
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, 2017

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," "smaller reporting company," and "emerging growth company" as defined in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 15,509,658 shares of common stock, par value \$0.0001 per share, outstanding as of November 14, 2017.

HIGHPOWER INTERNATIONAL, INC.
FORM10-Q
FOR THE QUARTERLY PERIOD ENDED September 30, 2017
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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>2017</i>	<i>December 31,</i> <i>2016</i>
	<i>(Unaudited)</i>	
	\$	\$
ASSETS		
Current Assets:		
Cash	11,904,511	9,324,393
Restricted cash	20,905,411	11,213,640
Accounts receivable, net	56,313,941	46,280,769
Amount due from Yipeng	-	7,517,250
Notes receivable	6,805,932	1,093,730
Prepayments and other receivables	16,175,372	6,899,872
Inventories	35,216,303	22,207,333
Total Current Assets	147,321,470	104,536,987
Property, plant and equipment, net	49,789,095	43,504,991
Land use right, net	3,718,804	3,622,435
Other assets	462,500	500,000
Deferred tax assets	1,386,829	1,477,761
Long-term investment	1,765,499	9,689,576
TOTAL ASSETS	204,444,197	163,331,750
LIABILITIES AND EQUITY		
LIABILITIES		
Current Liabilities:		
Accounts payable	59,937,145	49,463,901
Deferred income	807,792	761,491
Short-term loans	10,609,112	18,776,080
Non-financial institution borrowings	10,527,424	3,741,115
Notes payable	46,124,404	30,658,000
Foreign currency derivatives liabilities	169,958	-
Amount due to Yipeng	-	1,522,313
Other payables and accrued liabilities	13,061,886	11,148,556
Income taxes payable	2,212,145	1,963,298
Total Current Liabilities	143,449,866	118,034,754
Warrant Liability	-	259
TOTAL LIABILITIES	143,449,866	118,035,013
COMMITMENTS AND CONTINGENCIES	-	-

See notes to condensed consolidated financial statements

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

	<i>September 30</i>	<i>December 31,</i>
	<i>2017</i>	<i>2016</i>
	<i>(Unaudited)</i>	
	\$	\$
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, 15,476,000 shares issued and outstanding at September 30, 2017 and 15,114,991 shares issued and outstanding at December 31, 2016)	1,547	1,511
Additional paid-in capital	12,307,205	11,580,934
Statutory and other reserves	4,992,463	4,992,463
Retained earnings	41,197,147	29,266,068
Accumulated other comprehensive income (loss)	1,848,819	(873,582)
	60,347,181	44,967,394
Total equity attributable to the stockholders of Highpower International Inc.		
Non-controlling interest	647,150	329,343
	60,994,331	45,296,737
TOTAL EQUITY		
	204,444,197	163,331,750
TOTAL LIABILITIES AND EQUITY		

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>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
Net sales	71,405,560	54,142,916	164,972,338	119,972,281
Cost of sales	(57,845,224)	(40,475,820)	(129,405,402)	(92,784,475)
Gross profit	<u>13,560,336</u>	<u>13,667,096</u>	<u>35,566,936</u>	<u>27,187,806</u>
Research and development expenses	(2,433,928)	(3,029,628)	(6,385,144)	(6,688,397)
Selling and distribution expenses	(1,859,762)	(1,881,277)	(5,220,985)	(4,955,708)
General and administrative expenses	(3,959,731)	(5,935,907)	(10,034,694)	(12,254,520)
Foreign currency transaction (loss) gain	(816,593)	126,732	(1,645,095)	636,609
Loss on derivative instruments	(146,481)	-	(146,481)	-
Total operating expenses	<u>(9,216,495)</u>	<u>(10,720,080)</u>	<u>(23,432,399)</u>	<u>(23,262,016)</u>
Income from operations	<u>4,343,841</u>	<u>2,947,016</u>	<u>12,134,537</u>	<u>3,925,790</u>
Changes in fair value of warrant liability	-	(11,150)	259	115,396
Other income	94,775	505,928	949,233	1,717,803
Equity in earnings of investee	1,087	218,903	106,412	218,903
Gain on dilution in equity method investee	5,071	-	496,396	-
Gain on sales of long-term investment	1,664,377	-	1,664,377	-
Interest income (expenses)	<u>57,663</u>	<u>(341,520)</u>	<u>(926,185)</u>	<u>(1,051,914)</u>
Income before taxes	6,166,814	3,319,177	14,425,029	4,925,978
Income taxes expenses	<u>(1,013,919)</u>	<u>(769,065)</u>	<u>(2,197,392)</u>	<u>(978,882)</u>
Net income	<u>5,152,895</u>	<u>2,550,112</u>	<u>12,227,637</u>	<u>3,947,096</u>
Less: net income (loss) attributable to non-controlling interest	128,702	(101,194)	296,558	(413,384)
Net income attributable to the Company	<u>5,024,193</u>	<u>2,651,306</u>	<u>11,931,079</u>	<u>4,360,480</u>
Comprehensive income				
Net income	5,152,895	2,550,112	12,227,637	3,947,096
Foreign currency translation gain (loss)	<u>1,258,937</u>	<u>171,574</u>	<u>2,743,650</u>	<u>(1,542,704)</u>
Comprehensive income	<u>6,411,832</u>	<u>2,721,686</u>	<u>14,971,287</u>	<u>2,404,392</u>
Less: comprehensive income (loss) attributable to non-controlling interest	139,461	(103,831)	317,807	(429,713)
Comprehensive income attributable to the Company	<u>6,272,371</u>	<u>2,825,517</u>	<u>14,653,480</u>	<u>2,834,105</u>
Earnings per share of common stock attributable to the Company				
- Basic	<u>0.33</u>	<u>0.18</u>	<u>0.78</u>	<u>0.29</u>
- Diluted	<u>0.32</u>	<u>0.18</u>	<u>0.77</u>	<u>0.29</u>
Weighted average number of common stock outstanding				
- Basic	<u>15,369,674</u>	<u>15,103,007</u>	<u>15,270,898</u>	<u>15,102,121</u>
- Diluted	<u>15,518,764</u>	<u>15,115,409</u>	<u>15,563,012</u>	<u>15,104,914</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>2017</u>	<u>2016</u>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$
Cash flows from operating activities		
Net income	12,227,637	3,947,096
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	3,792,178	3,735,353
Allowance for doubtful accounts	48,866	1,661,968
Loss on disposal of property, plant and equipment	57,277	197,848
Deferred income tax	153,625	(63,934)
Loss on derivative instruments	166,387	-
Equity in earnings of investee	(106,412)	(218,903)
Gain on dilution in equity method investee	(496,396)	-
Gain on sales of long-term investment	(1,664,377)	-
Share based compensation	86,921	244,142
Changes in fair value of warrant liability	(259)	(115,396)
Changes in operating assets and liabilities:		
Accounts receivable	(8,517,071)	(13,619,029)
Notes receivable	(5,543,798)	(59,905)
Prepayments and other receivables	(8,775,985)	(230,595)
Amount due from Yipeng	7,691,900	(3,004,025)
Amount due to Yipeng	(1,557,682)	1,560,360
Inventories	(11,753,127)	(2,457,733)
Accounts payable	7,049,819	11,817,867
Deferred income	11,637	(82,697)
Other payables and accrued liabilities	1,394,691	3,745,023
Income taxes payable	156,744	119,859
Net cash flows (used in) provided by operating activities	<u>(5,577,425)</u>	<u>7,177,299</u>
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(7,297,901)	(8,474,440)
Acquisition of investment	-	(3,039,006)
Proceeds from sale of long-term investment	10,453,475	-
Net cash flows provided by (used in) investing activities	<u>3,155,574</u>	<u>(11,513,446)</u>
Cash flows from financing activities		
Proceeds from short-term loans	8,797,727	18,158,059
Repayments of short-term loans	(17,594,229)	(10,650,400)
Repayments of long-term loans	-	(1,823,403)
Proceeds from non-financial institution borrowings	10,306,243	4,558,509
Repayments of non-financial institution borrowings	(3,828,033)	-
Proceeds from notes payable	62,193,463	41,908,812
Repayments of notes payable	(48,408,417)	(39,518,955)
Proceeds from exercise of employee options	635,484	19,304
Change in restricted cash	(8,992,019)	601,759
Net cash flows provided by financing activities	<u>3,110,219</u>	<u>13,253,685</u>
Effect of foreign currency translation on cash	<u>1,891,750</u>	<u>(1,290,306)</u>
Net increase in cash	2,580,118	7,627,232
Cash - beginning of period	9,324,393	5,849,967
Cash - end of period	<u>11,904,511</u>	<u>13,477,199</u>
Supplemental disclosures for cash flow information:		
Cash paid for:		
Income taxes	1,464,592	922,957
Interest expenses	1,402,447	1,051,914
Non-cash investing and financing activity		
Offset of deferred income related to government grant and property, plant and equipment	171,403	33,019

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 100%-owned subsidiary Hong Kong Highpower Technology Company Limited ("HKHTC"), HKHTC's wholly-owned subsidiaries Shenzhen Highpower Technology Company Limited ("SZ Highpower"), 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"), and Icon Energy System Company Limited ("ICON"). Highpower and its direct and indirect wholly and majority owned subsidiaries are collectively referred to as the "Company".

Basis of presentation

The condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information, the instructions to Form 10-Q and Article 8 of Regulation S-X. They do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. 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 year ended December 31, 2016, filed with the SEC on March 28, 2017.

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, 2017, its consolidated results of operations for the three and nine months ended September 30, 2017 and cash flows for the nine months ended September 30, 2017, as applicable, have been made. Operating results for the three and nine months period ended September 30, 2017 are not necessarily indicative of the operating results that may be expected for the year ending December 31, 2017 or any future periods.

Concentrations of credit risk

No customer accounted for 10% or more of total sales during the three and nine months ended September 30, 2017 and 2016.

No supplier accounted for 10% or more of the total purchase amount during the three and nine months ended September 30, 2017 and 2016.

No customer accounted for 10% or more of the accounts receivable as of September 30, 2017 and December 31, 2016.

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

2. Summary of significant accounting policies

Long-term investment

For an investee over which the Company holds less than 20% voting interest and has no ability to exercise significant influence, the investments are accounted for under the cost method.

For an investee over which the Company has the ability to exercise significant influence, but does not have a controlling interest, the Company accounted for those using the equity method. Significant influence is generally considered to exist when the Company has an ownership interest in the voting stock of the investee between 20% and 50%. Other factors, such as representation on the investee's board of directors, voting rights and the impact of commercial arrangements, are also considered in determining whether the equity method of accounting is appropriate.

An impairment charge is recorded if the carrying amount of the investment exceeds its fair value and this condition is determined to be other-than temporary. As of September 30, 2017, 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 Highpower's other direct and indirect wholly and majority owned 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 earnings for the period in which the transaction settled.

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 accumulated other comprehensive income (loss).

Fair value of financial instruments

The carrying values of the Company's financial instruments, including cash, restricted cash, trade and other receivables, deposits, trade and other payables and bank borrowings, approximate their fair value due to the short-term maturity of such instruments.

ASC Topic 820 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

ASC Topic 820 establishes a fair value hierarchy that requires maximizing the use of observable inputs and minimizing the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The Company measures fair value using three levels of inputs that may be used to measure fair value:

-Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

-Level 2 applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

-Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Derivatives

From time to time the Company may utilize foreign currency forward contracts to reduce the impact of foreign currency exchange rate risk. Management considered that the foreign currency forwards did not meet the criteria for designated hedging instruments and hedged transactions to qualify for cash flow hedge or fair value hedge accounting. The currency forwards therefore are accounted for as derivatives, with fair value changes reported as gain (loss) of derivative instruments in the statements of operations. The derivatives liability is recognized in the balance sheet at the fair value (level 2).

2. Summary of significant accounting policies (continued)

Warrant liability

For warrants that are not indexed to the Company's stock, the Company records the fair value of the issued warrants as a liability at each balance sheet date and records changes in the estimated fair value as a non-cash gain or loss in the consolidated statement of operations and comprehensive income. The warrant liability is recognized in the balance sheet at the fair value (level 3). The fair value of these warrants has been determined using the Black-Scholes pricing mode. The Black-Scholes pricing model provides for assumptions regarding volatility, call and put features and risk-free interest rates within the total period to maturity. The Company revalued the warrants utilizing a binomial model as of December 31, 2016 with no material difference in the value. The warrants expired on April 17, 2017.

Recently issued accounting pronouncements

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers ("ASU 2014-09"), which was subsequently modified in August 2015 by ASU No. 2015-14, Revenue from Contracts with Customers: Deferral of the Effective Date. This guidance will be effective for fiscal years (and interim reporting periods within those years) beginning after December 15, 2017. The core principle of ASU No. 2014-09 is that companies should recognize revenue when the transfer of promised goods or services to customers occurs in an amount that reflects what the company expects to receive. It requires additional disclosures to describe the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. In 2016, the FASB issued additional ASUs that clarify the implementation guidance on principal versus agent considerations (ASU 2016-08), on identifying performance obligations and licensing (ASU 2016-10), and on narrow-scope improvements and practical expedients (ASU 2016-12) as well as on the revenue recognition criteria and other technical corrections (ASU 2016-20). In 2017, the FASB issued Accounting Standards Update (ASU) 2017-05, Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20), which was originally issued in ASU 2014-09. The amendments in this Update require that an entity to initially measure a retained non-controlling interest in a nonfinancial asset at fair value consistent with a how a retained non-controlling interest in a business is measured.

During 2016, the Company made significant progress toward its evaluation of the potential changes from adopting the new standard on its future financial reporting and disclosures. The Company has established a cross-functional implementation team on assessment on the five-step model of the new standard to its revenue contracts. The adoption of this guidance is not expected to have a material effect on our result of operations, financial position or liquidity. Management currently anticipates using the modified retrospective method as of January 1, 2018.

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 its consolidated financial statements.

2. Summary of significant accounting policies (continued)

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 issues. 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. The adoption of this guidance is not expected to have a material impact on the Company's consolidated financial condition, results of operations or cash flows.

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. The adoption of this guidance is not expected to have a material impact on the Company's consolidated financial condition, results of operations or cash flows.

In November 2016, the FASB issued Accounting Standards Update (ASU) 2016-18, Statement of Cash Flows (Topic 230). The amendments in this Update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The amendments in this Update are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The adoption of this guidance is not expected to have a material impact on the Company's consolidated financial condition, results of operations or cash flows.

The Company does 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

	<u>September 30,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
	<i>(Unaudited)</i>	
	\$	\$
Accounts receivable	59,442,266	49,460,347
Less: allowance for doubtful accounts	3,128,325	3,179,578
	<u>56,313,941</u>	<u>46,280,769</u>

4. Inventories

	<u>September 30,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
	<i>(Unaudited)</i>	
	\$	\$
Raw materials	12,428,760	6,492,755
Work in progress	9,313,919	4,878,856
Finished goods	13,127,624	10,608,180
Packing materials	28,667	21,083
Consumables	317,333	206,459
	<u>35,216,303</u>	<u>22,207,333</u>

5. Property, plant and equipment, net

	<u>September 30,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
	<i>(Unaudited)</i>	
	\$	\$
Cost		
Construction in progress	1,246,333	715,188
Furniture, fixtures and office equipment	5,607,264	4,025,635
Leasehold improvement	6,831,474	5,865,909
Machinery and equipment	33,341,553	27,526,572
Motor vehicles	1,604,552	1,496,628
Buildings	22,849,869	21,797,158
	<u>71,481,045</u>	<u>61,427,090</u>
Less: accumulated depreciation	21,691,950	17,922,099
	<u>49,789,095</u>	<u>43,504,991</u>

The Company recorded depreciation expenses of \$3,688,755 and \$3,629,817 for the nine months ended September 30, 2017 and 2016, respectively, and \$1,327,273 and \$1,214,256 for the three months ended September 30, 2017 and 2016, respectively.

During the nine months ended September 30, 2017, the Company deducted deferred income related to government grants of \$171,403 on the carrying amount of property, plant and equipment. During the year ended December 31, 2016, the Company deducted deferred income related to government grants of \$229,951 in calculating the carrying amount of property, plant and equipment.

The real estate properties and buildings in Huizhou amounting to \$11,687,406 and \$11,398,423 have been pledged as collateral for short-term loans and bank acceptance bills drawn under certain lines of credit as of September 30, 2017 and December 31, 2016, respectively.

6. Long-term investment

On June 30, 2016, the Company entered into an Equity Transfer and Capital Increase and Supplementary Agreements (collectively, the "2016 Equity Purchase Agreement") with Huizhou Yipeng Energy Technology Co. Ltd. ("Yipeng") and its shareholders. As of December 31, 2016, the Company has invested an aggregate of RMB65.0 million (approximately \$9.8 million) in exchange for 35.4% of the equity interest of Yipeng, which was recorded under the equity method as of December 31, 2016.

On May 5, 2017, the Company entered into an Agreement for Equity Transfer and Capital Increase ("Equity Transfer Agreement") with a third party, Xiamen Jiupai Yuanjiang New Power Equity Investment Partnership ("New Power"). Pursuant to the terms of the Equity Transfer Agreement, the Company will sell 25,145,834 shares in Yipeng to New Power for RMB71.0 million (the "Consideration", approximately \$10.7 million) in cash and New Power will invest RMB60.0 million for a 20% equity interest in Yipeng (collectively, the "Transaction"). After the Transaction, the Company's equity ownership in Yipeng will decrease from 35.4% to 4.654%, and the Company will lose the ability to exercise significant influence over Yipeng and discontinue the use of equity method accounting.

On June 8, 2017, Yipeng completed the business registration on equity issuance to New Power for RMB60.0 million. On July 27, 2017, the Company received the Consideration from New Power for the sales of 25,145,834 shares in Yipeng. As of September 30, 2017, the Company held 4.654% of the equity interest of Yipeng, which was recorded under the cost method. The Company recognized gain on dilution in equity method investee of \$496,396 for the nine months ended September 30, 2017 in connection with the additional equity issuance of Yipeng to New Power. The Company recognized gain on sales for \$1,664,377 in connection with the sales of its shares.

The equity in earnings of investee was \$1,087 and \$218,903 for the three months ended September 30, 2017 and 2016, respectively. The equity in earnings of investee was \$106,412 and \$218,903 for the nine months ended September 30, 2017, respectively.

7. Taxation

Highpower and its direct and indirect wholly and majority owned 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.

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

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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.

SZ Highpower, ICON and GZ Highpower received the NHTE in 2014 and have reapplied for NHTE status in the second quarter of 2017. On November 2, 2017, SZ Highpower and ICON succeeded to pass NHTE status process. As a result, SZ Highpower and ICON are entitled to a preferential enterprise income tax rate of 15% for calendar year 2017. If GZ Highpower fails to obtain the approval in 2017, GZ Highpower will be subject to income tax at a rate of 25% starting for calendar year 2017.

HZ HTC received NHTE status in 2015 and SZ Springpower received NHTE status in 2016. As a result, HZ HTC and SZ Springpower are entitled to a preferential enterprise income tax rate of 15% for calendar year 2017.

The components of the provision for income taxes expenses (benefit) are:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>September 30,</i>		<i>September 30,</i>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$	\$	\$
Current	1,123,967	768,328	2,043,767	1,042,816
Deferred	(110,048)	737	153,625	(63,934)
Total income tax expenses	<u>1,013,919</u>	<u>769,065</u>	<u>2,197,392</u>	<u>978,882</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</i>		<i>Nine months ended</i>	
	<i>September 30,</i>		<i>September 30,</i>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$	\$	\$
Income before tax	6,166,814	3,319,177	14,425,029	4,925,978
Provision for income taxes at applicable income tax rate	1,529,484	910,416	3,600,675	1,319,809
Effect of preferential tax rate	(675,946)	(512,709)	(1,464,929)	(652,587)
R&D expenses eligible for super deduction	(4,571)	3,385	(447,510)	(552,146)
Non-deductible expenses	31,769	27,767	65,764	142,103
Change in valuation allowance	133,183	340,206	443,392	721,703
Effective enterprise income taxes expenses	<u>1,013,919</u>	<u>769,065</u>	<u>2,197,392</u>	<u>978,882</u>

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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>2017</i>	<i>December 31,</i> <i>2016</i>
	<i>(Unaudited)</i>	
	\$	\$
Tax loss carry-forward	4,532,147	4,274,881
Allowance for doubtful accounts	127,442	121,932
Impairment for inventory	163,590	98,276
Difference for sales cut-off	21,271	14,245
Deferred income	121,169	114,224
Property, plant and equipment subsidized by government grant	489,652	468,313
Impairment for property, plant and equipment	59,908	76,248
Total gross deferred tax assets	5,515,179	5,168,119
Valuation allowance	(4,128,350)	(3,690,358)
Total net deferred tax assets	1,386,829	1,477,761

The deferred tax assets arising from tax loss carry-forward 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, accordingly, a valuation allowance was provided as of September 30, 2017 and December 31, 2016.

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 \$46,124,404 and \$30,658,000 as of September 30, 2017 and December 31, 2016, respectively.

As of September 30, 2017, the notes receivable with a carrying amount of \$1,052,742 was pledged for the issuance of bank acceptance bills.

9. Short-term loans

As of September 30, 2017 and December 31, 2016, short-term loans consisted of bank borrowings were for working capital and capital expenditure purposes and were secured by personal guarantees executed by certain directors of the Company, the time deposits with a carrying amount of \$3,068,972 and \$151,083, land use right with a carrying amount of \$2,599,645 and \$3,622,435, and the buildings with carrying amount of \$9,482,182 and \$11,854,452, respectively.

The loans as of September 30, 2017 were primarily obtained from two banks with interest rates ranging from 4.35% to 5.8725% per annum. The loans as of December 31, 2016 were primarily obtained from four banks with interest rates ranging from 4.35% to 5.87% per annum, respectively. The interest expenses were \$700,708 and \$631,211 for the nine months ended September 30, 2017 and 2016, respectively. The interest expenses were \$163,552 and \$209,931 for the three months ended September 30, 2017 and 2016, respectively.

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10. Non-financial institution borrowings

In April 2016, the Company obtained borrowings in an amount of RMB20 million (\$3,007,835) from a third party non-financial institution and repaid RMB4 million (\$601,567) and RMB16 million (\$2,406,268) in October 2016 and March 2017, respectively.

In May 2016, the Company obtained borrowings in an amount of RMB10 million (\$1,503,918) from a third party individual and repaid in September 2017.

In January 2017, the Company obtained borrowings in an amount of RMB60 million (\$9,023,506) from a third party individual that can be repaid anytime and no later than January 10, 2018. The borrowings were used for working capital and capital expenditure purposes, and personally guaranteed by the Company's Chief Executive Officer, Mr. Dang Yu Pan. The interest rate for the borrowings is 5.66% per annum.

In May 2017, the Company obtained borrowings in an amount of RMB10 million (\$1,503,918) from a third party non-financial institution that can be repaid anytime and no later than December 31, 2019. The borrowing was personally guaranteed by the Company's Chief Executive Officer, Mr. Dang Yu Pan. The interest rate for the borrowings is 5.655% per annum.

The interest expense of the above borrowings was \$468,817 and \$99,832 for the nine months ended September 30, 2017 and 2016, respectively. The interest expense of the above borrowings was \$171,064 and \$66,927 for the three months ended September 30, 2017 and 2016, respectively.

11. Earnings per share

The following table sets forth the computation of basic and diluted earnings per common share for the three and nine months ended September 30, 2017 and 2016.

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>September 30,</i>		<i>September 30,</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$	\$	\$
Numerator:				
Net income attributable to the Company	<u>5,024,193</u>	<u>2,651,306</u>	<u>11,931,079</u>	<u>4,360,480</u>
Denominator:				
Weighted-average shares outstanding				
- Basic	15,369,674	15,103,007	15,270,898	15,102,121
- Dilutive effects of equity incentive awards	<u>149,090</u>	<u>12,402</u>	<u>292,114</u>	<u>2,793</u>
- Diluted	<u>15,518,764</u>	<u>15,115,409</u>	<u>15,563,012</u>	<u>15,104,914</u>
Net income per share:				
- Basic	<u>0.33</u>	<u>0.18</u>	<u>0.78</u>	<u>0.29</u>
- Diluted	<u>0.32</u>	<u>0.18</u>	<u>0.77</u>	<u>0.29</u>

695,000 and 1,235,001 options and warrants were not included in the computation of diluted earnings per share for the three months and nine months ended September 30, 2017, respectively, and 1,393,422 and 1,663,762 options and warrants were not included in the computation of diluted earnings per share for the three months and nine months ended September 30, 2016, respectively, because their effect would have been anti-dilutive under the treasury stock method.

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12. Share-based Compensation

The 2008 Omnibus Incentive Plan

The 2008 Omnibus Incentive Plan (the "2008 Plan") was approved by the Company's Board of Directors on October 29, 2008 to be effective at such date, subject to approval of the Company's stockholders, which occurred on December 11, 2008. The 2008 Plan has a ten year term. The 2008 Plan reserves two million shares of common stock for issuance, subject to adjustment in the event of a recapitalization in accordance with the terms of the 2008 Plan.

The 2008 Plan authorizes the issuance of awards including stock options, restricted stock units (RSUs), restricted stock, unrestricted stock, stock appreciation rights (SARs) and other equity and/or cash performance incentive awards to employees, directors, and consultants of the Company. Subject to certain restrictions, the Compensation Committee of the Board of Directors has broad discretion to establish the terms and conditions for awards under the 2008 Plan, including the number of shares, vesting conditions and the required service or performance criteria. Options and SARs may have a contractual term of up to ten years and generally vest over three to five years with an exercise price equal to the fair market value on the date of grant. Incentive stock options (ISOs) granted must have an exercise price equal to or greater than the fair market value of the Company's common stock on the date of grant. Repricing of stock options and SARs is permitted without stockholder approval. If a particular award agreement so provides, certain change in control transactions may cause such awards granted under the 2008 Plan to vest at an accelerated rate, unless the awards are continued or substituted for in connection with the transaction. As of September 30, 2017, 32,046 shares of common stock remained available for issuance pursuant to awards granted under the 2008 Plan.

Options Granted to Employees

	<u>Number of Shares</u>	<u>Weighted Average Exercise Price</u> \$	<u>Remaining Contractual Term in Years</u>
Outstanding, January 1, 2016	786,926	3.08	6.90
Granted	190,000	2.66	-
Exercised	(13,312)	2.63	-
Forfeited	(41,678)	2.15	-
Canceled	(366,544)	3.47	-
Outstanding, December 31, 2016	<u>555,392</u>	<u>2.70</u>	<u>7.39</u>
Granted	665,000	4.59	-
Exercised	(246,009)	2.58	-
Forfeited	(3,619)	2.63	-
Canceled	(7,064)	2.63	-
Outstanding, September 30, 2017	<u>963,700</u>	<u>4.04</u>	<u>9.08</u>
Exercisable, September 30, 2017	<u>938,710</u>	<u>4.02</u>	<u>9.11</u>

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12. Share-based Compensation (continued)

The Company determined the estimated grant-date fair value of share options based on the Black-Scholes pricing model using the following assumptions:

	<i>Nine months ended</i>	
	<i>September 30</i>	
	<u>2017</u>	<u>2016</u>
Expected volatility	76.16%-76.74%	76.98%-79.55%
Risk-free interest rate	2.0%-2.06%	1.21%-1.4%
Expected term from grant date (in years)	6-6.05	5-6.05
Dividend rate	0.00%	0.00%

The aggregate intrinsic value of options vested and expected to vest as of September 30, 2017 and December 31, 2016 was approximately \$566,706 and \$8,000, respectively. Intrinsic value is calculated as the amount by which the current market value of a share of common stock exceeds the exercise price multiplied by the number of option shares.

