
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, 2018

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 every Interactive Data File required to be submitted 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 such files). Yes No

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

Large accelerated filer
Non-accelerated filer
Emerging growth company

Accelerated filer
Smaller reporting 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 15,559,658 shares of common stock, par value \$0.0001 per share, outstanding as of, November 13, 2018.

HIGHPOWER INTERNATIONAL, INC.
FORM10-Q
FOR THE QUARTERLY PERIOD ENDED September 30, 2018
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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> 2018	<i>December 31,</i> 2017
	<i>(Unaudited)</i>	
	\$	\$
ASSETS		
Current Assets:		
Cash	7,981,782	14,502,171
Restricted cash	31,622,572	25,953,946
Accounts receivable, net	81,610,241	58,252,999
Amount due from a related party	259,995	1,165,838
Notes receivable	273,164	2,606,517
Advances to suppliers	4,487,495	6,050,531
Prepayments and other receivables	8,804,905	4,268,527
Foreign exchange derivative assets	-	236,436
Inventories	<u>58,567,663</u>	<u>42,946,644</u>
Total Current Assets	<u>193,607,817</u>	<u>155,983,609</u>
Property, plant and equipment, net	51,452,906	46,520,776
Long-term prepayments	3,778,665	3,715,445
Land use rights, net	2,444,474	2,639,631
Other assets	719,028	748,431
Deferred tax assets, net	1,260,108	750,267
Long-term investments	<u>10,535,177</u>	<u>9,906,379</u>
		□
TOTAL ASSETS	<u>263,798,175</u>	<u>220,264,538</u>
LIABILITIES AND EQUITY		
LIABILITIES		
Current Liabilities:		
Accounts payable	69,311,491	60,368,012
Deferred government grants	472,949	309,638
Short-term loans	24,318,587	10,128,646
Non-financial institution borrowings	8,701,075	10,756,158
Notes payable	54,989,994	54,859,478
Foreign exchange derivative liabilities	480,459	-
Amount due to related parties	6,127,007	-
Other payables and accrued liabilities	24,279,551	12,243,345
Income taxes payable	<u>3,972,006</u>	<u>3,609,391</u>
		□
Total Current Liabilities	<u>192,653,119</u>	<u>152,274,668</u>
Income taxes payable, noncurrent	<u>-</u>	<u>777,685</u>
		□
TOTAL LIABILITIES	<u>192,653,119</u>	<u>153,052,353</u>
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> <u>2018</u>	<i>December 31,</i> <u>2017</u>
	<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, 15,559,658 shares issued and outstanding at September 30, 2018 and 15,509,658 at December 31, 2017, respectively)	1,556	1,551
Additional paid-in capital	13,657,599	12,709,756
Statutory and other reserves	6,549,815	6,549,815
Retained earnings	52,190,975	44,481,568
Accumulated other comprehensive (loss) income	<u>(1,254,889)</u>	<u>3,469,495</u>
TOTAL EQUITY	<u>71,145,056</u>	<u>67,212,185</u>
TOTAL LIABILITIES AND EQUITY	<u>263,798,175</u>	<u>220,264,538</u>

See notes to condensed consolidated financial statements

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

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>September 30,</i>		<i>September 30,</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
Net sales	90,557,479	71,405,560	205,264,892	164,972,338
Cost of sales	(73,047,063)	(57,845,224)	(168,878,223)	(129,405,402)
Gross profit	<u>17,510,416</u>	<u>13,560,336</u>	<u>36,386,669</u>	<u>35,566,936</u>
Research and development expenses	(3,535,882)	(2,433,928)	(9,690,479)	(6,385,144)
Selling and distribution expenses	(2,625,016)	(1,859,762)	(6,721,762)	(5,220,985)
General and administrative expenses	(5,796,496)	(3,959,731)	(13,821,494)	(10,034,694)
Foreign currency transaction gain (loss)	1,925,179	(816,593)	2,581,418	(1,645,095)
Total operating expenses	<u>(10,032,215)</u>	<u>(9,070,014)</u>	<u>(27,652,317)</u>	<u>(23,285,918)</u>
Income from operations	<u>7,478,201</u>	<u>4,490,322</u>	<u>8,734,352</u>	<u>12,281,018</u>
Changes in fair value of warrant liability	-	□	-	□
Changes in fair value of foreign exchange derivative assets (liabilities)	(410,061)	(146,481)	(831,486)	(146,481)
Government grants	261,538	345,941	1,580,037	904,753
Other income (expense)	27,998	(251,166)	108,140	44,480
Equity in earnings of investees	184,803	1,087	501,123	106,412
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 (expense) income	(518,912)	57,663	(1,073,578)	(926,185)
Income before taxes	<u>7,023,567</u>	<u>6,166,814</u>	<u>9,018,588</u>	<u>14,425,029</u>
Income taxes expenses	(909,539)	(1,013,919)	(1,309,181)	(2,197,392)
Net income	<u>6,114,028</u>	<u>5,152,895</u>	<u>7,709,407</u>	<u>12,227,637</u>
Less: net income attributable to non-controlling interest	-	128,702	-	296,558
Net income attributable to the Company	<u>6,114,028</u>	<u>5,024,193</u>	<u>7,709,407</u>	<u>11,931,079</u>
Comprehensive income				
Net income	6,114,028	5,152,895	7,709,407	12,227,637
Foreign currency translation (loss) gain	(3,392,724)	1,258,937	(4,724,384)	2,743,650
Comprehensive income	<u>2,721,304</u>	<u>6,411,832</u>	<u>2,985,023</u>	<u>14,971,287</u>
Less: comprehensive income attributable to non-controlling interest	-	139,461	-	317,807
Comprehensive income attributable to the Company	<u>2,721,304</u>	<u>6,272,371</u>	<u>2,985,023</u>	<u>14,653,480</u>
Earnings per share of common stock attributable to the Company				
- Basic	<u>0.39</u>	<u>0.33</u>	<u>0.50</u>	<u>0.78</u>
- Diluted	<u>0.39</u>	<u>0.32</u>	<u>0.49</u>	<u>0.77</u>
Weighted average number of common stock outstanding				
- Basic	<u>15,559,658</u>	<u>15,369,674</u>	<u>15,542,076</u>	<u>15,270,898</u>
- Diluted	<u>15,597,257</u>	<u>15,518,764</u>	<u>15,600,546</u>	<u>15,563,012</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>2018</u>	<u>2017</u>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$
Cash flows from operating activities		
Net income	7,709,407	12,227,637
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	4,494,518	3,792,178
(Reversal) allowance for doubtful accounts, net	(787,034)	48,866
Loss on disposal of property, plant and equipment	223,040	57,277
Deferred tax	(581,710)	153,625
Changes in fair value of foreign exchange derivative assets (liabilities)	741,786	166,387
Equity in earnings of investees	(501,123)	(106,412)
Gain on dilution in equity method investee	-	(496,396)
Gain on sales of long-term investment	-	(1,664,377)
Share based compensation	735,348	86,921
Changes in fair value of warrant liability	-	(259)
Changes in operating assets and liabilities:		
Accounts receivable	(25,743,046)	(8,517,071)
Other assets	(8,097)	-
Notes receivable	2,305,455	(5,543,798)
Advances to suppliers	1,289,133	-
Prepayments and other receivables	(4,568,639)	(8,775,985)
Amount due from a related party	885,886	7,691,900
Amount due to related parties	-	(1,557,682)
Inventories	(18,990,697)	(11,753,127)
Accounts payable	9,857,431	7,049,819
Deferred government grants	256,932	11,637
Other payables and accrued liabilities	13,135,351	1,394,691
Income taxes payable	(223,682)	156,744
Net cash flows used in operating activities	<u>(9,769,741)</u>	<u>(5,577,425)</u>
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(9,796,130)	(7,297,901)
Proceeds from sale of long-term investment	-	10,453,475
Payment for long-term investment	(321,067)	-
Net cash flows (used in) provided by investing activities	<u>(10,117,197)</u>	<u>3,155,574</u>
Cash flows from financing activities		
Proceeds from short-term loans	21,427,063	8,797,727
Repayments of short-term loans	(5,866,424)	(17,594,229)
Proceeds from a related party	6,031,465	-
Proceeds from non-financial institution borrowings	-	10,306,243
Repayments of non-financial institution borrowings	(1,528,888)	(3,828,033)
Proceeds from notes payable	86,130,613	62,193,463
Repayments of notes payable	(82,740,379)	(48,408,417)
Proceeds from exercise of employee options	-	635,484
Net cash flows provided by financing activities	<u>23,453,450</u>	<u>12,102,238</u>
Effect of foreign currency translation on cash and restricted cash	<u>(4,418,275)</u>	<u>2,591,502</u>
Net (decrease) increase in cash and restricted cash	(851,763)	12,271,889
Cash and restricted cash - beginning of period	40,456,117	20,538,033
Cash and restricted cash - end of period	<u>39,604,354</u>	<u>32,809,922</u>
Supplemental disclosures for cash flow information:		
Cash paid for:		
Income taxes	2,114,573	1,464,592
Interest expenses	1,285,288	1,402,447
Non-cash transactions		
Shares issued for legal case settlement	212,500	-
Offset of deferred government grant and property, plant and equipment	66,398	171,403

See notes to condensed consolidated financial statements

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY
(Stated in US Dollars)

	<u>Common stock</u>		<u>Additional paid-in capital</u>	<u>Statutory and other reserves</u>	<u>Retained earnings</u>	<u>Accumulated other comprehensive income</u>	<u>Non- controlling interest</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>						
		\$	\$	\$	\$	\$	\$	\$
Balance, January 1, 2017	15,114,991	1,511	11,580,934	4,992,463	29,266,068	(873,582)	329,343	45,296,737
Proceeds from exercise of stock options	61,261	6	161,111	-	-	-	-	161,117
Foreign currency translation adjustments	-	-	-	-	-	(26,659)	2,658	(24,001)
Share-based compensation expenses	-	-	24,401	-	-	-	-	24,401
Net income	-	-	-	-	2,535,649	-	76,893	2,612,542
Balance, March 31, 2017	<u>15,176,252</u>	<u>1,517</u>	<u>11,766,446</u>	<u>4,992,463</u>	<u>31,801,717</u>	<u>(900,241)</u>	<u>408,894</u>	<u>48,070,796</u>
Proceeds from exercise of stock options	180,308	19	462,670	-	-	-	-	462,689
Foreign currency translation adjustments	-	-	-	-	-	1,500,882	7,832	1,508,714
Share-based compensation expenses	-	-	20,415	-	-	-	-	20,415
Net income	-	-	-	-	4,371,237	-	90,963	4,462,200
Balance, June 30, 2017	<u>15,356,560</u>	<u>1,536</u>	<u>12,249,531</u>	<u>4,992,463</u>	<u>36,172,954</u>	<u>600,641</u>	<u>507,689</u>	<u>54,524,814</u>
Proceeds from exercise of stock options	119,440	1	11,677	-	-	-	-	11,678
Foreign currency translation adjustments	-	-	-	-	-	1,248,178	10,759	1,258,937
Share-based compensation expenses	-	10	45,997	-	-	-	-	46,007
Net income	-	-	-	-	5,024,193	-	128,702	5,152,895
Balance, September 30, 2017	<u>15,476,000</u>	<u>1,547</u>	<u>12,307,205</u>	<u>4,992,463</u>	<u>41,197,147</u>	<u>1,848,819</u>	<u>647,150</u>	<u>60,994,331</u>
Balance, January 1, 2018	15,509,658	1,551	12,709,756	6,549,815	44,481,568	3,469,495	-	67,212,185
Foreign currency translation adjustments	-	-	-	-	-	2,836,556	-	2,836,556
Share-based compensation expenses	-	-	241,421	-	-	-	-	241,421
Net income	-	-	-	-	(1,118,936)	-	-	(1,118,936)
Balance, March 31, 2018	<u>15,509,658</u>	<u>1,551</u>	<u>12,951,177</u>	<u>6,549,815</u>	<u>43,362,632</u>	<u>6,306,051</u>	<u>-</u>	<u>69,171,226</u>
Shares issued for legal case settlement	50,000	5	212,495	-	-	-	-	212,500
Foreign currency translation adjustments	-	-	-	-	-	(4,168,216)	-	(4,168,216)
Share-based compensation expenses	-	-	246,696	-	-	-	-	246,696
Net income	-	-	-	-	2,714,315	-	-	2,714,315
Balance, June 30, 2018	<u>15,559,658</u>	<u>1,556</u>	<u>13,410,368</u>	<u>6,549,815</u>	<u>46,076,947</u>	<u>2,137,835</u>	<u>-</u>	<u>68,176,521</u>
Foreign currency translation adjustments	-	-	-	-	-	(3,392,724)	-	(3,392,724)
Share-based compensation expenses	-	-	247,231	-	-	-	-	247,231
Net income	-	-	-	-	6,114,028	-	-	6,114,028
Balance, September 30, 2018	<u>15,559,658</u>	<u>1,556</u>	<u>13,657,599</u>	<u>6,549,815</u>	<u>52,190,975</u>	<u>(1,254,889)</u>	<u>-</u>	<u>71,145,056</u>

See notes to 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 subsidiary Shenzhen Highpower Technology Company Limited ("SZ Highpower"), SZ Highpower's wholly owned subsidiary Huizhou Highpower Technology Company Limited ("HZ HTC") and SZ Highpower's and HKHTC's jointly owned subsidiaries, Springpower Technology (Shenzhen) Company Limited ("SZ Springpower") and Icon Energy System Company Limited ("ICON"). Highpower and its direct and indirect wholly 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, 2017, filed with the SEC on April 4, 2018.

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, 2018, its consolidated results of operations for the three and nine months ended September 30, 2018, cash flows for the nine months ended September 30, 2018 and change in equity for the three and nine months ended September 30, 2018, as applicable, have been made. Operating results for the three and nine months ended September 30, 2018 are not necessarily indicative of the operating results that may be expected for the year ending December 31, 2018 or any future periods.

Concentrations of credit risk

One major customer accounted for 12.6% and 11.6% of the total sales for the three months ended September 30, 2018 and 2017, respectively. No customer accounted for 10.0% or more of total sales during the nine months ended September 30, 2018 and 2017.

One supplier accounted for 21.1% and 13.5% of the total purchase amount during the three and nine months ended September 30, 2018, respectively. No supplier accounted for 10% or more of the total purchase amount during the three and nine months ended September 30, 2017.

No customer accounted for 10.0% or more of the accounts receivable as of September 30, 2018. One customer accounted for 10.1% of the accounts receivable as of December 31, 2017.

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

2. Summary of significant accounting policies

Recently issued accounting standards

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606) (“ASU 2014-09”), which was subsequently modified in August 2015 by ASU 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. 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.

Under Topic 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. It also impacts certain other areas, such as the accounting for costs to obtain or fulfill a contract. The standard also requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

Management has adopted this standard effective January 1, 2018 using the modified-retrospective approach, in which case the cumulative effect of applying the standard would be recognized at the date of initial application. The adoption of ASC 606 did not have a material impact on the Company’s condensed consolidated balance sheet, statement of operations and statement of cash flows for the nine months period ended September 30, 2018. See Note 3 for disclosures required by ASC 606 and the updated accounting policy for revenue recognition.

On February 25, 2016, the FASB issued 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. 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. Early application is permitted for all public business entities and all nonpublic business entities upon issuance. In July 2018, the FASB issued Accounting Standards Update (ASU) 2018-11, Lease (Topic 842) Targeted Improvements. The amendments in this Update provide entities with an additional (and optional) transition method to adopt the new leases standard and provide lessors with a practical expedient, by class of underlying asset, to not separate nonlease components from the associated lease component and, instead, to account for those components as a single component if the nonlease components otherwise would be accounted for under the new revenue guidance (Topic 606). The Company is currently evaluating the impact of adopting ASU 2016-02 and ASU 2018-11 on its consolidated financial statements.

In March 2018, the FASB issued ASU No. 2018-05, Income Tax (Topic 740) - Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118. This update adds SEC paragraphs pursuant to the SEC Staff Accounting Bulletin No. 118, which expresses the view of the staff regarding application of Topic 740, Income Taxes, in the reporting period that includes December 22, 2017 - the date on which the Tax Act was signed into law. The Company is currently evaluating the impact of adopting ASU 2018-05 on its consolidated financial statements.

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
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3. Revenue Recognition

The Company adopted ASC 606 using the modified retrospective method as applied to customer contracts that were not completed as of January 1, 2018. As a result, financial information for reporting periods beginning after January 1, 2018 are presented under ASC 606, while comparative financial information has not been adjusted and continues to be reported in accordance with the Company's historical accounting policy for revenue recognition prior to the adoption of ASC 606.

Revenue is recognized when (or as) the Company satisfies performance obligations by transferring a promised goods to a customer. Revenue is measured at the transaction price which is based on the amount of consideration that the Company expects to receive in exchange for transferring the promised goods to the customer. Contracts with customers are comprised of customer purchase orders, invoices and written contracts. Given the nature of our business, customer product orders are fulfilled at a point in time and not over a period of time.

The majority of domestic sales contracts transfer control to customers upon receipt of product by customers. The majority of oversea sales contracts transfer control to customers when goods were delivered to the carriers. In most jurisdictions where the Company operates, sales are subject to Value Added Tax ("VAT"). Revenue is presented net of VAT.

The Company does not have arrangements for returns from customers and does not have any future obligations directly or indirectly related to product resale by customers. The Company has no sales incentive programs.

The following table disaggregates product sales by business segment by geography which provides information as to the major source of revenue. See Note 16 for additional description of our reportable business segments and the products being sold in each segment.

	<u>Three months ended September 30, 2018</u>			<u>Nine months ended September 30, 2018</u>		
	<i>Ni-MH</i>			<i>Ni-MH</i>		
	<i>Lithium Business</i>	<i>Batteries and Accessories</i>	<i>Consolidated</i>	<i>Lithium Business</i>	<i>Batteries and Accessories</i>	<i>Consolidated</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Primary Geographic Markets	\$	\$	\$	\$	\$	\$
China Mainland	27,534,539	8,964,442	36,498,981	74,408,401	23,276,348	97,684,749
Asia, others	38,657,192	5,955,794	44,612,986	73,751,756	11,799,526	85,551,282
Europe	1,670,050	5,651,287	7,321,337	3,736,805	12,971,795	16,708,600
North America	732,342	1,139,319	1,871,661	1,797,672	3,237,063	5,034,735
Others	-	252,514	252,514	-	285,526	285,526
Total sales	<u>68,594,123</u>	<u>21,963,356</u>	<u>90,557,479</u>	<u>153,694,634</u>	<u>51,570,258</u>	<u>205,264,892</u>

The Company has elected to apply the practical expedient in paragraph ASC 606-10-50-14 and does not disclose information about remaining performance obligations (i) contracts that have an original expected length of one year or less; and (ii) contracts where revenue is recognized as invoiced.

We do not have amounts of contract assets since revenue is recognized as control of goods is transferred. Our contract liabilities consist of advance payments from customers. Our contract liabilities are reported in a net position on a customer-by-customer basis at the end of each reporting period. All contract liabilities are expected to be recognized as revenue within one year and are included in other payables and accrued liabilities in our Condensed Consolidated Balance Sheet.

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
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(Stated in US Dollars)

4. Accounts receivable, net

	<i>September 30, 2018</i>	<i>December 31, 2017</i>
	<i>(Unaudited)</i>	
	\$	\$
Accounts receivable	82,024,427	61,431,785
Less: allowance for doubtful accounts	414,186	3,178,786
	81,610,241	58,252,999

The Company wrote off \$2,430,392 for the three and nine months ended September 30, 2018, respectively.

5. Inventories

	<i>September 30, 2018</i>	<i>December 31, 2017</i>
	<i>(Unaudited)</i>	
	\$	\$
Raw materials	30,485,367	21,428,315
Work in progress	11,460,231	6,931,486
Finished goods	16,246,238	14,284,563
Packing materials	32,108	36,797
Consumables	343,719	265,483
	58,567,663	42,946,644

6. Property, plant and equipment, net

	<i>September 30, 2018</i>	<i>December 31, 2017</i>
	<i>(Unaudited)</i>	
	\$	\$
Cost		
Construction in progress	4,518,370	1,330,643
Furniture, fixtures and office equipment	6,895,368	5,794,983
Leasehold improvement	6,856,560	7,080,409
Machinery and equipment	37,235,730	33,176,416
Motor vehicles	1,495,382	1,498,605
Buildings	19,034,923	20,169,197
	76,036,333	69,050,253
Less: accumulated depreciation	24,583,427	22,529,477
	51,452,906	46,520,776

The Company recorded depreciation expenses of \$4,407,773 and \$3,688,755 for the nine months ended September 30, 2018 and 2017, respectively, and \$1,462,535 and \$1,327,273 for the three months ended September 30, 2018 and 2017, respectively.

During the nine months ended September 30, 2018, the Company deducted deferred government grants of \$66,398 on the carrying amount of property, plant and equipment. During the year ended December 31, 2017, the Company deducted deferred government grants of \$263,948 in calculating the carrying amount of property, plant and equipment.

The buildings comprising the Huizhou facilities were pledged as collateral for bank loans. The net carrying amounts of the buildings were \$8,534,563 and \$9,224,694 as of September 30, 2018 and December 31, 2017, respectively.

The building located in Shenzhen, Guangdong was pledged as collateral for bank loans. The net carrying amount of the buildings was \$357,117 and \$396,843 as of September 30, 2018 and December 31, 2017, respectively.

