by both parties, this contract can be changed and modified by written. Any of the changes and modifications should form the inseparable part of this contract.

Unless otherwise provided for in any law or regulation or stipulated between the parties, this contract would not be terminated prior to all the rights and obligations are fulfilled.

Unless otherwise provided for in any law or regulation or stipulated between the parties, the invalidation of single terms under this contract should not affect the validation of other terms under this contract.

Clause 15 Applicable Law and Resolution for Dispute

1. This contract is applicable to the laws of People's Republic of China.

During the performance of this contract or in connection with all disputes relating to this contract, the two parties settled through friendly consultations. If negotiation cannot reach agreement, both parties can apply to the local people's court of Party A or other affiliated institutions of Bank of China.

Clause 16 Attachments

The Appendix hereof and the other appendix confirmed by both parties shall form an integral part of this contract, and shall be of legally equal effect with this contract.

1. Withdrawal application;

Clause 17 Other terms and conditions

1. Without Party B's written approval, Party A is not allowed to transfer the rights and obligations under this contract to the 3rd Parties.

2. Party A should give the consent that Party B might somehow authorize other affiliated institution of Bank of China to perform the obligation. The performing party entitles all the rights and obligations under this contract, the performing party reserves the rights to appeal a resolution of dispute if necessary.

3. The contract has equivalent restrictions to the successors or inherits of both parties.

4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.

5. The transactions under the contract based on independent interests. According to relevant laws, regulations and regulatory requirements, other parties of the transaction constitutes a connected party or associated persons, any party shall not seek to use this relationship to affect the fair of transaction.

6. The title and name of business in this contract is only for business purposes, will not be used for interpretation of the contract terms, the rights and obligations.

7. In accordance with the provisions of the relevant laws and regulations, supervision, Party B has the right to provide the information of this contract and other relevant information to the credit system of the people's Bank of China and other legally established credit information database, for organizations or individuals who have the appropriate qualifications to query and use.

8. If the drawdown date or the repayment date is in legal holidays, then it is delayed to the first working day after the holidays.

9. If required by the governing institutions, Party B might not be able to perform the obligations agreed in this contract, Party B has the right to stop or change the contract or its clauses, and Party B is exempted from punishment under this circumstance.

Clause 18 Effective of the contract

This contract enters into force upon the date when it is signed or sealed and affixed with official seals by the legal representatives or entrusted agents of Party A and Party B.

This contract is signed in quadruplicate, each party holds two copies, which have the equal legal effect.

/s/ [Stamp of Party A] Springpower Technology (Shenzhen) Co., Ltd.

Signature /s/ Dangyu Pan

/s/ [Stamp of Party B] Bank of China, Buji Sub-branch
Signature /s/ DENG ZHENGBO

Working Capital Loan Contract

Reference No. : 2016 nianzhengzhongyinjiezi No.0078

Party A: Springpower Technology (Shenzhen) Co., Ltd.

Business Licenses: 440306503295562

Legal Representative: Dangu Pan

Address: Factory A, Chaoshun Industrial Zone, Renmin Road, Fumin Residential Area, Guanlan, BaoAn District, Shenzhen

Postal code: 518000

Deposit A/C and financial institutions: Bank of China, Pinghu Sub-branch, Shenzhen, 764057938815

Telephone: 0755- 28010758; Facsimile: 0755-28010758

Party B: Bank of China, Buji Sub-branch.

Legal Representative: DENG ZHENGBO

Address: 108, Buji Road, Buji Town, Longgang District, Shenzhen; Postal code: 518000

Telephone: 0755-22337156; Facsimile: 0755-28772290

Borrowers and lenders through equal consultation, the lender to borrowers liquidity loan agreement and conclude the contract.

This contract is the affiliated specific credit contract under the "Comprehensive Credit Line Contract" (Reference No.: 2016 zhenzhongyinebuxiezi No. 0000445), which is signed by Springpower Technology (Shenzhen) Co., Ltd. and Bank of China, Buji Sub-branch.