During the nine months ended September 30, 2017, the Company granted options to purchase 665,000 shares to twenty-three employees at a weighted average grant date fair value of \$3.10 per share. During the nine months ended September 30, 2017, thirty-two employees exercised their options to purchase 246,009 shares of the Company's common stock. During the nine months ended September 30, 2017, three employees resigned and their options to purchase a total of 3,619 shares of the Company's common stock were forfeited. These employees had resigned with 17,100 shares vested, which if not exercised with 90 days after termination, will be cancelled. Of these vested shares 10,036 shares were exercised and 7,064 shares were cancelled in the period, and no outstanding and exercisable share as of September 30, 2017.

During the nine months ended September 30, 2016, the Company granted options to purchase 190,000 shares to two employees at a weighted average fair value of \$1.49 per share. During the nine months ended September 30, 2016, eleven employees resigned and their options to purchase a total of 39,610 shares of the Company's common stock were forfeited. These employees had resigned with 376,754 shares vested, which if not exercised with 90 days after termination, will be cancelled. Of these vested shares 7,340 shares were exercised and 18,635 shares were cancelled in the period, and 350,779 were outstanding and exercisable as of September 30, 2016.

Restricted stock awards

During the nine months ended September 30, 2017, the Company granted 115,000 shares of restricted stock to one employee and five members of the Board of Directors. The Restricted Stock Awards ("RSAs") granted in 2017 had the following vesting periods, that each Award of Restricted Shares shall vest over a three-year period on the anniversary date of such grant at 30%, 30% and 40%, respectively, with the 30% cliff vesting on the first anniversary date of the grant and, thereafter on each subsequent anniversary date of grant vesting in equal installments on a 1/12th basis each month per year for the applicable percentage. RSAs granted under 2008 Plan are governed by agreements between the Company and recipients of the awards. Terms of the agreements are determined by the Compensation Committee.

13. 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 \$1,824,009 and \$1,203,584 for the nine months ended September 30, 2017 and 2016, respectively, and \$698,912 and \$448,921 for the three months ended September 30, 2017 and 2016, respectively.

14. Commitments and contingencies

Contingencies

On January 14, 2016, FirsTrust China, Ltd ("FirsTrust") 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. On January 24, 2017, the court denied FirsTrust's motion for judgment on the pleadings. The parties are continuing with pre-trial discovery, as well as settlement discussions. The parties have stipulated to engage in a court-sponsored mediation, which is scheduled to take place on January 19, 2018. The Company believes that it has meritorious defenses and counterclaims and intends to defend and prosecute them vigorously.

From time to time, the Company is involved in legal matters arising in the ordinary course of business. While the Company believes that such matters are currently not material, there can be no assurance that matters arising in the ordinary course of business for which the Company is, or could be, involved in litigation, will not have a material adverse effect on its business, financial condition or results of operations.

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15. 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 Business; (ii) Ni-MH Batteries and Accessories; and (iii) New Materials.

The descriptions of the reportable segments have been extended from Lithium Batteries and Ni-MH Batteries to Lithium Business and Ni-MH Batteries and Accessories, respectively. Lithium Business mainly consists of lithium batteries, power storage system and power source solutions. Ni-MH Batteries and Accessories mainly consists of Ni-MH rechargeable batteries, sized batteries in blister packing as well as chargers and battery packs. Prior to the nine months ended September 30, 2017, the sales of products except for the batteries in the two reporting segments were insignificant.

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>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$	\$	\$
<i>Net sales</i>				
Lithium Business	49,302,659	34,534,959	113,802,201	73,516,791
Ni-MH Batteries and Accessories	14,273,058	17,852,658	38,584,272	42,681,793
New Materials	7,829,843	1,755,299	12,585,865	3,773,697
Total	<u>71,405,560</u>	<u>54,142,916</u>	<u>164,972,338</u>	<u>119,972,281</u>
<i>Cost of Sales</i>				
Lithium Business	39,691,844	25,308,736	89,642,088	56,673,672
Ni-MH Batteries and Accessories	11,211,627	13,428,780	29,413,142	31,904,135
New Materials	6,941,753	1,738,304	10,350,172	4,206,668
Total	<u>57,845,224</u>	<u>40,475,820</u>	<u>129,405,402</u>	<u>92,784,475</u>
<i>Gross Profit</i>				
Lithium Business	9,610,815	9,226,223	24,160,113	16,843,119
Ni-MH Batteries and Accessories	3,061,431	4,423,878	9,171,130	10,777,658
New Materials	888,090	16,995	2,235,693	(432,971)
Total	<u>13,560,336</u>	<u>13,667,096</u>	<u>35,566,936</u>	<u>27,187,806</u>
<i>Total Assets</i>				
Lithium Business			144,958,589	115,116,508
Ni-MH Batteries and Accessories			41,786,113	37,994,369
New Materials			17,699,495	10,220,873
Total			<u>204,444,197</u>	<u>163,331,750</u>

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15. 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>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$	\$	\$
<i>Net sales</i>				
China Mainland	40,140,175	30,591,678	94,387,905	67,976,689
Asia	24,496,337	13,848,563	50,284,507	32,123,986
Europe	6,456,220	6,954,787	14,921,627	13,479,114
North America	178,262	2,451,441	4,841,329	5,371,275
Others	134,566	296,447	536,970	1,021,217
	<u>71,405,560</u>	<u>54,142,916</u>	<u>164,972,338</u>	<u>119,972,281</u>
			<i>September 30</i>	<i>December 31,</i>
			<u>2017</u>	<u>2016</u>
			<i>(Unaudited)</i>	<i>(Unaudited)</i>
			\$	\$
<i>Accounts receivable</i>				
China Mainland			40,340,828	29,663,633
Asia			11,089,397	10,441,358
Europe			4,470,007	3,875,979
North America			394,513	2,260,840
Others			19,196	38,959
			<u>56,313,941</u>	<u>46,280,769</u>

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16. Related party balance and transaction

Related party balance

The outstanding amounts of Yipeng were as follow:

	<i>September 30, 2017</i>	<i>December 31, 2016</i>
	<i>(Unaudited)</i>	
	\$	\$
Accounts receivable	-	7,125,140
Other receivable	-	392,110
Account due from Yipeng	-	7,517,250
Accounts payable	-	1,516,557
Other payable	-	5,756
Amount due to Yipeng	-	1,522,313

Prior to July 27, 2017, Yipeng was considered as a related party of the Company (see Note 6).

Related party transaction

The details of the transactions with Yipeng were as follows:

	<i>Period from January 1, 2017 to July 27, 2017</i>	<i>Period from May 12, 2016 to September 30, 2016</i>	<i>Period from July 1, 2017 to July 27, 2017</i>	<i>Three Months Ended September 30, 2016</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$	\$	\$
Income:				
Sales	2,781,745	3,944,645	734,889	2,687,419
Rental income	26,687	-	8,376	-
Expenses:				
Technical support fee	-	790,622	-	790,622
Equipment rental fee	383,351	36,678	58,121	11,585

17. Subsequent event

The Company has evaluated subsequent events through the issuance of the unaudited condensed consolidated financial statements and no subsequent event is identified that would have required adjustment or disclosure in the consolidated financial statements.

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

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, 2016 filed with SEC on March 28, 2017 (the “Annual Report”).

Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that are not historical facts, and involve risks and uncertainties that could cause actual results to differ materially from those expected and projected. All statements, other than statements of historical fact included in this Form 10-Q including, without limitation, statements in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” regarding the Company’s financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements. Words such as “expect,” “believe,” “anticipate,” “intend,” “estimate,” “seek” and variations and similar words and expressions are intended to identify such forward-looking statements. Such forward-looking statements relate to future events or future performance, but reflect management’s current beliefs, based on information currently available. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements. For information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the Risk Factors section of the Company’s Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the “SEC”). The Company’s securities filings can be accessed on the EDGAR section of the SEC’s website at www.sec.gov. Except as expressly required by applicable securities law, the Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Overview

Net sales increased by \$17.3 million or 31.9% during the third quarter of 2017 compared to the same quarter in 2016. The main driver was our lithium business, which increased by \$14.8 million, or 42.8%, during the third quarter of 2017 compared to the same quarter in 2016.

Ni-MH net sales decreased by \$3.6 million or 20.1% during the third quarter of 2017 compared to the same quarter in 2016, which was in line with the whole industry trend.

New Materials business net sales increased by \$6.1 million or 346.1% during the third quarter of 2017 compared to the same quarter in 2016. Considering the technology and market difference between the recycling and battery businesses, we are planning to engage a leading company in China that specializes in this area as a strategic partner for GZ Highpower.

The descriptions of the reportable segments have been extended from Lithium Batteries and Ni-MH Batteries to Lithium Business and Ni-MH Batteries and Accessories, respectively. Lithium Business mainly consists of lithium batteries, power storage system and power source solutions. Ni-MH Batteries and Accessories mainly consists of Ni-MH rechargeable batteries, sized batteries in blister packing as well as chargers and battery packs. Prior to the nine months ended September 30, 2017, the sales of products except for the batteries in the two reporting segments mentioned above were insignificant.

Gross profit during the third quarter of 2017 was \$13.6 million, or 19.0% of net sales, compared to \$13.7 million, or 25.2% of net sales for the comparable period in 2016. This decrease was mainly due to the product mix and the high raw material price. The actions which we had taken to offset material price fluctuation expired gradually in Q3 2017. As the raw material price remains high level, we foresee the gross margin in Q4 may be lower than Q3 to around 16%-17%.

For 2018, we will continue to drive business growth. As the raw material price may be still at a high level, we will strive to balance our selling price and customer expectation carefully. At same time, we will seek to continuously improve our labor efficiency and improve material usage for better gross margin.

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, 2017 and 2016, both in US\$ and as a percentage of net sales.

Consolidated Statements of Operations

(Dollars in Thousands, Except Per Share Amounts)

	Three months ended September 30,				Nine months ended September 30,			
	2017		2016		2017		2016	
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
	\$	%	\$	%	\$	%	\$	%
Net Sales	71,406	100.0%	54,143	100.0%	164,972	100.0%	119,972	100.0%
Cost of Sales	(57,845)	(81.0%)	(40,476)	(74.8%)	(129,405)	(78.4%)	(92,784)	(77.3%)
Gross profit	13,560	19.0%	13,667	25.2%	35,567	21.6%	27,188	22.7%
Research and development expenses	(2,434)	(3.4%)	(3,030)	(5.6%)	(6,385)	(3.9%)	(6,688)	(5.6%)
Selling and distribution expenses	(1,860)	(2.6%)	(1,881)	(3.5%)	(5,221)	(3.2%)	(4,956)	(4.1%)
General and administrative expenses	(3,960)	(5.5%)	(5,936)	(11.0%)	(10,035)	(6.1%)	(12,255)	(10.2%)
Foreign currency transaction (loss) gain	(817)	(1.1%)	127	0.2%	(1,645)	(1.0%)	637	0.5%
Loss on derivative instruments	(146)	(0.2%)	-	-	(146)	(0.1%)	-	-
Income from operations	4,344	6.1%	2,947	5.4%	12,135	7.4%	3,926	3.3%
Changes in fair value of warrant liability	-	-	(11)	0.0%	0	0.0%	115	0.1%
Other income	95	0.1%	506	0.9%	949	0.6%	1,718	1.4%
Equity in earnings of investee	1	0.0%	219	0.4%	106	0.1%	219	0.2%
Gain on dilution in equity method investee	5	0.0%	-	-	496	0.3%	-	-
Gain on sales of long-term investment	1,664	2.3%	-	-	1,664	1.0%	-	-
Interest income (expense)	58	0.1%	(342)	(0.6%)	(926)	(0.6%)	(1,052)	(0.9%)
Income before taxes	6,167	8.6%	3,319	6.1%	14,425	8.7%	4,926	4.1%
Income tax expenses	(1,014)	(1.4%)	(769)	(1.4%)	(2,197)	(1.3%)	(979)	(0.8%)
Net income	5,153	7.2%	2,550	4.7%	12,228	7.4%	3,947	3.3%
Less: net income (loss) attributable to non-controlling interest	129	0.2%	(101)	(0.2%)	297	0.2%	(413)	(0.3%)
Net income attributable to the company	5,024	7.0%	2,651	4.9%	11,931	7.2%	4,360	3.6%
Diluted earnings per common stock attributable to the Company	0.32		0.18		0.77		0.29	

Net sales

Net sales for the three months ended September 30, 2017 were \$71.4 million compared to \$54.1 million for the comparable period in 2016, an increase of \$17.3 million, or 31.9%. The increase was driven by our lithium business and recycling business, which was partially offset by Ni-MH batteries. Lithium business net sales increased by \$14.8 million, or 42.8%, during the three months ended September 30, 2017, compared to the comparable period in 2016, which was due to the increase in the number of lithium batteries units sold, which was primarily attributable to the substantial growth in portable power station, digital products, smart wearable devices and notebooks. New materials business net sales increased by \$6.1 million, or 346.1%, during the three months ended September 30, 2017, compared to the comparable period in 2016, which was primarily driven by increasing demand of precious metal materials. Ni-MH net sales decreased by \$3.6 million, or 20.1%, during the three months ended September 30, 2017, compared to the comparable period in 2016, which was in line with the whole industry trend.

Net sales for the nine months ended September 30, 2017 were \$165.0 million compared to \$120.0 million for comparable period in 2016, an increase of \$45.0 million, or 37.5%.

Gross profit

Gross profit for the three months ended September 30, 2017 was \$13.6 million, or 19.0% of net sales, compared to \$13.7 million, or 25.2% of net sales for the comparable period in 2016. This decrease was mainly due to the product mix and the high raw material price. The actions which we had taken to offset material price fluctuation expired gradually in Q3 2017.

Gross profit for the nine months ended September 30, 2017 was \$35.6 million, or 21.6% of net sales, compared to \$27.2 million, or 22.7% of net sales for the comparable period in 2016.

Research and development expenses

Research and development expenses were \$2.4 million, or 3.4% of net sales, for the three months ended September 30, 2017, compared to \$3.0 million, or 5.6% of net sales, for the comparable period in 2016.

The decrease was due to the high R&D consulting fee in the same period of 2016. The Company will continue to invest on R&D activities in the future.

Research and development expenses were \$6.4 million, or 3.9% of net sales, for the nine months ended September 30, 2017, compared to \$6.7 million, or 5.6% of net sales for the comparable period in 2016.

Selling and distribution expenses

Selling and distribution expenses were \$1.9 million, or 2.6% of net sales, for the three months ended September 30, 2017, compared to \$1.9 million, or 3.5% of net sales, for the comparable period in 2016.

Selling and distribution expenses were \$5.2 million, or 3.2% of net sales, for the nine months ended September 30, 2017, compared to \$5.0 million, or 4.1% of net sales, for the comparable period in 2016.

The decrease of percent of net sales was attributable to optimization of our customer base.

General and administrative expenses

General and administrative expenses were \$4.0 million, or 5.5% of net sales, for the three months ended September 30, 2017, compared to \$5.9 million, or 11.0% of net sales, for the comparable period in 2016.

General and administrative expenses were \$10.0 million, or 6.1% of net sales, for the nine months ended September 30, 2017, compared to \$12.3 million, or 10.2% of net sales, for the comparable period in 2016.

The decrease was primarily due to a one-time expense of \$1.7 million from the allowance for doubtful accounts during comparable period in 2016. The Company's G&A expense will remain stable though business keeps growing.

Foreign currency transaction (loss) gain

We experienced a loss of \$816,953 for the three months ended September 30, 2017 and a gain of \$126,732 for the comparable period in 2016 on the exchange rate difference between the US\$ and the RMB.

We experienced a loss of \$1.6 million for the nine months ended September 30, 2017 and a gain of \$0.6 million for the nine months ended September 30, 2016 on the exchange rate difference between the US\$ and the RMB.

The loss in exchange rate difference was due to the influence of the RMB relative to the US\$ over the respective periods.

Loss on derivative instruments

We experienced a loss on derivative instruments of \$146,481 for the three and nine months ended September 30, 2017.

Other income

Other income was \$94,775 for the three months ended September 30, 2017, compared to \$505,928 for the comparable period in 2016.

Other income was approximately \$0.9 million for the nine months ended September 30, 2017, compared to approximately \$1.7 million for the comparable period in 2016.

Other income consists of government grants and sundry income.

Equity in earnings of investee

Equity in earnings of an equity method investee (Yipeng) was \$1,087 for the three months ended September 30, 2017, compared to \$218,903 for the comparable period in 2016.

Equity in earnings of an equity method investee (Yipeng) was \$106,412 for the nine months ended September 30, 2017, compared to \$218,903 for the comparable period in 2016.

Gain on dilution in equity method investee

Gains on dilution in equity method investee, which was due to the equity issuance of equity method investee (Yipeng) to a third party, were \$5,071 and \$496,396 for the three and nine months ended September 30, 2017.

Gain on sales of long-term investment

Gain on sales of long-term investment, which was due to sale the equity of Yipeng to a third party, was \$1,664,377 for the three and nine months ended September 30, 2017.

Interest income (expenses)

Interest income was \$57,663 for the three months ended September 30, 2017, compared to interest expenses of \$341,520 for the comparable period in 2016.

Interest expenses were \$926,185 for the nine months ended September 30, 2017, compared to \$1.1 million for the comparable period in 2016.

The change was mainly due to a change in classification of this item.

Income tax expenses

During the three months ended September 30, 2017, we recorded provision for income tax expense of \$1.0 million compared to \$769,065 for the comparable period in 2016.

During the nine months ended September 30, 2017, we recorded provision for income tax expense of \$2.2 million compared to \$1.0 million for the comparable period in 2016.

Net income

Net income attributable to the Company (excluding net income attributable to non-controlling interest) for the three months ended September 30, 2017 was 5.0 million, compared to net income attributable to the Company (excluding net loss attributable to non-controlling interest) of \$2.7 million for the comparable period in 2016, an increase of \$2.3 million, or 89.5%.

Net income attributable to the Company (excluding net income attributable to non-controlling interest) for the nine months ended September 30, 2017 was \$11.9 million, compared to net income attributable to the Company (excluding net loss attributable to non-controlling interest) of \$4.4 million for the comparable period in 2016, an increase of \$7.5 million, or 173.6%.

EBITDA

EBITDA for the three months ended September 30, 2017 were \$7.3 million compare to \$5.0 million for the comparable period in 2016, an increase of \$2.3 million, or 46.5%.

EBITDA for the nine months ended September 30, 2017 were \$18.8 million compare to \$10.1 million for the comparable period in 2016, an increase of \$8.7 million, or 86.1%.

A table reconciling earnings before interest, income tax, depreciation and amortization (“EBITDA”), a non-GAAP financial measure, to the appropriate GAAP measure is included with the Company's financial information below. EBITDA was derived by taking earnings before interest expense (net), taxes, depreciation and amortization. The presentation of this additional information is not meant to be considered in isolation or as a substitute for results prepared in accordance with U.S. GAAP. The Company believes this non-GAAP measure is useful to investors as it provides a basis for evaluating the Company's operating results in the ordinary course of its operations. This non-GAAP measure is not based on any comprehensive set of accounting rules or principles. The Company believes that non-GAAP measures have limitations in that they do not reflect all of the amounts associated with its results of operations as determined in accordance with U.S. GAAP and that these measures should only be used to evaluate the Company's results of operations in conjunction with, and not in lieu of, the corresponding GAAP measures.

Reconciliation of Net Income to EBITDA

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>September 30,</i>		<i>September 30,</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
Net income attributable to the Company	5,024,193	2,651,306	11,931,079	4,360,480
Interest (income) expense	(57,663)	341,520	926,185	1,051,914
Income taxes expenses	1,013,919	769,065	2,197,392	978,882
Depreciation and Amortization	1,362,196	1,249,157	3,792,178	3,735,353
EBITDA	7,342,645	5,011,048	18,846,834	10,126,629

Liquidity and Capital Resources

We had cash of approximately \$11.9 million as of September 30, 2017, compared to \$9.3 million as of December 31, 2016.

To provide liquidity and flexibility in funding our operations, we borrow funds under bank facilities and other external sources of financing. As of September 30, 2017, we had lines of credit with seven financial institutions aggregating \$74.6 million. The maturities of these facilities vary from October 2017 to July 2019. The facilities are subject to regular review and approval. Certain of these bank 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 bank facilities. As of September 30, 2017, we had utilized approximately \$50.6 million under such general credit facilities and had available unused credit facilities of \$24.0 million.

Net cash used in operating activities was approximately \$5.6 million for the nine months ended September 30, 2017, compared to net cash provided by operating activities of \$7.2 million for the comparable period in 2016. The net cash increase of \$12.8 million used in operating activities is primarily due to an increase of \$9.3 million in cash outflow from inventories and an increase of \$5.5 million in cash outflow from notes receivable.

Net cash provided by investing activities was \$3.2 million for the nine months ended September 30, 2017, compared to net cash used in investing activities of \$11.5 million for the comparable period in 2016. The net cash increase of \$14.7 million provided by investing activities is primarily attributable to an increase of \$10.5 million in cash inflow from proceeds from sale of long-term investment.

Net cash provided by financing activities was \$3.1 million for the nine months ended September 30, 2017, compared to \$13.3 million for the comparable period in 2016. The net decrease of \$10.2 million in net cash provided by financing activities was primarily attributable to an increase of \$8.9 million in cash outflow from repayment of notes payable and an increase of \$6.9 million in cash outflow from repayment of short-term loans.

Our inventory turnover was 4.5 times and 6.1 times for the nine months ended September 30, 2017 and 2016, respectively. The average days outstanding of our accounts receivable was 84 days at September 30, 2017, compared to 85 days at December 31, 2016. Inventory turnover and average days outstanding of accounts receivable are key operating measures that management relies on to monitor our business.

The accounts receivable and inventory turnover ratios have critical influence on the working capital. We provide our major customers with payment terms ranging from End of Month 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 operating 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

(a) Evaluation of disclosure controls and procedures

Disclosure controls and procedures are controls and other procedures that are designed and adopted by management to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is properly recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that all necessary information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and financial officers, as appropriate to allow timely decisions regarding required disclosure.

As of the end of the period covered by this Quarterly Report, we conducted an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act). Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective.

(b) Changes in Internal Control over Financial Reporting

There were no significant changes (including corrective actions with regard to significant deficiencies) in our internal controls over financial reporting that occurred during the quarter ended September 30, 2017, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

With respect to the FirsTrust matter, the parties have stipulated to engage in a court-sponsored mediation, which is scheduled to take place on January 19, 2018.

Please refer to the Company's annual report on Form 10-K for the year ended December 31, 2016 and quarterly reports on Form 10-Q for a description of litigation and claims for the quarter ended September 30, 2017.

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 for the year ended December 31, 2016 as filed with the SEC on March 28, 2017 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

Credit Contract Between Icon Energy System Co., Ltd. and Bank of Jiangsu, Shenzhen Sub-branch

On July 3, 2017, ICON entered into a comprehensive credit line contract with the Bank of Jiangsu, Shenzhen Sub-branch, which provides for a revolving line of credit of up to RMB10,000,000 (\$1,503,917). ICON may withdraw the loan, from time to time as needed, on or before July 2, 2018. The loan is guaranteed by SZ Highpower, HZ HTC and our Chief Executive Officer, Dang Yu Pan and ZhouTao Yin. The used facility was \$1,499,706 as of September 30, 2017.

The following constitute events of default under the loan contracts: an adverse change in the borrower’s business market or a significant monetary policy change in the PRC; the occurrence of significant business difficulties or adverse changes on the financial conditions of the borrower; a termination of business, liquidation, restructuring, dissolution or bankruptcy by or of the borrower; the borrower’s involvement in significant litigation, arbitration or administrative penalties, or its involvement in any other significant default with other creditors; the borrower indicates directly or by its conduct that it will not perform its obligations under the contract or other contracts with the bank; the borrower’s providing of false materials or withholding of important financial or operational facts; the borrower’s failure to perform its obligations under the contract or the affiliated specific credit line contract executed in connection with specific drawdowns; the borrower’s violation of other contracts with the bank; the borrower’s transfer of assets, retrieval of capital, denial of indebtedness or other actions that may adversely affect the bank’s rights; the borrower’s involvement in illegal operations; the borrower’s change in corporate structure, such as a separation, merger, amalgamation, acquisition, reorganization; the borrower’s loss of commercial integrity; a change in the borrower’s controlling shareholder, or the occurrence of a major event to the borrower’s controlling shareholders, actual controllers, legal representative, or senior management staff, including, but not limited to, involvement in or the occurrence of illegal operations, litigation, arbitration, a deteriorated financial situation, bankruptcy or dissolution; the guarantor’s breach of the contract, or guarantee agreement or the occurrence of other situations that may negatively affect the guarantor’s ability to guaranty the loan; or any other circumstance affect or may affect the bank’s ability to collect on the loan.

Upon the occurrence of an event of default, the bank may: adjust the maximum amount of the line of credit and/or cancel the comprehensive contract, terminate the unused portion of the credit line.

Borrowing agreement between Icon Energy System Co., Ltd. and Bank of China, Buji Sub-branch

On September 28, 2017, ICON entered into a working capital loan contract with Bank of China, Buji Sub-branch, providing for an aggregate loan of RMB10,000,000 (\$1,503,917) to be used by ICON to purchase raw materials. ICON must withdraw in 30 days from September 29, 2017. ICON must pay back the loans before the maturity day on September 29, 2018. The interest rate is 5.8725%, which equals to the one year benchmarked by interbank rates, plus 1.5725% on all outstanding loan amounts. The loan is guaranteed by the SZ Springpower, SZ Highpower, HZ HTC and our Chief Executive Officer, Dang Yu Pan. The balance of loan was \$nil as of September 30, 2017.

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.

Credit Contract Between Huizhou Highpower Technology Company, Limited and Industrial Bank Co., Ltd., Shenzhen Longgang Branch.

On September 20, 2017, HZ HTC entered into a basic credit line contract with Industrial Bank Co., Ltd., Shenzhen Longgang Branch, which provides for a revolving line of credit of up to RMB20,000,000 (\$3,007,835). HZ HTC may withdraw the loan from time to time as needed on or before September 20, 2018. The loan is guaranteed by ICON, SZ Highpower, SZ Springpower and our Chief Executive Officer, Dang Yu Pan. The used facility was \$834,674 as of September 30, 2017 which was used for bank acceptance.

The following constitute events of default under the loan contract: any information provided by or representation or warranty made by HZ HTC proves to have been untrue, inaccurate, incomplete or misleading; a deterioration or obvious weakening of HZ HTC's credit standing or ability to repay the loan; a cross default under certain agreements involving HZ HTC or a guarantor, or their affiliated related parties; HZ HTC's violation of any obligations in an affiliated specific credit line contract; HZ HTC's failure to timely repay the principal, interest and fees under the contract and any specific contract; HZ HTC's suspension of payment, or failure or indication that it is unable to repay, the debt due; HZ HTC's termination of its business, liquidation, bankruptcy, dissolution, or revocation or cancellation of its business permit; HZ HTC's involvement in a major business dispute or deteriorated financial situation; or the emergence of any other situation that endangers, damage, or may endanger, damage the bank's rights and benefits.

Upon the occurrence of an event of default, the bank may: temporarily suspend or permanently terminate HZ HTC's credit limit in whole or in part; announce the immediate expiration of all or part of the debts under the contract; terminate the contract and declare all amounts outstanding under the contract immediately due and payable; request overdue interest from HZ HTC caused by the default; request penalty interest; or request compensation in full from HZ HTC for the breach.

Borrowing agreement between Springpower Technology (Shenzhen) Co., Ltd. and Industrial and Commercial Bank of China Ltd. Shenzhen Henggang Sub-branch

On August 3, 2017, 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 (\$1,503,917). SZ Springpower must pay back the loans before the maturity day on July 13, 2018. The interest rate is 5%, which equals to the one year benchmarked by interbank rates, plus 0.07% on all outstanding loan amounts. The loan is guaranteed by HZ HTC, HK HTC, SZ HTC, and our Chief Executive Officer, Dang Yu Pan. The Company's building in Shenzhen also serves as collateral for the loan. The balance of loan was \$nil as of September 30, 2017.