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
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7. **Long-term investments**

	<u>September 30, 2018</u>		<u>December 31, 2017</u>	
	<i>(Unaudited)</i>			
	\$	Interest %	\$	Interest %
Equity method investments				
-Ganzhou Highpower Technology Company Limited ("GZ Highpower") (1)	8,187,264	31.294%	8,102,520	31.294%
-Shenzhen V-power Innovative Technology Co., Ltd ("V-power") (2)	645,499	49.000%	-	N/A
Cost method investment				
-Huizhou Yipeng Energy Technology Co Ltd. ("Yipeng") (3)	1,702,414	4.654%	1,803,859	4.654%
	<u>10,535,177</u>		<u>9,906,379</u>	

(1) Investment in GZ Highpower

On December 21, 2017, after the completion of the capital increase to GZ Highpower by other shareholders, the Company lost the controlling power over GZ Highpower and deconsolidated GZ Highpower. Thereafter, the investment was recorded under the equity method.

The equity in earnings of investee was \$233,531 and \$569,745 for the three and nine months ended September 30, 2018, respectively.

(2) Investment in V-power

On February 28, 2018, the Company signed an investment agreement (the "Agreement") with a related company and a group of individuals (the "Founder Team") with an aggregate amount of RMB4.9 million (approximately \$0.7 million) for 49% of the equity interest of V-power, which was recorded under the equity method. Pursuant to the terms of the Agreement, the Company shall complete the capital injection to V-power no later than December 31, 2018. In addition, the Company agreed to transfer the 15% of original equity interest of V-power to the Founder Team as compensation under voluntary assignment as any of the following requirements met: 1. annual sales revenue higher or equal to RMB30 million before the first capital increase of V-power; 2. valuation of V-power higher or equal to RMB30 million before equity issuance. As of September 30, 2018, the Company injected RMB2.1million (approximately \$0.3 million) to V-power, and the unpaid amount was recorded as amount due to a related party (See Note 16).

The equity in loss of investee was \$48,728 and \$68,622 for the three and nine months ended September 30, 2018, respectively.

(3) Investment in Yipeng

In 2017, after the completion of the capital injection to Yipeng and the equity transfer payment received by the Company from the other shareholder, the Company's equity ownership in Yipeng decreased from 35.4% to 4.654%, and the Company lost the ability to exercises significant influence over Yipeng, discontinued the use of equity method and applied the cost method in accounting.

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

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
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8. Taxation

Highpower and its direct and indirect wholly 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 which was changed from 17% to 16% on May 1, 2018 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 of their revenues.

2) Income tax

United States

Tax Reform

On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Act") was signed into legislation. The 2017 Tax Act significantly revises the U.S. corporate income tax by, among other things, lowering the statutory corporate tax rate from 34% to 21%, imposing a mandatory one-time tax on accumulated earnings of foreign subsidiaries, introducing new tax regimes, and changing how foreign earnings are subject to U.S. tax.

On December 22, 2017, the Securities and Exchange Commission staff issued Staff Accounting Bulletin No. 118 ("SAB 118"), which provides guidance on accounting for the tax effects of the Tax Act. SAB 118 provides a measurement period that should not extend beyond one year from the Tax Act enactment date for companies to complete the accounting under ASC 740, Income Taxes. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the Tax Act for which the accounting under ASC 740 is complete. To the extent that a company's accounting for certain income tax effects of the Tax Act is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements.

As of September 30, 2018, the Company has not completed its accounting for certain tax effects of enactment of the Tax Act; however, the Company has made reasonable estimates of the effects on our existing deferred tax balances and the one-time transition tax. The Company expects to finalize these provisional estimates before the end of 2018 after completing our reviews and analysis, including reviews and analysis of any interpretations issued during this re-measurement period.

The one-time transition tax is based on the total post-1986 earnings and profits ("E&P") for which the Company has previously deferred U.S. income taxes. The Company expects to make adjustments to this provisional estimate based on additional clarifying and interpretative technical guidance to be issued related to the calculation of the one-time transition tax.

The Tax Act subjects a U.S. shareholder to tax on Global Intangible Low Taxed Income (GILTI) earned by foreign subsidiaries. The Company currently does not expect to incur GILTI in 2018. The Company has not determined its accounting policy with respect to GILTI and has therefore included the 2018 estimate of current year GILTI, if any, as a period cost and included as part of the estimated annual effective tax rate. The 2018 estimated annual effective tax rate also includes the 2018 impact of all other U.S. tax reform provisions that were effective on January 1, 2018.

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
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8. Taxation (continued)

Hong Kong

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

PRC

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

In China, the companies granted with National High-tech Enterprise (“NHTE”) status enjoy 15% income tax rate. This status needs to be renewed every three years. If these subsidiaries fail to renew NHTE status, they will be subject to income tax at a rate of 25% after the expiration of NHTE status. All the PRC subsidiaries received NHTE status and enjoy 15% income tax rate for calendar year 2018 and 2017.

The components of the provision for income taxes expense are:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>September 30,</i>		<i>September 30,</i>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$	\$	\$
Current	992,371	1,123,967	1,890,891	2,043,767
Deferred	(82,832)	(110,048)	(581,710)	153,625
Total income tax expenses	<u>909,539</u>	<u>1,013,919</u>	<u>1,309,181</u>	<u>2,197,392</u>

The reconciliation of income taxes expenses computed at the PRC statutory tax rate 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$	\$	\$
Income before tax	7,023,567	6,166,814	9,018,588	14,425,029
Provision for income taxes at PRC statutory income tax rate (25%)	1,755,892	1,541,704	2,254,647	3,606,257
Impact of different tax rates in other jurisdictions	(59,978)	(12,220)	36,568	(5,582)
Effect of PRC preferential tax rate	(606,360)	(675,946)	(872,787)	(1,464,929)
R&D expenses eligible for super deduction	(193,645)	(4,571)	(528,537)	(447,510)
Other non-deductible expenses	62,508	31,769	111,259	65,764
Change in valuation allowance of deferred tax assets	(48,878)	133,183	308,031	443,392
Effective enterprise income tax expenses	<u>909,539</u>	<u>1,013,919</u>	<u>1,309,181</u>	<u>2,197,392</u>

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
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8. Taxation (continued)

3) Deferred tax assets, net

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>2018</i>	<i>December 31,</i> <i>2017</i>
	<i>(Unaudited)</i>	
	\$	\$
Tax loss carry-forward	1,598,750	991,766
Allowance for doubtful receivables	62,127	136,562
Impairment for inventory	436,679	222,289
Difference for sales cut-off	3,691	17,322
Deferred government grants	70,942	46,446
Property, plant and equipment subsidized by government grant	248,358	269,344
Impairment for property, plant and equipment	137,171	58,304
Total gross deferred tax assets	2,557,718	1,742,033
Valuation allowance	(1,297,610)	(991,766)
Total net deferred tax assets	<u>1,260,108</u>	<u>750,267</u>

As of September 30, 2018, the Company had net operating loss carry-forwards in Hong Kong of \$5,584,833 and United States of \$1,791,016 without expiration and in the PRC of \$2,007,596, which will expire in 2022.

The Company has deferred tax assets which consisted of tax loss carry-forwards and other items that can be carried forward to offset future taxable income. Management determined it is more likely than not that part of the deferred tax assets could not be utilized, so a valuation allowance was provided for as of September 30, 2018 and December 31, 2017. The net valuation allowance decreased by \$47,485 and increased by approximately \$0.1 million during the three months ended September 30, 2018 and 2017, respectively. The net valuation allowance increased by approximately \$0.3 million and \$0.4 million during the nine months ended September 30, 2018 and 2017, respectively.

9. 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 \$54,989,994 and \$54,859,478 as of September 30, 2018 and December 31, 2017, respectively.

10. Short-term loans

As of September 30, 2018 and December 31, 2017, short-term loans consisted of bank borrowings for working capital and capital expenditure purposes and were secured by personal guarantees executed by certain directors of the Company, time deposits with a carrying amount of \$2,716,196 and \$3,982,226, land use right with a carrying amount of \$2,444,474 and \$2,639,631, and buildings with a carrying amount of \$8,891,680 and \$9,621,537, respectively.

The loans were primarily obtained from three banks with interest rates ranging from 5.2200% to 6.5250% per annum and 5.0000% to 5.8725% per annum as of September 30, 2018 and December 31, 2017, respectively. The interest expenses were \$531,684 and \$700,708 for the nine months ended September 30, 2018 and 2017, respectively. The interest expenses were \$301,085 and \$163,552 for the three months ended September 30, 2018 and 2017, respectively.

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
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11. Non-financial institution borrowings

As of September 30, 2018, the Company obtained borrowings from a third-party individual in an amount of \$8,701,075 which were used for working capital and capital expenditure purposes. The interest rates for the borrowings were 5.66% per annum. The borrowings are personally guaranteed by the Company's Chief Executive Officer, Mr. Dang Yu Pan.

The interest expense of the above borrowings was \$422,554 and \$468,817 for the nine months ended September 30, 2018 and 2017, respectively. The interest expense was \$125,591 and \$171,064 for the three months ended September 30, 2018 and 2017, respectively.

12. Lines of credit

The Company entered into various credit contracts and revolving lines of credit, which were used for short-term loans and bank acceptance bills. As of September 30, 2018, the total and unused lines of credit were \$107.9 million and \$44.7 million with maturity dates from October 2018 to September 2019. As of December 31, 2017, the total and unused lines of credit were \$79.8 million and \$31.3 million with maturity dates from March 2018 to July 2019.

These lines of credit were guaranteed by the Company's Chief Executive Officer, Mr. Dang Yu Pan or Mr. Dang Yu Pan and his wife. The Company's buildings and the land use right were pledged as collateral for these line of credit.

13. 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, 2018 and 2017.

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>September 30,</i>		<i>September 30,</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$	\$	\$
Numerator:				
Net income attributable to the Company	6,114,028	5,024,193	7,709,407	11,931,079
Denominator:				
Weighted-average shares outstanding				
- Basic	15,559,658	15,369,674	15,542,076	15,270,898
- Dilutive effects of equity incentive awards	37,599	149,090	58,470	292,114
- Diluted	15,597,257	15,518,764	15,600,546	15,563,012
Net income per share:				
- Basic	0.39	0.33	0.50	0.78
- Diluted	0.39	0.32	0.49	0.77

Diluted earnings per share takes into account the potential dilution that could occur if securities or other contracts to issue common stock were exercised and converted into common stock. Potential dilutive securities are excluded from the calculation of diluted EPS in loss periods as their effect would be anti-dilutive.

HIGHPOWER INTERNATIONAL, INC. AND SUBSIDIARIES
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14. 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 (“the 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 made related to the Benefits, the Company has no legal obligation.

The total contributions made, which were expensed as incurred, were \$2,380,819 and \$1,824,009 for the nine months ended September 30, 2018 and 2017, respectively, and \$997,267 and \$698,912 for the three months ended September 30, 2018 and 2017, respectively.

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 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 is set out as follows:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>September 30,</i>		<i>September 30,</i>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$	\$	\$
<i>Net sales</i>				
Lithium Business	68,594,123	49,302,659	153,694,634	113,802,201
Ni-MH Batteries and Accessories	21,963,356	14,273,058	51,570,258	38,584,272
New Materials	-	7,829,843	-	12,585,865
Total	<u>90,557,479</u>	<u>71,405,560</u>	<u>205,264,892</u>	<u>164,972,338</u>
<i>Cost of Sales</i>				
Lithium Business	54,730,548	39,691,844	125,277,530	89,642,088
Ni-MH Batteries and Accessories	18,316,515	11,211,627	43,600,693	29,413,142
New Materials	-	6,941,753	-	10,350,172
Total	<u>73,047,063</u>	<u>57,845,224</u>	<u>168,878,223</u>	<u>129,405,402</u>
<i>Gross Profit</i>				
Lithium Business	13,863,575	9,610,815	28,417,104	24,160,113
Ni-MH Batteries and Accessories	3,646,841	3,061,431	7,969,565	9,171,130
New Materials	-	888,090	-	2,235,693
Total	<u>17,510,416</u>	<u>13,560,336</u>	<u>36,386,669</u>	<u>35,566,936</u>

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15. Segment information (continued)

	<i>September 30,</i> 2018	<i>December 31,</i> 2017
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$
Total Assets		
Lithium Business	212,524,600	171,881,450
Ni-MH Batteries and Accessories	51,273,575	48,383,088
Total	263,798,175	220,264,538

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

	<i>Three months ended</i> September 30,		<i>Nine months ended</i> September 30,	
	2018	2017	2018	2017
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$	\$	\$
Net sales				
China Mainland	36,498,981	40,140,175	97,684,749	94,387,905
Asia, others	44,612,986	24,496,337	85,551,282	50,284,507
Europe	7,321,337	6,456,220	16,708,600	14,921,627
North America	1,871,661	178,262	5,034,735	4,841,329
Others	252,514	134,566	285,526	536,970
	90,557,479	71,405,560	205,264,892	164,972,338

	<i>September 30,</i> 2018	<i>December 31,</i> 2017
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$
Accounts receivable		
China Mainland	36,314,021	37,636,478
Asia, others	36,761,224	15,294,527
Europe	7,966,358	5,189,859
North America	493,677	94,585
Others	74,961	37,550
	81,610,241	58,252,999

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

16. Related party balance and transaction

Related party balance

	<i>September 30, 2018</i>	<i>December 31, 2017</i>
	<i>(Unaudited)</i>	
	\$	\$
Accounts receivable	258,825	632,704
Other receivable	1,170	533,134
Amount due from a related party- GZ Highpower	<u>259,995</u>	<u>1,165,838</u>
Other payable-investment (1)	406,050	-
Loan from Mr. Dang Yu Pan (2)	5,720,957	-
Amount due to related parties	<u>6,127,007</u>	<u>-</u>

(1) The Company signed an investment agreement with an aggregate amount of RMB4.9 million (approximately \$0.7 million) in investing for 49% of the equity interest of V-power which was set up on March 1, 2018. On April 28, 2018, the Company injected RMB2.1 million (approximately \$0.3 million) to V-power, and the unpaid amount was recorded as amount due to a related party. (See Note 7)

(2) The Company entered into a loan agreement with a maximum amount of RMB60 million (approximately \$8.7 million) with Mr. Dang Yu Pan on July 20, 2018. As of September 30, 2018, the Company withdrew an aggregate amount of RMB39.45 million (approximately \$5.7 million). The interest rate is 5.65% per annum. The Company accrued interest expense \$58,037 for the three and nine months ended September 30, 2018, respectively.

Related party transaction

The details of the transactions with GZ Highpower were as follows:

	<i>Three months ended September 30,</i>		<i>Nine months ended September 30,</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$	\$	\$
Income:				
Sales	525,983	-	1,184,917	-
Repayment:				
Other receivable	(12,986)	-	530,461	-

The details of the transactions with Yipeng were as follows:

	<i>Period from January 1, 2017 to July 27, 2017</i>	<i>Period from July 1, 2017 to July 27, 2017</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$
Income:		
Sales	2,781,745	734,889
Rental income	26,687	8,376
Expenses:		
Equipment rental fee	383,351	58,121

17. Subsequent event

The Company has evaluated subsequent events through the issuance of the unaudited condensed consolidated financial statements and no other 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, 2017 filed with SEC on April 4, 2018 (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 \$19.2 million, or 26.8%, during the third quarter of 2018 compared to the same quarter in 2017. Excluding GZ Highpower, net sales increased 41.8% to \$90.6 million from \$63.9 million. The main driver was our lithium business, including high-end consumer products, industrial applications and increased demand for artificial intelligence products.

Lithium business net sales increased by \$19.3 million, or 39.1%, during the third quarter of 2018 compared to the same quarter in 2017.

Ni-MH batteries and accessories net sales increased by \$7.7 million, or 53.9%, during the third quarter of 2018 compared to the same quarter in 2017.

Gross profit during the third quarter of 2018 was \$17.5 million, or 19.3% of net sales, compared to \$13.6 million, or 19.0% of net sales, for the comparable period in 2017.

In the third quarter of 2018, our gross profit margin increased by 1.9% compared to the second quarter of 2018. Due to the uncertainty of trade conflict between the USA and China, raw material price fluctuation and exchange rate impact, we will closely monitor all of these potential risks to drive continuous business growth.

Investment in V-power

On February 28, 2018, the Company signed an investment agreement (the “Agreement”) with an aggregate amount of RMB4.9 million (approximately \$0.7 million) for 49% of the equity interest of V-power. Pursuant to the terms of the Agreement, the Company shall complete the capital injection to V-power no later than December 31, 2018. On April 28, 2018, the Company injected RMB2.1 million (approximately \$0.3 million) to V-power. V-power now focuses on the development of electronic vehicle battery management systems (“EV BMS”), and in the future V-power intends to gradually extend the business to design and produce EV power modules, energy storage systems (“ESS”) and related products.

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, 2018 and 2017, both in US\$ and as a percentage of net sales.

Consolidated Statements of Operations

	Three months ended September 30,				Nine months ended September 30,			
	2018		2017		2018		2017	
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
	\$	%	\$	%	\$	%	\$	%
Net sales	90,557	100.0%	71,406	100.0%	205,265	100.0%	164,972	100.0%
Cost of sales	(73,047)	(80.7)%	(57,846)	(81.0)%	(168,878)	(82.3)%	(129,405)	(78.4)%
Gross profit	17,510	19.3%	13,560	19.0%	36,387	17.7%	35,567	21.6%
Research and development expenses	(3,536)	(3.9)%	(2,434)	(3.4)%	(9,690)	(4.7)%	(6,385)	(3.9)%
Selling and distribution expenses	(2,625)	(2.9)%	(1,860)	(2.6)%	(6,722)	(3.3)%	(5,221)	(3.2)%
General and administrative expenses	(5,796)	(6.4)%	(3,960)	(5.5)%	(13,821)	(6.7)%	(10,035)	(6.1)%
Foreign currency transaction gain (loss)	1,925	2.1%	(816)	(1.1)%	2,580	1.3%	(1,645)	(1.0)%
Income from operations	7,478	8.3%	4,490	6.1%	8,734	4.3%	12,281	7.4%
Changes in fair value of warrant liability	-	-	-	-	-	-	-	-
Changes in fair value of foreign exchange derivative assets (liabilities)	(410)	(0.5)%	(146)	(0.2)%	(831)	(0.4)%	(146)	(0.1)%
Government grants	262	0.3%	346	0.5%	1,580	0.8%	905	0.5%
Other income (expense)	28	0.0%	(251)	(0.4)%	109	0.1%	45	0.0%
Equity in earnings of investees	185	0.2%	1	0.0%	501	0.2%	106	0.1%
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 (expense) income	(519)	(0.6)%	58	0.1%	(1,074)	(0.5)%	(926)	(0.6)%
Income before taxes	7,024	7.8%	6,167	8.6%	9,019	4.4%	14,425	8.7%
Income taxes expenses	(910)	(1.0)%	(1,014)	(1.4)%	(1,310)	(0.6)%	(2,197)	(1.3)%
Net income	6,114	6.8%	5,153	7.2%	7,709	3.8%	12,228	7.4%
Less: net income attributable to non-controlling interest	-	-	129	0.2%	-	-	297	0.2%
Net income attributable to the Company	6,114	6.8%	5,024	7.0%	7,709	3.8%	11,931	7.2%

Net sales

Net sales for the three months ended September 30, 2018 were \$90.6 million compared to \$71.4 million for the comparable period in 2017, an increase of \$19.2 million, or 26.8%.

Net sales for the nine months ended September 30, 2018 were \$205.3 million compared to \$165.0 million for the comparable period in 2017, an increase of \$40.3 million, or 24.4%. The increase was driven by our lithium business, which was partially offset by the impact of the deconsolidation of GZ Highpower. Net sales of Lithium business increased by \$39.9 million, or 35.1%, during the nine months ended September 30, 2018, compared to the comparable period in 2017. Ni-MH batteries and accessories net sales increased by \$13.0 million, or 33.7%, during the nine months ended September 30, 2018, compared to the comparable period in 2017. The increase in net sales was mainly due to the optimization of our sales structure.

Gross profit

Gross profit for the three months ended September 30, 2018 was \$17.5 million, or 19.3% of net sales, compared to \$13.6 million, or 19.0% of net sales, for the comparable period in 2017.

Gross profit for the nine months ended September 30, 2018 was \$36.4 million, or 17.7% of net sales, compared to \$35.6 million, or 21.6% of net sales, for the comparable period in 2017. This decrease of gross profit margin was mainly due to high raw material prices.

Research and development expenses

Research and development expenses were \$3.5 million, or 3.9% of net sales, for the three months ended September 30, 2018, compared to \$2.4 million, or 3.4% of net sales, for the comparable period in 2017.

Research and development expenses were \$9.7 million, or 4.7% of net sales, for the nine months ended September 30, 2018, compared to \$6.4 million, or 3.9% of net sales, for the comparable period in 2017. The Company will continue to invest on R&D activities in the future.

Selling and distribution expenses

Selling and distribution expenses were \$2.6 million, or 2.9% of net sales, for the three months ended September 30, 2018, compared to \$1.9 million, or 2.6% of net sales, for the comparable period in 2017.

Selling and distribution expenses were \$6.7 million, or 3.3% of net sales, for the nine months ended September 30, 2018, compared to \$5.2 million, or 3.2% of net sales, for the comparable period in 2017. The percent of net sales remained stable.

General and administrative expenses

General and administrative expenses were \$5.8 million, or 6.4% of net sales, for the three months ended September 30, 2018, compared to \$4.0 million, or 5.5% of net sales, for the comparable period in 2017.

General and administrative expenses were \$13.8 million, or 6.7% of net sales, for the nine months ended September 30, 2018, compared to \$10.0 million, or 6.1% of net sales, for the comparable period in 2017. The increase was mainly due to the increase of payroll related and amortization of share-based compensation.

Foreign currency transaction gain (loss)

We experienced a gain of \$1.9 million and a loss of \$0.8 million for the three months ended September 30, 2018 and 2017, respectively, on the exchange rate difference between the US\$ and the RMB.