Clause 1 Amount

Party B agrees to provide the following loan:

Currency in: RMB

Amount: RMB Ten million only

RMB 10,000,000.00

Clause 2 Period

The period of the loan is 12 months starting from the first withdrawal date in part or in whole. It is Party A's obligation to withdraw funds on the date as agreed. Any late withdrawal will not result in delay/extension of repayment.

Clause 3 Use of loan

Purpose of loan: Purchase of raw materials

Party A is prohibited from changing the use of loan without Party B's written approval. The restrictions include but are not limited to changing the use of loan to fixed assets or equity investments, as well as production activities prohibited by the central governments.

Clause 4 lending rate and interest calculations

1. Lending rate is floating rate, which is reset every 12 months starting from the first withdrawal date. The rate resetting date is the first day of each floating period.

For each withdrawal in installments:

- RMB floating rate
-

A. First withdrawal (during the first floating period) interest rate is the twelve-month benchmark lending interest rate, set by Interbank rates, plus 92;

B. On the interest resetting date, the new interest rate is the spot one-year lending interest rate, benchmarked by Interbank rates, plus 92 on all outstanding loan amounts.

2. Interest calculation

Interest is calculated starting from the actual withdrawal date on the actual amount of money withdrawn and the number of days outstanding.

Interest calculation formula: Interest = Principal × actual number of days × daily rate.

Daily rate calculation is: daily rate = APR / 360.

3. The method of interest settlement

Interest settlement takes place on the 20th of each month, the 21st is the interest payment date.

If the final loan principal payment date is different from the interest payment date, the borrower should pay off all interest on the principal payment date.

4. Penalty interest

(1) For the loan overdue or violated use the loan purpose, penalty interest rate will apply to the loan amount that is overdue or misappropriated from the date of overdue or misappropriation until the principal and interest are paid off.

On both overdue and misappropriation of loans, a higher penalty interest rate shall be charged.

(2) If the borrower does not pay interest and/or penalty interest by the interest payment date, the interest is calculated based on Clause 3 and 4.

(3) Penalty rate

■ The penalty interest rate on floating-rate loans

According to the floating period and the method of floating as agreed in Clause 1, the penalty interest rate of the overdue loan shall be the agreed interest rate plus 50%, and the penalty interest rate of the misappropriated loan shall be the agreed interest rate plus 100%;

Clause 5 Withdrawal Conditions

Withdrawal must meet the following conditions:

1. This contract and its attachments have become effective.
2. Party A has provided guarantees requested by Party B, and the guarantee contract has become effective and has accomplished legal procedures of approval and registration.
3. Party A has provided Party B with loan documents, seals, personnel list, specimen signature, and complete the relevant evidence.
4. Party A has opened the account for fulfilling this contract requested by Party B.
5. Party A should submit written withdrawal application, documentary proof for using of loans and complete the relevant formalities for withdrawal before 5 banking days.
6. Party A has submitted resolution books and power of attorney signed by the board or other authorities to Party B.

Withdrawal can be refused by Party B if Party A has not met the above conditions, but agreed by Party B.

Clause 6 Date and method of withdrawal

1. All loans should be withdrawn in 30 days from 20th Sep 2016.
 2. Party B has the right to refuse the withdrawal application of unused loan which is over the date of withdrawal.
-

Clause 7 Payment of the loan

1. The account

The loan should be granted and paid through the account opened by Party A:

Account Name: Springpower Technology (Shenzhen) Co., Ltd.

Account number: 764057938815

2. The way of payment

(1) The way of payment should be in accordance with laws and regulations, regulatory requirements and the contract. The way of single payment of the Loan should be approved in written withdrawal application. Party B has the right to change the way of payment or stop providing the loan if the way of payment in the application doesn't meet the requirement.

(3) Borrower makes the payment on its own.

(4) The change of payment. The way of payment should be changed when the payment, credit rating or other conditions of Party A has changed after submitting withdrawal application. Party A should provide the written change application, should resubmit the withdrawal application and documentary proof for using of loans if the sum, payment object or the use of loans has changed.