The following constitute events of default under the loan contract: SZ Springpower's 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; 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; 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.

Item 6. Exhibits

Exhibit Number	Description of Document
<u>10.1</u>	<u>Working Capital Loan Contract dated September 28, 2017, between Icon Energy System Co., Ltd. and Bank of China, Buji Sub-branch (translated to English).</u>
<u>10.2</u>	<u>Maximum Amount Comprehensive Credit Line Contract dated July 3, 2017, between Icon Energy System Co., Ltd. and Bank of Jiangsu, Shenzhen Sub-branch (translated to English).</u>
<u>10.2(a)</u>	<u>Maximum Amount Personal Joint Responsibility Guarantee between Dang Yu Pan and Bank of Jiangsu, Shenzhen Sub-branch (translated to English).</u>
<u>10.2(b)</u>	<u>Maximum Amount Personal Joint Responsibility Guarantee between Zhou Tao Yin and Bank of Jiangsu, Shenzhen Sub-branch (translated to English).</u>

**Exhibit
Number**

Description of Document

- 10.2(c) Maximum Amount Guaranty Contract between Huizhou Highpower Technology Company, Limited and Bank of Jiangsu, Shenzhen Sub-branch (translated to English)
- 10.2(d) Maximum Amount Guaranty Contract between Shenzhen Highpower Technology Company, Limited and Bank of Jiangsu, Shenzhen Sub-branch (translated to English).
- 10.3 Basic Credit Line Contract dated September 20, 2017, between Huizhou Highpower Technology Company, Limited and Industrial Bank Co., Ltd., Shenzhen Longgang Branch (translated to English).
- 10.3(a) Maximum Amount Guaranty Contract between Dang Yu Pan and Industrial Bank Co., Ltd., Shenzhen Longgang Branch (translated to English).
- 10.3(b) Maximum Amount Guaranty Contract between Icon Energy System Co., Ltd. and Industrial Bank Co., Ltd., Shenzhen Longgang Branch (translated to English).
- 10.3(c) Maximum Amount Guaranty Contract between Shenzhen Highpower Technology Company, Limited and Industrial Bank Co., Ltd., Shenzhen Longgang Branch (translated to English).
- 10.3(d) Maximum Amount Guaranty Contract between Springpower Technology (Shenzhen) Co., Ltd. and Industrial Bank Co., Ltd., Shenzhen Longgang Branch (translated to English).
- 10.4 Working Capital Loan Contract dated August 3, 2017, between Springpower Technology (Shenzhen) Co., Ltd. and Industrial and Commercial Bank of China Ltd., Shenzhen Henggang Sub-branch (translated to English).
- 10.5 Comprehensive Credit Line Supplementary Contract between Springpower Technology (Shenzhen) Co., Ltd. and Bank of China, Buji Sub-branch (translated in 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 14, 2017

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: Chief Financial Officer (principal financial and accounting
officer)

WORKING CAPITAL LOAN CONTRACT
Reference No. : 2017 Nianzhenzhongyinbujiezi No.0080

Party A: Icon Energy System (Shenzhen) Co., Ltd.
Business License: *****
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, *****
Telephone: 0755-89686236 ; Facsimile: 0755-89686298

Party B: Bank of China, Buji Sub-branch.
Legal Representative: ZHENG XIAOCHUAN
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 Zhenzhongyinebuxiezi 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 Millions 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 157.25;
- B. On the interest resetting date, the new interest rate is the spot one-year lending interest rate, benchmarked by Interbank rates, plus 157.25 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 in 30 days from 29th Sep 2017.
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: Icon Energy System (Shenzhen) Co., Ltd.
Account number: *****
-

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: *****

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: *****

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/ [Stamp of Party B]
Signature

MAXIMUM AMOUNT COMPREHENSIVE CREDIT LINE CONTRACT
NO. SX162617000956

Fiduciary: Icon Energy System (Shenzhen) Company Limited

Address: Block A, 4/F, Jinmeiwei Industrial Park, Guanlan Hi-tech Industrial Park, Guanlan Town, Baoan District, Shenzhen

Creditor: Bank of Jiangsu, Shenzhen Sub-branch.

Address: 4011, Shennan Road, Futian District, Shenzhen.

According to relevant laws and regulations of China, this contract was agreed by two parties, and both parties agree to comply with all terms of the contract.

Clause 1

The maximum comprehensive credit limits (hereinafter referred to as “fiduciary”) means the credit line that creditor provide to fiduciary who can use the credit line in the business lines agreed by the contract.

Clause 2 Content of the Credit

1. The maximum amount of comprehensive credit limits that creditor provide to fiduciary is RMB 10,000,000.
2. The period of the credit: From 3 July, 2017 to 2 July, 2018. This period only limits the start date of the credit businesses but the expiration date.
3. The allotted time, amount, interest rate and rate of single specific business under this credit contract should be agreed by accordingly specific business contract and voucher.
4. Aforesaid “The maximum comprehensive credit limits” only includes the balance of credit principal which is the actual used credit line (deducts guaranty bund) deducts the part which has been repaid under this contract during the contract period, but the interest, punitive interest compound interest and other payables which should be afforded by fiduciary.

Clause 3 The Usage of Credit Line

1. When fiduciary need to use the credit line under this contract, should apply to creditor one by one, creditor has the right to audit in accordance with fund condition of itself, operation situation of fiduciary and the purpose of credit etc. If the applications are approved, both parties should sign the specific credit business contract separately. Every single credit business contract under this contract and relevant voucher constitute the effective attachment of this contract.
 2. Within the period agreed in this contract, fiduciary can use the credit line according to the limit of every single credit business agreed by this contract repeatedly, if fiduciary need to adjust the usage of credit line, application should be provided to creditor in writing, and creditor decides whether the application can be approve and the method of adjustment.
 3. the following is out of the credit:
 4. When the credit become expiring, the credit line which is not used will automatically be cancelled.
-

Clause 4 Adjustment of Credit Line

In the process of performing this contract, if following situations, which may affect the right of creditor, occur, creditor has the right to make relevant adjustment and/or stop fiduciary using credit line, and cancel unused credit line of fiduciary.

1. The market, which is related to fiduciary's operation, has significant adverse changes, or Country's monetary policy has significant adjustment.
2. There are significant difficulties on operation situation or important adverse changes on financial conditions to fiduciary.
3. Termination of business, liquidation, restructuring, dissolution and bankruptcy of fiduciary by an active or passive means.
4. Fiduciary is involved in significant litigation, arbitration or administrative punishment, or has significant default with other creditors.
5. Fiduciary indicates or expresses by its actions that it does not perform its obligations under this contract or other contract signed by creditor and fiduciary.
6. Fiduciary provides false materials or conceals any important fact of finance and operation.
7. Fiduciary does not perform the obligations agreed in this contract or specific credit business contract.
8. Fiduciary violates other contracts signed by creditor and fiduciary.
9. Fiduciary transfers its assets, pumps money, evades debts and has other behaviors which damage or might damage the rights of creditor.
10. Fiduciary is involved in illegal operations.
11. Division, merger, important takeover, consolidation and reorganization of fiduciary.
12. Fiduciary loses commercial integrity.
13. Controlling shareholder of fiduciary transfer is changed, or significant items happen to controlling shareholder, actual controller, legal representative, senior executives of fiduciary, including but not limited to be involved in illegal actions, litigation, arbitration, deterioration of financial condition, bankruptcy, dissolution etc.
14. Guarantor of the credit business under this contract default, such as providing false information, violating other contracts signed by creditor or other third parties, involved in litigation, arbitration, stopping doing business, business failures, illegal actions, evading bank credit's right, merging, consolidation, reorganization, and other situation which may affect guaranty ability of Guarantor.
15. Other situations damage rights and interests of creditor.

Clause 5 Rights and Obligations of Fiduciary

1. Having the right to apply for using the credit line.
 2. Opening settlement account in Bank of Jiangsu, Shenzhen Sub-branch, and arrange settlement of both domestic and overseas accounts, foreign exchange settlement and sale and other intermediate business in Bank of Jiangsu or its sub-branch more than the proportion of the credit line which gets from creditor and all credit line of fiduciary.
 3. Fiduciary should provide true documents and information to creditor (including but not limited all bank accounts, balance of deposit and loans, situations of using loans, condition of assets, operation, and inner management etc.
 4. Providing last month's financial statement before the 20th of each month, and providing audited financial statement to creditor in 120 days after fiscal year, and providing changes and modifications of itself to creditor.
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5. Accepting and cooperating with creditor in surveying, supervising and examining on the situation of using credit, related production, management, financial operation.
6. Complying with this contract and every single business contract under this contract strictly.
7. When used credit exceed the credit line agreed in this contract result from the change of exchange rate, fiduciary should repay the exceeding part or pay homologous security deposit.
8. If following situation occurs, fiduciary should notice in writing creditor in 5 days since related situation happens and implement security measure which is accepted by creditor.
 - (1) Changes of membership function, executives, articles of association and organization.
 - (2) Stopping producing, going out of business, cancelling registration, being cancelled business license or being applied for bankruptcy.
 - (3) Changes of name, domicile, legal representative, contact manner and so on.
 - (4) Financial standing depravation, significant difficulty on operation, significant litigation or arbitration.
 - (5) Other things have significant affect on rights and interests of creditor.
9. Fiduciary should ask creditor's consent and implement security measure, which is accepted by creditor, before taking following actions.
 - (1) Contract management, lease, stock system reform, joint operation, consolidation, merger, discrete, joint venture, asset transference, reducing registered capital, applications of suspensions, dissolution, bankruptcy and other actions which can affect rights and interests of creditor.
 - (2) Providing guarantee for other's debts, or pledging or mortgaging major asset of itself to third party, leading to affect the repayment ability under this contract.
10. When the guarantor, which is under this contract or under single business contract of this contract, loses guarantee ability, or pledge, which is under this contract or under single business contract of this contract, depreciates in value, fiduciary should take other guarantee measures, which are accepted by creditor, in time.
11. Fiduciary is not allowed to sign the contract, which can damage the rights and interests of creditor, with any other third party.

Clause 6 Rights and Obligations of Creditor

1. Accepting and reviewing fiduciary's application of using the credit.
 2. The financial conditions, operation of fiduciary should be kept secret by Party B, except the laws, administrative laws and regulations, normative documents requested.
 3. Having the right to ask fiduciary to provide related information of the credit, having the right to know the production, financial condition, operation, and repayment plan of fiduciary, and having right to extract and copy from account books, operation record and related information.
 4. Having the right to supervise fiduciary uses the credit according to this contract and single credit business contract.
 5. Having the right to collect principal, interest, and other related expenses from Party A's account on schedule or in advance.
 6. If fiduciary fails to act or violate the obligations under this contract and single credit business contract of this contract, creditor has the right to adjust the maximum amount of comprehensive credit line, and stop using credit line, cancel unused credit line of fiduciary, regain used credit in advance.
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7. Having the right to query the credit inquiry of fiduciary, the legal representative of fiduciary and executives of fiduciary, and has the right to provide the information of fiduciary to the people's Bank of China etc.
8. If fiduciary fails to act repayment obligations under this contract and single credit business contract of this contract, defaults of fiduciary can be announced in public by creditor.

Clause 7 Expense

1. The expense of credit information, notarization, testimony, register etc under the contract should be afforded by fiduciary.
2. The expense result from fiduciary does not repay related debt, such as advertising fee, delivery fee, appraisal cost, counsel fee, legal fare, travel expense, valuation fee, auction fee, property preservation fees, enforcement fee etc, should be afforded by fiduciary.

Clause 8 Modification, Dissolution and Execution of Civil Right of the Contract

1. Agreed by both parties, this contract can be modified and dissolved in written.
2. Any tolerance, extension or delay from creditor to fiduciary for exercising of rights under this contract does not affect the rights creditor enjoys according to this contract and laws and regulations, and cannot be considered as approval to the default, and does not mean the abdication of the right.
3. Any item of this contract become invalid because of any reasons, fiduciary still should assume all responsibilities. If above situation happens, creditor has the right to terminate this contract, and ask fiduciary to repay immediately.
4. If fiduciary violate the obligation regulated in eighth item of clause 8 of this contract. It will be considered as the information has been delivered that related notices and documents sent by creditor according to primary address result from fiduciary does not perform above obligations.
5. Any related notices and documents should be sent in written by both parties.

Clause 9

Fiduciary agrees that the credit's rights under this contract can be enforced after notarization. When fiduciary does not carry out obligations under the contract completely or partly, creditor can apply enforcement to competent court.

Clause 10 Applicable Law and Resolution for Dispute

The making, efficacy, explanation, performance and resolution for dispute of the contract are applicable to the laws of People's Republic of China. During the performance of this contract or all disputes relating to this contract, the two parties settle through consultations. If negotiation cannot reach agreement, both parties can apply to the local people's court of creditor.

Clause 11 Effective and Invalid of the Contract

1. This contract enters into force upon the date when it is signed or sealed and affixed with official seals by the legal representative or entrusted agents of fiduciary and creditor.
 2. This contract become invalid after fiduciary accomplishes all repayment responsibility under this contract.
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Clause 12

This contract is signed in triplicate, creditor holds two copies, fiduciary holds one copy, three copies have the equal legal effect.

The things which are not mentioned in this contract should be explained and settled according to relevant laws, administrative laws and regulations, normative documents and single credit business contract, and the related regulations of Bank of Jiangsu.

Clause 13 Other

Clause 14 Prompt

Fiduciary has known the business scope and grant privilege of Party B. Fiduciary has read all terms of the contract. Creditor has explained homologous terms requested by fiduciary. Fiduciary has known the meaning of all terms of the contract and homologous legal consequence. Signing the contract is the true will of fiduciary.

Fiduciary (stamp)

Legal Representative or agent (signature):

Creditor (stamp)

Legal Representative or agent (signature):

MAXIMUM AMOUNT PERSONAL JOINT RESPONSIBILITY GUARANTEE
NO. BZ162617000082

To: Bank of Jiangsu, Shenzhen Sub-branch

To ensure the performance of Creditor's right, the guarantor agrees to provide joint responsibility and promises as follows:

Article 1 The Guaranteed Debt

"Maximum Amount Comprehensive Credit Line Contract" signed by bank and debtor Icon Energy System (Shenzhen) Company Limited, and the contract number is "SX162617000956"

The guaranteed debt means all the debt under the master contract.

The master contract includes the main contract and other signed contract under the master contract.

Article 2 Primary Credit and Period

Except the period determined or agreed separately in accordance with the laws, the actual credit under the master contract consists of the primary credit of the contract in the below period: A .

A. From the effective date of "maximum amount comprehensive credit line contract" in article one to the expiration date of facility period stipulated in this contract and amendments or supplements.

B. From ___ year ___ month ___ day ___ to ___ year ___ month ___ day under article one of this contract.

Article 3 Guarantee Covers

The principal and interest (including punitive interest and compound interest) of all loans (credit) outstanding between debtor and Creditor according to the master contract, the punitive sum that debtor should pay to Creditor; compensation and other expenses Creditor charges for realizing its creditor's rights (including but not limited legal fees, arbitration fees, property preservation fees, execution fees, valuation fees, auction fees, attorneys' fees, travelling fees, etc.).

Article 4 Guaranty Method

Guarantor voluntarily provides the joint liability guarantee, when debtor does not perform its obligations related to the debt according to the master contract, no matter what other guarantee Creditor has for ensuring the creditor's rights under the master contract (including but not limited to guarantees, mortgages, pledges, etc.), Creditor has the right to ask guarantor to take guarantee responsibilities within guarantee coverage.

Article 5 Maximum Amount of the Guaranty

The maximum amount which the guarantee assumed hereunder is at most no more than RMB 10 million only. The maximum amount of guaranty hereon is the loan principal balance by total amount (meaning the line of credit deducting the amount of cash deposit) of use of loans and facility actually under the master contract signed between creditor and debtor and in the period as mentioned in the contract deducting amounts repaid, excluding the proceeds of payable except the principal stipulated in article 3, such as interest expenses and penalties, etc., but the guarantee shall still assume the joint liquidated liability.

The guarantor agrees that the debtor can recycle the loans under master contract, and agrees that the debtor can adjust the credit line of all kinds of loans within the line of credit hereunder, and the guarantor shall assume the joint guarantee liability.

Article 6 Warranty Period

The warranty period of this contract is from the effective date of this contract to 2 years after the maturity date of the debts (including deferred loans) under master contract.

Article 7 Changes of Master contract

The warranty obligations of this contract will not be affected by any changes (including but not limited to modifying, supplying and deleting etc.) of the master contract agreed by creditor and debtor except the amount of the loan. If creditor and debtor agree with delaying to repay the debt, this contract is still effective. Creditor may transfer its creditor's right to a third party legally, and guarantor shall assume the same warranty responsibilities as before.

Article 8 Independence of this Guarantee

This guarantee is independent of the master contract, the effectiveness of this guarantee is not affected if the master contract is invalid completely or partly. If the master contract is considered as invalid, guarantor assumes joint security responsibility to the debt resulting from debtor's returned property or pay for the damage. Guarantor promises to supervise debtor's use the loan (credit), and if debtor changes the purpose of the loan (credit), guarantor still assumes warranty responsibility. Any tolerance, extension, privilege or delay from creditor to guarantor for exercising of its rights under this contract does not affect, injure and limit the rights creditor enjoys according to this contract and laws and regulations, and cannot be considered as the abdication of the related right according this contract, and will not affect the obligations of guarantor under this contract. The efficacy of this guarantee will not be affected by any contract, agreement, and guarantee, and tacit agreement, or dispute. Warranty obligations of guarantor (including the inheritor, assignee and conservator of guarantor) are continuous, and have no effect on any change of guarantor and debtor (including but not limited in division, merger, reorganization, transactions of property right and operational right). If debtor's subject qualification ceases to exist before debtor repays all debt to creditor, or creditor announces its subject qualification ceases to exist within 6 months since debtor repaid all debt result in the foregoing repayment become invalid, the warranty obligations under this contract are still effective.

Article 9 Guaranty

Guarantor agrees to assume warranty responsibility by all his property (including family possessions; since the date of signing this guarantee, guarantor will not allowed to dispose the above property without Creditor's consent, if Creditor thinks it is necessary that the above property can be guaranteed, mortgaged or pledged, guarantor promise to assist to process above procedures. During the warranty period, guarantor promises that he will not provide guarantee which exceeds his warranty ability to a third party. If the above property is insufficient to afford the guarantee responsibility, guarantor promises to assume repayment responsibility for the insufficient part. If Creditor feels necessary, guarantor agrees to provide the list of all his assets, and evaluate the assets on the list, guarantor will pay any valuation fee. Guarantor promises that he enjoys ownership and the right of disposal of all assets on the list.

Article 10 Advanced Guarantee Responsibilities

During the warranty period, when any default under master contract or other situations which is considered as can affect the realization of creditor's right by Creditor happen, Creditor can announce the debt immediately due and payable, and has the right to ask the guarantor to assume security responsibility on the date announced by Creditor, guarantor agrees to assume the security responsibility as Creditor requested.

Article 11 Receiving Payables

Creditor has the right to take payment from guarantor's account in bank of Jiangsu for all payables of guarantor in the range of warranty coverage. If the payment is foreign currency, it will be calculated according to the rate Creditor announced on the day.

Article 12 Other Items

1. During warranty period, Creditor has the right to supervise the funds and financial condition of guarantor, and guarantor should provide true information.
2. Guarantor authorizes the Creditor to claim for creditor's due right, the money collected should be repaid Creditor to the Creditor as priority.
3. If the loan, which is under the master contract or a specific credit business of the master contract, is not paid as agreed, or is changed the way of payment, guarantor shall still assume security responsibility.

Article 13 Settlement of Dispute

When there is any dispute in performing the contract, both parties should settle the dispute through negotiations at first, if negotiations cannot reach an agreement, both parties can apply to the local people's court of Creditor. During the litigation or arbitration period, the items of this contract which are not involved in the dispute still should be performed.

Article 14 Becoming Effective

This guarantee comes into force as of being signed by guarantor

Article 15 Statements

1. Guarantor knows the business scope and limits of authority of Creditor.
 2. The guarantor has read the contract comprehensively and carefully and fully understands the master contract entered into between creditor and debtor, upon the request of guarantor, the creditor has made the terms interpretation accordingly as for the master contract and the contract hereunder, and the guarantor is fully aware of and understands all the terms of the master contract and the contract hereunder, and signed this contract with willingly. The guarantor is fully aware of the legal consequences for the conclusion and performance of the master contract and the contract hereunder may give rise to, and fully confirms the obligations related to this contract.
 3. Guarantor has the right to sign this guarantee.
 4. Guarantor should give the consent that, Creditor might somehow authorize other affiliated institution of Jiangsu bank 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.
 5. It should be noticed to Creditor in writing of any changes of guarantor's abode, postal address, contact number etc. in 10 days after the changes happen. It will be considered as if the information has been delivered if Creditor sends related notices and documents according to the primary address on file if the guarantor does not provide such notice.
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6. If a notary agency mandates enforceable status to this contract, guarantor agrees to be enforced by the legislative body and gives up the right of defense.

Guarantor (signature):

/s/ Dangyu Pan

MAXIMUM AMOUNT PERSONAL JOINT RESPONSIBILITY GUARANTEE

NO. BZ162617000082-1

To: Bank of Jiangsu, Shenzhen Sub-branch

To ensure the performance of Creditor's right, the guarantor agrees to provide joint responsibility and promises as follows:

Article 1 The Guaranteed Debt

"Maximum Amount Comprehensive Credit Line Contract" signed by bank and debtor Icon Energy System (Shenzhen) Company Limited, and the contract number is "SX162617000956"

The guaranteed debt means all the debt under the master contract.

The master contract includes the main contract and other signed contract under the master contract.

Article 2 Primary Credit and Period

Except the period determined or agreed separately in accordance with the laws, the actual credit under the master contract consists of the primary credit of the contract in the below period: A .

A. From the effective date of "maximum amount comprehensive credit line contract" in article one to the expiration date of facility period stipulated in this contract and amendments or supplements.

B. From ___ year ___ month ___ day ___ to ___ year ___ month ___ day under article one of this contract.

Article 3 Guarantee Covers

The principal and interest (including punitive interest and compound interest) of all loans (credit) outstanding between debtor and Creditor according to the master contract, the punitive sum that debtor should pay to Creditor; compensation and other expenses Creditor charges for realizing its creditor's rights (including but not limited legal fees, arbitration fees, property preservation fees, execution fees, valuation fees, auction fees, attorneys' fees, travelling fees, etc.).

Article 4 Guaranty Method

Guarantor voluntarily provides the joint liability guarantee, when debtor does not perform its obligations related to the debt according to the master contract, no matter what other guarantee Creditor has for ensuring the creditor's rights under the master contract (including but not limited to guarantees, mortgages, pledges, etc.), Creditor has the right to ask guarantor to take guarantee responsibilities within guarantee coverage.

Article 5 Maximum Amount of the Guaranty

The maximum amount which the guarantee assumed hereunder is at most no more than RMB 10 million only. The maximum amount of guaranty hereon is the loan principal balance by total amount (meaning the line of credit deducting the amount of cash deposit) of use of loans and facility actually under the master contract signed between creditor and debtor and in the period as mentioned in the contract deducting amounts repaid, excluding the proceeds of payable except the principal stipulated in article 3, such as interest expenses and penalties, etc., but the guarantor shall still assume the joint liquidated liability.

The guarantor agrees that the debtor can recycle the loans under master contract, and agrees that the debtor can adjust the credit line of all kinds of loans within the line of credit hereunder, and the guarantor shall assume the joint guarantee liability.

Article 6 Warranty Period

The warranty period of this contract is from the effective date of this contract to 2 years after the maturity date of the debts (including deferred loans) under master contract.

Article 7 Changes of Master Contract

The warranty obligations of this contract will not be affected by any changes (including but not limited to modifying, supplying and deleting etc.) of the master contract agreed by creditor and debtor except the amount of the loan. If creditor and debtor agree with delaying to repay the debt, this contract is still effective.

Creditor may transfer its creditor's right to a third party legally, and guarantor shall assume the same warranty responsibilities as before.

Article 8 Independence of this Guarantee

This guarantee is independent of the master contract, the effectiveness of this guarantee is not affected if the master contract is invalid completely or partly. If the master contract is considered as invalid, guarantor assumes joint security responsibility to the debt resulting from debtor's returned property or pay for the damage. Guarantor promises to supervise debtor's use the loan (credit), and if debtor changes the purpose of the loan (credit), guarantor still assumes warranty responsibility.

Any tolerance, extension, privilege or delay from creditor to guarantor for exercising of its rights under this contract does not affect, injure and limit the rights creditor enjoys according to this contract and laws and regulations, and cannot be considered as the abdication of the related right according this contract, and will not affect the obligations of guarantor under this contract.

The efficacy of this guarantee will not be affected by any contract, agreement, and guarantee, and tacit agreement, or dispute.

Warranty obligations of guarantor (including the inheritor, assignee and conservator of guarantor) are continuous, and have no effect on any change of guarantor and debtor (including but not limited in division, merger, reorganization, transactions of property right and operational right). If debtor's subject qualification ceases to exist before debtor repays all debt to creditor, or creditor announces its subject qualification ceases to exist within 6 months since debtor repaid all debt result in the foregoing repayment become invalid, the warranty obligations under this contract are still effective.

Article 9 Guaranty

Guarantor agrees to assume warranty responsibility by all his property (including family possessions; since the date of signing this guarantee, guarantor will not allowed to dispose the above property without Creditor's consent, if Creditor thinks it is necessary that the above property can be guaranteed, mortgaged or pledged, guarantor promise to assist to process above procedures.

During the warranty period, guarantor promises that he will not provide guarantee which exceeds his warranty ability to a third party. If the above property is insufficient to afford the guarantee responsibility, guarantor promises to assume repayment responsibility for the insufficient part.

If Creditor feels necessary, guarantor agrees to provide the list of all his assets, and evaluate the assets on the list, guarantor will pay any valuation fee. Guarantor promises that he enjoys ownership and the right of disposal of all assets on the list.

Article 10 Advanced Guarantee Responsibilities

During the warranty period, when any default under master contract or other situations which is considered as can affect the realization of creditor's right by Creditor happen, Creditor can announce the debt immediately due and payable, and has the right to ask the guarantor to assume security responsibility on the date announced by Creditor, guarantor agrees to assume the security responsibility as Creditor requested.

Article 11 Receiving Payables

Creditor has the right to take payment from guarantor's account in bank of Jiangsu for all payables of guarantor in the range of warranty coverage. If the payment is foreign currency, it will be calculated according to the rate Creditor announced on the day.

Article 12 Other Items

1. During warranty period, Creditor has the right to supervise the funds and financial condition of guarantor, and guarantor should provide true information.
2. Guarantor authorizes the Creditor to claim for creditor's due right, the money collected should be repaid Creditor to the Creditor as priority.
3. If the loan, which is under the master contract or a specific credit business of the master contract, is not paid as agreed, or is changed the way of payment, guarantor shall still assume security responsibility.

Article 13 Settlement of Dispute

When there is any dispute in performing the contract, both parties should settle the dispute through negotiations at first, if negotiations cannot reach an agreement, both parties can apply to the local people's court of Creditor.

During the litigation or arbitration period, the items of this contract which are not involved in the dispute still should be performed.