We experienced a gain of \$2.6 million and a loss of \$1.6 million for the nine months ended September 30, 2018 and 2017, respectively, on the exchange rate difference between the US\$ and the RMB. The gain (loss) in exchange rate difference was due to the influence of the RMB relative to the US\$ over the respective periods.

Changes in fair value of foreign exchange derivative assets (liabilities)

We experienced a loss on derivative instruments of \$0.4 million and \$0.1 million for the three months ended September 30, 2018 and 2017, respectively.

We experienced a loss on derivative instruments of \$0.8 million and \$0.1 million for the nine months ended September 30, 2018 and 2017, respectively.

Government grants

Government grants were \$0.3 million for the three months ended September 30, 2018, compared to \$0.3 million for the comparable period in 2017.

Government grants were \$1.6 million for the nine months ended September 30, 2018, compared to \$0.9 million for the comparable period in 2017.

Other income (expense)

Other income was \$27,998 for the three months ended September 30, 2018, compared to other expense was \$251,166 for the comparable period in 2017.

Other income was \$108,140 for the nine months ended September 30, 2018, compared to \$44,480 for the comparable period in 2017.

Equity in earnings of investees

Equity in earnings of investees were \$184,803 for the three months ended September 30, 2018, compared to equity in earnings of investee \$1,087 for the comparable period in 2017.

Equity in earnings of investees were \$501,123 for the nine months ended September 30, 2018, compared to \$106,412 for the comparable period in 2017.

Gain on dilution in equity method investee

Gain 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.

Interest (expense) income

Interest expense was \$518,912 for the three months ended September 30, 2018, compared to interest income of \$57,663 for the comparable period in 2017.

Interest expense was \$1.1 million for the nine months ended September 30, 2018, compared to \$0.9 million for the comparable period in 2017.

Income taxes expenses

Income taxes expenses were \$0.9 million for the three months ended September 30, 2018, compared to \$1.0 million for the comparable period in 2017.

Income taxes expenses were \$1.3 million for the nine months ended September 30, 2018, compared to \$2.2 million for the comparable period in 2017.

Net income

Net income attributable to the Company for the three months ended September 30, 2018 was \$6.1 million. Net income attributable to the Company (excluding net gain attributable to non-controlling interest) of \$5.0 million for the comparable period in 2017, increased by \$1.1 million, or 21.7%.

Net income attributable to the Company for the nine months ended September 30, 2018 was \$7.7 million. Net income attributable to the Company (excluding net gain attributable to non-controlling interest) of \$11.9 million for the comparable period in 2017, decreased by \$4.2 million, or 35.4%.

Reconciliation of Net Income to EBITDA

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.

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>September 30,</i>		<i>September 30,</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$	\$	\$
Net income attributable to the Company	6,114,028	5,024,193	7,709,407	11,931,079
Interest expenses	518,912	(57,663)	1,073,578	926,185
Income taxes expenses	909,539	1,013,919	1,309,181	2,197,392
Depreciation and Amortization	1,490,646	1,362,196	4,494,518	3,792,178
EBITDA	9,033,125	7,342,645	14,586,684	18,846,834

Key financial items excluding GZ Highpower

The Company deconsolidated GZ Highpower on December 21, 2017. Since the Company no longer presents GZ Highpower's operations and comprehensive income as a result of the deconsolidation, the table below shows the comparative figures of key financial items excluding the effect of GZ Highpower:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>September 30,</i>		<i>September 30,</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	\$	\$	\$	\$
Sales:				
Lithium Business	68,594,123	49,302,659	153,694,634	113,802,201
Ni-MH Batteries and Accessories	21,963,356	14,273,058	51,570,258	38,584,272
Sales to GZ Highpower	-	288,466	-	492,944
Net sales (excluding GZ Highpower)	90,557,479	63,864,183	205,264,892	152,879,417
Gross profit (excluding GZ Highpower)	17,510,416	12,648,471	36,386,669	33,331,242
Gross profit margin (excluding GZ Highpower)	19.3%	19.8%	17.7%	21.8%
Net income:				
Net income	6,114,028	5,152,895	7,709,407	12,227,637
Less: Net income of GZ Highpower	-	429,010	-	988,528
Net income (excluding GZ Highpower)	6,114,028	4,723,885	7,709,407	11,239,109

Liquidity and Capital Resources

We had cash and restricted cash of approximately \$39.6 million as of September 30, 2018, compared to \$40.5 million as of December 31, 2017.

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, 2018, we had lines of credit with eight financial institutions aggregating \$107.9 million. The maturities of these facilities vary from October 2018 to September 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, 2018, we had utilized approximately \$63.2 million under such general credit facilities and had available unused credit facilities of \$44.7 million.

Net cash used in operating activities was approximately \$9.8 million for the nine months ended September 30, 2018, compared to net cash used in operating activities of \$5.6 million for the comparable period in 2017. The net cash increase of \$4.2 million used in operating activities is primarily due to an increase of \$17.2 million in cash outflow from accounts receivable, an increase of \$11.7 million in cash inflow from other payables and accrued liabilities.

Net cash used in investing activities was \$10.1 million for the nine months ended September 30, 2018, compared to net cash provided by investing activities of \$3.2 million for the comparable period in 2017. The net cash increase of \$13.3 million used in investing activities is primarily due to a cash inflow of \$10.5 million from proceeds from sale of long-term investment in 2017.

Net cash provided by financing activities was \$23.5 million for the nine months ended September 30, 2018, compared to \$12.1 million for the comparable period in 2017. The net cash increase of \$11.4 million in net cash provided by financing activities was primarily attributable to an increase of \$12.6 million in cash inflow from proceeds from short-term loans, an increase of \$23.9 million in cash inflow from proceeds from notes payable, a decrease of \$11.7 million in cash outflow from repayments of short-term loans, and an increase of \$34.3 million in cash outflow from repayments of notes payable.

Our inventory turnover was 6.7 times and 4.5 times for the nine months ended September 30, 2018 and 2017, respectively. The average days outstanding of our accounts receivable was 92 days at September 30, 2018, compared to 77 days at December 31, 2017. The lower inventory turnover was mainly due to our reserve on main raw material because of the high raw material price in the first half year of 2018.

We believe that available cash and unused credit facilities should enable the Company to meet presently anticipated cash needs for at least the next 12 months after the date that the financial statements are issued.

Recent Accounting Standards

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

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 in our internal controls over financial reporting that occurred during the quarter ended September 30, 2018, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

See the Company's Form 10-Q for the period ended June 30, 2018 as filed with the SEC on August 13, 2018 for a description of the settlement and dismissal on August 1, 2018 of the FirsTrust matter.

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, 2017 as filed with the SEC on April 4, 2018 and all of the information contained in our public filings before deciding whether to purchase our common stock. Other than as set forth below, there have been no material revisions to the "Risk Factors" as set forth in our Annual Report on Form 10-K.

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

None.

Item 3. Default Upon Senior Securities

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information

Working Capital Loan Contract between SZ Springpower and Industrial and Commercial Bank of China Ltd. Shenzhen Henggang Branch

On August 8, 2018, SZ Springpower entered into a working capital loan contract with Industrial and Commercial Bank of China Ltd., Shenzhen Henggang Branch providing for an aggregate loan of RMB10,000,000 (\$1,450,179) to be used as current funds for production and operations. SZ Springpower must withdraw the facility before November 6, 2018, after which time the bank may cancel all or part of the facility. The term of the loan is 12 months from the first withdrawal date. The interest rate is 5.4378%, which equals to the one year benchmarked by interbank rates, float 51.4%. The loan is guaranteed by HKHTC, HZ HTC, SZ Highpower and our Chief Executive Officer, Dang Yu Pan. The balance of loan was \$1,450,179 as of September 30, 2018.

The following constitute events of default under the loan contract: the borrower 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 the borrower is not available to provide other guarantees approved by the lender failure to pay off any other debts due by the borrower, 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; 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; the 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; 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; 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, 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; 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 the borrower rectify the event of default within a specified time period; cancel or terminate the borrower'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 the borrower 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.

Working Capital Loan Contracts between ICON and Bank of China, Buji Sub-branch

On September 3, 2018, ICON entered into two working capital loan contracts with Bank of China, Buji Sub-branch providing for an aggregate loan of RMB10,000,000 (\$1,450,179) to be used by ICON to purchase raw materials. The term of the loan is 12 months from the first withdrawal date. ICON must withdraw the facility within 30 days from September 11, 2018, after which time the bank may cancel all or part of the facility. The interest rate will equal the one year benchmarked by interbank rates, plus 2.215%. The loan is guaranteed by SZ Springpower, SZ Highpower, HZ HTC and our Chief Executive Officer, Dang Yu Pan. The balance of loan was \$1,450,179 as of September 30, 2018.

On September 19, 2018, ICON entered into two working capital loan contracts with Bank of China, Buji Sub-branch providing for an aggregate loan of RMB10,000,000 (\$1,450,179) to be used by ICON to purchase raw materials. The term of the loan is 12 months from the first withdrawal date. ICON must withdraw the facility within 30 days from September 21, 2018, after which time the bank may cancel all or part of the facility. The interest rate will equal the one year benchmarked by interbank rates, plus 2.215%. The loan is guaranteed by SZ Springpower, SZ Highpower, HZ HTC and our Chief Executive Officer, Dang Yu Pan. The balance of loan was \$1,450,179 as of September 30, 2018.

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 ICON 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 ICON or such a person or entity's becoming subject to investigation or restriction by the judiciary, which have or may affect ICON'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 ICON or a guarantor after the bank's annual review of ICON'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 ICON or any guarantor to rectify the event of default within a specified time period; reduce, temporarily suspend or permanently terminate ICON's credit limit in whole or in part; temporarily suspend or permanently terminate in part or in whole ICON'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 ICON and the bank; require compensation from ICON on the losses thereafter caused; hold ICON'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.

Loan Contract between SZ Highpower and Ping An Bank Co., Ltd. Shenzhen Branch

On June 28, 2018, SZ Highpower entered into a working capital loan contract with Ping An Bank Co., Ltd. Shenzhen Branch providing for an aggregate loan of \$1,500,000 to be used by SZ Highpower to purchase raw materials. The term of the loan is 12 months from the first withdrawal date. The interest rate will equal to the LIBOR of the withdraw date, plus 2.85%. The loan is guaranteed by SZ Springpower, HZ HTC and our Chief Executive Officer, Dang Yu Pan. The balance of used facility was \$1,500,000 as of September 30, 2018.

The following constitute events of default under the loan contract: SZ Highpower changes the method of payment under the contract; SZ Highpower's failure to timely repay the principal, interest and other payable under the contract; SZ Highpower's failure to use the loan proceeds for the prescribed purposes; SZ Highpower's violation of any statement, warranty and commitment with the bank; SZ Highpower's violation of any other obligations in the contract; SZ Highpower's concealment of true important information; SZ Highpower or a guarantor's evasion of bank debts on purpose through related party transactions or otherwise; SZ Highpower or a guarantor's transfer of property or use of assets to avoid debts by way of gratis, unreasonably-low priced transactions or for other improper means; SZ Highpower's use of false contracts and arrangements signed with any other third party to get funds or credit from the bank, including but not limited to pledge or discount of the notes receivable and other claims without actual trading background; SZ Highpower or a guarantor's violation of any other contract (including but not limited to credit contract, loan contract and guarantee contract) signed with the bank or other banks or issuance of any bonds; the guarantor's violation of the guarantee contract (including but not limited to guarantee contract, mortgage contract and pledge contract) or occurrence of any breach of the guarantee contract, or the guarantee contract is in vain or cancelled; there is obvious reduction or loss of the guaranty value, or dispute about the ownership of the guaranty, or the guaranty is sealed up, detained, frozen, deducted, detained or sold by auction; the occurrence of a merger, split, acquisition, reorganization, equity transfer, increase in debt financing or any other major event involving SZ Highpower that the bank believes might affect the safety of the loans; SZ Highpower or a guarantor's business term has expired within the credit line period, and SZ Highpower or a guarantor fails to handle the procedures for renewal.

Upon the occurrence of an event of default, the bank may: temporarily suspend or permanently terminate SZ Highpower's credit limit in whole or in part; announce the immediate maturity of all or part of the credit under the contract and request the payment of part or all the principal, interest and expenses immediately; request overdue interest from SZ Highpower caused by the default; request SZ Highpower to keep cash deposit for paying undue acceptance, L/G, L/C or other credit business; request SZ Highpower to provide new guarantee measures accepted by the bank; deduct the sum in SZ Highpower or a guarantor's account at the bank to discharge all or part of the liabilities of the bank without prior consent by the bank; require the guarantors to undertake the guarantee responsibility; take a legal action to collect the debts, fees and other losses from SZ Highpower by judicial procedure.

Comprehensive Credit Line Contract between ICON and Bank of China, Buji Sub-branch

Comprehensive Credit Line Contract between SZ Springpower and Bank of China, Buji Sub-branch

On September 3, 2018, ICON entered into a comprehensive credit line contract with Bank of China, Buji Sub-branch, which provides for a revolving line of credit of up to RMB70,000,000 (\$10,151,254), consisting of up to RMB50,000,000 (\$7,250,895) in loans and up to RMB20,000,000 (\$2,900,358) in bank acceptance. ICON may withdraw the loan, from time to time as needed, but must make specific drawdown application on and before September 3, 2019. The loan is guaranteed by SZ Springpower, SZ Highpower, HZ HTC and our Chief Executive Officer, Dang Yu Pan. The balance of used facility was \$9,098,859 as of September 30, 2018.

On September 3, 2018, SZ Springpower entered into a comprehensive credit line contract with Bank of China, Buji Sub-branch, which provides for a revolving line of credit of up to RMB80,000,000 (\$11,601,433), consisting of up to RMB40,000,000 (\$5,800,716) in loans and up to RMB40,000,000 (\$5,800,716) in bank acceptance. SZ Springpower may withdraw the loan, from time to time as needed, but must make specific drawdown application on and before September 3, 2019. The loan is guaranteed by SZ Highpower, HZ HTC and our Chief Executive Officer, Dang Yu Pan. The balance of used facility was \$11,054,715 as of September 30, 2018.

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

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

Comprehensive Credit Contract between HZ HTC and Guangdong Huaxing Bank Co., Ltd. Huizhou Branch

On September 13, 2018, HZ HTC entered into a comprehensive credit line contract with Guangdong Huaxing Bank Co., Ltd. Huizhou Branch, which provides for a revolving line of credit of up to RMB160,000,000 (\$23,202,866). HZ HTC may withdraw from each loan, from time to time as needed, but must make a specific drawdown application on or before August 7, 2019, after which time the bank may cancel all or part of the facilities. The comprehensive credit line shall be automatically terminated if the bank does not issue any credit line to HZ HTC prior to February 8, 2019. The loan is guaranteed by SZ Highpower, our Chief Executive Officer, Dang Yu Pan and HZ HTC's accounts receivable. The balance of used facility was \$8,849,790 as of September 30, 2018.

The following constitute events of default by HZ HTC under the loan agreement: HZ HTC violates agreed obligations under this Contract or any specific business contract during the validity of this Contract, or HZ HTC expressly indicates or indicates through its acts that it does not perform the agreed obligations under this Contract or any specific business contract during the validity of this Contract; the relevant certificates and documents submitted by HZ HTC to The bank or the representations, warranties and commitments made by HZ HTC are not true, not accurate or not complete, or have false record, misleading statement or major omission; HZ HTC conceals some important true information, or fails to coordinate The bank's investigation, examination and inspection; HZ HTC changes the purpose of the loan funds without authorization, or conducts illegal transactions by use of the loan or bank loans; HZ HTC violates any other similar contract (including but not limited to credit contract, loan contract and guarantee contract) concluded and signed with The bank or with any third party, or debt securities issued by HZ HTC, or any dispute arising from such contract or securities is under litigation or arbitration; HZ HTC's guarantor violates the guarantee contract (including but not limited to guarantee contract, mortgage contract and pledge contract) or has any breach of the guarantee contract, or the guarantee contract has not taken effect, is invalid or is canceled; HZ HTC has any one of the following behaviors, being negligent in managing and claiming the creditor's right due, or disposing and transferring its main properties free of charge, or at unreasonable low price or by other improper means, or escaping debts; HZ HTC illegally get funds or credit from The bank or other banks by using a false contract and arrangement with a third party (including but not limited to HZ HTC's affiliated parties), including but not limited to pledge or discount of the notes receivable and other claims without actual trading background; HZ HTC evades bank claims through affiliated transactions or by other means; HZ HTC's operation conditions go into major problems, such as deterioration of financial conditions, serious financial losses, loss of assets (including but not limited to loss of assets caused due to external guarantee) or other financial crisis; HZ HTC has any illegal management behavior, and is subject to administrative punishment or criminal sanction, or is being investigated by relevant authorities, or is likely to be subject to administrative punishment or criminal sanction; HZ HTC has the following changes, such as division, consolidation, major merger, acquisition and reconstruction, disposal of major assets, reduction of capital, liquidation, reorganization, being announced bankruptcy or being dissolved; HZ HTC's controlling shareholder or actual controller is changed that The bank thinks having affected or likely to affect realization of creditor's rights hereunder; or there is any significant event of HZ HTC's controlling shareholder, actual controller, legal representative or senior management personnel, including but not limited to due to illegal management behavior, subject to administrative punishment or criminal sanction, or being investigated by relevant authorities, or likely to be subject to administrative punishment or criminal sanction, or is involved in a lawsuit or arbitration case, or serious deterioration of financial conditions, being announced bankruptcy or dissolved; There is adverse change to the industry where HZ HTC is located, which The bank thinks having affected or likely to affect realization of creditor's rights hereunder; HZ HTC fails to handle settlement or deposit or relevant business with The bank according to provisions; other circumstances related to HZ HTC which endanger or likely to endanger realization of creditor's right.

Upon the occurrence of an event of default under the Comprehensive Credit Contract, the bank may: to adjust, cancel or terminate the comprehensive credit line hereunder, or to adjust the valid period of the line; to announce immediate maturity of all or part of HZ HTC's debts; to demand HZ HTC to immediately repay all or part of the credit line used; to demand HZ HTC to add security or take other measures to ensure The bank's lawful rights and interests not infringed; to make deduction directly from the account of HZ HTC and the guarantor to repay all the debts under this Contract and the specific business contract (including the debts The bank requests for prepayment), without obtaining HZ HTC's consent in advance; to exercise the suretyship, ask the surety to perform suretyship liability, or realize claim through disposal of the mortgaged property and/or pledged property.

Loan agreement between Shenzhen Highpower Technology Co., Ltd. and Mr. Dang Yu Pan

On July 20, 2018, SZ Highpower entered into a loan agreement with Mr. Dang Yu Pan (Lender) providing for an aggregate loan of RMB60,000,000 (US\$8,701,075) to be used by SZ Highpower as working capital. SZ Highpower can withdraw the loan on and before March 20, 2019. SZ Highpower must repay the principal and interest before the maturity day on March 20, 2019. The interest rate is 5.65%, which equals to 130% of one year's benchmark-lending rate of the People's Bank of China. The balance of used facility was \$5,720,957 as of September 30, 2018.

Item 6. Exhibits

Exhibit Number	Description of Document
<u>10.1</u>	<u>Working Capital Loan Contract dated August 8, 2018, between Springpower Technology Co., Ltd and Industrial and Commercial Bank of China Ltd., Shenzhen Henggang Branch (translated to English).</u>
<u>10.2</u>	<u>Working Capital Loan Contract dated September 3, 2018, between Icon Energy System (Shenzhen) Co., Ltd and Bank of China, Buji Sub-branch (translated to English).</u>
<u>10.3</u>	<u>Working Capital Loan Contract dated September 19, 2018, between Icon Energy System (Shenzhen) Co., Ltd. and Bank of China, Buji Sub-branch (translated to English).</u>
<u>10.4</u>	<u>Loan Contract dated June 28, 2018, between Shenzhen Highpower Technology Co., Ltd and Ping An Bank Co., Ltd., Shenzhen Branch (translated to English).</u>
<u>10.5</u>	<u>Comprehensive Credit Line Contract dated September 3, 2018, between Icon Energy System (Shenzhen) Co., Ltd. and Bank of China, Buji Sub-branch (translated to English).</u>
<u>10.5(a)</u>	<u>Maximum Amount Guaranty Contract dated September 3, 2018, between Huizhou Highpower Technology Co., Ltd., and Bank of China, Buji Sub-branch (translated to English).</u>
<u>10.5(b)</u>	<u>Maximum Amount Guaranty Contract dated September 3, 2018, between Dangyu Pan and Bank of China, Buji Sub-branch (translated to English).</u>
<u>10.5(c)</u>	<u>Maximum Amount Guaranty Contract dated September 3, 2018, between Springpower Technology (Shenzhen) Co., Ltd., and Bank of China, Buji Sub-branch (translated to English).</u>
<u>10.5(d)</u>	<u>Maximum Amount Guaranty Contract dated September 3, 2018, between Shenzhen Highpower Technology Co., Ltd., and Bank of China, Buji Sub-branch (translated to English).</u>
<u>10.6</u>	<u>Comprehensive Credit Line Contract dated September 3, 2018, between Springpower Technology (Shenzhen) Co., Ltd. and Bank of China, Buji Sub-branch (translated to English).</u>
<u>10.6(a)</u>	<u>Maximum Amount Guaranty Contract dated September 3, 2018, between Huizhou Highpower Technology Co., Ltd., and Bank of China, Buji Sub-branch (translated to English).</u>
<u>10.6(b)</u>	<u>Maximum Amount Guaranty Contract dated September 3, 2018, between Dangyu Pan and Bank of China, Buji Sub-branch (translated to English).</u>
<u>10.6(c)</u>	<u>Maximum Amount Guaranty Contract dated September 3, 2018, between Shenzhen Highpower Technology Co., Ltd., and Bank of China, Buji Sub-branch (translated to English).</u>
<u>10.7</u>	<u>Comprehensive Credit Line Contract dated September 13, 2018, between Huizhou Highpower Technology Co., Ltd., and Guangdong Huaxing Bank Co., Ltd., Huizhou Branch (translated to English).</u>
<u>10.7(a)</u>	<u>Maximum Suretyship Guaranty Contract dated September 13, 2018, between Shenzhen Highpower Technology Co., Ltd., and Guangdong Huaxing Bank Co., Ltd., Huizhou Branch (translated to English).</u>
<u>10.7(b)</u>	<u>Maximum Suretyship Guaranty Contract dated September 13, 2018, between Pan Dangyu and Guangdong Huaxing Bank Co., Ltd., Huizhou Branch (translated to English).</u>
<u>10.7(c)</u>	<u>Maximum Pledge Guaranty Contract dated September 13, 2018, between Huizhou Highpower Technology Co., Ltd., and Guangdong Huaxing Bank Co., Ltd., Huizhou Branch (translated to English).</u>
<u>10.8</u>	<u>Loan Agreement dated July 20, 2018, between Shenzhen Highpower Technology Co., Ltd., and Pan Dangyu (translated to English).</u>
<u>31.1</u>	<u>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.</u>
<u>31.2</u>	<u>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.</u>
<u>32.1*</u>	<u>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.</u>
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 13, 2018

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/ Shengbin (Sunny) Pan
Shengbin (Sunny) Pan
Its: Chief Financial Officer (principal financial and accounting officer)

Number: 0400000928-2018nian (Henggang) No. 00148

Working Capital Loan Contract

Important note: The contract is signed between borrower and lender according to laws and on equal and willing basis, and all the terms of this contract are true meaning of both sides. In order to protect the borrower's legitimate rights and interests, the lender hereby inform the borrower to pay full attention to all the terms concerning the rights and obligations of both parties, especially the bold parts of the contract.