3. The specific requirements of entrusted payment

(1) Entrusted payment. Party B pay to the specified account directly which is written in this contract, including the name of account, account number and the sum of payment.

(2) To provide the transaction information. Party A should provide the account of loans, the account information of counterparty and relevant documents when entrusted payment. All document provided to Party B should be true, integral and effective, or Party B does not assume any responsibility for failed transaction, and occurred repayment obligations do not be affected.

(3) Party B's obligations under the entrusted payment

A. Party B pay to the specified account after examination and approval of Party A's commission books and other related transaction information when entrusted payment.

B. If Party B found that the proof materials and other related trading purposes material provided by Party A does not comply with this contract or the presence of other defects, Party B has the right to require Party A to supplement, replace, description or re-submit the relevant materials. Before these materials are submitted, Party B has the right to refuse the issuance and payment of the relevant amounts.

C. Party B will assume no responsibility and the generated obligations of Party A will be not affected if Party B cannot pay the loan to the counterparty in time in accordance with payment order of Party A because of the refund by opening bank of the counterparty. Party A hereby authorizes Party B to freeze the fund returned by opening bank of the counterparty. In this case, Party A shall resubmit the payment order and use proven materials and other related transaction materials.

(4) Party A shall not piecemeal way to circumvent the trustee to pay Party B.

5. Party B has right to redefine the terms of payment and loan disbursement or stop the loan if the following situations occurred:

(1) Party A violates the contract to circumvent entrusted payment of Party B by piecemeal way.

(2) Party A's credit status drops or main business profitability is not good.

(3) The use of loan is abnormal.

(4) Party A fails to provide the records and information of the loan requested by Party B timely.

(5) Party A contravenes this section to use the loan.

Clause 8 Repayment

1. Party A shall specify the following account as capital recovery account and provide the information of this account. Party B has the right to ask Party A to explain inflows and outflows of large-sum and abnormal capital, as well as monitor capital recovery account.

Account Name: Springpower Technology (Shenzhen) Co., Ltd.

Account number: 764057938815

2. Except otherwise agreed, on the expiry date, Party A must repay all the loans under this contract.

If Party A wants to change the plan of repayment, a written application confirmed in writing by both parties jointly should be submitted in 10 banking days before the loans maturity.

3. Unless otherwise agreed, Party A has the right to decide repayment order of the principal or interest. If there are several expiring loans or overdue loans which are repaid in installment way under this contract, Party B has the right to decide the liquidation sequence of a repayment. Party B has the right to decide the priority of the repayment order if multiple contracts expire at the same time.

4. Unless otherwise agreed, Party A can repay in advance, but Party A should notice Party B in written 15 banking days advance. The amount of the first advance payment used to repay the final maturity of the loan, in reverse order to repay the loans.

5. Party A must deposit funds in the following account three banking days advance of every expiring principle with interest. Party B has the right to take the funds from the account on the expiry date.

Account Name: Springpower Technology (Shenzhen) Co., Ltd.

Account number: 764057938815

Clause 9 Guarantee

1. To ensure that borrowing under this agreement is repaid, the following guarantees shall be adopted:

This contract is the main contract of Guaranty Contract of Maximum Amount (NO: 2016 ZHENZHONGYINBUBAOEZI00445A) signed by SHENZHEN HIGHPOWER TECHNOLOGY CO., LTD. (Guarantor) and Party B. Guarantor provides the maximum amount guarantee.

This contract is the main contract of Guaranty Contract of Maximum Amount (NO: 2016 ZHENZHONGYINBUBAOEZI00445B) signed by HUIZHOU HIGHPOWER TECHNOLOGY CO., LTD. (Guarantor) and Party B. Guarantor provides the maximum amount guarantee.

This contract is the main contract of Guaranty Contract of Maximum Amount (NO: 2016 ZHENZHONGYINBUBAOEZI00445C) signed by DAGNYU PAN (Guarantor) And Party B. Guarantor provides the maximum amount guarantee.