Article 14 Becoming Effective

This guarantee comes into force as of being signed by guarantor

Article 15 Statements

1. Guarantor knows the business scope and limits of authority of Creditor.
- 2 The guarantor has read the contract comprehensively and carefully and fully understands the master contract entered into between creditor and debtor, upon the request of guarantor, the creditor has made the terms interpretation accordingly as for the master contract and the contract hereunder, and the guarantor is fully aware of and understands all the terms of the master contract and the contract hereunder, and signed this contract with willingly. The guarantor is fully aware of the legal consequences for the conclusion and performance of the master contract and the contract hereunder may give rise to, and fully confirms the obligations related to this contract.
3. Guarantor has the right to sign this guarantee.
4. Guarantor should give the consent that, Creditor might somehow authorize other affiliated institution of Jiangsu bank 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.
5. It should be noticed to Creditor in writing of any changes of guarantor's abode, postal address, contact number etc. in 10 days after the changes happen. It will be considered as if the information has been delivered if Creditor sends related notices and documents according to the primary address on file if the guarantor does not provide such notice.
6. If a notary agency mandates enforceable status to this contract, guarantor agrees to be enforced by the legislative body and gives up the right of defense.

Guarantor (signature): _____

MAXIMUM AMOUNT GUARANTY CONTRACT

Contract No.: BZ162617000081

Guarantor: HUIZHOU HIGHPOWER TECHNOLOGY CO., LTD.
Address: XINHU ,MAAN TOWN,HUICHENG District, HUIZHOU
Creditor: Bank of Jiangsu, Shenzhen Sub-branch.
Address: 4011, Shennan Road, Futian District, Shenzhen.

In order to warranty the performance of debts under item one of this contract, the guarantor provides the warranty to the creditor voluntarily, and the two parties entered into this contract after equal negotiation.

Article 1: Master Contract

The master contract hereunder is A.

A. The creditor and the debtor Icon Energy System (shenzhen) Company Limited entered into this contract of maximum amount comprehensive credit line whose number is SX 162617000956, and has or will enter into the separate facility business contract, as well as amendments and supplements.

B. The creditor and the debtor __, from __ year __ month __ day __ to __ year __ month __ day __, entered into the contracts of loans, bank acceptance drafts, trade financing, letter of guarantee, funds business, and other agreement, as well as amendments and supplements.

Article 2: Primary Credit and Period

Except the period determined or agreed separately in accordance with the laws, the actual credit under the master contract consists of the primary credit of the contract in the below period: A.

A. From the effective date of “maximum amount comprehensive credit line contract” in article one to the expiration date of facility period stipulated in this contract and amendments or supplements.

B. From __ year __ month __ day __ to __ year __ month __ day __ under article one of this contract.

Article 3: Guarantee Coverage

The scope of guaranty of creditor hereunder covers all debts occurred under this contract by the debtor, including but not limited to principals, interest expenses, compounded interests, penalties, processing fees, default expenses, damage compensation, legal fees, escrow fees, taxation expenses, arbitration fees, travel fees, assessment fees, auction fees, property preservation fees, compulsory execution fees and other expenses for realization of the creditor’s right.

Article 4: Maximum Amount of the Guaranty

The maximum amount which the guarantee assumed hereunder is at most no more than RMB ten million only. The maximum amount of guaranty hereon is loan principal balance by total amount (means line of credit deducting the part of cash deposit) of use of loans and facility actually under the master contract signed between creditor and debtor and in the period as mentioned in the contract deducting the part of repayment, excluding the proceeds of payable except the principals stipulated in article 3, such as interest expenses and penalties, etc., but the guarantee shall still assume the joint liquidated liability.

The guarantor agrees that the debtor can recycle the loans under master contract, and agrees that the debtor can adjust the credit line of all kinds of loans within the line of credit hereunder, and the guarantor shall assume the joint guarantee liability.

Article 5

The guarantor has read the contract comprehensively and carefully and fully understands the master contract entered into between creditor and debtor, upon the request of guarantor, the creditor has made the terms interpretation accordingly as for the master contract and the contract hereunder, and the guarantor are fully aware of and understands the whole terms content of master contract and the contract hereunder, and signed this contract with true willing. The guarantor is fully aware of the legal consequence for the conclusion and performance of the master contract and the contract hereunder may give rise to, and fully confirms the obligations related to this contract.

Article 6

The guarantor shall assume the responsibilities for all debts owed by the debtor to the creditor under the master contract, including the debts arising from the prepayment requested by the creditor. After received the written notice sent by creditor, the guarantor shall perform the settlement responsibilities according to the time, kinds of currency, amount, and method of settlement specified by the creditor, and commit to the creditor that the creditor has the right to deduct all amount of guaranty from the guarantor's account when the creditor deems appropriate, if the deducted proceeds is foreign currency, the currency shall be calculated according to the bid price published by the creditor at the deducted date.

Article 7

The guarantee obligation of the guarantor (including the inheritor, assignee, and conservator of the guarantor) need continuity under this contract, shall not affected by the change of the guarantor or the debtor (including but not limited to merger, split, recombination, conduct title transaction or transactions of managerial authority by way of lease, contract, and so on). If the debtor's subject qualification ceases to exist before clear off the loans hereunder, or the debtor declares that its subject qualification cease within six month from the date clear off all of loans leading to its foregoing repayment activity invalid, the guarantor's warranty obligations is still effective.

Article 8

The term of the guaranty hereunder is from the date of effective to two years after expiration of the debts hereunder (including the maturity of extension period).

Article 9

The guaranty obligations under this contract shall not subject to be affected by any change for the terms and conditions of master contract agreed by both creditor and debtor (including but not limited to amendments, supplements, and cancellations). If the creditor and debtor agree to extension or delay the performance of the obligations hereunder, the contract hereunder shall continue to be valid. In the event of the creditor transfers its credit right to others in the period of guaranty according to the law, the guarantor continues to assume the guaranty responsibility within the scope of the guaranty.

Article 10

The guarantor makes the following commitment to the creditor unconditionally and irrevocably: if the debtor fails to or delays to fulfill the obligations of master contract, or confirm the invalidity of the master contract in certain reason, or due to the guarantor fails to or delays to perform any clause hereunder leading to a loss to the creditor, all of above shall be a debt payable for the guarantor to the creditor.

Article 11

Whatever reasons leading to the master contract invalid in law or part of terms invalid, the guarantor shall still assume the guaranty responsibility for the debtor's repayment liability in accordance with the terms listed hereunder. The guarantor pledge to monitor the debtor to use the loans (facility), in the event of the debtor change the purpose of the loan, the guarantor shall still assume the guaranty responsibilities.

Any tolerance, grace or postpone the exercise of any right preferential by the creditor to the guarantor under this contract, shall not affect, damage, or restrict the creditor's all rights in accordance with the contract hereunder, laws and regulations, and normative documents, shall not deem as give up the rights and benefit under this contract, and shall not affect any obligations assumed by the guarantor under this contract.

Article 12

If there is any collateral security except this guarantee under this contract, the guarantor is willing to perform the joint guaranty responsibility prior to collateral security on all guaranty debts.

Article 13

The guarantor is an entity established in accordance with the laws, is qualified to identify the contract hereunder and perform joint guaranty responsibility. In addition, signing this contract has obtained empowerment thereof, and the process of performing the contract has been completed.

Article 14

The guarantor to sign and perform this contract is its real intension, is true and effective and legal, shall not affected by any relationship of any party hereunder and others or other any events.

Article 15

The debts hereunder has the equal position with guarantor's other debts, shall be in the same compensation sequence.

Article 16

If the guarantor enters into the counter guarantee contract with the debtor upon this contract, this counter guarantee contract shall not damage the creditor's any interests, and when the guarantor's compensation arising from the counter guarantee contract and the creditor's claim are in the same sequence, the creditor shall be compensated prior to the guarantor.

The guarantor shall not request the debtor to set up a counter guarantee by way of property pledge as to the obligations assumed by the debtor hereunder.

Article 17

The guarantor's responsibility shall decrease gradually with the decrease of the debts hereunder.

Article 18

The guarantor shall provide the true, complete, valid financial statement and other relevant materials and information as required by the creditor.

Article 19

In the event of guarantor change residence, mailing address, telephone number, the scope of business, and the legal representative, shall notice the creditor in written within 10 days from the date of change events occurred.

Article 10

If notary organ grant enforceable potency to this contract, guarantor agrees to be enforced and gives up the right of defense.

Article 21 The Application of Laws and Resolution of Dispute

The signing, effectiveness, interpretation, performance and settlement of disputes of this contract shall apply for the People's Republic of China's laws. If there are any disputes based on this agreement, the contracting parties could attempt to resolve them through consultation. If negotiation fails, shall resolve the disputes according to the following way of A :

- A. Institute legal proceeding to the court where the creditor located.
- B.

Article 22

This contract and any modifications and supplement of it enter into force upon the date when it is signed or sealed and affixed with official seals by the legal representative or entrusted agents of both parties.

Article 23 Other Items Appointed ny Both Parties

The things which are not mentioned in this contract should be explained and settled according to relevant laws, administrative laws and regulations, normative documents and the related regulations of Bank of Jiangsu.

Article 24

This agreement is in triplicate, Party A has one copy, Party B has two copies, three copies have the same legal effect.

Guarantor (stamp): /s/ [COMPANY SEAL]
Legal representative or agent:

Creditor (stamp): /s/ [COMPANY SEAL]
Legal Representative or agent:

MAXIMUM AMOUNT GUARANTY CONTRACT

Contract No.: BZ162617000080

Guarantor: SHENZHEN HIGHPOWER TECHNOLOGY CO., LTD.
Address: Bldg. 1, No. 68, Xinsha Road, Pinghu Street, Longgang District, Shenzhen

Creditor: Bank of Jiangsu, Shenzhen Sub-branch.
Address: 4011, Shennan Road, Futian District, Shenzhen.

In order to warranty the performance of debts under item one of this contract, the guarantor provides the warranty to the creditor voluntarily, and the two parties entered into this contract after equal negotiation.

Article 1: Master Contract

The master contract hereunder is A .

A. The creditor and the debtor Icon Energy System (shenzhen) Company Limited entered into this contract of maximum amount comprehensive credit line whose number is SX 162617000956, and has or will enter into the separate facility business contract, as well as amendments and supplements.

B. The creditor and the debtor , from year month day to year month day , entered into the contracts of loans, bank acceptance drafts, trade financing, letter of guarantee, funds business, and other agreement, as well as amendments and supplements.

Article 2: Primary Credit and Period

Except the period determined or agreed separately in accordance with the laws, the actual credit under the master contract consists of the primary credit of the contract in the below period: A .

A. From the effective date of “maximum amount comprehensive credit line contract” in article one to the expiration date of facility period stipulated in this contract and amendments or supplements.

B. From year month day to year month day under article one of this contract.

Article 3: Guarantee Coverage

The scope of guaranty of creditor hereunder covers all debts occurred under this contract by the debtor, including but not limited to principals, interest expenses, compounded interests, penalties, processing fees, default expenses, damage compensation, legal fees, escrow fees, taxation expenses, arbitration fees, travel fees, assessment fees, auction fees, property preservation fees, compulsory execution fees and other expenses for realization of the creditor’s right.

Article 4: Maximum Amount of the Guaranty

The maximum amount which the guarantee assumed hereunder is at most no more than RMB ten million only. The maximum amount of guaranty hereon is loan principal balance by total amount (means line of credit deducting the part of cash deposit) of use of loans and facility actually under the master contract signed between creditor and debtor and in the period as mentioned in the contract deducting the part of repayment, excluding the proceeds of payable except the principals stipulated in article 3, such as interest expenses and penalties, etc., but the guarantee shall still assume the joint liquidated liability.

The guarantor agrees that the debtor can recycle the loans under master contract, and agrees that the debtor can adjust the credit line of all kinds of loans within the line of credit hereunder, and the guarantor shall assume the joint guarantee liability.

Article 5

The guarantor has read the contract comprehensively and carefully and fully understands the master contract entered into between creditor and debtor, upon the request of guarantor, the creditor has made the terms interpretation accordingly as for the master contract and the contract hereunder, and the guarantor are fully aware of and understands the whole terms content of master contract and the contract hereunder, and signed this contract with true willing. The guarantor is fully aware of the legal consequence for the conclusion and performance of the master contract and the contract hereunder may give rise to, and fully confirms the obligations related to this contract.

Article 6

The guarantor shall assume the responsibilities for all debts owed by the debtor to the creditor under the master contract, including the debts arising from the prepayment requested by the creditor. After received the written notice sent by creditor, the guarantor shall perform the settlement responsibilities according to the time, kinds of currency, amount, and method of settlement specified by the creditor, and commit to the creditor that the creditor has the right to deduct all amount of guaranty from the guarantor's account when the creditor deems appropriate, if the deducted proceeds is foreign currency, the currency shall be calculated according to the bid price published by the creditor at the deducted date.

Article 7

The guarantee obligation of the guarantor (including the inheritor, assignee, and conservator of the guarantor) need continuity under this contract, shall not affected by the change of the guarantor or the debtor (including but not limited to merger, split, recombination, conduct title transaction or transactions of managerial authority by way of lease, contract, and so on). If the debtor's subject qualification ceases to exist before clear off the loans hereunder, or the debtor declares that its subject qualification cease within six month from the date clear off all of loans leading to its foregoing repayment activity invalid, the guarantor's warranty obligations is still effective.

Article 8

The term of the guaranty hereunder is from the date of effective to two years after expiration of the debts hereunder (including the maturity of extension period).

Article 9

The guaranty obligations under this contract shall not subject to be affected by any change for the terms and conditions of master contract agreed by both creditor and debtor (including but not limited to amendments, supplements, and cancellations). If the creditor and debtor agree to extension or delay the performance of the obligations hereunder, the contract hereunder shall continue to be valid.

In the event of the creditor transfers its credit right to others in the period of guaranty according to the law, the guarantor continues to assume the guaranty responsibility within the scope of the guaranty.

Article 10

The guarantor makes the following commitment to the creditor unconditionally and irrevocably: if the debtor fails to or delays to fulfill the obligations of master contract, or confirm the invalidity of the master contract in certain reason, or due to the guarantor fails to or delays to perform any clause hereunder leading to a loss to the creditor, all of above shall be a debt payable for the guarantor to the creditor.

Article 11

Whatever reasons leading to the master contract invalid in law or part of terms invalid, the guarantor shall still assume the guaranty responsibility for the debtor's repayment liability in accordance with the terms listed hereunder. The guarantor pledge to monitor the debtor to use the loans (facility), in the event of the debtor change the purpose of the loan, the guarantor shall still assume the guaranty responsibilities.

Any tolerance, grace or postpone the exercise of any right preferential by the creditor to the guarantor under this contract, shall not affect, damage, or restrict the creditor's all rights in accordance with the contract hereunder, laws and regulations, and normative documents, shall not deem as give up the rights and benefit under this contract, and shall not affect any obligations assumed by the guarantor under this contract.

Article 12

If there is any collateral security except this guarantee under this contract, the guarantor is willing to perform the joint guaranty responsibility prior to collateral security on all guaranty debts.

Article 13

The guarantor is an entity established in accordance with the laws, is qualified to identify the contract hereunder and perform joint guaranty responsibility. In addition, signing this contract has obtained empowerment thereof, and the process of performing the contract has been completed.

Article 14

The guarantor to sign and perform this contract is its real intension, is true and effective and legal, shall not affected by any relationship of any party hereunder and others or other any events.

Article 15

The debts hereunder has the equal position with guarantor's other debts, shall be in the same compensation sequence.

Article 16

If the guarantor enters into the counter guarantee contract with the debtor upon this contract, this counter guarantee contract shall not damage the creditor's any interests, and when the guarantor's compensation arising from the counter guarantee contract and the creditor's claim are in the same sequence, the creditor shall be compensated prior to the guarantor.

The guarantor shall not request the debtor to set up a counter guarantee by way of property pledge as to the obligations assumed by the debtor hereunder.

Article 17

The guarantor's responsibility shall decrease gradually with the decrease of the debts hereunder.

Article 18

The guarantor shall provide the true, complete, valid financial statement and other relevant materials and information as required by the creditor.

Article 19

In the event of guarantor change residence, mailing address, telephone number, the scope of business, and the legal representative, shall notice the creditor in written within 10 days from the date of change events occurred.

Article 20

If notary organ grant enforceable potency to this contract, guarantor agrees to be enforced and gives up the right of defense.

Article 21 The Application of Laws and Resolution of Dispute

The signing, effectiveness, interpretation, performance and settlement of disputes of this contract shall apply for the People's Republic of China's laws. If there are any disputes based on this agreement, the contracting parties could attempt to resolve them through consultation. If negotiation fails, shall resolve the disputes according to the following way of A :

A. Institute legal proceeding to the court where the creditor located.

B.

Article 22

This contract and any modifications and supplement of it enter into force upon the date when it is signed or sealed and affixed with official seals by the legal representative or entrusted agents of both parties.

Article 23: Other Items Appointed by Both Parties.

The things which are not mentioned in this contract should be explained and settled according to relevant laws, administrative laws and regulations, normative documents and the related regulations of Bank of Jiangsu.

Article 24

This agreement is in triplicate, Party A has one copy, Party B has two copies, three copies have the same legal effect.

Guarantor (stamp): /s/ [COMPANY SEAL]

Legal representative or agent:

Creditor (stamp): /s/ [COMPANY SEAL]

Legal Representative or agent:

BASIC CREDIT LINE CONTRACT

Reference: Xing Yin Shen Longgang Credit Zi (2017) No. 0238
Creditor: Industrial Bank Co., Ltd., Shenzhen Longgang Branch
Address: NO.113, Parkland, Longxiang Road, Longgang Town, Shenzhen
Legal Representative / CEO: Xiaoxia Wen
Contact: Liang Lili
Address: NO.113, Parkland, Longxiang Road, Longgang Town, Shenzhen
Postal Code: 518172 Fax :
Tel: 0755-33837817 Fax: 0755-33837807

Guarantor: HUIZHOU HIGHPOWER TECHNOLOGY CO., LTD.
Address: XINHU, MAAN TOWN, HUICHENG DISTRICT, HUIZHOU
Legal Representative / CEO: Pan Dangyu
Contact: SUN XUN
Address: XINHU, MAAN TOWN, HUICHENG DISTRICT, HUIZHOU
Postal Code: 518000 Fax :
Tel: *** Fax:

Contract signed at: Industrial Bank Building, Industrial Bank Co., Ltd. Shenzhen Branch, Futian, Shenzhen

Important Prompt

For protecting your rights and interests, please read, check and confirm the following items carefully before signing:

1. You have the right to sign this contract or you have been given sufficient authority legally.
 2. You have read and understood this contract carefully and sufficiently, and have paid attention on assuming, exempting or limiting responsibilities of Industrial Bank Co., Ltd., and the content with bold font.
 3. Your company and you understand the meaning of this contract and the relevant legal consequences, and agree to accept these provisions.
 4. The contract provided by Industrial Bank Co., Ltd. is a model contract. There is space for modifying, supplementing and deleting.
 5. If you have further questions on this contract, please consult Industrial Bank Co., Ltd.
- After application, creditor agrees to provide a basic credit line to debtor. To clarify the rights and obligations of both parties, and abide by credit, the contracting parties sign this contract agreed together according to relevant state laws and regulations.

Clause 1 Definitions and Interpretation

Except agreed in writing by the contracting parties, the following words in this contract will be explained as follows:

1. Basic credit line: based on comprehensive evaluation of management and risk of debtor, creditor will decide the maximum amount of comprehensive financing principal of debtor, including but not limited local foreign currency, various trade financing (issuing letter of credit, trust receipt, packing loan, export bill purchase, export bill purchase under collection and advanced against inward documentary bills, etc.) bank acceptance bill, notes discounted, notes repo, guarantee (including independent guarantee, demand guarantee, standby letter of credit, etc.) and so on.
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2. Valid period of credit line is one uninterrupted period, during which the debtor can conduct business transactions stipulated under the basic credit line, with creditor's consent. The basic credit line expires when the valid period of credit ends.
3. Balance: creditor will manage and control the balance of various businesses of debtor. The balance is the sum of used credit line, including undue balance and expired outstanding balance, as follows:
 - (1) Undue balance: the sum of undue outstanding debts which are used by debtor according to this contract.
 - (2) The due unpaid balance is the debt principal balance that the Creditor granted the Debtor, or is entitled for to perform certain legal responsibilities, but remained unpaid at the expiry date.
4. Macro contract: Basic credit line contract, which is signed by creditor and debtor.
Sub-contract: the specific business contract signed by two parties voluntarily. This contract is the macro contract of any sub-contracts, any sub-contract is an inalienable part of this contract, and has the same legal effect.
5. Principal debt: debt principal, interest and expense resulting from conducting various business transactions under this contract applied by debtor, including but not limited local foreign currency, various trade financing (such as issuing letter of credit, trust receipt, packing loan, export bill purchase, export bill purchase under collection and advanced against inward documentary bills, etc.) bank acceptance bill, notes discounted, notes repo, guarantee (including independent guarantee, demand guarantee, standby letter of credit, etc.) and so on. (Including principal, interest, punitive interest, compound interest, liquidated damages, damage awards, expenses for realizing financial claim, etc.) Expenses for realizing a financial claim: the money which creditor spends for realizing a financial claim by litigation, arbitration, etc. such as court (arbitration) costs, attorneys' fees, traveling fees, execution fees, maintenance costs, and other necessary costs for realizing a financial claim.
6. Important transaction which is mentioned in clause 8 (including but not limited): anything which might have a bad effect on the basic organization of debtor's company, changes of stockholders, contingent liabilities, cash flows, profitability, core business secrets, important assets, significant claims and debts, repayment ability, other transactions which are considered as significant transactions by creditor and/or debtor.
7. Important transaction which is mentioned in clause 8 (including but not limited): anything which may have bad effect on executives' operational capability, employment and termination of core staff, core business secrets, core competence, basic organization, legality, stability, development, profitability, repayment ability, other things which are considered as significant things by creditor and/or debtor.
8. Workday mentioned in this contract refers to a banking day. If the drawdown date or the repayment date is on a legal holiday, then it is delayed to the first working day after the holiday.

Clause 2 Credit Line

1. The maximum amount of basic credit line is RMB (in words) TWENTY MILLION YUAN ONLY. If debtor uses foreign currency in specific business, the foreign currency will be converted to RMB according to the exchange rate announced by creditor on the date when the applicable sub-contract is signed, and will be included in credit line.
 2. Decomposition of credit line: (1) Bank acceptance: RMB20,000,000
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3. If the Debtor repays the used line of credit within valid period of credit line, the equivalent amount of credit line recovers automatically.
4. The financing balance should not be more than RMB 20,000,000, including all debts used by debtor according to this contract, and the single credit line cannot be more than RMB 20,000,000.

Clause 3 Valid Period and Adjustment of Credit Line

1. Valid period of credit line under this contract is from 20th Sep 2017 to 20th Sep 2018.
2. This contract is not the definite obligation of creditor, in any circumstance, creditor has the right to adjust or cancel the credit line and valid period under this contract partly or completely without the consent of debtor. Foregoing "any circumstance" includes but not limited following situations:
 - (1) debtor has significant operational difficulties and risks;
 - (2) debtor has significant changes in ownership or contingent debt;
 - (3) debtor has significant changes in its operational mechanism (including but not limited discrete, merger, termination, etc.);
 - (4) debtor gets hit with credit downgrade and which increases risk of repayment;
 - (5) the situation and conditions of one transaction, which Debtor works on, have significant changes;
 - (6) the statements and commitments of debtor mentioned in clause 7 become invalid;
 - (7) other creditors think it is necessary to change, adjustment or cancel debtor's credit line.
3. If debtor needs to increase temporary the credit line because of a change of situation or special project, debtor can apply for special credit line from creditor, which can only be used for special project, and should not be used as cycle.

Clause 4 Repayment and Adjustment of Advance in Cash and Receipt under Different Credit Line

Creditor has the right to use the funds received under one or more of the lines to repay the advanced money which is used according to this contract, without the consent of debtor and guarantor.

Clause 5 Guarantee Measures

1. The following contracts are guarantee contracts of this contract and sub-contracts.
 - (1) REF: Xing Yin Shen Longgang Credit (Guarantee) Zi (2017) No. 0238 "Maximum Amount Guaranty Contract" (the Name of the Contract), Guarantor: Dangyu Pan, Mode: Guarantee;
 - (2) REF: Xing Yin Shen Longgang Credit (Guarantee) Zi (2017) No. 0238A "Maximum Amount Guaranty Contract" (the Name of the Contract), Guarantor: Shenzhen Highpower Technology Co Ltd, Mode: Guarantee;
 - (3) REF: Xing Yin Shen Longgang Credit (Guarantee) zi (2017) No. 0238B "Maximum Amount Guaranty Contract" (the Name of the Contract), Guarantor: Springpower Technology (Shenzhen) Co Ltd, Mode: Guarantee;
 - (4) REF: Xing Yin Shen Longgang Credit (Guarantee) Zi (2017) No. 0238C "Maximum Amount Guaranty Contract" (the Name of the Contract), Icon Energy System (Shenzhen) Company Limited, Mode: Guarantee;
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2. Before the signing of guarantee contracts and completing the guarantee procedures, creditor has the right to refuse handling an application for using the credit line under this contract, and providing the loans under this contract and sub-contracts.
3. The maximum guarantee for all debts under the credit line should be provided by the above guarantors (guarantor, mortgagor or pledger), except as agreed by creditor, debtor and guarantor.
4. If following things happen to the guarantor under this contract, creditor has the right to take measures according to clause 9 of this contract.

- (1) Guarantor violates the maximum guarantee contract; a deterioration of guarantor's credit position; or other things, which may damage guarantee ability happen;
- (2) Mortgager violates the maximum mortgage contract; damages mortgage intentionally; the value of mortgage might has been reduced obviously; or other things which damage the hypothecation of creditor;
- (3) Pledger violates the maximum pledge contract; the value of pledge has been reduced obviously; or the right of pledge has to be cashed in advance; or other things which damage the pledge of creditor.

Clause 6 The Rights and Obligations of Creditor

1. During credit period, if the accumulated total balance used by debtor is less than the maximum capital limit, creditor will review a loan application which is within the limit from debtor. The application will be accepted if it meets each of the conditions and requirements requested by creditor. If Creditor is unable to make a substantive examination because of debtor or any other reasons, it should not constitute a defense. Debtor and guarantor give up considering it as a defense.
2. Creditor has the right to acquire the accounting statements and other operational information of debtor. Debtor should provide its marketing plan, investment plan and demand for funds. Creditor will keep debtor's business secret.
3. In order to achieve the purpose of financing under this contract, the debtor should provide a full, effective guarantee, which is recognized by creditor. If debtor or guarantor violates the contract, creditor has the right to seize any form of assets of the Debtor or Guarantor that the Creditor possesses

Clause 7 Representations and Commitments of Debtor

Debtor makes the following representations and commitments voluntarily, and assumes legal responsibility for the reality of the content.