The lender: Industrial and Commercial Bank of China Ltd. Shenzhen Henggang Branch
Person in charge: Duoping Yang
Residence (address): East City Center Garden Street Shops 132, 132A, 133, Henggang Street, Longgang District, Shenzhen
Zip Code: 518000

Borrower: Springpower Technology (Shenzhen) Co., Ltd.
Legal representative: Dangu Pan Contact: Sun Xun
Residence (address): Factory A, Chaoshun Industrial Zone, Renmin Road, Fumin Residential Area, Guanlan, BaoAn District,
Zip Code: 518000
Tel: 0755-89686236 Fax: 0755-89686819 E-mail: /

After equal negotiation, both sides agreed to enter into this particular contract.

The First Part Basic Provisions

Article 1 The Use of the Loan

The loan can be used for the below purpose and shouldn't be used for any other purposes without written consent of the lender, the lender has the right to monitor the use of funds.

Use of loan: The loan can be used as current funds for production and operations.

Article 2 The Loan Amount and Duration

2.1 The amount under this contract is RMB10,000,000.00 (RMB TEN MILLION ONLY)

2.2 The term under this contract is 12 months from the date of actual withdrawal (if separate withdrawal, from the date of the first withdrawal), the actual withdrawal date is the date on IOU.

Article 3 Rate, Interest and Cost

3.1 To Determine the RMB Loan Interest Rates

RMB loan interest rates shall be determined according to the following **(2)**

(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 **51.40% of the base rate**, and shall not change within the loan period. After withdrawal, the interest rates shall be adjusted every **3** 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.

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 0.92% of national interbank lending rates, and the rate cannot change during the period.

3.2 To Determine the Foreign Exchange Loan Interest Rates

Borrowing rates in foreign currency follow the / ways to determine:

(1) Fixed interest rate. Annual interest rate shall be / and shall not change during the duration.

(2) Floating interest rates, borrowing rates to / months / (LIBOR / HIBOR) as the base rate plus / basis points (one basis point to 0.01%) consisting of a floating interest rate spreads. Contract period plus point spreads remain unchanged. The use of sub-pen drawing and each withdrawal rates were calculated. Borrower after the withdrawal, following the / ways to adjust the benchmark interest rate, interest-bearing segment:

A, the benchmark interest rate changes in accordance with the corresponding period. The second phase of the benchmark interest rate adjustment date for a full withdrawal on the corresponding day after, if you adjust the month and the withdrawal does not exist on the corresponding date, places corresponding to the last day of the month, day, and so on other phases.

B, the benchmark interest rate changes in the first day of each Interest Period.

(3) Other: /

3.3 Interest for the borrower under the contract is calculated on a daily basis from the date of withdrawal and is paid on a monthly basis (month / quarter / half year) interest settlement. When the loan matures, interest should be settles along with the principal. One day interest rate = interest rate / 360.

3.4 Late penalty rate under the contract is 150% of the original loan interest rate, penalty interest rate for misappropriation of the loan is 150% of the original loan interest rate.

Article 4 Withdrawal (This section does not apply to loan cycles.)

4.1 Funds should be withdrawn based on the actual needs, the borrower can make single or multiple withdrawals to the loan amount limit before 6th Nov 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 0.1%; the number of months calculated for remaining time should be rounded to the greater integral number.

Article 6 Cycle Loan Special Agreement Not Applicable.

Article 7 Guarantees

Under the contract, the corresponding maximum guarantee contracts are the following:

Maximum amount of guarantee contract name: "The Maximum Guaranteed Contract" (ID: ICBC 0400000928-2015 henggangbaozi 0014)

Guarantor: Huizhou Highpower Technology Co., Ltd.

Maximum amount of guarantee contract name: "The Maximum Guaranteed Contract" (ID: ICBC 0400000928-2015 henggangbaozi 0013)

Guarantor: Hong Kong Highpower Technology Co., Ltd.

Maximum amount of guarantee contract name: "The Maximum Guaranteed Contract" (ID: ICBC 0400000928-2015 henggangbaozi 0012)

Guarantor: Dangyu Pan

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

Guarantor: Shenzhen Highpower Technology Co., Ltd.

Article 8 Financial Agreement Not Applicable

Article 9 Dispute Resolution

Dispute resolution under this contract is resolved through litigation at the court with jurisdiction where the lender is located.

Article 10 Other

10.1 Contract is in triplicate, the borrower has one copy, the lender has two copies, which have the same legal effect.

10.2 The following attachments along with other attachments mutually recognized form an integral part of this contract, and have the same legal effect as the contract:

Annex 1: Notice of Withdrawal

Annex 2: commission payment protocol

Article 11 Other Matters Agreed by the Parties

Article 11 Other Provisions Agreed by Both Parties

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The Second Part Specific Provisions

Article 1 Rate And Interest

1.1 In foreign currency borrowings, LIBOR is the benchmark interest rate on the withdrawal date or two banking days before the adjustment date of base interest rate (11:00 noon London time) Reuters (REUTERS) Financial Telecommunication terminal "LIBOR" page displays the borrower under this contract currency interbank offered rate; HIBOR as the benchmark interest rate adjustment date or withdrawal two banking days before (11:15 noon Hong Kong time) Reuters (REUTERS) Financial Telecommunication terminal "HIBOR" page shows the same industry in HK Offered Rate.



1.2 For loans with floating interest rates under the contract, , the rules to adjust the underlying interest rate will not be changed.

1.3 For loans with interest rates settled monthly, interest settlement date is 20th of each month; For loans with interest rates settled quarterly, the interest settlement date is the 20th of the last month of each quarter; For loans with interest rates settled semi-annually, interest settlement dates are June 20 and December 20 of each year.

1.4 The first interest period is from the actual withdrawal date to the date of the first interest settlement date; the last interest period is from the following day after the previous interest period to the final repayment date; other interest period is from the following day after the previous interest period to the next interest settlement date.

1.5 In the case the People's Bank of China adjust the policies to mandate loan interest rate, the lender will follow such policies, and will not notify the borrower.

1.6 Upon signing the contract, if the loan interest rate is discounted from the base interest rate determined by People's Bank of China, the Lender has the right to reevaluate the discount given to the Borrower based on the national policies, credit quality of the borrower, and the changes of the guarantors, etc. The Lender has the discretion to decide on the cancellation of part or all discount, and will notify the borrower in the due course.

Article 2 Loan Withdrawal and Release

2.1 Upon withdrawal, the borrower must meet the following prerequisites, otherwise lenders are not obliged to release any funds to the borrower, except the lender agrees to advance loans:

- (1) Except loans on credit, the Borrower has provided appropriate guarantee according to the Lender's requirements, and related guarantee procedures are completed;
- (2) No breaches occurred under this contract or other contracts signed by the Borrower and the Lender.;
- (3) Evidence of use of funds provided by the borrower conforms to the agreed use of funds;
- (4) Provide any other materials needed by the lender.

2.2 The written documents provided by the Borrower to the Lender upon withdrawal shall be original; Under conditions that original written documents cannot be provided, after the consent of the Lender, a copy of the duplicate with the official seal stamped from the Borrower.

2.3 Borrowers must submit withdrawal notice to the Lender at least five banking days in advance before any withdrawal. Once withdrawal notice is submitted, without the written consent of the lender, it may not be revoked.

2.4 If the Borrower meets the prerequisites for withdrawal or agreed by the Lender to advance the loan, the lender transfers loan amount to the designated borrowers' account, the lender is deemed to have issued the loan to the Borrower in accordance with the contract.

2.5 In accordance with relevant regulatory requirements and management requirements of lenders, loans more than certain amount or that meet other conditions should be paid by entrusted payment of the Lender, the Lender should pay loans to the designated object with the borrower's withdrawal application and payment commission.

Therefore, the Borrower should sign entrusted payment agreement with the Lender as the attachment of the contract, and should open or designate a specific account at the Lender's bank to settle the payments.

Article 3 Repayment

3.1 The Borrower shall timely repay the contract principal, interest and other payables in full. On the payment date and one banking day before each settlement day, current payable interest, principal and other payables should be fully deposited into the repayment account opened at the Lender's bank , which shall be collected by the Lender on the repayment date or interest settlement date, or the Lender has the right to require the Borrower handle transfer procedure . If the repayment amount in the account is insufficient to cover all due amounts of the Borrower, the lender has the right to decide the liquidation order.

3.2 The Borrower should submit written application 10 banking days in advance for advanced repayment of all or part of the loans to the lender with the consent of the Lender to pay compensation to the Lender in accordance with the standard agreed in the contract.

3.3 The Borrower shall repay due principal, interest and other payables in advance with the consent of the Lender according to the contract on the advanced repayment date .

3.4 The lender has the right to call loans in advance according to the returning situation of borrower's funds.

3.5 If the actual loan period is shorten because of the advanced repayment by the Borrower or advanced loan call by the Lender according to the contract, the corresponding interest rate level will not be adjusted.

Article 4 Cycle Loan (Not Applicable)

Article 5 Guarantee

5.1 In addition to loans on credit, the borrower should provide legitimate and effective guarantee that is accepted by the Lender to fulfill the obligations under the contract .. Guarantee contracts are signed separately.

5.2 Borrower shall promptly notify the lender, and further provides other guarantees accepted by the Lender under the conditions that damages, depreciation, property disputes, being seized or detained, or discreet disposal of collateral by the Borrower, or the guarantor's financial condition changes adversely;

5.3 If accounts receivables are pledged as collaterals under the contract during the period the contract is still effective, the lender has the right to declare early maturity of loans, and require the borrower to immediately repay some or all of loan principal and interest, or request additional legitimate and effective collaterals against the loans, if one of the following conditions occur:

(1) The pledgor of the accounts receivable bad debt increases on the payer of which the accounts receivable are pledged, for two consecutive months;

(2) The accounts receivable that is uncollectable accounts for over 5% of the pledgor's total accounts receivable;

(3) The accounts receivable is due and uncollectable when trade disputes (including but not limited to quality, technology, service-related disputes) or debt disputes between the pledgor and payer

Article 6 Account Management

6.1 Borrower shall designate a special account at the Lender's bank for cash inflows for collecting sales revenues or planned capital repayment. Corresponding to the sales in the form of non-cash settlement, the borrower should ensure timely receipt of funds into the designated account.

6.2 Lender has the right to monitor the designated account, including but not limited to the capital income and expenditure, the borrower should cooperate. If required by the Lender, the Borrower should enter into a special account control agreement.

Article 7 Representations and Warranties

Borrower makes the following representations and warranties to the lender, and such representations and warranties remains in effect under the term of the contract:

7.1 Borrower shall have the qualification, and ability to perform the contract signed with the Lender.

7.2 The Borrower has received all the necessary authorization or approval to sign and perform this contract, which is not in violation of the Articles of Association and relevant laws and regulations, and shall bear other obligations under the contract not in conflict with other contracts.

7.3 The borrower has been scheduled to meet other debt payments, bank loan principal and interest owed no malicious behavior.

7.4 The borrower has a sound organizational and financial management system, in the last year of production and management process has not a major act of violation of discipline, the current senior management has no significant adverse record.

7.5 The borrower provides to the lender of all documents and information are true, accurate, complete and effective, there is no false record, misleading statement or significant omission.

7.6 The borrower provides to the lender's financial and accounting reports are prepared under Chinese accounting standards, true, fair and complete reflection of the borrower's operations and liabilities, and the borrower's financial situation has not any material adverse change since the most recent financial reporting period.

7.7 The borrower has not concealed to the lender any litigation, arbitration or claim involved.

Article 8 Borrower Commitment

8.1 The Borrower withdraws and uses funds under terms and conditions in the contract. The borrowed money is not used for fixed assets and equity and other investments, not in any way into the stock market, futures market or uses prohibited by relevant laws and regulations.

8.2 Repay the loan principal and interest and other payables in accordance with the contract.

8.3 Accept and actively cooperate with the lender for account analysis, inspection, on-site reviews, etc., including use of the loan, including the use of funds and supervision of the inspection. In accordance with the lender's requirements, the borrower periodically provides summary reports for the use of funds.

8.4 Accept the lender's credit check required by the lender, and provide the lender with balance sheet, income statement and other financial and accounting information reflecting the borrower's solvency, to actively assist and cooperate with the lender to investigate and review its financial situation and production operations.

8.5 Before paying off the loan principal and interest under the contract and other payables, the Borrower is not allowed to repay and dividends.

8.6 For the merger, divestiture, reduction, changes in ownership, transfer of substantial assets and debt, significant foreign investment, substantial increase in debt financing and other activities that may adversely affect the rights of the Lender's interest, prior written consent is required by the lender.

8.7 One of the following circumstances occurs, notify the lender:

(1) The change on articles of incorporation, business scope, registered capital, the legal representative;

(2) Out of business, dissolution, liquidation, business for rectification, revocation of business license is revoked or application (by application) bankruptcy;

(3) Or may be involved in major economic disputes, litigation, arbitration, or the property was legally seized, detained or regulation;

(4) Shareholders, directors and senior management is currently involved in serious cases or economic disputes.

8.8 Timely, completely and accurately disclose related party relationships and related party transactions.

8.9 Sign and verify notices mailed, or in the form, from lender ..

8.10 Not dispose of assets in order to reduce the solvency; provide guarantees to third parties without damaging the interest of the lender.

8.11 If the loans under the contract are on credit basis, the Borrower should provide complete, true, accurate information to reflect providing guarantees that may affect its obligations under this contract, and acquire written consent from the lender.

8.12 Take responsibility for the expenses from the Lender in purpose of fulfillment of contracts, including but not limited to litigation or arbitration fees, property preservation fees, legal fees, execution fees, assessments fees, auction fees, notice fees.

8.13 Debt settlement under the contract is in priority to its shareholders, and at least has equal status with the borrower's other similar debt from other creditors and borrowers.

8.14 Reinforce the social and environmental risk management, and agree to accept inspections by the Lender. If requested by the Lender, the Borrower agrees to provide the corresponding report.

Article 9 Lender Commitment

9.1 Release loans to the Borrower in accordance with the contract.

9.2 Maintains the confidentiality of non-public information, except required by laws and regulations otherwise.

Article 10 Breach of Contract

10.1 Any of the following events constitutes an event of breach:

(1) The borrower fails to repay principal, interest, and other payables in accordance with the provisions specified in this contract, or fails to fulfill any other obligations in this contract, or contrary to the statements, guarantee and commitments in this contract;

(2) The guarantees in this contract have adversely changed to the Lender's loan, and the Borrower is not available to provide other guarantees approved by the lender;

(3) Fail to pay off any other debts due by the Borrower, or fails to fulfill or breach other obligations in this contract, or likely to affect the performance of the obligations in this contract;

(4) The financial performance of the profitability, debt payment ability, operating capacity and cash flow of the Borrower exceed the agreed standards, or deterioration has been or may affect the obligations in this contract;

(5) The Borrower's ownership structure, operation, external investment has changed adversely, which have affected or may affect the fulfillment of the obligations in this contract;

(6) Borrower involves or may involve significant economic disputes, litigation, arbitration, or asset seizure, detention or enforcement, or judicial or administrative authorities for investigation or take disciplinary measures in accordance with the laws, or illegal with relevant state regulations or policies in accordance with the laws, or exposure by media, which have affected or may affect the fulfillment of the obligations in this contract;

(7) The borrower's principal individual investors, key management officer's change, disappearances or restriction of personal liberty, likely to affect the performance of the obligations in this contract;

(8) The borrower using false contracts with related parties, using no actual transaction to extract the lender's funds or credit, or evasion of lender's loan right through related party transactions;

(9) Borrowers have been or may be out of business, dissolution, liquidation, business reorganizations, business license has been revoked or bankruptcy;

(10) Borrowers breaches food safety, production safety, environmental protection and other environmental and social risk management related laws and regulations, regulatory requirements or industry standards, resulting in accidents, major environmental and social risk events, likely to affect the performance of the obligations in this contract;

(11) In this contract, the borrowing is paid by credit, the borrower's credit rating, level of profitability, asset-liability ratio, net cash flow of operating and other indicators do not meet the credit conditions of the lender; or without the lender's written contract, pledges guarantee or provides assurance guarantees to other party, likely to affect the performance of the obligations in this contract;

(12) Other adverse situations may affect in the realization of loan right in this contract.

10.2 If the borrower breaches of contract, the lender has the right to take one or more of the following measures:

(1) Require the borrower to remedy the default within a certain time limit;

(2) Terminate other financing funds in other contract issued to the borrower by the lender, cancel part or all of undrawn borrowings and other financing amount of borrower;

(3) Announce the outstanding loan and other financing amount between the lender and the borrower in this contract, and take back the outstanding amounts;

(4) Requires the borrower to compensate the loss of the lender caused by the breach of contract;

(5) Measures according to provisions of laws and regulations, provisions of this contract and other necessary measures.

10.3 If the borrower fails to repay the due loan (including loan declared expire immediately), the lender has the right to charge penalty interest according to penalty interest rate agreed by this contract from the due date. The interest fails to repay on time, charge compound interest according to overdue penalty interest rate.

10.4 Borrower fails to use the loan for agreed usage, the lender has the right charge penalty interest on embezzlement according to embezzlement penalty interest rate agreed by this contract. The interest fails to repay on time during the embezzlement period, charge compound interest according to embezzlement penalty interest rate.

10.5 The borrower simultaneously happens the situations in section 10.3, 10.4, choosing the heavier interest rate to charge, cannot impose in double.

10.6 If the borrower does not repay the principal, interest (including interest and compound interest) or other payables on time, the lender has the right to announcements through the media for collection.

10.7 If the control or controlled relationship between related parties of the borrower and the borrower changes, or the related parties of the borrower happens the other situations except the situations of (1) and (2) in above provision 10.1, likely to affect the performance of the obligations of the borrower in this contract, the lender has the right to take the measures agreed in the contract.

Article 11 Deduction

11.1 Borrower does not repay the due debt in this contract according to this contract(including the debt declared due immediately), the lender has the right to deduct corresponding amount from all the functional and foreign accounts opened at the branches of ICBC, until all the debt of the borrower in this contract are paid off.

11.2 If the currency of deduct payments is inconsistent with the currency in this contract, the exchange rate on the deduction day is the applicable exchange rate. The interest and other fees during the deduction fees and debt pay off day, and the difference because of fluctuations the exchange rate during this period is assumed by the borrower.

11.3 If deducted amount for the lender is insufficient to pay off all debts, the lender has the right to determine the payment order.

Article 12 Transfer of Rights and Obligations

12.1 Lender has the right to transfer all or part of the right in this contract to a third party, the transferring actions do not need to acquire the consent of the borrower. If without the consent of the lender in writing, the borrower cannot transfer any right and obligations in this contract to a third party.

12.2 The Lender or China Industrial and Commercial Bank Limited ("ICBC") can Authorize or commit the other branches to perform the rights and obligations in this contract according to operation need, or transfer the loan right in this contract to the other branches of ICBC, the borrower must agree, and the above actions of the lender do not need to ask for permission of borrower. The other branches which undertake the lender's rights and obligations have the right to perform all rights in this contract, and have right to apply for litigation, arbitration, compulsory execution for the disputes in this contract in the branch's name.

Article 13 Effect, Change and Terminate of This Contract

13.1 This contract is effective since the signature date, and is terminated on the day the borrower performs all the obligations in this contract.

13.2 Any change of this contract shall be agreed by all parties involved and be made in writing. The changes of provisions and agreements are part of the contract, has equal legal right with the contract. Except the changed part, the rest part of this contract is still valid, before the changes is in effect, the original terms of this contract is still valid.

13.3 The change or termination of this contract will not affect the right of all parties involved to require compensation. The termination of this contract, will not affect the effectiveness of the dispute settlement provisions.

Article 14 Law and Dispute Resolution

The contract formation, validity, interpretation, performance and dispute settlement are applicable PRC laws. All caused by the contract or in connection with the contract-related disputes and disputes, both parties should be resolved through consultation, the consultation fails according to the contract settlement.