This contract is the main contract of Pledge Contract of Maximum Amount (NO: 2016 ZHENZHONGYINBUDIEZI0045) signed by GANZHOU HIGHPOWER TECHNOLOGY CO., LTD. And Party B.

2. Under certain circumstance, Party B believes that will affect the capacity for fulfilling the contract of Party A or Guarantor, or Guarantee Contracts are invalid, revoked or dissolved, or the financial position of Party A/Guarantor deteriorate or Party A/Guarantor involved in litigation issues, or other factors which might affect its repayment ability, or guarantors were found default in other contracts with Party B, or devaluation, dismiss or damage of collaterals which might cause the value of the collaterals slaked or losses, Party B reserves the right to request Party A and Party A has the obligation to add or replace the guarantor.

Clause 10 Statement and Commitment

1. Party A's statement:

- 1) Party A is legally register and exist with full capacity for civil rights and civil conduct;
-

2) Signing and performing the contract is the true will of Party A, Party A has been granted all legal and valid authorizations before signing the contract. The contract does not form a default for other contracts signed and performed by Party A and other legal documents. It is Party A's responsibility to complete all required approvals, registrations, permits and filings.

3) All document and information, financial statement, certificates and other materials provided by Party A to Party B are true, complete, accurate and effective.

4) All the transactions mentioned by Party A for apply specific credit line should be real and not for illegal purposes such as: money laundry.

5) No hidden events regarding Party A and guarantor's financial and repayment abilities.

6) Party A and the loan project reach the national environmental standards, not in the list of the enterprises which have problems of energy consumption and pollution, don't have the risk of energy consumption and pollution.

2. Party A's commitment:

1) Party A shall submit the financial statements and other relevant information regularly, including but not limited to annual, quarterly and monthly financial reports.

2) Any counter-guarantee agreement between the guarantors and Party A will not affect the Party B's underlying rights under this contract.

3) Cooperated in Party B's exam and inspection on the utilization of the loan as well as Party A's financials and operations.

4) Under circumstances Party A or Guarantor's capability of performing the contract might be affected, Party A should notify Party B in written in time. Those circumstances included but not limited to merger, division, decrease of capital, equity transfer, investment, a substantial increase of debt financing, a major asset and credit assignment.

Party A should notify Party B in time, when the following things occurred:

A. changes of articles of association, the scope of business, registered capital and legal representative of Party A or Guarantor.

B. Any form of management mode change, including joint operation, invest and cooperate with foreigners, contract management, reorganization, restructuring, listing plan.

C. Party A is involved in major litigation or arbitration, or property or collateral is seized, detained or regulated, or set new guarantee in collateral.

D. Out of business, dissolution, liquidation, suspend business for rectification, cancellation, revocation of the business license or (be) filed for bankruptcy.

E. Shareholders, directors and senior management personnel suspected of serious cases or economic disputes.

F. Default events in other contracts.

G. Operating difficulties and financial situation has deteriorated.

(5) The repayment to Party B prior to shareholders, and is comparable to other creditors of the same kind debts.

Party A is prohibited to repay the loan to shareholders before paying off the principal and interests under the contract.

(6) If Party A fails to pay principal, interests and fees on time in the fiscal year, any form of dividends is forbidden.

(7) Party A cannot dispose of assets to reduce its debt paying ability and promises the total amount of external guarantee is not 1 time higher than its net assets, and the total amount of external guarantee and the amount of single guarantee shall not exceed the limitation set by the articles of association.

(8) Except the use agreed in this contract or agreed by Party B, Party A is prohibited to transfer the loans to other accounts or related accounts.

Party A should provide documentary proof when the loan is transferred to other accounts or related accounts.

(9) Party B has the right to call the loan advanced according to the situation of capital return of Party A.