1. Debtor is a legal representative, which is established according to the laws of People's Republic of China, with full capacity for civil conduct. Debtor promises to provide related information requested by creditor.
 2. Debtor can perform all obligations and responsibilities under this contract, and will assume the repayment responsibility in any conditions.
 3. Debtor has the right to sign this contract, and has acquired all legal approvals and authorities.
 4. Signing this contract is allowed by debtor's articles of association, internal decisions and resolutions of shareholders and board of directors. This contract will not conflict with the articles of association, internal decisions and resolutions of shareholders and board of directors and policies of debtor.
 5. Signing and performing this contract is the true willing decision of debtor. Signing and performing the above contract will not violate the laws and regulations, rules and agreements which can limit debtor. This contract is legal and enforceable, and if this contract become invalid because debtor does not have full capacity to sign this contract, debtor should repay all losses of creditor.
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6. All documents, financial statements and other information, which are provided by debtor under this contract, are true, complete, accurate and effective.
7. Debtor agrees that bank business under this contract is limited to the regulations, conventions and practices of creditor, and the power of interpretation belongs to creditor.
8. Debtor cannot change its equity structure or major executives without written consent of creditor.
9. If debtor does not perform obligations according to this contract and sub-contract, debtor grants creditor the right to obtain relevant money from any account which is opened in creditor by debtor.
10. In any transactions after signing this contract, if the debtor submits any documents related to a specific transaction to creditor for auditing, debtor promises all documents are true. Creditor neither participates in nor knows the essence of transaction, and will not take any responsibility.
11. The debtor confirms it has no further litigation, arbitration, or administrative litigation in property, liquidation or issues with going out of business, except situations which have been disclosure in writing to creditor.
12. If creditor is involved in litigation, arbitration or another dispute because of performing the obligations under this contract, the litigation or arbitration fees, legal fees and other expenses of creditor will be borne by the debtor.
13. All settlement businesses under this contract should be handled through the settlement account open in creditor.
14. The debtor provides full, effective or other appropriate acceptable guarantee approved by the creditor. For the house mortgage, if the house will be removed, the debtor shall promptly inform the creditor to fulfill obligations; if mortgage houses were demolished, the creditor has the right to require the debtor to pay off the debt in advance, or reset the mortgage and sign a new security agreement. During the loss of the original guarantee and the new mortgage registration has not been completed, the debtor should provide the secured party as guarantees; For the way of compensation to compensate for the demolition of real estate, the creditor will be responsible for requesting relocation compensation as guarantee through the opening margin accounts or certificates of deposit , etc.

Clause 8 Debtor Has the Obligation to Disclosure Significant Transactions and Events to Creditor

1. Debtor should inform creditor of significant transactions and events of debtor in writing timely.
 2. If debtor is a group company, debtor should inform creditor of its related transactions which are more than 10% of creditor's net assets, including but not limited to :
 - (1) the relationship of the parties in the transaction;
 - (2) transactions and transaction properties;
 - (3) the amount of transaction and relevant proportion;
 - (4) pricing policy.
 3. During valid period of this contract, stock transfers, reorganizations, mergers, discrete, shareholding reforms, joint ventures, cooperations, joint operations, contracts, leases, business scope, change of registered capital, major asset transfers, contingent liabilities, or anything which may affect debtor's ability to assume responsibility should be reported to creditor in writing 30 days in advance.
 4. A termination of business, going out of business, bankruptcy, dissolution, cancellation of business license, deterioration of financial situation or involvement in a major business dispute, or anything may affect debtor's ability to assume responsibility should be reported to creditor in 7 days by writing from the date the above thing took place.
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5. When debtor becomes involved in major litigation or arbitration with any third party, or any other significant thing which may affect debtor's ability to assume responsibility occurs, creditor should be notified in writing within 7 days from the date debtor receives relevant notice.
6. The debtor promises that it will not use its legal dispute with a third party to damage creditor's rights.

Clause 9 Default and Default Liability

1. After this contract comes into force, the creditor and the debtor should perform the obligations as agreed in the contract. If any one party fails to perform or not completely fulfill its obligations of this contract, it should bear the corresponding liability for breach the contract.
2. If any of the following situations occur, creditor has the right to terminate the unused credit line under this contract, and ask the debtor to repay all financing, payable interest and other expenses under this contract immediately. The date the creditor asks the debtor to repay the money is the advanced expiration date:
 - (1) any information provided by debtor or the statements and commitments stated in clause 7 of this contract are false, inaccurate, incomplete or misleading;
 - (2) deterioration of debtor's credit status and obvious weakening of repayment ability (including contingent liability);
 - (3) the cross default agreed in clause 10 of this contract occurs to the debtor, the affiliated enterprise of the debtor, the guarantor, or the affiliated enterprise of the guarantor;
 - (4) the debtor violates the obligations agreed to in a sub-contract of this contract;
 - (5) the debtor fails to repay the principal, interest and expenses of one financing under this contract on schedule;
 - (6) the debtor stops repaying its own debt, or cannot repay due debt;
 - (7) stopping doing business, going out of business, being announced bankruptcy, dissolution, cancellation of business license, involving in major business dispute, and deterioration of finance condition and so on;
 - (8) other thing which may damage creditor's right.
3. If the debtor defaults, creditor has the right to take one or more following measures:
 - (1) suspending or reducing the sum of financing, until cancelling all agreed line of financing;
 - (2) announcing complete or part of debtor's debt expire in advance;
 - (3) terminating this contract, and asking debtor to repay all debt and pay relevant expenses;
 - (4) the debtor should pay punitive interest for overdue debt;
 - (5) the debtor should pay punitive interest for misappropriation of the loan;
 - (6) requiring the debtor to pay full compensation for losses.

Clause 10 The Cross-Defaulting

If one of the following events occurs to the debtor or affiliated enterprises of the debtor, and the guarantor or the affiliated enterprises of the guarantor, it will be considered that debtor default as well, the creditor have the right to recover loan in advance according to this contract or its sub-contract, and require the debtor to be liable for breach of contract according to the contract:

- (1) any loan, financing or debt defaults or may default, or be called for repayment in advance;
 - (2) any guarantee or similar obligation fails to be performed or might fail;
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- (3) the non-performance or violation of the relevant debt guarantee and other similar obligations of legal document or contract or might;
- (4) failure to repay due debts or borrowing/financing;
 - (5) be declared bankrupt by the legal procedure or may be so declared;
 - (6) other situations that endanger the safety of the money under this contract.

Clause 11 The Continuity of Obligation

All obligations of the debtor under this contract have the same effect on its heir apparent, agent, receiver, or assignee, even after a merger, reorganization, or change of name.

Clause 12 Accelerated Maturity Terms of Principal and Interest

The debtor and the guarantor agree that once the debtor fails to perform the statements and commitments of Clause 7, or the debtor fails to perform any obligation under this contract, the creditor has the right to decide that any other obligations include all outstanding principal, interest (including punitive interest and compound interest) and relevant expenses become due immediately.

Clause 13 The Priority Right of Subrogation Arrangement

The debtor states herein, once the debtor defaults or is unable to repay due principal, interest and fees, and does not have enough property to repay advanced money to creditor, creditor has the right of subrogation on any claim, accounts receivable and other property rights of the debtor. The debtor and the guarantor are willing to give up the defense to creditor according to article 28 of "Guarantee Law".

Clause 14 Offset Arrangement

1. If the debtor or the guarantor fail to repay maturing debt or pay the debt upon early maturity, the creditor has the right to directly withhold money on any account of the debtor to repay the debt. If the currency in the debtor's account is different from the currency of principal debt, the withholding money will be calculated on the rate of withholding day.
2. Creditor's rights under this contract will not be offset by any reason or any third party's offset right.
3. Creditor's rights under this contract will not be offset by any offset right of the debtor, the guarantor or any third party.

Clause 15 Applicable Law, Jurisdiction and Dispute Resolution

1. Signing, effectiveness, performance, termination, interpretation and dispute settlement of this contract is applicable for the laws of People's Republic of China.
 2. For any dispute of this contract, the debtor and the creditor should resolve through friendly negotiations. If negotiation fails, both parties agree to solve by the following section (2) way:
(2) Applying for arbitration to the Shenzhen Arbitration Commission, resolving the dispute by applicable rules of the Arbitration Commission, the arbitration award is final and binding on both parties. The site selection is in Shenzhen.
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3. In the dispute period, the provisions which are not involved in the dispute still should be carried out according to this contract.

Clause 16 Files, Communications and Notifications

1. Any documents, communications and notifications under this contract will be sent to each party according to the address, phone number or other contact methods on the cover of this contract.
2. If the contact method of one party changed, the other party should be informed immediately, otherwise the party which does not inform its change to the other must bear full responsibility for all the consequences.
3. Any documents, communications and notifications are sent according to above address, shall be deemed to arrive on the following dates:
 - (1) by post (including speed post, ordinary letter, registered mail), it will be deemed to arrive on the sending day after five working days;
 - (2) by facsimile or other electronic communication, it will be deemed to arrive on sending day;
 - (3) by personal service, the date of signing is deemed to be arriving date.

Notifications by the way of website, online banking, telephone banking or business outlets announcement should be deemed to arrive on day. The creditor does not need to borne any responsibility for any transmission errors, omissions, or delays of mail, fax, telephone or any other communication system.

4. The two sides agree that the seal of the office seal, financial seal, contract seal, receive seal and credit seal is the effective seal for the documents, communications and notifications. All staff of the debtor have right to receive files, communications and notifications.

Clause 17 Effectiveness, Modification of This Contract and Other Matters

1. The contract will take effect from the date of signature or stamp of both parties.
 2. During the effective period of this contract, the creditor's giving to the debtor and the guarantor of any tolerance, forgiveness, or delay to use the rights and interests, shall not damage, impact or limit the creditor to share the rights and interests in accordance with relevant laws and regulations and this contract, or be deemed giving up the rights and interests, also do not affect the debtor to borne any obligation under this contract.
 3. As a result of national laws and regulations or regulatory policy change, which leads to loan obligations of the creditor under this contract not conforming to the laws and regulations or regulatory requirements, the creditor has the right to unilaterally terminate the contract, announce all of the loan is due in advance, and the debtor should pay off the loan immediately.
 4. If the creditor cannot issue the loan or pay on time because of force majeure, the failure of communication or network, or the failure of creditor's system, the creditor does not assume any responsibility, but should promptly notify the debtor.
 5. The creditor shall have the right to authorize or entrust other branches of industrial bank to perform rights and obligations under this contract (including but not limited to authorized or entrusted bank branches of other related contracts, etc.) according to the debtor's operation and management, or the loan under this contract as other branch's to undertake, which is approved by the debtor, and without prior consent of the debtor.
 6. The debtor agrees that the creditor has the right to unilaterally reduce or cancel the unused loan under the contract according to the debtor's production and operation situation, situation of payment or credit of other financial institutions. The creditor should notify the debtor five working days before reduce or cancel the loans, without prior consent of the debtor.
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MAXIMUM AMOUNT GUARANTY CONTRACT
(Apply to lines of credit)

Ref: Xing Yin Shen Longgang Credit (Guarantee) Zi (2017) No. 0238
Creditor: Industrial Bank Co., Ltd. , Shenzhen Longgang Branch
Address: Parkland, Longxiang Road, Longgang Town, Shenzhen
Legal Representative / CEO: Wen Xiaoxia

Guarantor: Pan Dangyu

ID NO:***

Contract signed at: Industrial Bank Building, Industrial Bank Co., Ltd. Shenzhen Branch, futian, Shenzhen

Important notes:

For protecting your rights and interests, please read, check and confirm following items carefully before signing:

1. You have the right to sign this contract. Or you have been given sufficient authority legally.
2. You have read and understood this contract carefully and sufficiently, and have paid attention on assuming, exempting or limiting responsibilities of Industrial Bank Co., Ltd., and the content with bold font.
3. Your company and you have understood the meaning of this contract and relevant legal consequence, and agree to accept these provisions.
4. The contract provided by Industrial Bank Co., Ltd. is a model contract. There is space for modifying, supplement and deleting.
5. If you have further questions to this contract, please consult Industrial Bank Co., Ltd.

The guarantor is voluntary as a financier ("creditor") to provide security for the line of credit of the applicant Huizhou Highpower Technology Co., Ltd. (or "debtor"). In order to clarify the rights and duties, abide by credit, the contracting parties signed this contract in accordance with relevant laws and regulations to comply with.

Article 1 Definition and Interpretation

In addition to agreed in writing by both parties, then:

1. The master contract (as defined below) agreed definitions and interpretations applicable to this contract.
2. The "claims" or called the principal debt, means the debt approval and provided by the creditor, including loans, lending, trade finance (including but not limited to issuing letters of credit, trust receipts, packing loans, export financing, export collection bills and import bills, etc.), bankers' acceptances, discounted bills , bills buyback, guarantees (including the Independent guarantees, see demand guarantees and standby letters of credit, etc.) and other financing business (including principal, interest, penalty interest, compound interest, liquidated damages, damages, cost of achieving the claim).

Under this contract, the claim of the financier and the debt of the applicant mean the same content.

3. The "principal" refers to the principal debt made by the business transacted by the financier, including but not limited to the principal loans, trade finance capital, bankers' acceptances fare, bill discounting, money advanced for credit of letter, the principal part of guaranteed by the creditor for the debtor.
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4. The "guaranteed maximum principal" means the amount agreed by both parties in order to clarify the scope of the claims guaranteed by the covenant. Regardless of times and sum of the debt, the guarantor takes joint liability for all debt under the guaranteed maximum principal.

5. The "validity of guarantee" refers to a continuous uninterrupted period agreed by both parties in order to clarify the scope of the claims by the covenant. The debt happened during the period, whether the settlement deadline is over that period or not, the guarantor takes joint liability for all debt under the guaranteed maximum principal.

6. "The cost of the claim for the creditor" refers to the necessary fees of achieving the credit, including take litigation, arbitration and other ways to pay litigation (arbitration) fees, legal fees, travel expenses, execution fees, security fees, and other expenses.

7. "Master Contract" means credit contract (that is, "General Agreement") and all sub-contract signed by the financier and the applicant.

"Sub-contract" means based on the basic or special contract, the contract signed by both parties after getting approval of the creditor, include the content of each sum, the due date and other rights and obligations. The sub-contract is an integral part of the basic or special contract, with the same legal effect. The forms of contract can be different according to business needs, as the application of L/C, bills or other manner considered fit by the creditor. If the master contract and sub-contract has different part, the sub-contract will be effective.

8. This "working day" refers to the bank business day, If a withdrawal or repayment date is not a Business Day, delay to the next business day.

Article 2 The Main Credit Contract of Guarantee

The master contract of guarantee is Basic Credit Line Contract (No. XingYin Shen Longgang Credit Zi (2017) No. 0238), and its sub-contracts. The sum of credit is RMB twenty million only, credit period is from 20th Sept 2017 to 20th Sept 2018.

The guarantor will be borne joint liability for all debts under the master contract.

Article 3 Maximum Guarantee Principal

1. Under this contract, maximum guarantee principal is RMB (in word) TWENTY MILLION YUAN ONLY.

2. Under the maximum guarantee principal, the guarantor is borne joint liability for all debt balance (including principal, interest, penalty, compound interest, liquidated damages, damages, realization of claims).

Article 4 Validity of Guarantee

1. Valid period is from 20th Sept 2017 to 20th Sept 2018.

2. The loan under the contract can be used only when during the period of validity, but the guarantor is borne joint liability for each debt whether the debt is in or over the validity of the guarantee contract.

Article 5 Guarantee Responsibility

1. The guarantor is borne joint liability under this contract. For whatever reason, if the applicant fails to fulfill due debts under the master contract (including but not limited to early recovery of debts because of the default of the applicant or the guarantor's request), the guarantor shall perform the repayment obligation on behalf of the debtor.

2. If there are several guarantors under this contract, all guarantors shall jointly bear joint responsibility.
3. Main debts expire, the debtor fails to repay the debt and interest, the guarantor shall perform the repayment obligation.
4. Furthering the period of the main debt, if the creditor recovers the debt in advance according to the master contract, the guarantor shall bear joint responsibility for this and other debts under the guarantee contract.

Article 6 Scope of Guarantee

1. The financial claims under this contract ("the secured claims") refers to all debts provided by the creditor to the debtor, including but not limited to the principal debt, interest (including default interest, compound interest), breach of contract , damages , expenses of claims.
2. On the due date, if the applicant refused to repay the loan, which lead to the debt rights also in the range of the guarantee.
3. The principal , interest and other costs, the time of performance, usage, rights and obligations of the parties as well as any other relevant matters under the contract shall prevail by relevant agreements, contracts, application, notice , various certificates and other records, all kinds of certificates and other relevant legal documents issued or signed without guarantor's confirmation.
4. In order to avoid ambiguity, all fees of prepare, improve, perform or enforce the contract (including, but not limited to attorney's fees, litigation or arbitration costs etc.) constitute a part of the secured debt.

Article 7 Warranty Period

The warranty period under the contract:

1. The warranty period under the contract is calculated according to each financing applied by the applicant. For each financing, the warranty period is ended after two years of the expiration.
 2. If there are several financings in one master contract, the warranty period of each financing is ended after two years of the expiration.
 3. If the principal debt is repayable in installments, there are several financings in one master contract, each warranty period is calculated in installments, and the guarantor shall bear responsibility for two years from the date of expiry.
 4. If any extension agreement is signed by financier and debtor without agreed by the guarantor, the guarantor will still bear responsibility for all financing under the contract within two years from the date of extension expiry.
 5. If the financier decides to recover the debts in advance, the warranty period is two years since the date of expiry noticed by the financier.
 6. The warranty period of bankers' acceptances, letters of credit and letters of guarantee is two years from the date of advance payments. If advance for several times, warranty period is calculated from each advance payment.
 7. The warranty period of commercial bills is two years from the date of discount maturity.
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Article 8 On Demand

As long as financiers submitted notification of debt collection to the guarantor with the contract number and the amount of debt, the guarantor shall immediately perform the repayment and give up all reasons of defense.

Article 9 Declaration and Commitment of Guarantor

The guarantor voluntarily made the following statement and commitment, and liable for its truthfulness:

1. The guarantor is established under the laws and a validly existing legal company, with full civil capacity. The guarantor follows the creditor's request to provide relevant evidence, permits, certificates and other documents required by the creditor.
 2. The guarantor has sufficient capacity to fulfill all the obligations and responsibility under the contract, not because of any instruction, financial conditions change, or any agreement with any party to reduce or waive their commitment to settle the obligation.
 3. The guarantor has sufficient power, authority and legal right to sign this contract, the guarantor has obtained and fulfilled all necessary approvals and authorizations of its internal or other relevant procedures to make the contract execution and performance, and has achieved and fulfilled any government department or other authority's approval, registration, authorization, consent, license or other relevant procedures for this contract, and signed this contract with all the necessary approvals, registrations, consents, licenses, authorizations and other related procedures remain fully valid.
 4. The guarantor signed the contract in full compliance with the relevant Articles of the guarantor, the internal decisions, shareholders and board resolution. The contract does not conflict with any charter, internal decisions, shareholders resolutions, board resolution and the guarantor's policies.
 5. The execution and performance of this contract is based on the guarantor's true intention. Loan facility is compliance with legal and regulatory requirements, execution and performance of this contract does not violate any binding law, regulation, ordinance or the contract. This contract is valid and enforceable, as a result of the guarantor's defects in the execution and performance of this contract to result in the contract is invalid, the guarantor will immediately and unconditionally make compensation for all losses to the creditor.
 6. Under this contract, all the documents, financial statements and other information provided by the guarantor is true, complete, accurate and effective, and continue to fulfill the creditor's request of the financial indicators.
 7. Such as a change in ownership structure or key management personnel or other significant events and significant transactions, the guarantor shall require the prior written consent of the financier.
 9. When the guarantor has fulfilled the guarantee responsibilities, the guarantor has the right to recover the money from the applicant without prejudice the repayment in the future. However, if the applicant has the claim of the guarantor and the requirement of repayment from the financier at the same time, the guarantor agreed the applicant to repay the debt of the financier first.
 10. If the applicant and the guarantor have or will sign a counter-guarantee contract in respect of the obligations under the contract, the counter-guarantee contract shall not prejudice any rights of the financier in law or in fact under the contract.
 11. Before pay off the debts, regardless of any reason lead to reduce the guarantee ability of guarantor, the financier has the right to require the guarantor to provide a new full and effective guarantee.
 12. There was no any litigation, arbitration or administrative proceedings for the guarantor's outstanding or known to occur on the guarantor, and there was no events of liquidation or other similar proceedings whether it comes forward by the guarantor or by a third party.
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13. If the creditor is forced into disputes between the guarantor and any other party because of fulfilling the obligations under the contract, the guarantor should pay litigation or arbitration costs, legal costs and other expenses.

14. As under the master contract, there are other guarantees (including but not limited to guarantee, mortgage, pledge, standby and any other form of security), the guarantor agrees that one can give up part of security interest or security interest subordinated (including the collateral is based on the collateral provided by the debtor), financier and any mortgagor / pledgor (including the mortgagor / pledgor artificially is the debtor himself) can be varied by agreement and subordinated security interest, the amount of the secured creditor and other content, even if financiers made the above act, the guarantor is still voluntary to bear all responsibility of this contract.

15. The guarantor is a company, the commitment to its publication in the national enterprise credit information system of the public information is true, complete and valid, the consent of the guarantor promises continued creditors to query the system in the enterprises to choose the public and not the public information. If required by the creditor to capital verification, the guarantor agrees to capital verification in accordance with the requirements of the creditors and provide professional agency issue a capital verification report.

16. For under this contract and the guarantor/issuer and the bank of any department or agency (including the bank subsidiary), other Banks, non-banking financial institutions or units of financing contract, guarantee under the contract or other contract of any event of default, the guarantor shall promptly notify the creditors in written form.

17. The guarantor if the state administration for industry and commerce or other relevant departments of the state in any establishment, modification or cancellation of registration, it shall notify the creditors prior to application for registration, and immediately after the completion of the registration of the relevant registration copy and submit it to the creditors.

18. The guarantor in this declaration and authorization, the creditor shall have the right to the credit condition of the guarantor has the necessary investigation, and may, according to government departments, bank regulators, and the people's bank of China on the need of construction enterprise and individual credit reporting work, the information about the contract and other relevant information to the departments or institutions established or approved credit inquiry system to submit the credit information, and allows information to be legitimate query here.

Article 10 Obligations of Disclosing Important Transactions and Events

1. Guarantor should inform financier of significant transactions and events of guarantor in written timely.

2. During valid period of this contract, stock transfer, reorganization, merger, discrete, shareholding reform, joint venture, cooperation, joint operation, contract, lease, business scope, change of registered capital, major asset transfer, contingent liability, or anything which may affect guarantor's ability of assuming responsibility should be notified to financier in writing 30 days in advance.

3. Termination of business, going out of business, bankruptcy, dissolution, cancellation of business license, deterioration of financial situation or involving in major business dispute, or anything may affect guarantor's ability to assume responsibility should be noticed to financier in 7 days by written since the date above things take place.

4. When guarantor involves in major litigation or arbitration with any third party, or other significant thing which may affect guarantor's ability to assume responsibility, financier should be notified by written in 7 days since the date guarantor receives relevant notice.

5. The guarantor promises that it will not use its legal dispute with third party to damage financier's right.

Article 11 The Rights of Creditors

1. The main creditor under the contract expires or the guarantor fails to perform under this contract, the financier has the right to directly deduct the funds from any account of the guarantor.
2. The creditor shall have the right to request the guarantor to provide at any time reflects the business situation and credit circumstance of financial reports, financial statements and other information.
3. As under the master contract , there are other guarantees (including but not limited to guarantee , mortgage , pledge, standby and any other form of security) , the guarantor agrees that one can give up part of security interest or security interest subordinated (including the collateral is based on the collateral provided by the debtor) , financier and any mortgagor / pledgor (including the mortgagor / pledgor artificially is the debtor himself) can be varied by agreement and subordinated security interest, the amount of the secured creditor and other content, even if financiers made the above act, the guarantor is still voluntary to bear all responsibility of this contract.
4. This contract prior to the establishment of the guarantee or is determined, do not need a guarantor agrees, the creditor shall have the right to the part or all of the creditor's rights under the main contract and its corresponding guarantee rights transferred to a third party (or to establish a trust, the asset management plan and other special purpose vehicle). The guarantor agrees to have the transfer and transfer (if any) of the creditor's rights, still for the creditor's rights and the transferee in accordance with the contract agreement (or to establish a trust, the asset management plan and other special purpose vehicle) and the original security (if any) to provide guarantee to the creditor.
5. The guarantor if it is a company, if the guarantor in default under this contract, or may endanger realize creditor's rights of the creditor, the creditor shall have the right to demand the guarantor and its shareholders expire subscribed capital contribution obligation acceleration, the guarantor should be in accordance with the requirements for creditors in a timely manner the subscribed capital. The creditor shall have the right to demand the guarantor and its shareholders don't pay dividends.

Article 12 Change in the Main Contract

Guarantor agrees and confirmed: the creditor and the debtor negotiation to modify, change the main contract, or financing under the main contract extension, are considered to be already prior consent of the consent of the guarantor, don't need to inform the guarantor, the surety shall be relieved of the suretyship liability not breaks.

Article 13 Events of Default and Breach of Contract

1. Since this contract comes into force, the financier and the guarantor shall perform the obligations as agreed in the contract, any one party fails to perform or not completely fulfill the obligation of this contract, shall bear the corresponding liability for breach of contract.
 2. One of the following circumstances is a guarantor defaults:
 - (1) Any information provided by guarantor and the statements and commitments stated in Article 9 of this contract are false, inaccurate, incomplete and misunderstood.
 - (2) the guarantor violates of the foregoing provisions of Article 10, not disclose the significant transactions and events
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- (3) Deterioration of guarantor's credit status and obvious weakening of repayment ability (including contingent liability);
 - (4) Stopping doing business, going out of business, being announced bankruptcy, dissolution, cancellation of business license, involving in major business dispute, and deterioration of finance condition and so on;
 - (5) the guarantor/issuer or guarantor of controlling shareholders, actual controllers or associates involve significant litigation, arbitration or other disputes, or its material assets seizure, seizure, freezing, enforcement or be taken other measures to have the same effect.
 - (6) the guarantor/issuer or guarantor of the legal representative, the actual controllers, directors, supervisors and senior managers be taken other compulsory measures, criminal detention or be missing or is declared to be missing, lose the necessary capacity for civil conduct, unable to properly link, dies or is declared dead, death or after being declared dead no successor or legatee, property, receiver or the successor or legatee refused to accept the inheritance or bequest or guardian, the successor or legatee or property receiver refused to continue to perform the contract, under the guise of a marriage and relationship changes to transfer assets or trying to transfer assets, etc., lead to an adverse effect on the guarantor's solvency.
 - (7) the guarantor under this contract and the bank of any department or agency (including the bank subsidiary), other Banks, non-banking financial institutions or units of financing contract, guarantee any event of default under the contract or other contract.
 - (8) Other thing which may damage financier's right.
3. If the guarantor defaults, financier has the right to take one or more following measures:
- (1) require the guarantor to remedy;
 - (2) require the guarantor to perform guarantee obligation in advance;
 - (3) require the guarantor to provide a new full and effective guarantee;
 - (4) require the guarantor to perform immediately guarantee responsibility;
 - (5) require the guarantor to pay under the main contract to finance ten percent of the principal as the breach of contract;
 - (6) request the guarantor to compensate by default all losses arising from the creditors;
 - (7) to revoke and withdraw the actions of the guarantor damage the interests of creditors in accordance with the law;
 - (8) directly deduct the guarantor of any account funds to repay its debt within the scope of guarantee;
 - (9) to other legal means to pursue the guarantor's liability for breach of contract.

The guarantor shall make the implementation of the above measures and waive all defenses.

Article 14 The Independence of the Guarantor's Obligations

1. The guarantor's obligations under this contract have independence with no effect of the relationship between any party and the third party, except there are stipulates.
 2. The guarantee contract has independence, regardless of any conditions; the guarantee contract is effective even if the master contract is not effective. If the master contract is confirmed as invalid, then the guarantor still bear the joint liability for the debtor's debts.
 3. If the applicant violates the master contract (including but not limited to the applicant fails to use the loan under the sub-contract) , shall not affect the liability of guarantee, the guarantor cannot require to reduce or waive the responsibility of guarantee.
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Article 15 The Continuity of Obligation

1. All the guarantor's obligations under this contract have continuity, for his heir apparent, agent, receiver, the assignee and the main company after merger, reorganization, change the name is completely and equally binding.
2. The guarantor hereby acknowledges, financiers can continuously and cyclically to provide financing to the applicant under the contract, the guarantor has joint for liability of all claims, regardless of the times and sum of each financing.
3. The contract is a continuing guarantee, the guarantor shall bear responsibility of guarantee until the debts is paid off.
4. All or part of the release or discharge of the secured creditor based on any payments, guarantees or other disposition which have been declared invalid or must be repaid, the guarantor's responsibility will be remain in force.