Article 15 Confirmation of Address for Litigation/Arbitration

15.1 The Lender and the Borrower confirm the mailing address and method indicated in the first page of this Contract as the Borrower's effective address and method for service of Litigation/arbitration (including but not limited to summons, notice of trial, written judgment, order, mediation agreement and notice for performance within a time limit, etc.).

15.2 The borrower agree to arbitration or court use this contract page written arbitration/litigation document to fax, E-mail, except written judgments or orders and conciliation statements.

15.3 The service agreement shall apply to the procedures of arbitration and litigation in the first instance, second instance and retrial and implementation stages. To the above address of service agency or court of arbitration for delivery can be directly by mail.

15.4 The Borrower ensures that the address for service given above is accurate and effective. In case of change of the address for service given above, the Borrower ensures to notify the Lender in written form in time, or the service given according to the address given above shall remain effective and the Borrower shall bear all legal consequences arising therefrom.

Article 16 Complete Contract

The first part of this contract, "borrowing conditions" and the second part of the "liquidity loan contract terms," together form a complete loan contract, the same two words have the same meaning. The loan borrower is constrained by the above two parts.

Article 17 Notice

17.1 All notices under the contract should be given in writing. Unless otherwise agreed, the parties designated residence stated in this contract for communication and contact address. Address of any party or other contact is changed, shall be in writing promptly notify the other party.

17.2 One party can notify the other party in the form of announcement or notary service if the recipient party refuses to receive other circumstances that cause inability to deliver.

Article 18 Special Provisions for Value-added Tax

18.1 The costs/interest and expenses (to be determined pursuant to the specific contract) that the Borrower pay the Lender under this Contract shall be a tax-included price.

18.2 If the Borrower requests the Lender to issue a value-added tax invoice, the Borrower shall register information with the Lender. The information registered shall include full name of the Borrower, identification number or social credit code of the taxpayer, address, telephone number, opening bank and account number. The Borrower shall ensure that the relevant information provided for the Lender is accurate, correct and complete. The Borrower shall, according to the Lender's requirements, provide relevant supporting materials. The specific requirements shall be announced by the Lender through website notice or website announcement.

18.3 If the Borrower collects a value-added tax invoice itself, the Borrower shall provide the Lender with a power of attorney sealed, designate a person for collecting and define the identification card number of the person. The person designated shall take the original of his identification card for collecting the value-added tax invoice. In case of change of the person designated for collecting, the Borrower shall issue to the Lender a new power of attorney sealed. In the event that the Borrower selects to collect the value-added tax invoice by post, the Borrower shall also provide the correct mailing information for service. In case of change of the mailing information, the Borrower shall notify the Lender timely in written form.

18.4 If the Lender is unable to issue a value-added tax invoice timely due to force majeure, such as natural disaster, government act and social exceptional events, or due to causes attributable to tax authorities, the Lender shall have the right to postpone issue of a value-added tax invoice, without bearing any liability.

18.5 If the Borrower is unable to receive a relevant copy of the value-added tax invoice due to causes not attributable to the Lender, such as loss, damage or delay of the invoice after the Borrower collects or the Lender submits to a third party to post the invoice, or if the Borrower is unable to make deduction due to delay of the value-added tax invoice, the Lender shall not bear liability of compensation for the Borrower's relevant economic losses.

18.6 Should a special red-letter invoice of value-added tax be issued resulting from sales return, suspension of taxable service or wrong information of invoice, or authentication failure of deduction copy and invoice copy, where the Lender should submit an Information Table for Issuing a Special Red-Letter Invoice of Value-Added Tax to a tax authority in accordance with relevant laws, regulations and policy documents, the Borrower shall submit an Information Table for Issuing a Special Red-Letter Invoice of Value-Added Tax to the tax authority, and the Lender shall issue a special red-letter invoice of value-added tax after the tax authority makes review and notifies the Lender.

18.7 In case of adjustment of the national tax rate during the execution period of this Contract, the Lender shall have the right to adjust the price agreed herein according to the change of the national tax rate.

Article 19 Miscellaneous

19.1 No failure to exercise or partially exercise or delay in exercising any right hereunder by the Lender shall be deemed as a waiver or change of this right or any other right or affect the Lender to further exercise this right or other rights.

19.2 The invalidity or enforceability of any provision of the Contract shall neither affect the validity or enforceability of any other provision hereof nor affect the validity of the entire Contract.

19.3 According to the provisions of relevant laws and regulations or the requirements of the financial regulatory institutions, the Lender shall have the right to provide the information related to this Contract and the Borrower's other relevant information for the credit consulting system of the People's Bank of China and other credit information database established by law, for the eligible institutions or individuals for consultation and use. For the purpose of conclusion and performance of this Contract, the Lender shall also have the right to inquire the Borrower's relevant information through the credit consulting system of the People's Bank of China and other credit information database established by law.

19.4 The terms of "the affiliated parties", "the relationship between affiliated parties", "the affiliated party transaction", "the main individual investor" and "the key managerial personnel" stated in the Contract shall have the same meanings as those defined in the Accounting Standards for Enterprises No. 36 - Disclosure of Affiliated Parties (Finance and Accounting (2006) No. 3) issued by the Ministry of Finance and future amendment thereto.

19.5 The term "environmental and social risk" means the danger and relevant risk which are likely to cause by the Borrower and its affiliated party during construction, production and operation activities, including the environmental and social problems related to energy consumption, pollution, land, health, safety, resettlement of inhabitants, ecological protection and climate change.

19.6 The documents and vouchers for the loan hereunder made and kept by the Lender according to its business rules shall constitute effective evidences of proving the claim and debt relationship between the Borrower and the Lender and shall be binding upon the Borrower.

19.7 In this Contract, (1) this Contract referred to herein shall include any amendment or supplementation to this Contract; (2) the headings to the articles hereof are for ease of reference only, and in no event shall the substance of any paragraph be interpreted and the contents and scope be restricted by such headings; (3) if the date of withdrawal or repayment is not a banking day, it shall be extended to the next banking day.

Both parties confirm: the Borrower and the Lender have made full consultation on all terms and conditions of this Contract. The Lender has reminded the Borrower to pay special attention to the provisions for the rights and obligations of both parties and have overall and correct understanding of these provisions. At the Borrower's request, the Lender has interpreted and explained relevant provisions. The Borrower has carefully read and fully understood of all terms and conditions of this Contract (including Part 1 Basic Provisions and Part 2 Specific Provisions). Both the Borrower and the Lender have completely consistent understanding of all terms and conditions of this Contract and have no objection to the contents of this Contract.

Lender (Seal): Industrial and Commercial Bank of China Limited Shenzhen Henggang Sub-branch
Person in Charge/Authorized Agent: Yang Duoping (Seal)

Borrower (Seal): Springpower Technology (Shenzhen) Co., Ltd.
Legal Representative/Authorized Agent: Pan Dangyu (Seal)

Working Capital Loan Contract

Reference No. : 2018 nian zhenzhong yin bujiezi No.0097

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: XIAOCHUAN ZHENG

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

Telephone: 0755-22337185 ; Facsimile: 0755-28850638

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.: 2018 zhenzhong yin buxiezi No. 00030), 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 6 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 221.5;

B. On the interest resetting date, the new interest rate is the spot one-year lending interest rate, benchmarked by Interbank rates, plus 221.5 on all outstanding loan amounts.

2. Interest Calculation

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

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

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

3. The Method of Interest Settlement

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

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

4. Penalty Interest

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

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

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

(3) Penalty Rate

■ The penalty interest rate on floating-rate loans.

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

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 11th Sep 2018.
 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: Icon Energy System (Shenzhen) Co., Ltd.

Account number: *****

Clause 9 Guarantee

1. To ensure that borrowing under this agreement is repaid, the guarantees shall be adopted by guarantees and Party B.

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

Clause 10 Statement and Commitment

1. Party A's Statement:

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

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

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

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

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

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

2. Party A's Commitment:

- 1) Party A shall submit the financial statements and other relevant information regularly, including but not limited to annual, quarterly and monthly financial reports.
- 2) Any counter-guarantee agreement between the guarantors and Party A will not affect the Party B's underlying rights under this contract.
- 3) Cooperated in Party B's exam and inspection on the utilization of the loan as well as Party A's financials and operations.
- 4) Under circumstances Party A or Guarantor's capability of performing the contract might be affected, Party A should notify Party B in written in time. Those circumstances included but not limited to merger, division, decrease of capital, equity transfer, investment, a substantial increase of debt financing, a major asset and credit assignment.

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

- A. changes of articles of association, the scope of business, registered capital and legal representative of Party A or Guarantor.
- B. Any form of management mode change, including joint operation, invest and cooperate with foreigners, contract management, reorganization, restructuring, listing plan.
- C. Party A is involved in major litigation or arbitration, or property or collateral is seized, detained or regulated, or set new guarantee in collateral.
- D. Out of business, dissolution, liquidation, suspend business for rectification, cancellation, revocation of the business license or (be) filed for bankruptcy.
- E. Shareholders, directors and senior management personnel suspected of serious cases or economic disputes.
- F. Default events in other contracts.
- G. Operating difficulties and financial situation has deteriorated.

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

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

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

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

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

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

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

Clause 11 Disclosure of the Affiliated Transaction Inside Party A 'S Group

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

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

Clause 12 Breach of Covenants

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

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

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

- 1) Require Party A or Guarantor to rectify defaults within a definite time.
 - 2) Reduce completely or partly, pause or terminate Party A's Credit limit.
-

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

Clause 13 Rights Reserved

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

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

Clause 14 Changes, Modification, Termination

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

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

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

Clause 15 Applicable Law and Resolution for Dispute

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

During the performance of this contract or in connection with all disputes relating to this contract, the two parties settled through friendly consultations. If negotiation cannot reach agreement, both parties can apply to the people's court of Shenzhen.

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

Working Capital Loan Contract

Reference No. : 2018nianzhengzhongyinyinbujiezi No.0104

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.: 2018zhengzhongyinebuxiezi No. 00030), 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 6 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 221.5;

B. On the interest resetting date, the new interest rate is the spot one-year lending interest rate, benchmarked by Interbank rates, plus 221.5 on all outstanding loan amounts.

2. Interest calculation.

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

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

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

3. The method of interest settlement.

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

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

4. Penalty interest.

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

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

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

(3) Penalty rate.

■ The penalty interest rate on floating-rate loans.

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

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 21st Sep 2018.
 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: Icon Energy System (Shenzhen) Co., Ltd.

Account number: *****

Clause 9 Guarantee

1. To ensure that borrowing under this agreement is repaid, the guarantees shall be adopted by guarantees and Party B.

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

Clause 10 Statement and Commitment

1. To ensure that borrowing under this agreement is repaid, the guarantees shall be adopted by guarantees and Party B.

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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.

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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".

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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.

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- 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.
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- 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.

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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.

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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.

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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.

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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 people's court of Shenzhen.

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.
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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

Loan Contract

Loan Contract

Contract No.: PY (SZ) DZ B250201806260001

Out of the line
 Within the line Line Contract Name: Comprehensive Credit Line Contract
Line Contract No.: PY (SZ) ZZ A250201805140001

Party A (Lender): PINGAN BANK CO., LTD. SHENZHEN BRANCH
Address: NO.1099 Shennan Road, Shenzhen
Legal Representative (Principal): Yang Zhiqun
Tel.: 23480023

Party B (Borrower): SHENZHEN HIGHPOWER TECHNOLOGY CO., LTD.
Address: Building A2 Shanxia Villiage, Pinghu Town, Longgang District, Shenzhen
Legal Representative: Pan Dangyu
Tel.: 26300469

Whereas Party B applies Party A for a loan, in accordance with the *Contract Law* and other relevant laws and regulations, Party A and Party B hereby make and enter into this Contract upon consensus through consultation.

Article 1 Loan

1.1 Loan amount: (currency) USD(in figures) 1,500,000(in words) one million five hundred thousand only.

1.2 Loan purpose follows the following (1):

(1) Specifically, for purchasing raw materials.

(2) Borrowing for repaying (on-lending)/restructuring, specifically as follows: repaying the credit line under (contract No. and name).

1.3 The loan term is applicable to the following (2):

(1) From MM DD, YYYY to MM DD, YYYY.

(2) 12 () days () months () years.

The actual loan amount and the start and ending date shall accord with the receipt for a loan within the scope specified in this Contract.

In the event that Party B has any event of default and Party A demands Party B to immediately repay the loan in advance, the loan shall be deemed matured when the event of default occurs.

If the loan is paid in installment, the due date for payment of a loan shall not be later than the corresponding date when a loan is paid for the first time.

1.4 Loan interest rate

1.4.1 The loan interest rate of this Contract shall be determined according to the following standard. The loan interest rate for the first period shall follow that indicated in the receipt for a loan (please express with “” in front of the option):

 higher than the benchmark interest rate for the same-grade loan issued by the People’s Bank on the date of payment of the loan.

Benchmark interest rate for the same-grade loan issued by the People’s Bank on the date of payment of the loan () + / () - / (floating points).

Benchmark interest rate for the same-grade loan issued by the People’s Bank on the date of payment of the loan

() LIBOR () HIBOR on the date of payment of the loan () + / () - libor+285bps (basic points) (applicable to foreign exchange loans only).

Interest shall be charged according to the actual days of the loan. Daily interest rate of loans in pound and Hong Kong dollar = annual interest rate /365; Daily interest rate of loans in other currencies = annual interest rate /360.

1.4.2 The method for adjustment of the loan interest rate under this Contract is as follows (please express with “” in front of the option):

Adjusted by (month /quarter /half a year/ year). The adjustment date of interest rate is the following

The date of (every month /every three months /every half a year /every year) corresponding to the date of payment of the loan; where there is no corresponding day in a month, the last day of the current month shall be taken as the adjustment date of interest rate.

Each January 1.

(√) A fixed interest rate is executed hereunder during the loan term.

If the loan interest rate is adjusted, interest shall be calculated and charged according to the new interest rate after adjustment from the adjustment date of interest rate. However, if the loan is repaid by installment (including matching the repayment of principal and interest by period, and matching the principal repayment by period), interest in the current period shall be calculated and charged according to the interest rate before adjustment and interest after the current period shall be calculated and charged according to the interest rate after adjustment.

1.4.3 In case of adjustment of the benchmark interest rate for several times, Party A shall make adjustment according to the latest benchmark interest rate on the adjustment date. If the loan interest rate specified above is lower than the lower line of the interest rate stipulated by the People's Bank of China after the People's Bank of China adjusts the floating range of the benchmark interest rate, the loan interest rate hereunder shall be adjusted to be the lower line of the interest rate stipulated by the People's Bank of China. If the People's Bank of China does not publish the benchmark interest rate any longer, the loan interest rate hereunder shall be adjusted to the inter-bank interest rate for same-grade loans recognized or commonly used in the corresponding period, unless otherwise agreed by both Parties.

1.4.4 In case of any national change to the interest rate determination methods, adjustment methods and interest charging methods, the relevant national provisions shall prevail.

1.4.5 Where there is any adjustment of interest rate mentioned above, Party A may not give a notice to Party B additionally.

1.5 The expiry date of interest shall be the 20th day of each month. Party B shall pay interest by () month () quarter () year () others / . The maturity date of the loan shall be the last expiry date of interest, clearing with the principal and interests.

Article 2 Payment of the Loan

2.1 Party A shall, prior to payment of the loan, have the right to review the following items and decide whether to pay the loan according to the review results:

(1) whether Party B has handled and completed all the legal formalities for government licensing, approval, registration and delivery in connection with the loan hereunder in accordance with relevant laws and regulations(if any);

(2) whether the related guarantee contract is effective (if any);

(3) whether Party B has fully paid the expenses in connection with the execution of this Contract (if any);

(4) whether Party B has met the conditions for loans specified in this Contract;

(5) whether there is any adverse change to the business and financial conditions of Party B and the guarantor (if any);

(6) whether there is any change to Party B's repayment willingness and the guarantor's guarantee willingness (if any);

(7) whether Party B has any breach of contract hereunder.

2.2 If Party A discovers during the payment process of the loan, that Party B's credit status declines, main business profitability is not strong or there is any abnormal situation during use of the loan money, Party A shall have the right to change the loan payment method or stop payment of the loan money.

2.3 If, before the payment of the loan, Party A is unable to pay the loan under this Contract due to change of national macro-control policies, or request for control of credit scale or credit orientation present by Party A's regulatory department to Party A, or due to other causes not attributable to Party A, Party A shall have the right to stop payment of the loan or cancel this Contract, to which Party B shall have no objection.

2.4 Payment method

Party A and Party B agree to take the following method for payment of the loan money:

() Payment in full by Party A upon authorization: Party A pays the loan money through Party B's account to Party B's transaction objects which are compliant with the agreed purpose according to Party B's application for money withdrawal and payment authorization.

() Payment in part by Party A upon authorization: if the transaction objects are specific and the single payment amount is more than RMB Yuan (Yuan included), Party A pays the loan money through Party B's account to Party B's transaction objects which are compliant with the agreed purpose according to Party B's application for money withdrawal and payment authorization; Party A pays the remaining loan money to Party B's account according to Party B's application for money withdrawal and Party B himself pays the money to his transaction objects which are compliant with the agreed purpose.

() Payment in full by Party B himself: Party A directly releases the loan money to Party B's account according to Party B's application for money withdrawal and Party B himself pays the money to his transaction objects which are compliant with the agreed purpose.

2.5 Payment management

Party A and Party B agree to make the following management on payment of the loan money:

If the method of payment upon authorization, Party B may demand Party A to pay the loan money when Party B meets the following conditions for payment:

(1) Party B has submitted a repayment application and relevant supporting materials, including business contract according to Party A's requirements, and the information about the transaction objects and payment amount, etc. listed in the payment application complies with that indicated in the supporting materials;

(2) The payment application complies with the loan purpose specified in this Contract;

(3) Party B authorizes Party A to pay the loan money to specified transaction objects;

Party A shall have the right to check whether the information about the transaction objects and payment amount, etc. listed in the payment application provided by Party B complies with that indicated in relevant supporting materials, including business contract, and shall have the right to refuse the payment application which does not comply with the loan purpose specified in this Contract.

If the method of payment by Party B himself is adopted, after payment of the loan, Party B shall give a written summary and notice to Party A to report the payment situation of the loan money by month, and provide the information about the transaction objects and payment amount, etc. and the relevant supporting materials including business contract according to Party A's requirements. Party A shall have the right to check whether payment of the loan money complies with the agreed purpose through account analysis, examination of vouchers and site investigation, and Party B shall provide coordination.

2.6 Conditions for change and sudden change of payment method

Under any one of the following circumstances, Party A shall have the right to adjust the standard of amount paid upon authorization or change the payment method to payment in full upon authorization:

(1) If the method of payment by Party B himself is adopted, and Party B fails to give a written summary and notice to Party A to report the payment situation of the loan money according to the stipulations or refuses to provide coordination for Party A for checking whether independent payment of the loan complies with the specified purpose through account analysis, examination of vouchers or site investigation;

(2) Party B violates this Contract and evades payment by Party A upon authorization through breaking up the whole into parts;

(3) Party B's credit status declines and its main business profitability is not strong;

(4) There is abnormal situation in the use of the loan money;

(5) The regulatory department adjusts the standard of payment upon authorization.

2.7 Account management

Through consultation between Party A and Party B, Party B agrees to open the following account with Party A to accept Party A's monitoring:

1. Party B agrees to open a loan payment account with Party A according to Party A's requirements. Account name: SHENZHEN HIGHPOWER TECHNOLOGY CO., LTD.; account No.: 15000094062748. Payment and withdrawal of the loan money shall be handled through this account. Party A shall have the right to carry out dynamic monitoring of this account. Where there is any abnormal situation detected, Party A shall have the right to take relevant actions, including but not limited to freezing and stop payment, etc.

2. Party B agrees to open a capital return account with Party A according to Party A's requirements (please express with "√" in the () in front of the option)

() The capital return account is the same as the loan payment account as set forth in sub-clause 1 of this Article.

() Capital return account name: _____; account No.: _____.

Capital return in this account shall comply with the following provisions: _____

If Party B fails to timely repay Party A the loan, Party A shall have the right to deduct money for repaying the loan principal and interest from the capital return account opened by Party B with Party A and from other accounts opened by Party B with Party A and Party A's subordinate branches.

3. Party B agrees that Party A is entitled to take back the loan in advance according to the capital return situations of Party B.

Article 3 Repayment

3.1 Party B shall repay the loan principal according to the following (2):

(1) Repayment of principal in installment:

() Repayment of principal by () month () quarter () year. The amount repayable each period is / / .

() Repayment of principal in installment according to the date and amount of repayment listed in Annex 1 of this Contract.

() Others _____ / _____.

(2) Repayment of principal in a lump sum at maturity.

3.2 If Party B repays the loan principal by month, the date of repayment of principal shall be the expiry date of interest each month after the loan is released; if Party B repays principal by quarter, the date of repayment of principal shall be the expiry date of interest every three months after the loan is released; if by year, the date of repayment of principal shall be the expiry date of interest every twelve months after the loan is released.

3.3 Party B shall open an account in Party A and deposit the amount repayable to this account prior to the specified date of repayment.

3.4 Party B shall repay the loan principal and interest under this Contract on time and in full. If Party B fails to repay loan money in any period on time and in full, Party A shall have the right to demand Party B to repay the total loan and charge default interest for the loan not repaid from the date of overdue.

3.5 Party B hereby irrevocably authorizes Party A to deduct loan principal and interest due and related expenses from any account opened by Party B in any banking branch of Pingan Bank.

3.6 Should Party B make repayment in advance, Party B shall present a written application to Party A thirty (30) days in advance and obtain Party A's written consent. The written application for early repayment shall be deemed irrevocable upon Party A's written consent.