Clause 11 disclosure of the affiliated transaction inside Party A 's group

Party A is a Group customer confirmed by Party B according to the "Commercial Bank Group guidelines for customer credit risk management business"(hereinafter referred to as "guideline"). During the credit period, Party A shall promptly report to Party B about more than 10% of net assets associated with the transaction, including but not limited to: the parties to the transaction of the association; trading program and nature of the transaction; the amount of the transaction or the corresponding ratio; pricing policies (including no amount or only nominal amounts of transactions).

Under any of the following circumstances, Party B shall have the right to unilaterally decide to suspend the unused loan and recover part or all of the principal and interest of the loan in advance: use the false contracts which are signed with affiliated parties to discount or pledge at bank and to obtain bank funds or credit with notes receivable and accounts receivable without actual trade background; the occurrence of major mergers, acquisitions and reorganization which are considered by Party B may affect the loan safety; evasion or discarding of bank debts on purpose through affiliated transactions; other circumstances stipulated in article eighteenth of "guidelines".

Clause 12 Breach of Covenants

Each of the following events and issues constitute Party A in the event of default under the contract:

1. Party A did not perform the repayment obligation under this contract;
 2. Party A has not used the credit funds according to agreed purposes, or has not paid the loan by agreed way in this contract;
 3. Party A's statements in this contract are untrue or in violation with commitments made by Party A in this contract.
 4. Under the circumstance defined in 2.(4) of Clause 10, Party A refused to provide additional guarantee or replacement of a new guarantor.
 5. Deterioration of credit, or profitability, debt paying ability, operating ability, cash flow and other financial indicators of Party A deteriorate, breaking the contract index constraint agreed or other financial covenants.
 6. Party A breaches other contracts signed with Party B or other affiliated institutions of Bank of China.
 7. Guarantors breach contracts, or have default events with Party B or other affiliated institutions of Bank of China.
 8. The termination of business or dissolution, revocation or bankruptcy of Party A.
 9. Party A is or may be involved in major economic disputes, litigation, arbitration, or its assets were seized, detained or enforced, or investigated or punished by the judicial organ or taxation, industry and commerce administrative organs in accordance with the law, has been or may affect its ability to fulfill the obligations under this contract.
 10. Abnormal change, missing, legal restriction of personal liberty and investigation by judicial authorities of Party A's major individual investors, key management personnel, which have been or may affect Party A to fulfill the obligations under this contract.
 11. Party B finds the problems which may affect the borrower or guarantor's financial situation and performance capabilities when reviewing Party A's financial condition and performance capabilities every year (every year from the effective date of the contract);
-

12. Party A cannot provide materials to Party B to explain large and abnormal capital inflow and outflow in the account.
13. Party A is in violation with other rights and obligations agreed in this contract.

When any of the above situations occurred, Party B will perform the following in separate or all at the same time according to the specific situation:

- 1) Require Party A or Guarantor to rectify defaults within a definite time.
- 2) Reduce completely or partly, pause or terminate Party A's Credit limit.
- 3) Pause or terminate completely or partly Party A's business applications in this contract or in other contracts between Party A and Party B specific credit line under this contract. Pause or terminate completely or partly, or cancel or stop offering, paying and settling the unissued loans and unsettled trade financing.
- 4) Announce the immediate expiration on all or part of the outstanding loans, principle and interest of trade financing and other accounts payable under this contract or other contracts between Party A and Party B.
- 5) Terminate or release this contract, terminate or release contracts between Party A and Party B completely or partly.
- 6) Require compensation from Party A on the losses caused by Party A to Party B.
- 7) Deduct the fund from Party A's deposit accounts to pay off the debts to Party B under this contract. All the undue funds in the accounts were considered as acceleration of maturity. If the currency in deposit account is different from the currency of Party B's loans, the exchange rate on the date of the hold in custody will be applied.
- 8) Real rights of pledge will be executed.
- 9) Require Guarantors assume liability of guaranty.
- 10) Other necessary or probable procedures on Party B's concern.

Clause 13 Rights reserved

One party does not perform part or all of the rights under this contract, nor does not require the other party to perform, undertake part or all of the obligations and responsibilities, which does not mean the abdication of the right or exemption of the obligation and responsibility.