Article 16 Priority Subrogation Arrangements

The guarantor states that, once the guarantor cannot assume security responsibility, and the guarantor itself has not sufficient property to be repaid, the financier has priority right of any claims against third parties, accounts receivable and other property interests. The guarantor will voluntarily relinquish the defenses against the financier under Article 28 of "security law".

Article 17 Offsetting Arrangements

The right of the financier under the contract cannot offsetting by the guarantor's or any other party's right of offsetting.

Article 18 Files, Communications and Notifications

1. The parties of this Contract hereby confirm that their domiciles and service methods given herein are their service addresses and methods of relevant legal documents (including but not limited arbitration application, arbitration notice, case filing notice or acceptance notice, statement of defense, written counterclaim, evidence, notice of court session, award, mediation document, execution notice, notice of performance within a time limit, and other legal documents during hearing and execution of arbitration).

Recipient: Pan Dangyu

Detailed Address: XINHU, MAAN TOWN, HUICHENG DISTRICT, HUIZHOU

Zip Code: 516000 Tel.: ***

Designated Agent (if any): Detailed Address:

Zip Code: Tel.:***

The parties of this Contract hereby confirm and agree to send legal documents by personal delivery or by the following methods:

Post; Fax, No. ; E-mail, Address: ;

SMS, Receiving No.:*** .

The foregoing legal documents shall be deemed as having been served (to the principal if having been served to the designated agent) once they are sent by any means to the address given above. In case of change of any party's service address and service method, the other party shall be timely notified in written form. If the other party is not timely notified, such change shall be deemed invalid and the party of change shall assume relevant responsibilities arising therefrom.

2. Any documents, communications and notifications sent by the way of the above address, shall be deemed to arrive on the following dates:

- (1) by post (including speed post, ordinary letter, registered mail), it will be deemed to arrive on the day after five working day;
- (2) by facsimile or other electronic means of communication, it will be deemed to arrive on day;
- (3) by personal delivery, the date of recipient is deemed to be arriving date.

Notifications by the way of website, online banking, telephone banking or business outlets announcement should be deemed to arrive on day. The creditor does not need to borne any responsibility for any transmission errors, omissions, or delays of mail, fax, telephone or any other communication system.

3. The two sides agreed that the seal of the office seal, financial seal, contract seal, receive seal and credit seal is the effective seal for the documents, communications and notifications. All staves of the debtor have right to receive files, communications and notifications.

Article 19 Applicable Law, Jurisdiction and Dispute Resolution

1. Effective performance, termination, interpretation and dispute settlement etc. of this contract is applicable for china laws.
2. For any dispute about this contract, guarantors and creditors should resolve through friendly consultations; If friendly negotiation fails, the both parties agree to solve by the following section (2) :
 - (2) To Shenzhen Arbitration Commission for arbitration, to resolve the dispute by the rules of the Arbitration Commission, that the arbitration award is final and binding on both parties. The site selection is in Shenzhen.
3. at the disputed period, the part of not involved has still to be carried out.

Article 20 The Contract Effectiveness and Other Matters

1. The contract shall take effect from the date of signature or stamp of both parties..
 2. After the effective of this contract, the master contract signed by the financier and the applicant does not need to be confirmed by the guarantor.
 3. (3) the guarantor has full read all the terms and conditions of this contract, and pay special attention to the terms of this contract with black font, at the request of the guarantor, the creditor has the corresponding provisions for the purpose of this contract to do, the guarantor/issuer the meanings of the terms of this contract and the corresponding legal consequences have all know and understand fully, volunteered to give priority to contract the debtor to provide guarantee, and guarantee obligations pursuant to this contract.
 4. During the effective period of this contract, the creditor gives to the debtor and the guarantor any tolerance, forgiveness, or delay to use the rights and interests, shall not damage, impact or limit the creditor to share the rights and interests in accordance with relevant laws and regulations and this contract, or to be deemed giving up the rights and interests, also do not affect the guarantor to borne any obligation under this contract.
 5. The creditor shall have the right to authorize or entrust other branch of industrial bank to perform rights and obligations under this contract (including but not limited to authorized or entrusted bank branches of other related contracts, etc.) according to the debtor's operation and management, or the loan under this contract as other branch's to undertake, without prior consent of the guarantor, and the guarantor still bear the responsibility of guarantee.
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6. The main contract for the creditor to a debtor to open the l/c, letter of guarantee or standby letter of credit business, creditor and the debtor of the letter of credit, letter of guarantee under the main contract or any modifications, additions or standby letter of credit financing under l/c, etc., such as the financing are considered to be modified or have the prior consent of the consent of the guarantor, the guarantor shall still undertake suretyship liability stipulated in this contract.
7. The attachment is an integral part of this contract, and the attachment of this contract is equally valid.
8. During the period of the line of credit, if the series of contracts, agreements and other legal documents are not explicitly for the contract of guarantee, that shall be deemed as a guarantee by the guarantee contract.
9. This contract is triplet, the creditor holds two copies, the guarantor holds one copy, with equal legal effect.

Article 21 The Notarization and Voluntarily to Accept Compulsory Execution

1. The contract should be in the provisions of the state notary office for notarization if any party request notarization.
2. The notarized contract have the enforcement effect, if the debtor fails to perform the debt or the creditor shall realize creditor's rights according to laws and regulations and this contract, the creditor shall have the right to directly apply the people's court with jurisdiction for enforcement.

Article 22 Supplement

The creditor (official seal): /s/ [COMPANY SEAL]
the legal representative (signature):

The guarantor :
the guarantor (signature):Pan Dangyu ID NO:***
The guarantor's spouse special commitment:

Himself as a surety of a spouse, as well as the performance of this guarantee contract agreed to the guarantor, have to pay special attention to the contract terms and related rights and obligations and black restrict or exemption clauses, and on a comprehensive and accurate understanding and the terms of the contract is given priority to with the common property of husband and wife agreed to in accordance with the contract debt under contract to provide joint liability guarantee.

Signature: Yin Zhoutao ID: ***

MAXIMUM AMOUNT GUARANTY CONTRACT

(Apply to lines of credit)

Ref: Xing Yin Shen Longgang Credit (Guarantee) Zi (2017) No. 0238C

Creditor: Industrial Bank Co., Ltd. , Shenzhen Longgang Branch

Address: Parkland, Longxiang Road, Longgang Town, Shenzhen

Legal Representative / CEO: Wen Xiaoxia

Guarantor: Icon Energy System (Shenzhen) Co., Ltd.

Legal Representative / CEO: Pan Dangyu

Contract signed at: Industrial Bank Building, Industrial Bank Co., Ltd. Shenzhen Branch, Futian, Shenzhen

Important notes:

For protecting your rights and interests, please read, check and confirm following items carefully before signing:

1. You have the right to sign this contract. Or you have been given sufficient authority legally.
2. You have read and understood this contract carefully and sufficiently, and have paid attention on assuming, exempting or limiting responsibilities of Industrial Bank Co., Ltd., and the content with bold font.
3. Your company and you have understood the meaning of this contract and relevant legal consequence, and agree to accept these provisions.
4. The contract provided by Industrial Bank Co., Ltd. is a model contract. There is space for modifying, supplement and deleting.
5. If you have further questions to this contract, please consult Industrial Bank Co., Ltd.

The guarantor is voluntary as a financier ("creditor") to provide security for the line of credit of the applicant Huizhou Highpower Technology Co., Ltd. (or "debtor"). In order to clarify the rights and duties, abide by credit, the contracting parties signed this contract in accordance with relevant laws and regulations to comply with.

Article 1 Definition and Interpretation

In addition to agreed in writing by both parties, then:

1. The master contract (as defined below) agreed definitions and interpretations applicable to this contract.
2. The "claims" or called the principal debt, means the debt approval and provided by the creditor, including loans, lending, trade finance (including but not limited to issuing letters of credit, trust receipts, packing loans, export financing, export collection bills and import bills, etc.), bankers' acceptances, discounted bills , bills buyback, guarantees (including the Independent guarantees, see demand guarantees and standby letters of credit, etc.) and other financing business (including principal, interest, penalty interest, compound interest, liquidated damages, damages, cost of achieving the claim).

Under this contract, the claim of the financier and the debt of the applicant mean the same content.

3. The "principal" refers to the principal debt made by the business transacted by the financier, including but not limited to the principal loans, trade finance capital, bankers' acceptances fare, bill discounting, money advanced for credit of letter, the principal part of guaranteed by the creditor for the debtor.
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4. The "guaranteed maximum principal" means the amount agreed by both parties in order to clarify the scope of the claims guaranteed by the covenant. Regardless of times and sum of the debt, the guarantor takes joint liability for all debt under the guaranteed maximum principal.

5. The "validity of guarantee" refers to a continuous uninterrupted period agreed by both parties in order to clarify the scope of the claims by the covenant. The debt happened during the period, whether the settlement deadline is over that period or not, the guarantor takes joint liability for all debt under the guaranteed maximum principal.

6. "The cost of the claim for the creditor" refers to the necessary fees of achieving the credit, including take litigation, arbitration and other ways to pay litigation (arbitration) fees, legal fees, travel expenses, execution fees, security fees, and other expenses.

7. "Master Contract" means credit contract (that is, "General Agreement") and all sub-contract signed by the financier and the applicant. "Sub-contract" means based on the basic or special contract, the contract signed by both parties after getting approval of the creditor, include the content of each sum, the due date and other rights and obligations. The sub-contract is an integral part of the basic or special contract, with the same legal effect. The forms of contract can be different according to business needs, as the application of L/C, bills or other manner considered fit by the creditor. If the master contract and sub-contract has different part, the sub-contract will be effective.

8. This "working day" refers to the bank business day, If a withdrawal or repayment date is not a Business Day, delay to the next business day.

Article 2 The Main Credit Contract of Guarantee

The master contract of guarantee is **Basic Credit Line Contract** (No. XingYin ShenLonggang Credit Zi (2017) No. 0238), and its sub-contracts. The sum of credit is RMB twenty million only, credit period is from 20th Sep 2017 to 20th Sep 2018. The guarantor will be borne joint liability for all debts under the master contract.

Article 3 Maximum Guarantee Principal

1. Under this contract, maximum guarantee principal is RMB (in word) TWENTY MILLION YUAN ONLY.
2. Under the maximum guarantee principal, the guarantor is borne joint liability for all debt balance (including principal, interest, penalty, compound interest, liquidated damages, damages, realization of claims).

Article 4 Validity of Guarantee

1. Valid period is from 20th Sep 2017 to 20th Sep 2018.
2. The loan under the contract can be used only when during the period of validity, but the guarantor is borne joint liability for each debt whether the debt is in or over the validity of the guarantee contract.

Article 5 Guarantee Responsibility

1. The guarantor is borne joint liability under this contract. For whatever reason, if the applicant fails to fulfill due debts under the master contract (including but not limited to early recovery of debts because of the default of the applicant or the guarantor's request), the guarantor shall perform the repayment obligation on behalf of the debtor.
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2. If there are several guarantors under this contract, all guarantors shall jointly bear joint responsibility.
3. Main debts expire, the debtor fails to repay the debt and interest, the guarantor shall perform the repayment obligation.
4. Furthering the period of the main debt, if the creditor recovers the debt in advance according to the master contract, the guarantor shall bear joint responsibility for this and other debts under the guarantee contract.

Article 6 Scope of Guarantee

1. The financial claims under this contract ("the secured claims") refers to all debts provided by the creditor to the debtor, including but not limited to the principal debt, interest (including default interest, compound interest), breach of contract, damages, expenses of claims.
2. On the due date, if the applicant refused to repay the loan, which lead to the debt rights also in the range of the guarantee.
3. The principal, interest and other costs, the time of performance, usage, rights and obligations of the parties as well as any other relevant matters under the contract shall prevail by relevant agreements, contracts, application, notice, various certificates and other records, all kinds of certificates and other relevant legal documents issued or signed without guarantor's confirmation.
4. In order to avoid ambiguity, all fees of prepare, improve, perform or enforce the contract (including, but not limited to attorney's fees, litigation or arbitration costs etc.) constitute a part of the secured debt.

Article 7 Warranty Period

The warranty period under the contract:

1. The warranty period under the contract is calculated according to each financing applied by the applicant. For each financing, the warranty period is ended after two years of the expiration.
 2. If there are several financings in one master contract, the warranty period of each financing is ended after two years of the expiration.
 3. If the principal debt is repayable in installments, there are several financings in one master contract, each warranty period is calculated in installments, and the guarantor shall bear responsibility for two years from the date of expiry.
 4. If any extension agreement is signed by financier and debtor without agreed by the guarantor, the guarantor will still bear responsibility for all financing under the contract within two years from the date of extension expiry.
 5. If the financier decides to recover the debts in advance, the warranty period is two years since the date of expiry noticed by the financier.
 6. The warranty period of bankers' acceptances, letters of credit and letters of guarantee is two years from the date of advance payments. If advance for several times, warranty period is calculated from each advance payment.
 7. The warranty period of commercial bills is two years from the date of discount maturity.
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Article 8 On Demand

As long as financiers submitted notification of debt collection to the guarantor with the contract number and the amount of debt, the guarantor shall immediately perform the repayment and give up all reasons of defense.

Article 9 Declaration and Commitment of Guarantor

The guarantor voluntarily made the following statement and commitment, and liable for its truthfulness:

1. The guarantor is established under the laws and a validly existing legal company, with full civil capacity. The guarantor follows the creditor's request to provide relevant evidence, permits, certificates and other documents required by the creditor.
 2. The guarantor has sufficient capacity to fulfill all the obligations and responsibility under the contract, not because of any instruction, financial conditions change, or any agreement with any party to reduce or waive their commitment to settle the obligation.
 3. The guarantor has sufficient power, authority and legal right to sign this contract, the guarantor has obtained and fulfilled all necessary approvals and authorizations of its internal or other relevant procedures to make the contract execution and performance, and has achieved and fulfilled any government department or other authority's approval, registration, authorization, consent, license or other relevant procedures for this contract, and signed this contract with all the necessary approvals, registrations, consents, licenses, authorizations and other related procedures remain fully valid.
 4. The guarantor signed the contract in full compliance with the relevant Articles of the guarantor, the internal decisions, shareholders and board resolution. The contract does not conflict with any charter, internal decisions, shareholders resolutions, board resolution and the guarantor's policies.
 5. The execution and performance of this contract is based on the guarantor's true intention. Loan facility is compliance with legal and regulatory requirements, execution and performance of this contract does not violate any binding law, regulation, ordinance or the contract. This contract is valid and enforceable, as a result of the guarantor's defects in the execution and performance of this contract to result in the contract is invalid, the guarantor will immediately and unconditionally make compensation for all losses to the creditor.
 6. Under this contract, all the documents, financial statements and other information provided by the guarantor is true, complete, accurate and effective, and continue to fulfill the creditor's request of the financial indicators.
 7. Such as a change in ownership structure or key management personnel or other significant events and significant transactions, the guarantor shall require the prior written consent of the financier.
 9. When the guarantor has fulfilled the guarantee responsibilities, the guarantor has the right to recover the money from the applicant without prejudice the repayment in the future. However, if the applicant has the claim of the guarantor and the requirement of repayment from the financier at the same time, the guarantor agreed the applicant to repay the debt of the financier first.
 10. If the applicant and the guarantor have or will sign a counter-guarantee contract in respect of the obligations under the contract, the counter-guarantee contract shall not prejudice any rights of the financier in law or in fact under the contract.
 11. Before pay off the debts, regardless of any reason lead to reduce the guarantee ability of guarantor, the financier has the right to require the guarantor to provide a new full and effective guarantee.
 12. There was no any litigation, arbitration or administrative proceedings for the guarantor's outstanding or known to occur on the guarantor, and there was no events of liquidation or other similar proceedings whether it comes forward by the guarantor or by a third party.
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13. If the creditor is forced into disputes between the guarantor and any other party because of fulfilling the obligations under the contract, the guarantor should pay litigation or arbitration costs, legal costs and other expenses.

14. As under the master contract, there are other guarantees (including but not limited to guarantee, mortgage, pledge, standby and any other form of security), the guarantor agrees that one can give up part of security interest or security interest subordinated (including the collateral is based on the collateral provided by the debtor), financier and any mortgagor / pledgor (including the mortgagor / pledgor artificially is the debtor himself) can be varied by agreement and subordinated security interest, the amount of the secured creditor and other content, even if financiers made the above act, the guarantor is still voluntary to bear all responsibility of this contract.

15. The guarantor is a company, the commitment to its publication in the national enterprise credit information system of the public information is true, complete and valid, the consent of the guarantor promises continued creditors to query the system in the enterprises to choose the public and not the public information. If required by the creditor to capital verification, the guarantor agrees to capital verification in accordance with the requirements of the creditors and provide professional agency issue a capital verification report.

16. For under this contract and the guarantor/issuer and the bank of any department or agency (including the bank subsidiary), other Banks, non-banking financial institutions or units of financing contract, guarantee under the contract or other contract of any event of default, the guarantor shall promptly notify the creditors in written form.

17. The guarantor if the state administration for industry and commerce or other relevant departments of the state in any establishment, modification or cancellation of registration, it shall notify the creditors prior to application for registration, and immediately after the completion of the registration of the relevant registration copy and submit it to the creditors.

18. The guarantor in this declaration and authorization, the creditor shall have the right to the credit condition of the guarantor has the necessary investigation, and may, according to government departments, bank regulators, and the people's bank of China on the need of construction enterprise and individual credit reporting work, the information about the contract and other relevant information to the departments or institutions established or approved credit inquiry system to submit the credit information, and allows information to be legitimate query here.

Article 10 Obligations of Disclosing Important Transactions and Events

1. Guarantor should inform financier of significant transactions and events of guarantor in written timely.

2. During valid period of this contract, stock transfer, reorganization, merger, discrete, shareholding reform, joint venture, cooperation, joint operation, contract, lease, business scope, change of registered capital, major asset transfer, contingent liability, or anything which may affect guarantor's ability of assuming responsibility should be notified to financier in writing 30 days in advance.

3. Termination of business, going out of business, bankruptcy, dissolution, cancellation of business license, deterioration of financial situation or involving in major business dispute, or anything may affect guarantor's ability to assume responsibility should be noticed to financier in 7 days by written since the date above things take place.

4. When guarantor involves in major litigation or arbitration with any third party, or other significant thing which may affect guarantor's ability to assume responsibility, financier should be notified by written in 7 days since the date guarantor receives relevant notice.

5. The guarantor promises that it will not use its legal dispute with third party to damage financier's right.

Article 11 The Rights of Creditors

1. The main creditor under the contract expires or the guarantor fails to perform under this contract, the financier has the right to directly deduct the funds from any account of the guarantor.
2. The creditor shall have the right to request the guarantor to provide at any time reflects the business situation and credit circumstance of financial reports, financial statements and other information.
3. As under the master contract , there are other guarantees (including but not limited to guarantee , mortgage , pledge, standby and any other form of security) , the guarantor agrees that one can give up part of security interest or security interest subordinated (including the collateral is based on the collateral provided by the debtor) , financier and any mortgagor / pledgor (including the mortgagor / pledgor artificially is the debtor himself) can be varied by agreement and subordinated security interest, the amount of the secured creditor and other content, even if financiers made the above act, the guarantor is still voluntary to bear all responsibility of this contract.
4. This contract prior to the establishment of the guarantee or is determined, do not need a guarantor agrees, the creditor shall have the right to the part or all of the creditor's rights under the main contract and its corresponding guarantee rights transferred to a third party (or to establish a trust, the asset management plan and other special purpose vehicle). The guarantor agrees to have the transfer and transfer (if any) of the creditor's rights, still for the creditor's rights and the transferee in accordance with the contract agreement (or to establish a trust, the asset management plan and other special purpose vehicle) and the original security (if any) to provide guarantee to the creditor.
5. The guarantor if it is a company, if the guarantor in default under this contract, or may endanger realize creditor's rights of the creditor, the creditor shall have the right to demand the guarantor and its shareholders expire subscribed capital contribution obligation acceleration, the guarantor should be in accordance with the requirements for creditors in a timely manner the subscribed capital. The creditor shall have the right to demand the guarantor and its shareholders don't pay dividends.

Article 12 Change in the Main Contract

Guarantor agrees and confirmed: the creditor and the debtor negotiation to modify, change the main contract, or financing under the main contract extension, are considered to be already prior consent of the consent of the guarantor, don't need to inform the guarantor, the surety shall be relieved of the suretyship liability not breaks.

Article 13 Events of Default and Breach of Contract

1. Since this contract comes into force, the financier and the guarantor shall perform the obligations as agreed in the contract, any one party fails to perform or not completely fulfill the obligation of this contract, shall bear the corresponding liability for breach of contract.
 2. One of the following circumstances is a guarantor defaults:
 - (1) Any information provided by guarantor and the statements and commitments stated in Article 9 of this contract are false, inaccurate, incomplete and misunderstood.
 - (2) the guarantor violates of the foregoing provisions of Article 10, not disclose the significant transactions and events
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- (3) Deterioration of guarantor's credit status and obvious weakening of repayment ability (including contingent liability);
 - (4) Stopping doing business, going out of business, being announced bankruptcy, dissolution, cancellation of business license, involving in major business dispute, and deterioration of finance condition and so on;
 - (5) the guarantor/issuer or guarantor of controlling shareholders, actual controllers or associates involve significant litigation, arbitration or other disputes, or its material assets seizure, seizure, freezing, enforcement or be taken other measures to have the same effect.
 - (6) the guarantor/issuer or guarantor of the legal representative, the actual controllers, directors, supervisors and senior managers be taken other compulsory measures, criminal detention or be missing or is declared to be missing, lose the necessary capacity for civil conduct, unable to properly link, dies or is declared dead, death or after being declared dead no successor or legatee, property, receiver or the successor or legatee refused to accept the inheritance or bequest or guardian, the successor or legatee or property receiver refused to continue to perform the contract, under the guise of a marriage and relationship changes to transfer assets or trying to transfer assets, etc., lead to an adverse effect on the guarantor's solvency.
 - (7) the guarantor under this contract and the bank of any department or agency (including the bank subsidiary), other Banks, non-banking financial institutions or units of financing contract, guarantee any event of default under the contract or other contract.
 - (8) Other thing which may damage financier's right.
3. If the guarantor defaults, financier has the right to take one or more following measures:
- (1) require the guarantor to remedy;
 - (2) require the guarantor to perform guarantee obligation in advance;
 - (3) require the guarantor to provide a new full and effective guarantee;
 - (4) require the guarantor to perform immediately guarantee responsibility;
 - (5) require the guarantor to pay under the main contract to finance ten percent of the principal as the breach of contract;
 - (6) request the guarantor to compensate by default all losses arising from the creditors;
 - (7) to revoke and withdraw the actions of the guarantor damage the interests of creditors in accordance with the law;
 - (8) directly deduct the guarantor of any account funds to repay its debt within the scope of guarantee;
 - (9) to other legal means to pursue the guarantor's liability for breach of contract.
- The guarantor shall make the implementation of the above measures and waive all defenses.

Article 14 The Independence of the Guarantor's Obligations

- 1. The guarantor's obligations under this contract have independence with no effect of the relationship between any party and the third party, except there are stipulates.
 - 2. The guarantee contract has independence, regardless of any conditions; the guarantee contract is effective even if the master contract is not effective. If the master contract is confirmed as invalid, then the guarantor still bear the joint liability for the debtor's debts.
 - 3. If the applicant violates the master contract (including but not limited to the applicant fails to use the loan under the sub-contract) , shall not affect the liability of guarantee, the guarantor cannot require to reduce or waive the responsibility of guarantee.
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The foregoing legal documents shall be deemed as having been served (to the principal if having been served to the designated agent) once they are sent by any means to the address given above. In case of change of any party's service address and service method, the other party shall be timely notified in written form. If the other party is not timely notified, such change shall be deemed invalid and the party of change shall assume relevant responsibilities arising therefrom.

2. Any documents, communications and notifications sent by the way of the above address, shall be deemed to arrive on the following dates:

- (1) by post (including speed post, ordinary letter, registered mail), it will be deemed to arrive on the day after five working day;
- (2) by facsimile or other electronic means of communication, it will be deemed to arrive on day;
- (3) by personal delivery, the date of recipient is deemed to be arriving date.

Notifications by the way of website, online banking, telephone banking or business outlets announcement should be deemed to arrive on day. The creditor does not need to borne any responsibility for any transmission errors, omissions, or delays of mail, fax, telephone or any other communication system.

3. The two sides agreed that the seal of the office seal, financial seal, contract seal, receive seal and credit seal is the effective seal for the documents, communications and notifications. All staves of the debtor have right to receive files, communications and notifications.

Article 19 Applicable Law, Jurisdiction and Dispute Resolution

1. Effective performance, termination, interpretation and dispute settlement etc. of this contract is applicable for china laws.
2. For any dispute about this contract, guarantors and creditors should resolve through friendly consultations; If friendly negotiation fails, the both parties agree to solve by the following section (2) :
- (2) To Shenzhen Arbitration Commission for arbitration, to resolve the dispute by the rules of the Arbitration Commission, that the arbitration award is final and binding on both parties. The site selection is in Shenzhen.
3. at the disputed period, the part of not involved has still to be carried out.

Article 20 The Contract Effectiveness and Other Matters

1. The contract shall take effect from the date of signature or stamp of both parties..
 2. After the effective of this contract, the master contract signed by the financier and the applicant does not need to be confirmed by the guarantor.
 3. (3) the guarantor has full read all the terms and conditions of this contract, and pay special attention to the terms of this contract with black font, at the request of the guarantor, the creditor has the corresponding provisions for the purpose of this contract to do, the guarantor/issuer the meanings of the terms of this contract and the corresponding legal consequences have all know and understand fully, volunteered to give priority to contract the debtor to provide guarantee, and guarantee obligations pursuant to this contract.
 4. During the effective period of this contract, the creditor gives to the debtor and the guarantor any tolerance, forgiveness, or delay to use the rights and interests, shall not damage, impact or limit the creditor to share the rights and interests in accordance with relevant laws and regulations and this contract, or to be deemed giving up the rights and interests, also do not affect the guarantor to borne any obligation under this contract.
 5. The creditor shall have the right to authorize or entrust other branch of industrial bank to perform rights and obligations under this contract (including but not limited to authorized or entrusted bank branches of other related contracts, etc.) according to the debtor's operation and management, or the loan under this contract as other branch's to undertake, without prior consent of the guarantor, and the guarantor still bear the responsibility of guarantee.
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6. The main contract for the creditor to a debtor to open the l/c, letter of guarantee or standby letter of credit business, creditor and the debtor of the letter of credit, letter of guarantee under the main contract or any modifications, additions or standby letter of credit financing under l/c, etc., such as the financing are considered to be modified or have the prior consent of the consent of the guarantor, the guarantor shall still undertake suretyship liability stipulated in this contract.
7. The attachment is an integral part of this contract, and the attachment of this contract is equally valid.
8. During the period of the line of credit, if the series of contracts, agreements and other legal documents are not explicitly for the contract of guarantee, that shall be deemed as a guarantee by the guarantee contract.
9. This contract is triplet, the creditor holds two copies, the guarantor holds one copy, with equal legal effect.

Article 21 The Notarization and Voluntarily to Accept Compulsory Execution

1. The contract should be in the provisions of the state notary office for notarization if any party request notarization.
2. The notarized contract have the enforcement effect, if the debtor fails to perform the debt or the creditor shall realize creditor's rights according to laws and regulations and this contract, the creditor shall have the right to directly apply the people's court with jurisdiction for enforcement.