() If Party B makes repayment in advance, Party B shall pay Party A compensation. Party B shall pay such compensation while Party B pays Party A the loan principal and interest payable in advance. The amount of compensation shall be calculated according to the amount of prepayment \times number of days prepaid \times interest rate specified in this Contract. If Party B prepays the loan for less than thirty (30) days in advance, compensation shall be calculated according to the actual days and half shall be charged; if for more than thirty (30) days, compensation shall be calculated according to thirty (30) days.

Article 4 Party B's Representations and Warranties

4.1 Party B is a company with good reputation duly established and validly existing within the jurisdiction of the location where it is located. Party B has all corporate rights and has obtained the government license and approval for conducting its current business.

4.2 Party B has completed all the authorizations and approvals necessary for the signature of this Contract. This Contract is the presentation of Party B's true meaning and may not result in violation of any agreement or commitment concluded with any a third party. When this Contract is concluded and signed, Party B has not violate any law, regulation and rule for environmental protection, energy conservation and emission reduction, and pollution reduction, and Party B promises to strictly abide by such laws, regulations and rules after the conclusion of this Contract.

4.3 Party B is not involved in any litigation, arbitration execution, appeal and reconsideration procedure and other incident or case which may have major adverse impact on the execution of this Contract, unless otherwise Party B notified Party A in wiring prior to the conclusion of this Contract.

4.4 Party B shall, within the time limit requested by Party A, provide its financial statements, number of all opening accounts, loan balance and other relevant materials requested by Party A. Party B shall ensure the genuine, completeness and objectivity of all the documents and materials provided, which shall have no false record, misleading representation or material misstatement. The financial statements shall be prepared strictly in accordance with the Accounting Standards of China.

Article 5 Party B's Rights and Obligations

5.1 Party B shall have the right to demand Party A to pay Party B the loan according to the conditions specified in this Contract. However, if Party A is unable to pay the loan under this Contract due to change of national macro-control policies, or request for control of credit scale or credit orientation present by Party A's regulatory department to Party A, or due to other causes not attributable to Party A, Party A shall have the right to stop payment of the loan or cancel this Contract.

5.2 Party B shall use the loan according to the purpose specified in this Contract and repay the loan principal and interest on time and in full. 5.3 Party B shall open an account in Party A and handle deposit, settlement and other related services firstly in Party A.

5.4 If Party B is a customer group, it shall give a written report to Party A within ten days after the date of affiliated transaction of over 10% of net assets. The report contents shall include the affiliated relation between the transaction parties, transaction item and nature, transaction amount or relevant proportion, and the pricing policy (including no-money involved transaction or only symbolic-money involved transaction).

A customer group as mentioned herein shall mean an enterprise or public institution legal person who has the following features:

(1) It directly or indirectly controls or is directly or indirectly controlled by another enterprise or public institution legal person in respect of stock right or management;

(2) It is jointly controlled by a third party enterprise or public institution legal person;

- (3) Its principal individual investor, key manager or a close family member (including lineal blood relationship within three generations and collateral blood relationship within two generations) commonly directly or indirectly controls;
- (4) It has other affiliated relationship and may transfer the assets and profits not on the basis of fair price, which should be deemed as credit management by a customer group.

5.5 If Party B has any one of the following circumstances, it shall notify Party A thirty days in advance. If Party A thinks it will cause significant impact on the performance of the Contract, Party B shall obtain Party A's written consent in advance:

- (1) material change to Party B's operating system, equity structure, property organizational form and primary business, including but not limited to implementation of contracting, lease, joint operation, reform of shareholding system, merger, acquisition, joint venture (cooperation), division, establishment of a subsidiary, trusteeship (takeover), sales of enterprise, transfer of property rights and reduction of capital, etc.;
- (2) disposal of important assets, of which the value exceeds 10% of the net assets, by selling, gifting, lending, transferring, mortgaging (pledging) or other means;
- (3) its dividends exceed 30% of the net profits after tax of the current year or exceed 20% of the total undistributed profits;
- (4) it adds external investment of over 20% of its net assets after the credit line becomes valid;
- (5) it changes the debt clauses with other bank and pay off other long-term debt in advance;
- (6) Party B repays its shareholder debt; or
- (7) it applies other bank for a credit line, or provides a third party with security, or reduces or exempts a third party's debt, with the debt amount concerned exceeding 20% of its net assets.

5.6 Party B shall notify Party A within seven working days as of the date of occurrence or possible occurrence of the following matters, and Party A shall have the right to decide whether to request Party B to add guaranty or directly take back all the loans as the case may be:

- (1) Party B or the guarantor's business or financial status is worsened, or there is significant financial loss, loss of assets (including but not limited to loss of assets caused due to external guarantee) or other financial crisis;
- (2) Party B encounters administrative punishment or criminal sanction or is involved in any significant legal dispute due to its illegal business behavior;
- (3) Party B, its shareholder or de facto controlling person, or the legal representative or key manager of the guarantor is involved in an important case, or its main asset goes under property preservation or other compulsory measures, or encounters administrative punishment or criminal sanction, or there is any other incident which causes Party B impossible to perform its duties normally;
- (4) Party B or the guarantor provides a third party with guarantee, causing significant adverse impact on its financial condition or on the performance of its obligations under this Contract;
- (5) Party B or the guarantor has the following changes, such as division, consolidation, major merger, acquisition and reconstruction, disposal of major assets, reduction of capital, winding-up, cease of business for rectification, liquidation, reorganization, being revoked, being dissolved, bankruptcy, or its business license is revoked;
- (6) there is obvious reduction or loss of the guaranty value, or dispute about the ownership of the guaranty; or the guaranty is sealed up, detained, frozen, deducted, detained or sold by auction; or
- (7) any other important event or default event which may affect the business activities of Party B or the guarantor and the loan safety of Party A.

5.7 If Party B changes its domicile, mailing address, telephone number, business scope, legal representative or other relevant items, it shall notify Party A in writing within seven working days after the change. In the event that Party B fails to perform the said notification obligation, the notices and documents given by Party A according to the original mailing address shall be deemed to have been served.

5.8 Party B shall keep reasonable financial ratios within the loan term.

() The financial indicators shall reach the following standard within the loan term:

Article 6 Party A's Rights and Obligations

6.1 Party A shall have the right to take back the debt principal and interest (including compound interest, and default interest for overdue and appropriation) and charge the expenses payable by Party A, and shall be entitled to deduct the said principal, interest and expenses directly from Party B's account.

6.2 From the second year after the effectiveness of a over one-year (excluding one-year) loan, Party A shall have the right to evaluate the business and financial conditions of Party B and the guarantor and the specific project progress according to the conditions for loans specified in this Contract when the loan is released, and adjust the loan amount, term and interest rate according to the evaluation result.

Where there is any mortgaged (pledged) property, Party A shall have the right to ask for reevaluating the mortgaged (pledged) property by an appraisal agency accepted by Party A each year. If the value of the mortgaged (pledged) property is declined obviously and is not enough for guaranteeing the debt under the Main Contract, Party A shall have the right to ask Party B to repay part of the loan or provide other guarantee measures accepted by Party A.

6.3 Party A shall have the right to ask Party B to provide materials related to the loan, enter Party B's business site, investigate, review and check the use of the credit line and the assets, financial and business conditions of Party B, for which Party B shall provide coordination. Party A shall also have the right to supervise Party B to use the loan for the purpose specified herein.

6.4 Party A shall bear confidentiality obligation for the materials provided by Party B, except otherwise prescribed by laws and regulations, or specified by a regulatory authority or by both Parties, or non-confidential information provided by Party B.

Article 7 Breach of Contract

7.1 Any one of the following cases shall be deemed as a default event referred to herein:

- (1) Party B fails to use the loan money according to the method specified herein or evades payment upon authorization as set forth in sub-clause 2.5 of this Contract through breaking up the whole into parts;
- (2) There is overdue interest, overdue repayment or advance of the credit hereunder, or the credit funds are used not for the purpose specified by both Parties;
- (3) Party B violates some of its representations, warranties and commitments;
- (4) Party B violates some of its obligations performable hereunder;
- (5) Party B conceals some genuine important information;
- (6) Party B or the guarantor evades bank claims through affiliated transactions or by other means;
- (7) Party B or the guarantor has any one of the following behaviors, being negligent in managing and claiming the creditor's rights due, or disposing and transferring its main properties free of charge, or at unreasonable low price or by other improper means, or escaping debts;
- (8) Party B illegally get funds or credit from Party A or other banks by using a false contract and arrangement with a third party, including but not limited to pledge or discount of the notes receivable and other claims without actual trading background.
- (9) Party B or the guarantor violates any other contract (including but not limited to credit contract, loan contract and guarantee contract) signed with Party A or other banks or any securities with the nature of debt it issued;
- (10) Party B's guarantor violates the guarantee contract (including but not limited to guarantee contract, mortgage contract and pledge contract) or has any breach of the guarantee contract, or the guarantee contract has not taken effect, is invalid or is cancelled; or there is obvious reduction or loss of the guaranty value, or dispute about the ownership of the guaranty, or the guaranty is sealed up, detained, frozen, deducted, detained or sold by auction; or
- (11) There is any case which should be notified under sub-clauses 5.5 and 5.6 herein that Party A thinks effective on the safety of its creditor's rights.

7.2 In case of any one of these default events listed in the preceding clause, Party A shall have the right to take the following actions:

- (1) To stop or terminate the release of any loan money not released under this Contract;
- (2) To announce acceleration of maturity of the credit line; to ask Party B to repay part or all the credit principal, interest and expenses immediately, and pay default interest for the total credit principal released at the default interest rate from the date of occurrence of the default event until Party B pays off the total credit principal;

Expenses shall include but not be limited to the attorney fee, legal cost, arbitration fee, traveling expenses, announcement cost, service fee, execution fee, transfer fee and other relevant expenses of Party A for realizing its creditor's rights.

- (3) To ask Party B to provide new guarantee measures accepted by Party A;
- (4) To adjust the loan amount, term and interest rate according to the conditions of loan risks, and change the loan payment method to payment upon authorization;
- (5) To make deduction directly from the account of Party B and the guarantor to repay all the debts under this Contract and the specific business contract (including the debts Party A requests for prepayment), without obtaining Party B's consent in advance;

(6) To exercise the guarantee right, ask the guarantor to perform guarantee liability, or realize creditor's rights through disposal of the mortgaged property and/or pledged property;

(7) If Party B fails to repay the loan according to the stipulations when the loan is matured or is matured earlier, Party A shall have the right to charge additional 50% of the interest rate specified herein as default interest for the loan principal from the date of overdue according to the actual days of overdue. If Party B fails to use the loan according to the specified purpose, from the date when Party B uses the loan in violation of this Contract, Party A shall have the right to charge additional 100% of the interest rate specified herein as default interest for the loan amount which is appropriated.

In case of any interest which cannot be paid on time, compound interest shall be charged according to the default interest rate. Meanwhile, default interest and compound interest shall be recharged for delayed and appropriated loans.

If the loan is delayed for less than ninety (90) days (including ninety (90) days), the priority for repayment of the loan principal and interest is as follows: (1) costs and expenses; (2) interest (including default interest and compound interest); (3) principal. If the loan is delayed for more than ninety (90) days, the priority for repayment of the loan principal and interest is as follows: (1) costs and expenses; (2) principal; (3) interest (including default interest and compound interest).

(8) Party A claims Party B's debtor for the right of subrogation or appeal to the court to revoke Party B's waiving of the creditor's right due or Party B's transfer of property free of charge or at an obviously unreasonable low price. Party B shall provide all necessary coordination and assistance according to Party A's requirements, and all the costs and expenses caused to Party A arising therefrom shall be borne by Party B; or

(9) Other remedial measures prescribed by laws and regulations and specified in the Contract.

Article 8 Other Provisions

Article 9 Supplementary Provisions

9.1 If the credit line under this Contract belongs to the line under the Line Contract, the guarantee method under the Line Contract shall also be applicable. 9.2 () Both Parties agree to handle compulsory enforcement notarization for this Contract.

If Party B fails to completely or partly perform the obligations specified herein when compulsory enforcement notarization is handled by both Parties for this Contract, Party A shall have the right to apply the original notary public for an enforcement certificate, and apply the competent people's court (the people's court at the location where the person subject to enforcement lives or where the property of the person subject to enforcement is located) for enforcement holding the original notarial certificate and the enforcement certificate.

(√) No compulsory enforcement notarization shall be handled for this Contract.

9.3 The application for single credit, credit contract, receipt for a loan and credit vouchers related hereto, other relevant documents and materials confirmed by both Parties, and the commitment letter and declaration issued by Party B unilaterally to Party A shall be deemed as an integral part of this Contract and shall have the same equal legal force as this Contract.

9.4 Party B hereby agrees and authorizes Party A to, during Party B's credit business application period and the business duration period, inquire Party B's credit information which has been entered into the financial credit information database and other credit agencies established legally. for Party B's credit business application and follow-up management. Party B hereby agrees and authorizes Party A to, according to the provisions of the *Regulations on Administration of Credit Information Industry*, report Party B's enterprise information and credit information, including but not limited to credit information and the information constituting adverse impact on the credit status of the information agents, to the financial credit information database and other credit agencies established legally.

9.5 Please confirm the options with √ in the brackets before the selected items.

9.6 Any and all disputes arising from the execution of the Contract shall be settled by both Parties through consultation. Where consultation fails, the following (2) shall be adopted for dispute settlement:

(1) To apply _____/_____ for arbitration in accordance with the current arbitration rules of the commission. The award of the arbitration shall be final and binding upon both Parties.

(2) To initiate a lawsuit in the people's court at the location where Party A is located;

(3) To initiate a lawsuit in the people's court of ___/___.

9.7 This Contract shall be governed by the laws of the People's Republic of China.

9.8 This Contract shall come into force upon the signature of all the parties hereto (signed or sealed by the authorized signatories and affixed with official seal). If the loan hereunder is actually not released within three months as of the date of effectiveness of this Contract, Party A shall have the right to cancel this Contract unilaterally.



9.9 This Contract shall be made out in three (3) originals for Party A holding two (2) and Party B, () the guarantor and () the registration authority each holding one (1).

Party B hereby represents that it has fully understood all the terms and conditions of this Contract (especially the bold fonts), and the clauses of the related guarantee contract and other relevant documents and has taken independent legal consultation (where necessary).

Party A (Seal): *PINGAN BANK CO., LTD. SHENZHEN XINZHOU BRANCH (Seal)*

Legal Representative (Principal) or Authorized Agent (Signature): Yao Guiping *(Seal)*

Date of Signature: 2018/6/28

Party B (Seal): *SHENZHEN HIGHPOWER TECHNOLOGY CO., LTD. (Seal)*

Legal Representative (Principal) or Authorized Agent (Signature): *Pan Dangyu (Seal)*

Date of Signature: 2018/6/28

Annex 1:

Loan Principal Repayment Schedule

Time	Date of repayment	Amount of repayment (in words)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Comprehensive Credit Line Contract

Reference No. : 2018zhenzhongyinbuxiezi No.00030

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

Business License: ***

Legal Representative: Dangyu Pan

Address: 5/F, Building AB, 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: Xiaochuan Zheng

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

Telephone: 0755-22337185 ; Facsimile: 0755-28850638

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

Clause 1 Scope of Business

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

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

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

Clause 2 Types and Amount of Credit Line

Party B agrees to offer the following:

Currency in: Renminbi

Amount: Renmibi Seventy Millions RMB 70,000,000.00

Types: 1. Loans : RMB50,000,000.00

2. Bank Acceptances: RMB20,000,000.00

Clause 3 Usage of Credit Lines

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

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

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

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

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

Clause 4 Application of Individual Credit Line Business

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

Clause 5 Period of the Credit

The credit line defined in clause 2 under this contract will be started from the effective date and end on 3rd Sep, 2019.

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

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

Clause 6 Condition Precedents of individual credit line business

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

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

Clause 7 Guaranty

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

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

Clause 8 Statement and Commitment

1. Party A's statement:

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

2. Party A's commitment:

- 1) Timely delivery of the financial statements and other relevant information, (including but not limited to annual, quarterly and monthly financial reports.
- 2) Cooperate in Party B's exam and inspection on the utilization of the loan as well as Party A's financials and operations
- 3) Any counter-guarantee agreement between the guarantors and Party A will not affect the Party B's underlying rights under this contract
- 4) Under circumstances Party A or Guarantor's capability of performing the contract might be affected, Party A should notify Party B in time. Those circumstances include but are not limited to significant organizational changes, e.g. business splitting, merger and termination, disposal of major assets, restructuring, reorganization, joint venture arrangement with foreign capitals, changing of controlling shareholders or de facto control of Party A, capital reduction, liquidation, re-pledge of the encumbered assets, withdrawal, bankruptcy, dissolution and involvement in significant lawsuits.
- 5) Something out of this agreement and individual agreement, party A agrees to be dealt with in accordance with party B's relevant provisions and business practices.

Clause 9 Related Party and Related Party Transaction of Party A

Party A is defined as Group Credit Customer by Party B in accordance with "Guidance of Risk Management by Commercial Banks for Granting Credit to Customer Groups". Party A shall, in accordance with Article 17 of the Guidelines, report to Party B in a timely manner the related transactions with net assets of more than 10 %, including the related relationship between the parties to the transaction, the transaction items and the nature of the transaction, the amount of the transaction or the corresponding proportion and pricing policy (including transactions with no amount or only symbolic amount).

Clause 10 Breach of Covenants

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

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

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

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

Clause 11 Rights Reserved

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

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

Clause 12 Change, Modification, Termination and Partial invalidity

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

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

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

Clause 13 Applicable Law and Resolution for Dispute

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

Clause 14 Attachments

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

Annex 1: For Opening International L/C.

Annex 2: For Import Bill Advance.

Annex 3: For Packing Loan.

Annex 4: For Export Bill Purchase.

Annex 5: For Export Bill Discount under L/C.

Annex 6: For Opening Letter of Guarantee/ Standby L/C.

Annex 7: For Opening Domestic L/C.

Annex 8: For Seller Bill Advance under Domestic L/C.

Annex 9: For Buyer Bill Advance under Domestic L/C.

Annex 10: For Domestic L/C Negotiation.

Annex 11: For Outward Remittance Advance.

Annex 12: For Order Financing.

Annex 13: For Outward Remittance Advance (Domestic Trade).

Annex 14: Attached Provisions for Individual Cases.

Clause 15 Other terms and Conditions

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

Clause 16 Effectiveness of the Contract

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

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

/s/ Dangyu Pan

Stamp of Party A

Signature of director or authorized representative

/s/ [COMPANY SEAL]

Stamp of Party B

Signature of legal representative or authorized representative

Annex 1: For Opening International L/C

1. In case of any discrepancy between this Annex and the Credit Line Agreement (hereinafter referred to as the Agreement), this Annex shall prevail.

2. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for opening a L/C.

3. Party A agrees Party B to deal with matters under the L/C in accordance with the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce (UCP500/UCP600, same below) and assume the obligations and responsibilities arising therefrom.

4. Opening and amendment of a L/C:

(1) If Party B accepts Party A's application for opening a L/C, Party B shall open a L/C according to the Application for Opening an International L/C submitted by Party A.

(2) If Party B requests Party A to submit relevant notes or documents for opening a L/C, such as trade contract, Party B shall not be deemed obliged to open a L/C on the basis of these notes or documents.

(3) Should Party A amend the L/C, Party A shall submit to Party B an Application for Amending International L/C. Party A agrees Party B to deal with matters under the L/C in accordance with the aforesaid Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce and assume the obligations and responsibilities arising therefrom. An amendment of L/C shall be binding upon Party A immediately after it is issued.

(4) Party B has the independent right to judge whether to amend a L/C. Party B has the right to refuse Party A's application for amendment and to raise opinions on the contents of amendment. If amendment of the L/C involves amount, currency, interest rate or term and Party B thinks strengthening the surety's obligations, Party B shall have the right to demand Party A to add security money, and/or demand Party A to obtain the surety's signature and agreement on the Application for Amending International L/C, and/or providing maximum guarantee, and/or providing other guarantee, or Party B shall have the right to refuse Party A's application for such amendment.

(5) Amendment of the L/C may not result in change of Party A's other rights and obligations under the Agreement and this Annex.

(6) L/C-related contents in the Application for Opening International L/C and the Application for Amending International L/C shall be written in English. In case of any dispute arising from the applicant's unclear handwriting or ambiguous meaning, Party A shall assume all the responsibilities arising therefrom.

(7) Party A shall pay Party B timely all the expenses arising from opening and amendment of the L/C (including relevant banking charges refused by a foreign beneficiary). The charging method shall comply with the stipulations of Party B.

5. External payment under the L/C:

(1) After receiving a document arrival notice from Party B within the validity of the L/C, Party A shall notify Party B of the document processing opinions within the time limit specified in the notice, or Party A shall be deemed as having no payment refusal opinion on the documents and having agreed Party B's external payment/payment by acceptance/payment by commitment; if Party A notifies Party B of acceptance of the documents within the time limit specified in the notice and Party B agrees Party A's document processing opinions, Party B may handle external payment/payment by acceptance/payment by commitment. Party A shall deposit provision according to the stipulations of the Application for Opening International L/C.

If Party A notifies Party B of acceptance of the documents but Party B disagrees Party A's document processing opinions, Party B shall have the right to decide whether to refuse external payment only depending on whether the documents are compliant; if Party A agrees to provide Party B with full security money or other payment guarantee, Party B shall have the right to decide on waiving or reserving the right of refusal of external payment as the case may be.