Any tolerance, extension or delay from one party to another party for exercising of rights under this contract does not affect the rights one party enjoys according to this contract and laws and regulations, and does not mean the abdication of the right.

Clause 14 Changes, Modification, Termination

Upon negotiation and agreed by both parties, this contract can be changed and modified by written. Any of the changes and modifications should form the inseparable part of this contract.

Unless otherwise provided for in any law or regulation or stipulated between the parties, this contract would not be terminated prior to all the rights and obligations are fulfilled.

Unless otherwise provided for in any law or regulation or stipulated between the parties, the invalidation of single terms under this contract should not affect the validation of other terms under this contract.

Clause 15 Applicable Law and Resolution for Dispute

1. This contract is applicable to the laws of People's Republic of China.

During the performance of this contract or in connection with all disputes relating to this contract, the two parties settled through friendly consultations. If negotiation cannot reach agreement, both parties can apply to the local people's court of Party A or other affiliated institutions of Bank of China.

Clause 16 Attachments

The Appendix hereof and the other appendix confirmed by both parties shall form an integral part of this contract, and shall be of legally equal effect with this contract.

1. Withdrawal application;

Clause 17 Other terms and conditions

1. Without Party B's written approval, Party A is not allowed to transfer the rights and obligations under this contract to the 3rd Parties.
2. Party A should give the consent that Party B might somehow authorize other affiliated institution of Bank of China to perform the obligation. The performing party entitles all the rights and obligations under this contract, the performing party reserves the rights to appeal a resolution of dispute if necessary.
3. The contract has equivalent restrictions to the successors or inherits of both parties.
4. Unless otherwise agreed, the domicile addresses stated in this contract are for corresponding use; both parties should notify each other in writing about any changes of its domicile addresses.
5. The transactions under the contract based on independent interests. According to relevant laws, regulations and regulatory requirements, other parties of the transaction constitutes a connected party or associated persons, any party shall not seek to use this relationship to affect the fair of transaction.
6. The title and name of business in this contract is only for business purposes, will not be used for interpretation of the contract terms, the rights and obligations.
7. In accordance with the provisions of the relevant laws and regulations, supervision, Party B has the right to provide the information of this contract and other relevant information to the credit system of the people's Bank of China and other legally established credit information database, for organizations or individuals who have the appropriate qualifications to query and use.
8. If the drawdown date or the repayment date is in legal holidays, then it is delayed to the first working day after the holidays.
9. If required by the governing institutions, Party B might not be able to perform the obligations agreed in this contract, Party B has the right to stop or change the contract or its clauses, and Party B is exempted from punishment under this circumstance.

Clause 18 Effective of the contract

This contract enters into force upon the date when it is signed or sealed and affixed with official seals by the legal representatives or entrusted agents of Party A and Party B.

This contract is signed in quadruplicate, each party holds two copies, which have the equal legal effect.

/s/ [Stamp of Party A] Springpower Technology (Shenzhen) Co., Ltd.

Signature /s/ Dangyu Pan

/s/ [Stamp of Party B] Bank of China, Buji Sub-branch
Signature /s/ DENG ZHENGBO

**Certification of Chief Executive Officer pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Dang Yu Pan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Highpower International, Inc..
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting. and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information. and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2016

/s/ Dang Yu Pan

By: Dang Yu Pan

Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

**Certification of Chief Financial Officer pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant
to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Sunny Pan, certify that:

1. I have reviewed this quarterly report on Form10-Q of Highpower International, Inc..
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting. and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information. and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2016

/s/ Sunny Pan

Sunny Pan
Interim Chief Financial Officer
(Principal Financial Officer)

Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the quarterly report of Highpower International, Inc. (the "Company") on Form 10-Q for the quarter ending September 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, in the capacities and on the date indicated below, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934. and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Dang Yu Pan

Dang Yu Pan
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)
November 10, 2016

/s/ Sunny Pan

Sunny Pan
Interim Chief Financial Officer
(Principal Financial and Accounting Officer)
November 10, 2016