Article 22 Supplement:

The creditor (official seal): /s/ [COMPANY SEAL] _____
the legal representative (signature):

The guarantor (official seal): /s/ [COMPANY SEAL] _____
the legal representative (signature):

MAXIMUM AMOUNT GUARANTY CONTRACT
(Apply to lines of credit)

Ref: Xing Yin Shen Longgang Credit (Guarantee) Zi (2017) No. 0238A
Creditor: Industrial Bank Co., Ltd. , Shenzhen Longgang Branch
Address: Parkland, Longxiang Road, Longgang Town, Shenzhen
Legal Representative / CEO: Wen Xiaoxia

Guarantor: Shenzhen Highpower Technology Co., Ltd.
Legal Representative / CEO: Pan Dangyu

Contract signed at: Industrial Bank Building, Industrial Bank Co., Ltd. Shenzhen Branch, Futian, Shenzhen

Important notes:

For protecting your rights and interests, please read, check and confirm following items carefully before signing:

1. You have the right to sign this contract. Or you have been given sufficient authority legally.
2. You have read and understood this contract carefully and sufficiently, and have paid attention on assuming, exempting or limiting responsibilities of Industrial Bank Co., Ltd., and the content with bold font.
3. Your company and you have understood the meaning of this contract and relevant legal consequence, and agree to accept these provisions.
4. The contract provided by Industrial Bank Co., Ltd. is a model contract. There is space for modifying, supplement and deleting.
5. If you have further questions to this contract, please consult Industrial Bank Co., Ltd.

The guarantor is voluntary as a financier ("creditor") to provide security for the line of credit of the applicant Huizhou Highpower Technology Co., Ltd. (or "debtor"). In order to clarify the rights and duties, abide by credit, the contracting parties signed this contract in accordance with relevant laws and regulations to comply with.

Article 1 Definition and Interpretation

In addition to agreed in writing by both parties, then:

1. The master contract (as defined below) agreed definitions and interpretations applicable to this contract.
 2. The "claims" or called the principal debt, means the debt approval and provided by the creditor, including loans, lending, trade finance (including but not limited to issuing letters of credit, trust receipts, packing loans, export financing, export collection bills and import bills, etc.), bankers' acceptances, discounted bills, bills buyback, guarantees (including the Independent guarantees, see demand guarantees and standby letters of credit, etc.) and other financing business (including principal, interest, penalty interest, compound interest, liquidated damages, damages, cost of achieving the claim).
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Under this contract, the claim of the financier and the debt of the applicant mean the same content.

3. The "principal" refers to the principal debt made by the business transacted by the financier, including but not limited to the principal loans, trade finance capital, bankers' acceptances fare, bill discounting, money advanced for credit of letter, the principal part of guaranteed by the creditor for the debtor.

4. The "guaranteed maximum principal" means the amount agreed by both parties in order to clarify the scope of the claims guaranteed by the covenant. Regardless of times and sum of the debt, the guarantor takes joint liability for all debt under the guaranteed maximum principal.

5. The "validity of guarantee" refers to a continuous uninterrupted period agreed by both parties in order to clarify the scope of the claims by the covenant. The debt happened during the period, whether the settlement deadline is over that period or not, the guarantor takes joint liability for all debt under the guaranteed maximum principal.

6. "The cost of the claim for the creditor" refers to the necessary fees of achieving the credit, including take litigation, arbitration and other ways to pay litigation (arbitration) fees, legal fees, travel expenses, execution fees, security fees, and other expenses.

7. "Master Contract" means credit contract (that is, "General Agreement") and all sub-contract signed by the financier and the applicant.

"Sub-contract" means based on the basic or special contract, the contract signed by both parties after getting approval of the creditor, include the content of each sum, the due date and other rights and obligations. The sub-contract is an integral part of the basic or special contract, with the same legal effect. The forms of contract can be different according to business needs, as the application of L/C, bills or other manner considered fit by the creditor. If the master contract and sub-contract has different part, the sub-contract will be effective.

8. This "working day" refers to the bank business day, If a withdrawal or repayment date is not a Business Day, delay to the next business day.

Article 2 The Main Credit Contract of Guarantee

The master contract of guarantee is Basic Credit Line Contract (No. XingYin Shen Longgang Credit Zi (2017) No. 0238), and its sub-contracts. The sum of credit is RMB fifty million only, credit period is from 20th Sept 2017 to 20th Sept 2018 . The guarantor will be borne joint liability for all debts under the master contract.

Article 3 Maximum Guarantee Principal

1. Under this contract, maximum guarantee principal is RMB (in word) TWENTY MILLION YUAN ONLY.

2. Under the maximum guarantee principal, the guarantor is borne joint liability for all debt balance (including principal, interest, penalty, compound interest, liquidated damages, damages, realization of claims).

Article 4 Validity of Guarantee

1. Valid period is from 20th Sept 2017 to 20th Sept 2018.
2. The loan under the contract can be used only when during the period of validity, but the guarantor is borne joint liability for each debt whether the debt is in or over the validity of the guarantee contract.

Article 5 Guarantee Responsibility

1. The guarantor is borne joint liability under this contract. For whatever reason, if the applicant fails to fulfill due debts under the master contract (including but not limited to early recovery of debts because of the default of the applicant or the guarantor's request), the guarantor shall perform the repayment obligation on behalf of the debtor.
2. If there are several guarantors under this contract, all guarantors shall jointly bear joint responsibility.
3. Main debts expire, the debtor fails to repay the debt and interest, the guarantor shall perform the repayment obligation.
4. Furthering the period of the main debt, if the creditor recovers the debt in advance according to the master contract, the guarantor shall bear joint responsibility for this and other debts under the guarantee contract.

Article 6 Scope of Guarantee

1. The financial claims under this contract ("the secured claims") refers to all debts provided by the creditor to the debtor, including but not limited to the principal debt, interest (including default interest, compound interest), breach of contract, damages, expenses of claims.
2. On the due date, if the applicant refused to repay the loan, which lead to the debt rights also in the range of the guarantee.
3. The principal, interest and other costs, the time of performance, usage, rights and obligations of the parties as well as any other relevant matters under the contract shall prevail by relevant agreements, contracts, application, notice, various certificates and other records, all kinds of certificates and other relevant legal documents issued or signed without guarantor's confirmation.
4. In order to avoid ambiguity, all fees of prepare, improve, perform or enforce the contract (including, but not limited to attorney's fees, litigation or arbitration costs etc.) constitute a part of the secured debt.

Article 7 Warranty Period

The warranty period under the contract:

1. The warranty period under the contract is calculated according to each financing applied by the applicant. For each financing, the warranty period is ended after two years of the expiration.
 2. If there are several financings in one master contract, the warranty period of each financing is ended after two years of the expiration.
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3. If the principal debt is repayable in installments, there are several financings in one master contract, each warranty period is calculated in installments, and the guarantor shall bear responsibility for two years from the date of expiry.
4. If any extension agreement is signed by financier and debtor without agreed by the guarantor, the guarantor will still bear responsibility for all financing under the contract within two years from the date of extension expiry.
5. If the financier decides to recover the debts in advance, the warranty period is two years since the date of expiry noticed by the financier.
6. The warranty period of bankers' acceptances, letters of credit and letters of guarantee is two years from the date of advance payments. If advance for several times, warranty period is calculated from each advance payment.
7. The warranty period of commercial bills is two years from the date of discount maturity.

Article 8 On Demand

As long as financiers submitted notification of debt collection to the guarantor with the contract number and the amount of debt, the guarantor shall immediately perform the repayment and give up all reasons of defense.

Article 9 Declaration and Commitment of Guarantor

The guarantor voluntarily made the following statement and commitment, and liable for its truthfulness:

1. The guarantor is established under the laws and a validly existing legal company, with full civil capacity. The guarantor follows the creditor's request to provide relevant evidence, permits, certificates and other documents required by the creditor.
 2. The guarantor has sufficient capacity to fulfill all the obligations and responsibility under the contract, not because of any instruction, financial conditions change, or any agreement with any party to reduce or waive their commitment to settle the obligation.
 3. The guarantor has sufficient power, authority and legal right to sign this contract, the guarantor has obtained and fulfilled all necessary approvals and authorizations of its internal or other relevant procedures to make the contract execution and performance, and has achieved and fulfilled any government department or other authority's approval, registration, authorization, consent, license or other relevant procedures for this contract, and signed this contract with all the necessary approvals, registrations, consents, licenses, authorizations and other related procedures remain fully valid.
 4. The guarantor signed the contract in full compliance with the relevant Articles of the guarantor, the internal decisions, shareholders and board resolution. The contract does not conflict with any charter, internal decisions, shareholders resolutions, board resolution and the guarantor's policies.
 5. The execution and performance of this contract is based on the guarantor's true intention. Loan facility is compliance with legal and regulatory requirements, execution and performance of this contract does not violate any binding law, regulation, ordinance or the contract. This contract is valid and enforceable, as a result of the guarantor's defects in the execution and performance of this contract to result in the contract is invalid, the guarantor will immediately and unconditionally make compensation for all losses to the creditor.
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6. Under this contract, all the documents, financial statements and other information provided by the guarantor is true, complete, accurate and effective, and continue to fulfill the creditor's request of the financial indicators.
 7. Such as a change in ownership structure or key management personnel or other significant events and significant transactions, the guarantor shall require the prior written consent of the financier.
 9. When the guarantor has fulfilled the guarantee responsibilities, the guarantor has the right to recover the money from the applicant without prejudice the repayment in the future. However, if the applicant has the claim of the guarantor and the requirement of repayment from the financier at the same time, the guarantor agreed the applicant to repay the debt of the financier first.
 10. If the applicant and the guarantor have or will sign a counter- guarantee contract in respect of the obligations under the contract, the counter-guarantee contract shall not prejudice any rights of the financier in law or in fact under the contract.
 11. Before pay off the debts, regardless of any reason lead to reduce the guarantee ability of guarantor, the financier has the right to require the guarantor to provide a new full and effective guarantee.
 12. There was no any litigation, arbitration or administrative proceedings for the guarantor's outstanding or known to occur on the guarantor, and there was no events of liquidation or other similar proceedings whether it comes forward by the guarantor or by a third party.
 13. If the creditor is forced into disputes between the guarantor and any other party because of fulfilling the obligations under the contract, the guarantor should pay litigation or arbitration costs, legal costs and other expenses.
 14. As under the master contract , there are other guarantees (including but not limited to guarantee , mortgage , pledge, standby and any other form of security) , the guarantor agrees that one can give up part of security interest or security interest subordinated (including the collateral is based on the collateral provided by the debtor) , financier and any mortgagor / pledgor (including the mortgagor / pledgor artificially is the debtor himself) can be varied by agreement and subordinated security interest, the amount of the secured creditor and other content, even if financiers made the above act, the guarantor is still voluntary to bear all responsibility of this contract.
 15. The guarantor is a company, the commitment to its publication in the national enterprise credit information system of the public information is true, complete and valid, the consent of the guarantor promises continued creditors to query the system in the enterprises to choose the public and not the public information. If required by the creditor to capital verification, the guarantor agrees to capital verification in accordance with the requirements of the creditors and provide professional agency issue a capital verification report.
 16. For under this contract and the guarantor/issuer and the bank of any department or agency (including the bank subsidiary), other Banks, non-banking financial institutions or units of financing contract, guarantee under the contract or other contract of any event of default, the guarantor shall promptly notify the creditors in written form.
 17. The guarantor if the state administration for industry and commerce or other relevant departments of the state in any establishment, modification or cancellation of registration, it shall notify the creditors prior to application for registration, and immediately after the completion of the registration of the relevant registration copy and submit it to the creditors.
 18. The guarantor in this declaration and authorization, the creditor shall have the right to the credit condition of the guarantor has the necessary investigation, and may, according to government departments, bank regulators, and the people's bank of China on the need of construction enterprise and individual credit reporting work, the information about the contract and other relevant information to the departments or institutions established or approved credit inquiry system to submit the credit information, and allows information to be legitimate query here.
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Article 10 Obligations of Disclosing Important Transactions and Events

1. Guarantor should inform financier of significant transactions and events of guarantor in written timely.
2. During valid period of this contract, stock transfer, reorganization, merger, discrete, shareholding reform, joint venture, cooperation, joint operation, contract, lease, business scope, change of registered capital, major asset transfer, contingent liability, or anything which may affect guarantor's ability of assuming responsibility should be notified to financier in writing 30 days in advance.
3. Termination of business, going out of business, bankruptcy, dissolution, cancellation of business license, deterioration of financial situation or involving in major business dispute, or anything may affect guarantor's ability to assume responsibility should be noticed to financier in 7 days by written since the date above things take place.
4. When guarantor involves in major litigation or arbitration with any third party, or other significant thing which may affect guarantor's ability to assume responsibility, financier should be notified by written in 7 days since the date guarantor receives relevant notice.
5. The guarantor promises that it will not use its legal dispute with third party to damage financier's right.

Article 11 The Rights of Creditors

1. The main creditor under the contract expires or the guarantor fails to perform under this contract, the financier has the right to directly deduct the funds from any account of the guarantor.
 2. The creditor shall have the right to request the guarantor to provide at any time reflects the business situation and credit circumstance of financial reports, financial statements and other information.
 3. As under the master contract, there are other guarantees (including but not limited to guarantee, mortgage, pledge, standby and any other form of security), the guarantor agrees that one can give up part of security interest or security interest subordinated (including the collateral is based on the collateral provided by the debtor), financier and any mortgagor / pledgor (including the mortgagor / pledgor artificially is the debtor himself) can be varied by agreement and subordinated security interest, the amount of the secured creditor and other content, even if financiers made the above act, the guarantor is still voluntary to bear all responsibility of this contract.
 4. This contract prior to the establishment of the guarantee or is determined, do not need a guarantor agrees, the creditor shall have the right to the part or all of the creditor's rights under the main contract and its corresponding guarantee rights transferred to a third party (or to establish a trust, the asset management plan and other special purpose vehicle). The guarantor agrees to have the transfer and transfer (if any) of the creditor's rights, still for the creditor's rights and the transferee in accordance with the contract agreement (or to establish a trust, the asset management plan and other special purpose vehicle) and the original security (if any) to provide guarantee to the creditor.
 5. The guarantor if it is a company, if the guarantor in default under this contract, or may endanger realize creditor's rights of the creditor, the creditor shall have the right to demand the guarantor and its shareholders expire subscribed capital contribution obligation acceleration, the guarantor should be in accordance with the requirements for creditors in a timely manner the subscribed capital. The creditor shall have the right to demand the guarantor and its shareholders don't pay dividends.
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Article 12 Change in the Main Contract

Guarantor agrees and confirmed: the creditor and the debtor negotiation to modify, change the main contract, or financing under the main contract extension, are considered to be already prior consent of the consent of the guarantor, don't need to inform the guarantor, the surety shall be relieved of the suretyship liability not breaks.

Article 13 Events of Default and Breach of Contract

1. Since this contract comes into force, the financier and the guarantor shall perform the obligations as agreed in the contract, any one party fails to perform or not completely fulfill the obligation of this contract, shall bear the corresponding liability for breach of contract.

2. One of the following circumstances is a guarantor defaults:

(1) Any information provided by guarantor and the statements and commitments stated in Article 9 of this contract are false, inaccurate, incomplete and misunderstood.

(2) the guarantor violates of the foregoing provisions of Article 10, not disclose the significant transactions and events

(3) Deterioration of guarantor's credit status and obvious weakening of repayment ability (including contingent liability);

(4) Stopping doing business, going out of business, being announced bankruptcy, dissolution, cancellation of business license, involving in major business dispute, and deterioration of finance condition and so on;

(5) the guarantor/issuer or guarantor of controlling shareholders, actual controllers or associates involve significant litigation, arbitration or other disputes, or its material assets seizure, seizure, freezing, enforcement or be taken other measures to have the same effect.

(6) the guarantor/issuer or guarantor of the legal representative, the actual controllers, directors, supervisors and senior managers be taken other compulsory measures, criminal detention or be missing or is declared to be missing, lose the necessary capacity for civil conduct, unable to properly link, dies or is declared dead, death or after being declared dead no successor or legatee, property, receiver or the successor or legatee refused to accept the inheritance or bequest or guardian, the successor or legatee or property receiver refused to continue to perform the contract, under the guise of a marriage and relationship changes to transfer assets or trying to transfer assets, etc., lead to an adverse effect on the guarantor's solvency.

(7) the guarantor under this contract and the bank of any department or agency (including the bank subsidiary), other Banks, non-banking financial institutions or units of financing contract, guarantee any event of default under the contract or other contract.

(8) Other thing which may damage financier's right.

3. If the guarantor defaults, financier has the right to take one or more following measures:

(1) require the guarantor to remedy;

(2) require the guarantor to perform guarantee obligation in advance;

- (3) require the guarantor to provide a new full and effective guarantee;
- (4) require the guarantor to perform immediately guarantee responsibility;
- (5) require the guarantor to pay under the main contract to finance ten percent of the principal as the breach of contract;
- (6) request the guarantor to compensate by default all losses arising from the creditors;
- (7) to revoke and withdraw the actions of the guarantor damage the interests of creditors in accordance with the law;
- (8) directly deduct the guarantor of any account funds to repay its debt within the scope of guarantee;
- (9) to other legal means to pursue the guarantor's liability for breach of contract.

The guarantor shall make the implementation of the above measures and waive all defenses.

Article 14 The Independence of the Guarantor's Obligations

1. The guarantor's obligations under this contract have independence with no effect of the relationship between any party and the third party, except there are stipulates.
2. The guarantee contract has independence, regardless of any conditions; the guarantee contract is effective even if the master contract is not effective. If the master contract is confirmed as invalid, then the guarantor still bear the joint liability for the debtor's debts.
3. If the applicant violates the master contract (including but not limited to the applicant fails to use the loan under the sub-contract) , shall not affect the liability of guarantee, the guarantor cannot require to reduce or waive the responsibility of guarantee.

Article 15 The Continuity of Obligation

1. All the guarantor's obligations under this contract have continuity, for his heir apparent, agent, receiver, the assignee and the main company after merger, reorganization, change the name is completely and equally binding.
2. The guarantor hereby acknowledges, financiers can continuously and cyclically to provide financing to the applicant under the contract, the guarantor has joint for liability of all claims, regardless of the times and sum of each financing.
3. The contract is a continuing guarantee, the guarantor shall bear responsibility of guarantee until the debts is paid off.
4. All or part of the release or discharge of the secured creditor based on any payments, guarantees or other disposition which have been declared invalid or must be repaid, the guarantor's responsibility will be remain in force.

Article 16 Priority Subrogation Arrangements

The guarantor states that, once the guarantor cannot assume security responsibility, and the guarantor itself has not sufficient property to be repaid, the financier has priority right of any claims against third parties, accounts receivable and other property interests. The guarantor will voluntarily relinquish the defenses against the financier under Article 28 of "security law".

Article 17 Offsetting Arrangements

The right of the financier under the contract cannot offsetting by the guarantor's or any other party's right of offsetting.

Article 18 Files, Communications and Notifications

1. The parties of this Contract hereby confirm that their domiciles and service methods given herein are their service addresses and methods of relevant legal documents (including but not limited arbitration application, arbitration notice, case filing notice or acceptance notice, statement of defense, written counterclaim, evidence, notice of court session, award, mediation document, execution notice, notice of performance within a time limit, and other legal documents during hearing and execution of arbitration).

Recipient: Shenzhen Highpower Technology Co., Ltd.

Detailed Address: Bldg. 1, No. 68, Xinsha Road, Pinghu Street, Longgang District, Shenzhen

Zip Code: 518000

Tel.: ***

Designated Agent (if any):

Detailed Address:

Zip Code:

Tel.:

The parties of this Contract hereby confirm and agree to send legal documents by personal delivery or by the following methods:

Post; Fax, No. ; E-mail, Address: ;

SMS, Receiving No.:*** .

The foregoing legal documents shall be deemed as having been served (to the principal if having been served to the designated agent) once they are sent by any means to the address given above. In case of change of any party's service address and service method, the other party shall be timely notified in written form. If the other party is not timely notified, such change shall be deemed invalid and the party of change shall assume relevant responsibilities arising therefrom.

2. Any documents, communications and notifications sent by the way of the above address, shall be deemed to arrive on the following dates:

(1) by post (including speed post, ordinary letter, registered mail), it will be deemed to arrive on the day after five working day;

(2) by facsimile or other electronic means of communication, it will be deemed to arrive on day;

(3) by personal delivery, the date of recipient is deemed to be arriving date.

Notifications by the way of website, online banking, telephone banking or business outlets announcement should be deemed to arrive on day. The creditor does not need to borne any responsibility for any transmission errors, omissions, or delays of mail, fax, telephone or any other communication system.

3. The two sides agreed that the seal of the office seal, financial seal, contract seal, receive seal and credit seal is the effective seal for the documents, communications and notifications. All staves of the debtor have right to receive files, communications and notifications.

Article 19 Applicable Law, Jurisdiction and Dispute Resolution

1. Effective performance, termination, interpretation and dispute settlement etc. of this contract is applicable for china laws.
2. For any dispute about this contract, guarantors and creditors should resolve through friendly consultations; If friendly negotiation fails, the both parties agree to solve by the following section (2) :
(2) To Shenzhen Arbitration Commission for arbitration, to resolve the dispute by the rules of the Arbitration Commission, that the arbitration award is final and binding on both parties. The site selection is in Shenzhen.
3. at the disputed period, the part of not involved has still to be carried out.

Article 20 The Contract Effectiveness and Other Matters

1. The contract shall take effect from the date of signature or stamp of both parties..
 2. After the effective of this contract, the master contract signed by the financier and the applicant does not need to be confirmed by the guarantor.
 3. (3) the guarantor has full read all the terms and conditions of this contract, and pay special attention to the terms of this contract with black font, at the request of the guarantor, the creditor has the corresponding provisions for the purpose of this contract to do, the guarantor/issuer the meanings of the terms of this contract and the corresponding legal consequences have all know and understand fully, volunteered to give priority to contract the debtor to provide guarantee, and guarantee obligations pursuant to this contract.
 4. During the effective period of this contract, the creditor gives to the debtor and the guarantor any tolerance, forgiveness, or delay to use the rights and interests, shall not damage, impact or limit the creditor to share the rights and interests in accordance with relevant laws and regulations and this contract, or to be deemed giving up the rights and interests, also do not affect the guarantor to borne any obligation under this contract.
 5. The creditor shall have the right to authorize or entrust other branch of industrial bank to perform rights and obligations under this contract (including but not limited to authorized or entrusted bank branches of other related contracts, etc.) according to the debtor's operation and management, or the loan under this contract as other branch's to undertake, without prior consent of the guarantor, and the guarantor still bear the responsibility of guarantee.
 6. The main contract for the creditor to a debtor to open the l/c, letter of guarantee or standby letter of credit business, creditor and the debtor of the letter of credit, letter of guarantee under the main contract or any modifications, additions or standby letter of credit financing under l/c, etc., such as the financing are considered to be modified or have the prior consent of the consent of the guarantor, the guarantor shall still undertake suretyship liability stipulated in this contract.
 7. The attachment is an integral part of this contract, and the attachment of this contract is equally valid.
 8. During the period of the line of credit, if the series of contracts, agreements and other legal documents are not explicitly for the contract of guarantee, that shall be deemed as a guarantee by the guarantee contract.
 9. This contract is triplet, the creditor holds two copies, the guarantor holds one copy, with equal legal effect.
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Article 21 The Notarization and Voluntarily to Accept Compulsory Execution

1. The contract should be in the provisions of the state notary office for notarization if any party request notarization.
2. The notarized contract have the enforcement effect, if the debtor fails to perform the debt or the creditor shall realize creditor's rights according to laws and regulations and this contract, the creditor shall have the right to directly apply the people's court with jurisdiction for enforcement.

Article 22 Supplement

The creditor (official seal): /s/ [COMPANY SEAL]
the legal representative (signature):

The guarantor (official seal): /s/ [COMPANY SEAL]
the legal representative (signature):

MAXIMUM AMOUNT GUARANTY CONTRACT

(Apply to lines of credit)

Ref: Xing Yin Shen Longgang Credit (Guarantee) Zi (2017) No. 0238B

Creditor: Industrial Bank Co., Ltd. , Shenzhen Longgang Branch

Address: Parkland, Longxiang Road, Longgang Town, Shenzhen

Legal Representative / CEO: Wen Xiaoxia

Guarantor: Springpower Technology (Shenzhen) Co., Ltd

Legal Representative / CEO: Pan Dangyu

Contract signed at: Industrial Bank Building, Industrial Bank Co., Ltd. Shenzhen Branch, Futian, Shenzhen

Important notes:

For protecting your rights and interests, please read, check and confirm following items carefully before signing:

1. You have the right to sign this contract. Or you have been given sufficient authority legally.
2. You have read and understood this contract carefully and sufficiently, and have paid attention on assuming, exempting or limiting responsibilities of Industrial Bank Co., Ltd., and the content with bold font.
3. Your company and you have understood the meaning of this contract and relevant legal consequence, and agree to accept these provisions.
4. The contract provided by Industrial Bank Co., Ltd. is a model contract. There is space for modifying, supplement and deleting.
5. If you have further questions to this contract, please consult Industrial Bank Co., Ltd.

The guarantor is voluntary as a financier ("creditor") to provide security for the line of credit of the applicant Huizhou Highpower Technology Co., Ltd. (or "debtor"). In order to clarify the rights and duties, abide by credit, the contracting parties signed this contract in accordance with relevant laws and regulations to comply with.

Article 1 Definition and Interpretation

In addition to agreed in writing by both parties, then:

1. The master contract (as defined below) agreed definitions and interpretations applicable to this contract.
2. The "claims" or called the principal debt, means the debt approval and provided by the creditor, including loans, lending, trade finance (including but not limited to issuing letters of credit, trust receipts, packing loans, export financing, export collection bills and import bills, etc.), bankers' acceptances, discounted bills, bills buyback, guarantees (including the Independent guarantees, see demand guarantees and standby letters of credit, etc.) and other financing business (including principal, interest, penalty interest, compound interest, liquidated damages, damages, cost of achieving the claim).

Under this contract, the claim of the financier and the debt of the applicant mean the same content.

3. The "principal" refers to the principal debt made by the business transacted by the financier, including but not limited to the principal loans, trade finance capital, bankers' acceptances fare, bill discounting, money advanced for credit of letter, the principal part of guaranteed by the creditor for the debtor.
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4. The "guaranteed maximum principal" means the amount agreed by both parties in order to clarify the scope of the claims guaranteed by the covenant. Regardless of times and sum of the debt, the guarantor takes joint liability for all debt under the guaranteed maximum principal.
5. The "validity of guarantee" refers to a continuous uninterrupted period agreed by both parties in order to clarify the scope of the claims by the covenant. The debt happened during the period, whether the settlement deadline is over that period or not, the guarantor takes joint liability for all debt under the guaranteed maximum principal.
6. "The cost of the claim for the creditor" refers to the necessary fees of achieving the credit, including take litigation, arbitration and other ways to pay litigation (arbitration) fees, legal fees, travel expenses, execution fees, security fees, and other expenses.
7. "Master Contract" means credit contract (that is, "General Agreement") and all sub-contract signed by the financier and the applicant. "Sub-contract" means based on the basic or special contract, the contract signed by both parties after getting approval of the creditor, include the content of each sum, the due date and other rights and obligations. The sub-contract is an integral part of the basic or special contract, with the same legal effect. The forms of contract can be different according to business needs, as the application of L/C, bills or other manner considered fit by the creditor. If the master contract and sub-contract has different part, the sub-contract will be effective.
8. This "working day" refers to the bank business day, If a withdrawal or repayment date is not a Business Day, delay to the next business day.

Article 2 The Main Credit Contract of Guarantee

The master contract of guarantee is Basic Credit Line Contract (No. XingYin Shen Longgang Credit Zi (2017) No. 0238), and its sub-contracts. The sum of credit is RMB twenty million only, credit period is from 20th Sept 2017 to 20th Sept 2018. The guarantor will be borne joint liability for all debts under the master contract.