(2) If Party A thinks there are nonconformities in the documents and presents a request of refusing external payment /payment by acceptance/payment by commitment to Party B within the time limit specified in the document arrival notice, Party A shall list all the nonconformities and submit two letters of payment refusal causes affixed with Party A's seal. Party B has the right to deem the nonconformities stated in Party A's letters of payment refusal causes as all the nonconformities raised by Party A. If Party B agrees the nonconformities raised by Party A, Party B may handle refusal of external payment. If Party B thinks that the nonconformities are not satisfied through review in accordance with international practice or the nonconformities are immaterial and not enough to constitute a reason for refusal of payment, Party B shall have the right to decide on external payment /payment by acceptance/payment by commitment and use the provision deposited by Party A to make external payment directly, and all the obligations and responsibilities arising therefrom shall be assumed by Party A.

(3) If the provision deposited by Party A is not enough to make advance to the accounts payable, Party A shall pay off the accounts payable. The interest rate and calculation of advance shall follow the stipulations of the related application.

6. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to conduct the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

(1) In case of any L/C-related amendment of the import/export trade contract after the L/C is opened, Party A shall notify Party B of such amendment immediately in writing;

(2) When Party B makes advance or payment by acceptance or commitment, Party B shall reserve the right to dispose all the documents/goods under the L/C or other possible security interests or property interests entitled by applicable laws and regulations. If Party A reserves the right to dispose all the documents/goods under the L/C in accordance with applicable laws and regulations or according to the opinions of the competent court or arbitration agency, Party A agrees to transfer such right to Party B unconditionally within the maximum limit permitted by applicable laws, and Party A accepts Party B's all actions and omissions of disposal of documents/goods. If Party B reserves the right to dispose all the documents/goods under the L/C in accordance with applicable laws and regulations or according to the award of the competent court or arbitration agency, Party B shall reserve such right until Party A retires documents or pays Party B in full the advance made by Party B.

With respect to the usance bill accepted or the deferred payment confirmed by Party B, Party A shall not request Party B to stop payment by any excuse and, within the scope permitted by laws and regulations, Party A shall waive the right to, by any excuse, apply to the people's court for freezing or file a lawsuit for requesting stop payment under the L/C.

(3) The risks of loss, delay, omission or damage of business correspondence and documents under the L/C during postal delivery, telecommunication delivery or other delivery process and the risks arising from Party B's use of a third party service shall be assumed by Party A.

7. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Opening International L/C and the Application for Amending International L/C.

Annex 2: For Import Bill Advance

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting import bill advance.

3. If Party B accepts Party A's application for import bill advance, Party B shall pay the presenting bank the documentary bill funds according to the currency and amount specified in the Application for Import Bill Advance accepted by Party B.

4. Party A hereby confirms:

(1) Party B reserves the right to dispose all the documents/goods under the import bill advance or other possible security interests or property interests entitled by applicable laws and regulations. If Party A reserves the right to dispose all the documents/goods under the import bill advance in accordance with applicable laws and regulations or according to the award of the competent court or arbitration agency, Party A agrees to transfer such right to Party B unconditionally within the maximum limit permitted by applicable laws, and Party A accepts Party B's all actions and omissions of disposal of documents/goods. If Party B reserves the right to dispose all the documents/goods under the import bill advance in accordance with applicable laws and regulations or according to the award of the competent court or arbitration agency, Party B shall reserve such right until Party A pays Party B in full the documentary bill financing provided by Party B.

(2) When Party A applies to Party B for bearing documents/goods and repays Party B's documentary bill financing with the sales amount, Party A shall act as Party B's consignee only, including but not limited to keeping relevant documents, handling storage, maintenance, transportation, processing, sales and insurance of goods under the documents, and keeping the payment for goods or depositing the payment for goods to the account designated by Party B. When selling goods to a third person, Party A shall show the third person of its such identity.

(3) Party A shall bear the expenses (including but not limit to insurance, storage, transportation and port charges) of the goods during the custody period. Party A promises to cover insurance for all possible risks according to the market price of the goods. It shall be indicated in the policy original that Party B is the insured and the policy original shall be submitted to Party B for keeping. In case of loss of the insured goods, Party B shall have the right to directly claim the insurance company for compensation.

(4) Without Party B's permission, Party A shall not dispose the goods by means of deferred payment or any non-monetary method or at a price lower than the market price. Party A shall not mortgage or pledge the goods to any others nor make the goods bound by any lien. Once required by Party B, Party A shall submit to Party B the detailed information of the account or sales revenue of the goods or the goods-related sales contract. Party B has the right to enter the warehouse at any time to examine the actual conditions of the goods or re-occupy the goods.

5. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to conduct the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

Party A promises to use the incomes obtained from sales of the goods under import to firstly repay Party B's financing to Party A.

6. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Import Bill Advance.

Annex 3: For Packing Loan

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting a packing loan.

3. If Party B accepts Party A's application for a packing loan, Party B shall pay the Party A the loan according to the currency and amount specified in the Application for Packing Loan accepted by Party B.

4. Party A shall use the total loan for purchasing, organizing production and arranging export and transportation of the exported goods under the L/C. Without Party B's written consent, Party A shall not use the loan for any other purpose.

5. Party A shall satisfy the following conditions before it withdraws money:

(1) present a written withdrawal application prior to expiration of the usage term of the packing loan limit approved by Party B for Party A;

(2) provide relevant documents proving the loan purpose;

(3) submit the L/C original to Party B for keeping; and

(4) meet the preconditions agreed in the Agreement;

6. The payments for goods received by Party A after delivery, presentation of documents and handling exchange collection under the export L/C shall be the prime source of repayment of the loan hereunder. Party A hereby irrevocably agrees to entrust Party B to handle matters concerning exchange collection under the export L/C. Party A agrees Party B offset the loan principal and interest and expenses hereunder automatically with the incomes obtained from exchange collection under the export L/C.

If Party A handles a L/C for a packing loan while it applies to Party B for conducting export bill purchase, Party A agrees Party B to offset the loan principal and interest and expenses hereunder firstly with the incomes obtained from export bill purchase.

If Party A is unable to collect payments for goods on time due to delayed delivery, nonconforming documents or other causes, Party A shall repay the loan principal and interest and expenses hereunder timely with other capital source.

9. In addition to the contents agreed in the Agreement, in order to conduct the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

(1) Party A shall timely provide Party B with the instructions of preparing goods with the packing loan and be ready for accepting Party B's supervision and inspection at any time;

(2) Party A shall, within the validity of the L/C and the document presentation period agreed in the L/C, submit the documents under the L/C to Party B for handling matters concerning export bill purchase under the L/C;

(3) The export collection of Party A under the L/C shall be firstly used for repaying the loan principal and interest and the expenses hereunder.

If Party A is for any reason unable to collect funds, Party A shall unconditionally assume the responsibility of repaying the loan principal and interest and the expenses hereunder;

(4) In case of any serious difficult of production or sales of the goods under export, Party A shall notify Party B timely in written form.

10. The following shall constitute or be deemed as Party A's breach, except otherwise agreed in the Agreement:

(1) Party A is for any reason unable to submit all documents under the L/C to Party B, or there are nonconformities detected through Party B's verification in the documents provided by Party A, and Party A is unable to eliminate these nonconformities;

(2) The funds under the L/C, for any reason, cannot be collected on time according to the provisions of the L/C.

11. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Packing Loan.

Annex 4: For Export Bill Purchase

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting export bill purchase.

3. If Party B accepts Party A's application for export bill purchase, Party B shall pay Party A the documentary bill funds according to the currency and amount specified in the Application for Export Financing accepted by Party B.

Where it is export bill purchase under the L/C and Party A and Party B conduct a packing loan at the same time, Party A agrees Party B to use the financing funds obtained from export bill purchase firstly for offsetting the principal and interest of the loan provided by Party B and relevant expenses under the packing loan, and Party B shall pay Party A the remaining balance.

4. Party A agrees Party B to use the incomes obtained from processing documents under export bill purchase as a source of documentary repayment for automatically offsetting Party B's funds financed to Party A.

5. Party A hereby confirms:

Party B shall reserve the right to dispose all the documents/goods under the L/C /under collection or other possible security interests or property interests entitled by applicable laws once Party A submits documents to Party B and Party B pays Party A the financing funds. These interests shall be terminated when all the creditor's rights of Party B are fully repaid.

With respect to the export bill purchase of which the documents are nonconforming, where there is any element affecting normal collection of the accounts receivable, Party B shall have the right to request Party A to prepay the documentary bill funds or/and take other remedial measures specified in the Agreement.

6. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to conduct the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

(1) Party A shall, according to Party B's requirements, timely provide the instructions of the sales of the goods under export;

(2) In case of any serious difficult of sales of the goods under export, Party A shall notify Party B timely in written form.

7. The following shall constitute or be deemed as Party A's breach, except otherwise agreed in the Agreement:

(1) the foreign bank or payer refuses, delays or deducts payment due to nonconformities in documents or due to any other reason;

(2) there is turbulence, war or financial crisis at the location of the opening bank or the payer, or the opening bank or the payer goes into bankruptcy, or there is any other force majeure event, which may lead to that the foreign bank or payer refuses, delays or deducts payment;

(3) the foreign bank or payer refuses, delays or deducts payment due to loss or delay of documents or telecommunication failure during postal process.

8. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Export Financing.

Annex 5: For Export Bill Discount under L/C

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting export bill discount under L/C.

3. If Party B accepts Party A's application for export bill discount under L/C, Party B shall pay Party A the discounting funds according to the currency and amount specified in the Application for Export Financing accepted by Party B.

4. Party A agrees Party B to use the incomes obtained from processing documents as a source of repayment for automatically offsetting Party B's funds financed to Party A.

5. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to conduct the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

(1) Party A has obtained the documents by legitimate, good will and honest ways;

(2) Party A shall assume all responsibilities for the legitimacy of the draft-based transaction.

6. The following shall constitute or be deemed as Party A's breach, except otherwise agreed in the Agreement:

(1) The accepting/paying bank has the following cases:

A. The financial status of the accepting/paying bank goes bad and Party B thinks the accepting/paying bank incapable of performing the obligation of payment;

B. The accepting/paying bank is or may be dissolved, revoked, shutdown or announced bankruptcy;

C. The accepting/paying bank is announced freezing of funds by the court or is issued payment injunction by the court;

D. The accepting/paying bank notifies that the funds are frozen or stopped by the court, or other property preservation measures are taken, which result in delayed payment;

E. The main assets of the accepting/paying bank are damaged, sealed, detained, frozen, confiscated, sold by auction, sold off or expropriated;

F. The accepting/paying bank is involved in any major lawsuit or arbitration case and Party B thinks possibly affecting the accepting/paying bank's ability for performing the obligation of payment;

G. The accepting/paying bank is unable to pay relevant foreign exchange due to the foreign exchange control system of the located country;

H. The located country of the accepting/paying bank has political unrest, natural disaster or financial crisis and Party B thinks possibly cause that the accepting/paying bank is unable to make payment on time.

I. There is any other event at the located country of the accepting/paying bank that Party B thinks possibly affecting the accepting bank's payment capacity.

7. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Export Financing.

Annex 6: For Opening Letter of Guarantee/ Standby L/C

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for opening a letter of guarantee/standby L/C.

3. Opening and amendment of a letter of guarantee /standby L/C:

(1) If Party B accepts Party A's application for opening a letter of guarantee / a standby L/C, Party B shall open a letter of guarantee /standby L/C according to both parties' agreement.

(2) Party B shall refer to the Application for Opening Letter of Guarantee/Standby L/C submitted by Party A according to the detailed contents of the letter of guarantee/standby L/C applied by Party A. The final contents shall be subject to the letter of guarantee/standby L/C opened by Party B.

(3) Should Party A amend the letter of guarantee/standby L/C, Party A shall submit to Party B an Application for Amending Letter of Guarantee/Standby L/C.

(4) If amendment of the letter of guarantee/standby L/C involves amount, currency, interest rate or term or other provisions that Party B thinks necessary to add guarantee, Party B shall have the right to demand Party A to add security money, and/or demand Party A to obtain the counter-guarantor's signature and agreement on the Application for Amending Letter of Guarantee/Standby L/C, and/or providing maximum guarantee, and/or providing other guarantee, or Party B shall have the right to refuse Party A's application for such amendment.

(5) Amendment of the letter of guarantee/standby L/C may not result in change of Party A's other rights and obligations under the Agreement and this Annex.

4. Party A agrees, if there is any claim under the letter of guarantee/standby L/C within the validity of the letter of guarantee/standby L/C, and the beneficiary's claim documents comply with the stipulations of the letter of guarantee/standby L/C upon review by Party B, Party B shall have the right to make external payment directly with the provision deposited by Party A, and Party B shall also have the right to positively take Party A's foreign or RMB account in Party B as provision for external payment.

If the provision deposited by Party A is not enough to make advance to the claim, Party A shall pay off the claim. Party A shall bear the interest from the date of advancement by Party B to the date of actual payment by Party A. The interest rate of advance shall be handled in accordance with the Application for Opening Letter of Guarantee/Standby L/C.

5. In addition to the contents agreed in the Agreement, in order to conduct the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

(1) If the letter of guarantee/standby L/C is reopened/forwarded by any other bank as having been entrusted, Party A agrees to assume all the risks and responsibilities of the reopening/forwarding bank caused due to reopening/forwarding of the letter of guarantee/standby L/C;

(2) Party A shall notify Party B immediately after occurrence of any case which affects Party B's guarantee liability, including the execution, amendment, change and termination of the basic contract or basic transaction on which the letter of guarantee/standby L/C is based;

(3) Party A shall coordinate Party B to go through formalities for performance under external guarantee;

(4) The risks of loss, delay, omission or damage of business correspondence and documents under the letter of guarantee/standby L/C during postal delivery, telecommunication delivery or other delivery process and the risks arising from Party B's use of a third party service shall be assumed by Party A.

(5) Where the letter of guarantee/standby L/C has no definite date of ineffectiveness, no applicable foreign law or practice and no definite amount of guarantee, Party A agrees to make compensation for all risks, responsibilities and losses caused to Party B;

6. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Opening Letter of Guarantee/Standby L/C and the Application for Amending Letter of Guarantee/Standby L/C.

Annex 7: For Opening Domestic L/C

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for opening a domestic L/C.

3. Party A irrevocably assumes the following responsibilities:

(1) Party A is willing to abide by the Measures for Settlement by Domestic Letter of Credit of the People's Republic of China and other relevant national laws and regulations. Party A agrees Party B to handle all matters under the L/C in accordance with the Measures for Settlement by Domestic Letter of Credit of the People's Republic of China and other relevant national laws and regulations. Party A agrees to assume all the responsibilities arising therefrom.

(2) Party A ensures that all the materials provided for Party B for the purpose of opening the L/C are genuine, complete and effective and the L/C opened has true trade background. If Party A provide Party B with false and/or incomplete and/or ineffective materials, and/or the L/C opened does not have any true trade background, Party A is willing to assume all the responsibilities arising therefrom.

(3) If the goods under the L/C are actually controlled by Party A before Party A pays Party B the funds under the L/C, Party A promises that Party B reserves the ownership of the goods.

(4) All the consequences arising from unclear handwriting or ambiguous meaning in the application shall be assumed by Party A.

4. Opening and amendment of a domestic L/C:

(1) If Party B accepts Party A's application for opening a domestic L/C, Party B shall open a domestic L/C according to the Application for Opening Domestic L/C submitted by Party A. The final contents shall be subject to the domestic L/C opened by Party B.

(2) If Party B requests Party A to submit relevant notes or documents for opening a domestic L/C, such as trade contract, Party B shall not be deemed obliged to open a domestic L/C on the basis of these notes or documents.

(3) Should Party A amend the domestic L/C, Party A shall submit to Party B an Application for Amending Domestic L/C. Party A agrees Party B to deal with matters under the domestic L/C in accordance with the Measures for Settlement by Domestic Letter of Credit of the People's Republic of China and assume the obligations and responsibilities arising therefrom. An Application for Amending Domestic L/C shall be binding upon Party A immediately after it is issued.

(4) Party B has the independent right to judge whether to amend a domestic L/C. Party B has the right to refuse Party A's application for amendment and to raise opinions on the contents of amendment. If amendment of the domestic L/C involves amount or term and Party B thinks strengthening the surety's obligations, Party B shall have the right to demand Party A to add security money, and/or demand Party A to obtain the surety's signature and agreement on the Application for Amending Domestic L/C, and/or providing maximum guarantee, and/or providing other guarantee, or Party B shall have the right to refuse Party A's application for such amendment.

(5) Amendment of the domestic L/C may not result in change of Party A's other rights and obligations under the Agreement and this Annex.

(6) Domestic L/C-related contents in the Application for Opening Domestic L/C and the Application for Amending Domestic L/C shall be written in Chinese. In case of any dispute arising from the applicant's unclear handwriting or ambiguous meaning, Party A shall assume all the responsibilities arising therefrom.

(7) Party A shall pay Party B timely all the expenses arising from opening and amendment of the domestic L/C (including relevant banking charges refused by the beneficiary). The charging method shall comply with the stipulations of Party B.

5. Payment under the domestic L/C:

(1) After receiving a document arrival notice from Party B within the validity of the domestic L/C, Party A shall notify Party B of the document processing opinions within the time limit specified in the notice, or Party A shall be deemed as having no payment refusal opinion on the documents and having agreed Party B's payment/payment by commitment; if Party A notifies Party B of acceptance of the documents within the time limit specified in the notice and Party B agrees Party A's document processing opinions, Party B may handle payment/payment by commitment. Party A shall deposit provision according to the stipulations of the Application for Opening Domestic L/C.

If Party A notifies Party B of acceptance of the documents but Party B disagrees Party A's document processing opinions, Party B shall have the right to decide whether to refuse payment only depending on whether the documents are compliant; if Party A agrees to provide Party B with full security money or other payment guarantee, Party B shall have the right to decide on waiving or reserving the right of refusal of payment as the case may be.

(2) If Party A thinks there are nonconformities in the documents and presents a request of refusing payment /payment by commitment to Party B within the time limit specified in the document arrival notice, Party A shall list all the nonconformities and submit two letters of payment refusal causes affixed with Party A's seal. Party B has the right to deem the nonconformities stated in Party A's letters of payment refusal causes as all the nonconformities raised by Party A. If Party B agrees the nonconformities raised by Party A, Party B may handle refusal of external payment. If Party B thinks that the nonconformities are not satisfied through review according to practice or the nonconformities are immaterial and not enough to constitute a reason for refusal of payment, Party B shall have the right to decide on payment /payment by commitment and use the provision deposited by Party A to make external payment directly, and all the obligations and responsibilities arising therefrom shall be assumed by Party A.

(3) If the provision deposited by Party A is not enough to make advance to the accounts payable, Party A shall pay off the accounts payable.

6. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to continue the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

(1) In case of any domestic L/C-related amendment of the trade contract after the domestic L/C is opened, Party A shall notify Party B of such amendment immediately in writing;

(2) With respect to the deferred payment confirmed by Party B, Party A shall not request Party B to stop payment by any excuse and, within the scope permitted by laws, rules and regulations, Party A shall waive the right to, by any excuse, apply to the people's court for freezing or file a lawsuit for requesting stop payment under the domestic L/C.

(3) The risks of loss, delay, omission or damage of business correspondence and documents under the domestic L/C during postal delivery, telecommunication delivery or other delivery process and the risks arising from Party B's use of a third party service shall be assumed by Party A.

7. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Opening Domestic L/C and the Application for Amending Domestic L/C.

Annex 8: For Seller Bill Advance under Domestic L/C

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Seller bill advance means the short-term financing that the bank provides the seller on the basis of the right of resource reserved in the domestic L/C business according to the documents submitted by the seller after the seller ships the goods.

3. Preconditions for seller bill advance:

(1) Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting seller bill advance.

(2) The L/C shall state applicable to the Measures for Settlement by Domestic Letter of Credit of the People's Republic of China or its updated version effective on the date of opening of the L/C. The format and contents of the L/C shall be reviewed and accepted by Party B.

4. Application for seller bill advance

When the Agreement becomes effective, Party A shall submit an Application for Seller Bill Advance under Domestic L/C for each seller bill advance business (hereinafter referred to as the transaction) applied by Party A.

Transactions hereunder shall be mutually independent and shall comply with this Annex, related L/C and Party A's application.

5. Payment

If Party B accepts Party A's application for conducting seller bill advance, Party B shall pay Party A the documentary bill funds according to the amount agreed in the Application for Seller Bill Advance under Domestic L/C accepted by Party B.

Documentary bill term and other relevant matters shall be implemented specifically according to the Application for Seller Bill Advance under Domestic L/C hereunder.

6. Party A agrees Party B to use the incomes obtained from processing documents under seller bill advance as a source of documentary repayment for automatically offsetting Party B's funds financed to Party A.

7. Interest and expenses

To handle the transaction, Party A agrees to pay the negotiating bank interest and expenses, specifically according to the stipulations of the Application for Seller Bill Advance under Domestic L/C hereunder.

8. Party A hereby confirms:

Party B shall reserve the right to dispose all the documents/goods under the domestic L/C or other possible security interests or property interests entitled by applicable laws once Party A submits documents to Party B and Party B pays Party A the financing funds. These interests shall be terminated when all the creditor's rights of Party B are fully repaid.

With respect to the seller bill purchase of which the documents are nonconforming, where there is any element affecting normal collection of the accounts receivable of the seller's goods under the domestic L/C, Party B shall have the right to request Party A to prepay the documentary bill funds or/and take other remedial measures specified in the Agreement.

If the L/C payer refuses, delays or deducts payment due to nonconformities in documents, due to loss, delay or telecommunication failure of documents during postal process, or due to other reasons not attributable to Party B, Party B may claim Party A for the principal and interest, expenses and losses of all financing funds or the insufficient part. Party B also has the right to choose self disposal of the documents and goods under the seller bill advance herein and obtain compensation from the incomes obtained therefrom. Party B has the right to recourse Party A for the insufficient part.