Article 3 Maximum Guarantee Principal

1. Under this contract, maximum guarantee principal is RMB (in word) TWENTY MILLION YUAN ONLY.
2. Under the maximum guarantee principal, the guarantor is borne joint liability for all debt balance (including principal, interest, penalty, compound interest, liquidated damages, damages, realization of claims).

Article 4 Validity of Guarantee

1. Valid period is from 20th Sept 2017 to 20th Sept 2018.
2. The loan under the contract can be used only when during the period of validity, but the guarantor is borne joint liability for each debt whether the debt is in or over the validity of the guarantee contract.

Article 5 Guarantee Responsibility

1. The guarantor is borne joint liability under this contract. For whatever reason, if the applicant fails to fulfill due debts under the master contract (including but not limited to early recovery of debts because of the default of the applicant or the guarantor's request), the guarantor shall perform the repayment obligation on behalf of the debtor.
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2. If there are several guarantors under this contract, all guarantors shall jointly bear joint responsibility.
3. Main debts expire, the debtor fails to repay the debt and interest, the guarantor shall perform the repayment obligation.
4. Furthering the period of the main debt, if the creditor recovers the debt in advance according to the master contract, the guarantor shall bear joint responsibility for this and other debts under the guarantee contract.

Article 6 Scope of Guarantee

1. The financial claims under this contract ("the secured claims") refers to all debts provided by the creditor to the debtor, including but not limited to the principal debt, interest (including default interest, compound interest), breach of contract , damages , expenses of claims.
2. On the due date, if the applicant refused to repay the loan, which lead to the debt rights also in the range of the guarantee.
3. The principal , interest and other costs, the time of performance, usage, rights and obligations of the parties as well as any other relevant matters under the contract shall prevail by relevant agreements, contracts, application, notice , various certificates and other records, all kinds of certificates and other relevant legal documents issued or signed without guarantor's confirmation.
4. In order to avoid ambiguity, all fees of prepare, improve, perform or enforce the contract (including, but not limited to attorney's fees, litigation or arbitration costs etc.) constitute a part of the secured debt.

Article 7 Warranty Period

The warranty period under the contract:

1. The warranty period under the contract is calculated according to each financing applied by the applicant. For each financing, the warranty period is ended after two years of the expiration.
 2. If there are several financings in one master contract, the warranty period of each financing is ended after two years of the expiration.
 3. If the principal debt is repayable in installments, there are several financings in one master contract, each warranty period is calculated in installments, and the guarantor shall bear responsibility for two years from the date of expiry.
 4. If any extension agreement is signed by financier and debtor without agreed by the guarantor, the guarantor will still bear responsibility for all financing under the contract within two years from the date of extension expiry.
 5. If the financier decides to recover the debts in advance, the warranty period is two years since the date of expiry noticed by the financier.
 6. The warranty period of bankers' acceptances, letters of credit and letters of guarantee is two years from the date of advance payments. If advance for several times, warranty period is calculated from each advance payment.
 7. The warranty period of commercial bills is two years from the date of discount maturity.
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Article 8 On Demand

As long as financiers submitted notification of debt collection to the guarantor with the contract number and the amount of debt, the guarantor shall immediately perform the repayment and give up all reasons of defense.

Article 9 Declaration and Commitment of Guarantor

The guarantor voluntarily made the following statement and commitment, and liable for its truthfulness:

1. The guarantor is established under the laws and a validly existing legal company, with full civil capacity. The guarantor follows the creditor's request to provide relevant evidence, permits, certificates and other documents required by the creditor.
 2. The guarantor has sufficient capacity to fulfill all the obligations and responsibility under the contract, not because of any instruction, financial conditions change, or any agreement with any party to reduce or waive their commitment to settle the obligation.
 3. The guarantor has sufficient power, authority and legal right to sign this contract, the guarantor has obtained and fulfilled all necessary approvals and authorizations of its internal or other relevant procedures to make the contract execution and performance, and has achieved and fulfilled any government department or other authority's approval, registration, authorization, consent, license or other relevant procedures for this contract, and signed this contract with all the necessary approvals, registrations, consents, licenses, authorizations and other related procedures remain fully valid.
 4. The guarantor signed the contract in full compliance with the relevant Articles of the guarantor, the internal decisions, shareholders and board resolution. The contract does not conflict with any charter, internal decisions, shareholders resolutions, board resolution and the guarantor's policies.
 5. The execution and performance of this contract is based on the guarantor's true intention. Loan facility is compliance with legal and regulatory requirements, execution and performance of this contract does not violate any binding law, regulation, ordinance or the contract. This contract is valid and enforceable, as a result of the guarantor's defects in the execution and performance of this contract to result in the contract is invalid, the guarantor will immediately and unconditionally make compensation for all losses to the creditor.
 6. Under this contract, all the documents, financial statements and other information provided by the guarantor is true, complete, accurate and effective, and continue to fulfill the creditor's request of the financial indicators.
 7. Such as a change in ownership structure or key management personnel or other significant events and significant transactions, the guarantor shall require the prior written consent of the financier.
 9. When the guarantor has fulfilled the guarantee responsibilities, the guarantor has the right to recover the money from the applicant without prejudice the repayment in the future. However, if the applicant has the claim of the guarantor and the requirement of repayment from the financier at the same time, the guarantor agreed the applicant to repay the debt of the financier first.
 10. If the applicant and the guarantor have or will sign a counter-guarantee contract in respect of the obligations under the contract, the counter-guarantee contract shall not prejudice any rights of the financier in law or in fact under the contract.
 11. Before pay off the debts, regardless of any reason lead to reduce the guarantee ability of guarantor, the financier has the right to require the guarantor to provide a new full and effective guarantee.
 12. There was no any litigation, arbitration or administrative proceedings for the guarantor's outstanding or known to occur on the guarantor, and there was no events of liquidation or other similar proceedings whether it comes forward by the guarantor or by a third party.
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13. If the creditor is forced into disputes between the guarantor and any other party because of fulfilling the obligations under the contract, the guarantor should pay litigation or arbitration costs, legal costs and other expenses.

14. As under the master contract, there are other guarantees (including but not limited to guarantee, mortgage, pledge, standby and any other form of security), the guarantor agrees that one can give up part of security interest or security interest subordinated (including the collateral is based on the collateral provided by the debtor), financier and any mortgagor / pledgor (including the mortgagor / pledgor artificially is the debtor himself) can be varied by agreement and subordinated security interest, the amount of the secured creditor and other content, even if financiers made the above act, the guarantor is still voluntary to bear all responsibility of this contract.

15. The guarantor is a company, the commitment to its publication in the national enterprise credit information system of the public information is true, complete and valid, the consent of the guarantor promises continued creditors to query the system in the enterprises to choose the public and not the public information. If required by the creditor to capital verification, the guarantor agrees to capital verification in accordance with the requirements of the creditors and provide professional agency issue a capital verification report.

16. For under this contract and the guarantor/issuer and the bank of any department or agency (including the bank subsidiary), other Banks, non-banking financial institutions or units of financing contract, guarantee under the contract or other contract of any event of default, the guarantor shall promptly notify the creditors in written form.

17. The guarantor if the state administration for industry and commerce or other relevant departments of the state in any establishment, modification or cancellation of registration, it shall notify the creditors prior to application for registration, and immediately after the completion of the registration of the relevant registration copy and submit it to the creditors.

18. The guarantor in this declaration and authorization, the creditor shall have the right to the credit condition of the guarantor has the necessary investigation, and may, according to government departments, bank regulators, and the people's bank of China on the need of construction enterprise and individual credit reporting work, the information about the contract and other relevant information to the departments or institutions established or approved credit inquiry system to submit the credit information, and allows information to be legitimate query here.

Article 10 Obligations of Disclosing Important Transactions and Events

1. Guarantor should inform financier of significant transactions and events of guarantor in written timely.

2. During valid period of this contract, stock transfer, reorganization, merger, discrete, shareholding reform, joint venture, cooperation, joint operation, contract, lease, business scope, change of registered capital, major asset transfer, contingent liability, or anything which may affect guarantor's ability of assuming responsibility should be notified to financier in writing 30 days in advance.

3. Termination of business, going out of business, bankruptcy, dissolution, cancellation of business license, deterioration of financial situation or involving in major business dispute, or anything may affect guarantor's ability to assume responsibility should be noticed to financier in 7 days by written since the date above things take place.

4. When guarantor involves in major litigation or arbitration with any third party, or other significant thing which may affect guarantor's ability to assume responsibility, financier should be notified by written in 7 days since the date guarantor receives relevant notice.

5. The guarantor promises that it will not use its legal dispute with third party to damage financier's right.

Article 11 The Rights of Creditors

1. The main creditor under the contract expires or the guarantor fails to perform under this contract, the financier has the right to directly deduct the funds from any account of the guarantor.
2. The creditor shall have the right to request the guarantor to provide at any time reflects the business situation and credit circumstance of financial reports, financial statements and other information.
3. As under the master contract , there are other guarantees (including but not limited to guarantee , mortgage , pledge, standby and any other form of security) , the guarantor agrees that one can give up part of security interest or security interest subordinated (including the collateral is based on the collateral provided by the debtor) , financier and any mortgagor / pledgor (including the mortgagor / pledgor artificially is the debtor himself) can be varied by agreement and subordinated security interest, the amount of the secured creditor and other content, even if financiers made the above act, the guarantor is still voluntary to bear all responsibility of this contract.
4. This contract prior to the establishment of the guarantee or is determined, do not need a guarantor agrees, the creditor shall have the right to the part or all of the creditor's rights under the main contract and its corresponding guarantee rights transferred to a third party (or to establish a trust, the asset management plan and other special purpose vehicle). The guarantor agrees to have the transfer and transfer (if any) of the creditor's rights, still for the creditor's rights and the transferee in accordance with the contract agreement (or to establish a trust, the asset management plan and other special purpose vehicle) and the original security (if any) to provide guarantee to the creditor.
5. The guarantor if it is a company, if the guarantor in default under this contract, or may endanger realize creditor's rights of the creditor, the creditor shall have the right to demand the guarantor and its shareholders expire subscribed capital contribution obligation acceleration, the guarantor should be in accordance with the requirements for creditors in a timely manner the subscribed capital. The creditor shall have the right to demand the guarantor and its shareholders don't pay dividends.

Article 12 Change in the Main Contract

Guarantor agrees and confirmed: the creditor and the debtor negotiation to modify, change the main contract, or financing under the main contract extension, are considered to be already prior consent of the consent of the guarantor, don't need to inform the guarantor, the surety shall be relieved of the suretyship liability not breaks.

Article 13 Events of Default and Breach of Contract

1. Since this contract comes into force, the financier and the guarantor shall perform the obligations as agreed in the contract, any one party fails to perform or not completely fulfill the obligation of this contract, shall bear the corresponding liability for breach of contract.
 2. One of the following circumstances is a guarantor defaults:
 - (1) Any information provided by guarantor and the statements and commitments stated in Article 9 of this contract are false, inaccurate, incomplete and misunderstood.
 - (2) the guarantor violates of the foregoing provisions of Article 10, not disclose the significant transactions and events
-

- (3) Deterioration of guarantor's credit status and obvious weakening of repayment ability (including contingent liability);
 - (4) Stopping doing business, going out of business, being announced bankruptcy, dissolution, cancellation of business license, involving in major business dispute, and deterioration of finance condition and so on;
 - (5) the guarantor/issuer or guarantor of controlling shareholders, actual controllers or associates involve significant litigation, arbitration or other disputes, or its material assets seizure, seizure, freezing, enforcement or be taken other measures to have the same effect.
 - (6) the guarantor/issuer or guarantor of the legal representative, the actual controllers, directors, supervisors and senior managers be taken other compulsory measures, criminal detention or be missing or is declared to be missing, lose the necessary capacity for civil conduct, unable to properly link, dies or is declared dead, death or after being declared dead no successor or legatee, property, receiver or the successor or legatee refused to accept the inheritance or bequest or guardian, the successor or legatee or property receiver refused to continue to perform the contract, under the guise of a marriage and relationship changes to transfer assets or trying to transfer assets, etc., lead to an adverse effect on the guarantor's solvency.
 - (7) the guarantor under this contract and the bank of any department or agency (including the bank subsidiary), other Banks, non-banking financial institutions or units of financing contract, guarantee any event of default under the contract or other contract.
 - (8) Other thing which may damage financier's right.
3. If the guarantor defaults, financier has the right to take one or more following measures:
- (1) require the guarantor to remedy;
 - (2) require the guarantor to perform guarantee obligation in advance;
 - (3) require the guarantor to provide a new full and effective guarantee;
 - (4) require the guarantor to perform immediately guarantee responsibility;
 - (5) require the guarantor to pay under the main contract to finance ten percent of the principal as the breach of contract;
 - (6) request the guarantor to compensate by default all losses arising from the creditors;
 - (7) to revoke and withdraw the actions of the guarantor damage the interests of creditors in accordance with the law;
 - (8) directly deduct the guarantor of any account funds to repay its debt within the scope of guarantee;
 - (9) to other legal means to pursue the guarantor's liability for breach of contract.

The guarantor shall make the implementation of the above measures and waive all defenses.

Article 14 The Independence of the Guarantor's Obligations

1. The guarantor's obligations under this contract have independence with no effect of the relationship between any party and the third party, except there are stipulates.
 2. The guarantee contract has independence, regardless of any conditions; the guarantee contract is effective even if the master contract is not effective. If the master contract is confirmed as invalid, then the guarantor still bear the joint liability for the debtor's debts.
 3. If the applicant violates the master contract (including but not limited to the applicant fails to use the loan under the sub-contract) , shall not affect the liability of guarantee, the guarantor cannot require to reduce or waive the responsibility of guarantee.
-

Article 15 The Continuity of Obligation

- 1. All the guarantor's obligations under this contract have continuity, for his heir apparent, agent, receiver, the assignee and the main company after merger, reorganization, change the name is completely and equally binding.
- 2. The guarantor hereby acknowledges, financiers can continuously and cyclically to provide financing to the applicant under the contract, the guarantor has joint for liability of all claims, regardless of the times and sum of each financing.
- 3. The contract is a continuing guarantee, the guarantor shall bear responsibility of guarantee until the debts is paid off.
- 4. All or part of the release or discharge of the secured creditor based on any payments, guarantees or other disposition which have been declared invalid or must be repaid, the guarantor's responsibility will be remain in force.

Article 16 Priority Subrogation Arrangements

The guarantor states that, once the guarantor cannot assume security responsibility, and the guarantor itself has not sufficient property to be repaid, the financier has priority right of any claims against third parties, accounts receivable and other property interests. The guarantor will voluntarily relinquish the defenses against the financier under Article 28 of "security law".

Article 17 Offsetting Arrangements

The right of the financier under the contract cannot offsetting by the guarantor's or any other party's right of offsetting.

Article 18 Files, Communications and Notifications

- 1. The parties of this Contract hereby confirm that their domiciles and service methods given herein are their service addresses and methods of relevant legal documents (including but not limited arbitration application, arbitration notice, case filing notice or acceptance notice, statement of defense, written counterclaim, evidence, notice of court session, award, mediation document, execution notice, notice of performance within a time limit, and other legal documents during hearing and execution of arbitration).

Recipient: Springpower Technology (Shenzhen) Co., Ltd

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

Zip Code: 518000

Tel.: 13923469509

Designated Agent (if any):

Detailed Address:

Zip Code:

Tel.:

The parties of this Contract hereby confirm and agree to send legal documents by personal delivery or by the following methods:

Post; Fax, No. ; E-mail, Address: ;

SMS, Receiving No.: 13923469509 .



The foregoing legal documents shall be deemed as having been served (to the principal if having been served to the designated agent) once they are sent by any means to the address given above. In case of change of any party's service address and service method, the other party shall be timely notified in written form. If the other party is not timely notified, such change shall be deemed invalid and the party of change shall assume relevant responsibilities arising therefrom.

2. Any documents, communications and notifications sent by the way of the above address, shall be deemed to arrive on the following dates:

- (1) by post (including speed post, ordinary letter, registered mail), it will be deemed to arrive on the day after five working day;
- (2) by facsimile or other electronic means of communication, it will be deemed to arrive on day;
- (3) by personal delivery, the date of recipient is deemed to be arriving date.

Notifications by the way of website, online banking, telephone banking or business outlets announcement should be deemed to arrive on day. The creditor does not need to borne any responsibility for any transmission errors, omissions, or delays of mail, fax, telephone or any other communication system.

3. The two sides agreed that the seal of the office seal, financial seal, contract seal, receive seal and credit seal is the effective seal for the documents, communications and notifications. All staves of the debtor have right to receive files, communications and notifications.

Article 19 Applicable Law, Jurisdiction and Dispute Resolution

1. Effective performance, termination, interpretation and dispute settlement etc. of this contract is applicable for china laws.
2. For any dispute about this contract, guarantors and creditors should resolve through friendly consultations; If friendly negotiation fails, the both parties agree to solve by the following section (2) :
- (2) To Shenzhen Arbitration Commission for arbitration, to resolve the dispute by the rules of the Arbitration Commission, that the arbitration award is final and binding on both parties. The site selection is in Shenzhen.
3. At the disputed period, the part of not involved has still to be carried out.

Article 20 The Contract Effectiveness and Other Matters

1. The contract shall take effect from the date of signature or stamp of both parties..
 2. After the effective of this contract, the master contract signed by the financier and the applicant does not need to be confirmed by the guarantor.
 3. (3) the guarantor has full read all the terms and conditions of this contract, and pay special attention to the terms of this contract with black font, at the request of the guarantor, the creditor has the corresponding provisions for the purpose of this contract to do, the guarantor/issuer the meanings of the terms of this contract and the corresponding legal consequences have all know and understand fully, volunteered to give priority to contract the debtor to provide guarantee, and guarantee obligations pursuant to this contract.
 4. During the effective period of this contract, the creditor gives to the debtor and the guarantor any tolerance, forgiveness, or delay to use the rights and interests, shall not damage, impact or limit the creditor to share the rights and interests in accordance with relevant laws and regulations and this contract, or to be deemed giving up the rights and interests, also do not affect the guarantor to borne any obligation under this contract.
 5. The creditor shall have the right to authorize or entrust other branch of industrial bank to perform rights and obligations under this contract (including but not limited to authorized or entrusted bank branches of other related contracts, etc.) according to the debtor's operation and management, or the loan under this contract as other branch's to undertake, without prior consent of the guarantor, and the guarantor still bear the responsibility of guarantee.
-

6. The main contract for the creditor to a debtor to open the l/c, letter of guarantee or standby letter of credit business, creditor and the debtor of the letter of credit, letter of guarantee under the main contract or any modifications, additions or standby letter of credit financing under l/c, etc., such as the financing are considered to be modified or have the prior consent of the consent of the guarantor, the guarantor shall still undertake suretyship liability stipulated in this contract.
7. The attachment is an integral part of this contract, and the attachment of this contract is equally valid.
8. During the period of the line of credit, if the series of contracts, agreements and other legal documents are not explicitly for the contract of guarantee, that shall be deemed as a guarantee by the guarantee contract.
9. This contract is triplet, the creditor holds two copies, the guarantor holds one copy, with equal legal effect.

Article 21 The Notarization and Voluntarily to Accept Compulsory Execution

1. The contract should be in the provisions of the state notary office for notarization if any party request notarization.
2. The notarized contract have the enforcement effect, if the debtor fails to perform the debt or the creditor shall realize creditor's rights according to laws and regulations and this contract, the creditor shall have the right to directly apply the people's court with jurisdiction for enforcement.

Article 22 Supplement

The creditor (official seal): /s/ [COMPANY SEAL] _____
the legal representative (signature):

The guarantor (official seal): /s/ [COMPANY SEAL] _____
the legal representative (signature):

Number :0400000928-2017nian(Henggang) No. 00085

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

Residence (address):

Borrower: Springpower Technology (Shenzhen) Co., Ltd.

Legal representative: Dangyu Pan

Residence (address):

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 0.7% 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 50% of the original loan interest rate, penalty interest rate for misappropriation of the loan is 100% 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 9th July 2018.

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 %; 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

7.2 The borrower should provide Legitimate, sufficient, effective guarantee to the lender, and signed guarantee contract with the lender.

Article 8 Other

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: Danyu Pan

Maximum amount of guarantee contract name: "the maximum Collateral contract" (ID: ICBC 0400000928-2016 henggangdizi 0024)

Guarantor: Shenzhen Highpower Technology Co., Ltd.

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 (REUTRES) 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.

2.6 During handling of entrusted payment, the Borrower shall provide the Lender with the account information of the payment object and the materials of proving compliance of withdrawal with the agreed purpose each time when the Borrower withdraws money. The Borrower shall ensure that all materials provided for the Lender are true, complete and effective.

2.7 During handling of entrusted payment, the Lender shall review the relevant materials provided by the Borrower, including the information about the payment object and the materials of proving the loan purpose. If the Lender fails to complete entrusted payment timely due to untrue, incorrect and incomplete materials provided by the Borrower, the Lender shall not bear any liability arising therefrom.

2.8 If the Lender discovers through examination that the materials of proving purpose and other relevant materials provided by the Borrower are not consistent or have other defect, the Lender shall have the right to demand the Borrower to supplement, replace, explain or re-submit relevant materials. The Lender shall have the right to refuse the granting and payment of relevant funds before the Borrower submits relevant materials satisfied by the Lender.

2.9 According to the Borrower's different loan purposes, the Lender shall have the right to demand the Borrower, the independent intermediary agency and other related party to issue the relevant supporting materials signed by the party. The Lender shall make granting and payment of financing funds on the basis of these supporting materials.

2.10 If the Lender thinks through review that the materials provided by the Borrower are consistent with the loan purpose agreed and the Borrower's withdrawal complies with this Contract, firstly, the Lender shall transfer the loan to the account designated by the Borrower and then, transfer the relevant funds to the account of the payment object of the Borrower as needed on the basis of the relevant business vouchers provided by the Borrower.

2.11 Under any one of the following circumstances, the Lender shall have the right to re-determine the conditions for granting and payment of loan, or stop granting and payment of loan:

- (1) the Borrower provides the Lender with false or invalid materials to obtain financing;
- (2) the Borrower suffers from any material adverse change to its production and operation, decline of its credit status or breach of contract hereunder;
- (3) the Borrower fails to withdraw and pay financing funds pursuant to this Contract, thereby causing abnormal use of financing funds;
- (4) the Borrower evades entrusted payment in violation of this Contract or the relevant regulatory provisions, such as breaking up the whole into parts;
- (5) the loan account or the payment object's account designated by the Borrower is frozen or suspended by the relevant competent authority.

2.12 If the loan account or the payment object's account designated by the Borrower is frozen or suspended by the relevant competent authority, thereby causing the Lender unable to complete entrusted payment timely according to the Borrower's entrustment, the Lender shall not bear any liability and the Borrower's obligation of repayment having been generated hereunder shall not be affected.

2.13 In case of the Borrower's direct payment of the loan hereunder, the Borrower promises to accept and actively coordinate the Lender to inspect and supervise the use situations of the financing funds, including the purpose, by means of account analysis, voucher examination and site investigation. the Borrower shall summarize and report the loan use situations on a regular basis according to the Lender's requirements.

2.14 If the materials that the Borrower provides the Lender are untrue, incomplete or ineffective, thereby causing losses to the Lender, the Borrower shall make compensation.

2.15 If the Lender does not grant or pay loan timely as agreed herein, the Lender shall bear the relevant liability for breach of contract, except as otherwise provided herein.

2.16 If the Lender fails to pay the relevant funds on time due to force majeure events which are unforeseeable, inevitable and insurmountable, such as war and natural disaster, or due to failure of the Lender's system or communications, the Lender shall not bear any liability arising therefrom, but the Lender shall notify the Borrower timely by telephone or in written form.

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)

4.1 If the loan hereunder is revolving, at any time within the use term of the revolving loan limit, the sum of the Borrower's remaining loan shall not exceed the revolving loan limit. The term of each loan withdrawn by the Borrower shall be from the actual date of withdrawal to the agreed date of repayment, subject to the IOU. The date of repayment of each loan withdrawn shall not exceed the use term of the revolving loan limit.

4.2 Where the loan hereunder is revolving, The Lender shall have the right to cancel the revolving loan limit if the Borrower fails to make withdrawal within three (3) successive months as of the date of signature of this Contract.

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.

13.1 This Contract shall become effective upon electronic signature by the Borrower and confirmation by the Lender and shall be terminated as of the date when the Borrower has performed all obligations hereunder. The Lender may confirm this Contract by showing the validity status of this Contract in the electronic banking system.

13.2 If the loan amount, loan term or other contract elements are incorrectly shown in the banking system of the Industrial and Commercial Bank of China due to system failure or force majeure, the Lender shall have the right to make correction.

13.3 The Borrower has known and fully understood various transaction rules of online banking and other electronic banking systems of the Industrial and Commercial Bank of China in connection with this Contract. The Borrower shall keep the customer certificates and passwords appropriately. Any operation by use of the customer code (card number), password or customer certificate shall be deemed as the Borrower's operation. The electronic record arising therefrom shall be taken as the voucher for proving and dealing with the financing relations hereunder.

The Borrower's electronic signature hereon with an online banking certificate in the online banking of the Industrial and Commercial Bank of China shall be deemed as the Borrower's individual signature or the signature authorized by the Borrower.

13.4 Except as otherwise provided herein, no party may change or cancel this Contract unilaterally after the effectiveness of this Contract; any amendment or change to this Contract shall be made in a written contract upon unanimity through consultation between both parties.

13.5 Where there is any change of relevant national laws, regulations or policies, thereby causing all or part of this Contract not complying with the requirements of relevant national laws, regulations or policies, both parties shall amend the relevant clauses timely through consultation.

13.6 The invalidity or unenforceability of any clause of this Contract shall neither affect the validity and enforceability of the other clauses hereof nor affect the validity of the entire Contract.

13.7 Change and cancellation of this Contract shall not affect the contracting parties' right to claim for compensation for the losses. Cancellation of the Contract shall not affect the validity of the provisions concerning settlement of dispute.

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 Other

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 Annex and various supplementations, amendments or modifications to this Contract shall be deemed as an integral part of the Contract and shall have the same equal legal force as this Contract.

18.4 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.

18.5 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.

18.6 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.

18.7 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.

18.8 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.

COMPREHENSIVE CREDIT LINE SUPPLEMENTARY CONTRACT

Reference No.: 2016 zhenzhongyinbubuexiezi No.0000445

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

Business Licences: 91440300670033477H

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, *****

Telephone: 28010758; Facsimile: 28010758

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

Legal Representative: ZHENG XIAOCHUAN

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

Telephone: 22337156 ; Facsimile: 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 supplementary agreement for the credit contract NO 2016 zhenzhongyinbuexiezi No.0000445, as an integral part of it, and has the same legal effect.

Clause 1 Guarantee

Party A and party B agree that the article 7 guarantee clause of the credit line agreement shall be changed as follows:

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;

Ganzhou Highpower Technology Co., Ltd. no longer provides the maximum mortgage, and the maximum mortgage contract NO 2016 zhenzhongyinbudiezi 0045 signed with party B terminates.

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 2 Effectiveness of Supplementary Agreements

This supplementary agreement, as an effective supplement to the above credit line agreement, constitutes an integral part of the credit line agreement and has the same legal effect as it. If the agreement of this supplementary agreement is inconsistent with the credit line agreement, the agreement shall prevail; otherwise, the agreement of the credit line shall prevail.

Clause 3 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 two copies, Party A and B hold one copy each, 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

**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 14, 2017

/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 14, 2017

/s/ Sunny Pan

Sunny Pan

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 Form10-Q for the quarter ending September 30, 2017, 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 14, 2017

/s/ Sunny Pan

Sunny Pan
Chief Financial Officer
(Principal Financial and Accounting Officer)
November 14, 2017