If the incomes from processing documents or self disposal of documents and goods are not enough to repay the total financing funds, Party B shall have the right to make deduction actively from any account opened by Party A with Party A or from other collections. If Party B makes deduction directly from Party A's account according to relevant stipulations of this Annex and the currency of the account is different from the pricing currency, conversion shall be made according to the exchange rate applicable to Party B.

9. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to continue the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

(1) Party A shall, according to Party B's requirements, timely provide the instructions of the sales of the goods under the seller of the domestic L/C;

(2) In case of any serious difficult of sales of the goods under the seller of the domestic L/C, Party A shall notify Party B timely in written form.

10. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Seller Bill Advance under Domestic L/C.

Annex 9: For Buyer Bill Advance under Domestic L/C

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Buyer bill advance means the short-term financing that Party B provides Party A in the domestic L/C business at Party B's request after Party B receives the documents submitted by the negotiating bank or the presenting bank, for paying the funds under these documents.

3. Preconditions for buyer bill advance:

(1) Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting buyer bill advance.

(2) The L/C shall state applicable to the Measures for Settlement by Domestic Letter of Credit of the People's Republic of China or its updated version effective on the date of opening of the L/C. The format and contents of the L/C shall be reviewed and accepted by Party B.

4. Application for buyer bill advance

Party A shall submit an Application for Buyer Bill Advance under Domestic L/C for each buyer bill advance business (hereinafter referred to as the transaction) applied by Party A.

Transactions hereunder shall be mutually independent and shall comply with this Annex, related L/C and Party A's application.

5. Payment

When the preconditions for buyer bill advance are met and Party B accepts Party A's application for conducting buyer bill advance, Party B shall represent Party A to make external payment under the L/C according to the amount agreed in the Application for Buyer Bill Advance under Domestic L/C accepted by Party B.

Documentary bill term and other relevant matters shall be implemented specifically according to the Application for Buyer Bill Advance under Domestic L/C hereunder.

6. Party A hereby confirms:

(1) Party B reserves the right to dispose all the documents/goods under the buyer bill advance or other possible security interests or property interests entitled by applicable laws and regulations. If Party A reserves the right to dispose all the documents/goods under the buyer bill advance in accordance with applicable laws and regulations or according to the award of the competent court or arbitration agency, Party A agrees to transfer such right to Party B unconditionally within the maximum limit permitted by applicable laws, and Party A accepts Party B's all actions and omissions of disposal of documents/goods. If Party B reserves the right to dispose all the documents/goods under the buyer bill advance in accordance with applicable laws and regulations or according to the award of the competent court or arbitration agency, Party B shall reserve such right until Party A pays Party B in full the documentary bill financing provided by Party B.

(2) When Party A applies to Party B for bearing documents/goods and repays Party B's documentary bill financing with the sales amount, Party A shall act as Party B's consignee only, including but not limited to keeping relevant documents, handling storage, maintenance, transportation, processing, sales and insurance of goods under the documents, and keeping the payment for goods or depositing the payment for goods to the account designated by Party B. When selling goods to a third person, Party A shall show the third person of its such identity.

(3) Party A shall bear the expenses (including but not limit to insurance, storage, transportation and port charges) of the goods during the custody period. Party A promises to cover insurance for all possible risks according to the market price of the goods. It shall be indicated in the policy original that Party B is the insured and the policy original shall be submitted to Party B for keeping. In case of loss of the insured goods, Party B shall have the right to directly claim the insurance company for compensation.

(4) Without Party B's permission, Party A shall not dispose the goods by means of deferred payment or any non-monetary method or at a price lower than the market price. Party A shall not mortgage or pledge the goods to any others nor make the goods bound by any lien. Once required by Party B, Party A shall submit to Party B the detailed information of the account or sales revenue of the goods or the goods-related sales contract. Party B has the right to enter the warehouse at any time to examine the actual conditions of the goods or re-occupy the goods.

7. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to continue the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

Party A promises to use the incomes obtained from sales of the goods under the domestic L/C to firstly repay Party B's financing to Party A.

8. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Buyer Bill Advance under Domestic L/C.

Annex 10: For Domestic L/C Negotiation

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Negotiation means the action that Party B pays Party A the consideration after deducting the negotiating interest under the conditions of documents in compliance with the L/C. Negotiation is only limited to the negotiable deferred payment documentary credit.

3. Preconditions for negotiation:

(1) Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting negotiation.

(2) Party A shall present a written negotiation application;

(3) Party A has completed relevant vouchers and provided relevant documents and materials according to Party B's requirements;

(4) Party A has handled the legal and administrative examination and approval procedures required for negotiation, and has submitted relevant examination and approval documents to Party B for inspection. Party B has the right to request Party A to provide the copies of the examination and approval documents or the photocopies in compliance with the originals;

(5) The L/C shall state applicable to the Measures for Settlement by Domestic Letter of Credit of the People's Republic of China or its updated version effective on the date of opening of the L/C. The format and contents of the L/C shall be reviewed and accepted by Party B.

(6) Party A shall present documents within the presentation period and valid period of the L/C. Party A shall submit to Party B the complete L/C and the amendment original, which shall comply with documents upon review by Party B;

(7) The L/C shall be a negotiable deferred payment documentary credit and Party B is designated as the negotiating bank.

4. Application for negotiation

When the Agreement becomes effective, Party A shall submit an Application for Negotiation of Domestic L/C for each negotiation business (hereinafter referred to as the transaction) applied by Party A.

Transactions hereunder shall be mutually independent and shall comply with this Annex, related L/C and Party A's application.

5. Payment

If Party B accepts Party A's application for conducting negotiation, Party B shall pay Party A the negotiating funds according to the amount agreed in the Application for Negotiation of Domestic L/C accepted by Party B.

Negotiation term and other relevant matters shall be implemented specifically according to the Application for Negotiation of Domestic L/C.

6. Party A agrees Party B to use the incomes obtained from processing documents under negotiation as a source of repayment by negotiation for automatically offsetting Party B's funds financed to Party A.

7. Interest and expenses

To handle the transaction, Party A agrees to pay the negotiating bank interest and expenses, specifically according to the stipulations of the Application for Negotiation of Domestic L/C hereunder.

8. Party A hereby confirms:

Party B shall reserve the right to dispose all the documents/goods under the domestic L/C or other possible security interests or property interests entitled by applicable laws once Party A submits documents to Party B and Party B pays Party A the financing funds. These interests shall be terminated when all the creditor's rights of Party B are fully repaid.

If the L/C payer refuses, delays or deducts payment due to nonconformities in documents, due to loss, delay or telecommunication failure of documents during postal process, or due to other reasons not attributable to Party B, Party B may claim Party A for the principal and interest, expenses and losses of all financing funds or the insufficient part. Party B also has the right to choose self disposal of the documents and goods under negotiation herein and obtain compensation from the incomes obtained therefrom. Party B has the right to recourse Party A for the insufficient part.

If the incomes from processing documents or self disposal of documents and goods are not enough to repay the total financing funds, Party B shall have the right to make deduction actively from any account opened by Party A with Party A or from other collections. If Party B makes deduction directly from Party A's account according to relevant stipulations of this Annex and the currency of the account is different from the pricing currency, conversion shall be made according to the exchange rate applicable to Party B.

9. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to continue the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

(1) Party A shall, according to Party B's requirements, timely provide the instructions of the sales of the goods under the seller of the domestic L/C;

(2) In case of any serious difficult of sales of the goods under the seller of the domestic L/C, Party A shall notify Party B timely in written form.

10. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Negotiation of Domestic L/C.

Annex 11: For Outward Remittance Advance

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Outward remittance means that Party A, as the payer of the contract having been signed, makes payment through bank remittance according to the stipulations of the contract. In this Annex and relevant documents of this Annex, financing under outward remittance means the short-term financing that Party B makes advance of import funds for Party A according to the effective voucher and commercial documents under outward remittance in various businesses, including cash on delivery, remittance of profit, dividend and bonus, and advance payment for some types and service trade remittance.

3. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting outward remittance advance.

4. If Party B accepts Party A's application for outward remittance advance, Party B shall remit the financing funds to the payee indicated in the remittance application submitted by Party A according to the currency and amount agreed in the Application for Financing under Outward Remittance.

5. If Party A has provided Party B with all documents according to Party B's requirements, it shall not be interpreted that Party B bears the obligation and responsibility of reviewing the genuine and legitimacy of the transaction that Party A is engaged in.

6. Party A hereby confirms:

(1) Party B reserves the right to dispose all the documents/goods under the outward remittance advance or other possible security interests or property interests entitled by applicable laws and regulations. If Party A reserves the right to dispose all the documents/goods under the outward remittance advance in accordance with applicable laws and regulations or according to the award of the competent court or arbitration agency, Party A agrees to transfer such right to Party B unconditionally within the maximum limit permitted by applicable laws, and Party A accepts Party B's all actions and omissions of disposal of documents/goods. If Party B reserves the right to dispose all the documents/goods under the outward remittance advance in accordance with applicable laws and regulations or according to the award of the competent court or arbitration agency, Party B shall reserve such right until Party A pays Party B in full the financing provided by Party B.

(2) When Party A applies to Party B for bearing documents/goods and repays Party B's financing with the sales amount, Party A shall act as Party B's consignee only, including but not limited to keeping relevant documents, handling storage, maintenance, transportation, processing, sales and insurance of goods under the documents, and keeping the payment for goods or depositing the payment for goods to the account designated by Party B. When selling goods to a third person, Party A shall show the third person of its such identity.

(3) Party A shall bear the expenses (including but not limit to insurance, storage, transportation and port charges) of the goods during the custody period. Party A promises to cover insurance for all possible risks according to the market price of the goods. It shall be indicated in the policy original that Party B is the insured and the policy original shall be submitted to Party B for keeping. In case of loss of the insured goods, Party B shall have the right to directly claim the insurance company for compensation.

(4) Without Party B's permission, Party A shall not dispose the goods by means, including change of the payment method specified in the contract, deferred payment or by any non-monetary method or at a price lower than the market price. Party A shall not mortgage or pledge the goods to any others nor make the goods bound by any lien. Once required by Party B, Party A shall submit to Party B the detailed information of the account or sales revenue of the goods or the goods-related sales contract. Party B has the right to enter the warehouse at any time to examine the actual conditions of the goods or re-occupy the goods.

(5) The currency used by Party A for performing the obligation of repayment shall be the same as the pricing currency of Party B's business. When Party B makes deduction actively from Party A's account according to relevant stipulations of the Contract and if the currency of the account is different from the pricing currency, conversion shall be made according to the exchange rate issued by Party B on the date of deduction.

7. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to continue the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

Party A promises to use the incomes obtained from sales of the goods under import to firstly repay Party B's financing to Party A.

Party A shall perform the obligation of prudence, diligence and care when it disposes the import goods under the Financing Contract. It shall be requested in the Contract for disposing the goods that the buyer of the goods should directly make payment to Party B's account for repaying the financing principal and interest and other expenses hereunder.

8. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Financing under Outward Remittance.

Annex 12: For Order Financing

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Order financing means the special trade financing that, as having been applied by Party A, Party B provides Party A for procurement, production and shipment of the goods under the order according to the trade contract or order submitted by Party A in order to support the goods preparation and shipment under Party A's international trade and domestic trade.

3. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting order financing.

4. If Party B accepts Party A's application for order financing, Party B shall pay Party A the financing funds according to the currency and amount specified in the Application for Order Financing. Party B has the right to charge handling charges according to the rate specified in the Application for Order Financing and charge interest and default interest according to the term, interest rate and method specified therein.

5. Party A shall satisfy the following conditions before it withdraws money:

(1) present a written withdrawal application prior to expiration of the usage term of the order financing limit approved by Party B for Party A;

(2) meet the preconditions agreed in the Agreement.

6. Party A hereby irrevocably agrees as follows:

(1) The funds collected under the order after shipment and presentation of documents shall be the prime source of repayment of financing hereunder. According to the delivery and shipment time requested in the order or trade contract, Party A shall timely handle relevant settlement procedures of accounts receivable through Party B and submit to Party B for review the business invoice, shipping documents, export declaration (if any) and other relevant documents required by Party B. Under L/C or collection, Party B shall send the full unit of original documents to the opening bank (under L/C) or to the outward collection (under collection). Under the mode of sell on credit, Party B shall be the receiving bank and Party B shall be agreed to offset the financing principal and interest and expenses hereunder automatically with the funds collected under the order. If draft is settled under domestic trade, Party A shall handle collection or discount through Party B and agree Party B to offset the financing principal and interest and expenses hereunder automatically with the draft collection or discount funds.

(2) If Party A handles order financing while it applies to Party B for conducting packing loan, documentary bill, export discount, export invoice discounting and domestic invoice discounting or other trade financing business, Party A agrees Party B to offset the loan principal and interest and expenses hereunder firstly with the other financing funds.

(3) If Party A is unable to collect the funds under the order on time due to delayed delivery, nonconforming documents or other causes, Party A shall repay the loan principal and interest and expenses hereunder timely with other capital source.

7. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to conduct the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

(1) The document, order and other relevant documents submitted are genuine, legitimate and effective;

(2) The total financing is for purchasing and organizing the production and arranging the export and transportation of the goods under the related trade contract/order. Without Party B's written consent, Party A shall not use the financing for any other purpose.

(3) Party A shall timely provide Party B with the instructions of preparing goods and shipment with the order financing and be ready for accepting Party B's supervision and inspection at any time;

(4) In case of any adverse element affecting payment collection under the order, including but not limited to: serious difficult in production, procurement and sales of the goods under the order, commercial dispute with the buyer or deterioration of the buyer's operating situations, Party A shall timely notify Party B in written form.

8. Except the situations agreed in the Agreement, Party A's failure in timely handling relevant settlement procedures of accounts receivable under the order financing through Party B shall constitute or be deemed as an event of default by Party A under the Agreement and this Annex.

9. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Order Financing.

Annex 13: For Outward Remittance Advance (Domestic Trade)
(Specially for RongHuoDa)

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Outward remittance under domestic trade means that Party A, as the buyer of the goods contract having been signed, makes payment through bank remittance according to the stipulations of the contract.

In this Contract and the documents related to this Contract, financing under outward remittance (domestic trade) means that after Party A presents the needs of capital financing, while handling outward remittance for Party A, Party B, as the remitting bank of the remittance under outward remittance (domestic trade), provides Party A with external payment of funds, and later, Party A repays Party B the financing funds.

3. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting outward remittance advance (domestic trade).

4. If Party B accepts Party A's application for outward remittance advance (domestic trade), Party B shall remit the financing funds to the payee indicated in the remittance application submitted by Party A according to the currency and amount agreed in the Application for Outward Remittance Advance (Domestic Trade).

5. If Party A has provided Party B with all documents according to Party B's requirements, it shall not be interpreted that Party B bears the obligation and responsibility of reviewing the genuine and legitimacy of the transaction that Party A is engaged in.

6. Party A hereby confirms:

(1) Party B reserves the right to dispose all the documents/goods under outward remittance advance (domestic trade) or other possible security interests or property interests entitled by applicable laws and regulations. If Party A reserves the right to dispose all the documents/goods under the outward remittance advance (domestic trade) in accordance with applicable laws and regulations or according to the award of the competent court or arbitration agency, Party A agrees to transfer such right to Party B unconditionally within the maximum limit permitted by applicable laws, and Party A accepts Party B's all actions and omissions of disposal of documents/goods. If Party B reserves the right to dispose all the documents/goods under the outward remittance advance (domestic trade) in accordance with applicable laws and regulations or according to the award of the competent court or arbitration agency, Party B shall reserve such right until Party A pays Party B in full the financing provided by Party B.

(2) When Party A applies to Party B for bearing documents/goods and repays Party B's financing with the sales amount, Party A shall act as Party B's consignee only, including but not limited to keeping relevant documents, handling storage, maintenance, transportation, processing, sales and insurance of goods under the documents, and keeping the payment for goods or depositing the payment for goods to the account designated by Party B. When selling goods to a third person, Party A shall show the third person of its such identity.

(3) Party A shall bear the expenses (including but not limit to insurance, storage, transportation and port charges) of the goods during the custody period. Party A promises to cover insurance for all possible risks according to the market price of the goods. It shall be indicated in the policy original that Party B is the insured and the policy original shall be submitted to Party B for keeping. In case of loss of the insured goods, Party B shall have the right to directly claim the insurance company for compensation.

(4) Without Party B's permission, Party A shall not dispose the goods by means, including change of the payment method specified in the contract, deferred payment or by any non-monetary method or at a price lower than the market price. Party A shall not mortgage or pledge the goods to any others nor make the goods bound by any lien. Once required by Party B, Party A shall submit to Party B the detailed information of the account or sales revenue of the goods or the goods-related sales contract. Party B has the right to enter the warehouse at any time to examine the actual conditions of the goods or re-occupy the goods.

(5) The currency used by Party A for performing the obligation of repayment shall be the same as the pricing currency of Party B's business. When Party B makes deduction actively from Party A's account according to relevant stipulations of the Contract and if the currency of the account is different from the pricing currency, conversion shall be made according to the exchange rate issued by Party B on the date of deduction.

7. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to continue the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

Party A promises to use the incomes obtained from sales of the goods to firstly repay Party B's financing to Party A.

Party A shall perform the obligation of prudence, diligence and care when it disposes the goods under the Financing Contract. It shall be requested in the Contract for disposing the goods that the buyer of the goods should directly make payment to Party B's account for repaying the financing principal and interest and other expenses hereunder.

8. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Outward Remittance Advance (Domestic Trade) (Specially for RongHuoDa).

Annex 1: Attached Provisions for Individual Cases.

If there are discrepancies in contents in the attachment with this contract, this contract should prevail.

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

"all the credit line contracts previously signed" here means the contract signed with reference no of "2016zhenzhongyinuexiezi No. 0000443.

2. Add after Item 5 of Party A's Commitment in the Statement and Commitment of Article 8 of the Credit Line Agreement:

6) Party A committed to distribute bonus agreed by Party B during the credit period.

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

8) If any one borrower of party A/ Shenzhen Highpower Technology Co., Ltd. / Springpower Technology (Shenzhen) Co., Ltd. defaults, Party B can think other borrowers to default, and have the right to take appropriate preservation measures. If group (HPJ) ratio above 75%, Party B has the right to request Party A to increase measures or reduce the credit limit, until the debt ratio below 75%.

9) During the period of credit, party A gives pledge of accounts receivable to a third party by getting the written consent of Party B, and Party B shall enjoy the right of accounts receivable pledge first place;

Maximum Amount Guaranty Contract

Reference No. : 2018zhenzhongyinyinubaoezi No.00030A

Guarantor: Huizhou Highpower Technology Co., Ltd
Business Licenses: ***
Legal Representative: Dangyu Pan
Address: Xihu Industrial Development Zone, Maan Town, Huicheng District, Huizhou.
Postal code: 18000
Deposit A/C and financial institutions: Bank of China, Pinghu Sub-branch, Shenzhen
Telephone: 0755-89686236; Facsimile: 0755-89686298

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

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

Clause 1 Principle Contract

The principle contract is “Comprehensive credit contract (2018zhenzhongyinyinubaoezi No 00030)” and its supplements signed between Creditor and Debtor, Icon Energy System (Shenzhen) Co., Ltd.

Clause 2 Principle Creditor’s Rights and the Period

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

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

Clause 3 The Maximum Amount Guaranteed

1. The maximum amount assumed guaranteed is:

Currency: Renminbi

Amount (Capital letter): Seventy Million

Amount (in numbers): 70,000,000.00

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

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

Clause 4 Types of Guaranty

Joint responsibility guaranty.

Clause 5 The Guarantee Responsibilities

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

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

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

Clause 6 The Responsible Period

The responsible period for this contract is two years after the establishment of the creditor's rights under Clause 2. During the period, Creditor is entitled to the right to request the assumption of responsibility from Guarantor in full or in part on one or on all creditor rights.

Clause 7 The Duration of Action

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

Clause 8 The Relationship between this Contract and the Principle Contract

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

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

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

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

Clause 9 Statements and Commitments

Guarantor's Statement:

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

Clause 10 Breach of Covenants

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

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

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

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

Clause 11 Rights Reserved

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

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

Clause 12 Change, Modification, Termination and Partial Invalidity

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

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

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

Clause 13 Applicable Law and Resolution for Dispute

This contract is entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China.

The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts

Clause 14 Attachments

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

Clause 15 Other Terms and Conditions

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

Clause 16 Effectiveness of the Contract

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

The pledge is established upon the effectiveness of this contract.

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

[COMPANY SEAL]

Stamp of Guarantor (if Guarantor is a corporation)

Signature of Authorized Representative

[COMPANY SEAL]

Stamp of Creditor (if Creditor is a corporation)

Signature of legal representative or authorized representative

Maximum Amount Guaranty Contract

(Applicable if guarantor is natural person)

Reference No. : 2018 zhenzhongyinbubaoezi No. 00030B

Guarantor: Dangyu Pan
Type of Certification: Identification Card
Certification Number:
Address: The dormitory of Shenzhen Highpower Technology Co., Ltd.
Postal code: 518000
Telephone: 0755-89686236 ; Facsimile: 0755-89686298

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

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

Clause 1 Principle Contract

1. The principle contract is "Comprehensive credit contract (2018 zhenzhongyinbuxiezi No 00030)" and its supplements signed between Creditor and Debtor, Icon Energy System (Shenzhen) Co., Ltd.

Clause 2 Principle Creditor's Rights and the Period

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

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

Clause 3 The Maximum Amount Guaranteed

1. The maximum amount assumed guaranteed is:

Currency: Renminbi

Amount (Capital letter): Seventy Million Only Amount (in numbers): 70,000,000.00

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

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

Clause 4 Types of Guaranty

Joint responsibility guaranty.

Clause 5 The Guarantee Responsibilities

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

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

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

Clause 6 The Responsible Period

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

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

Clause 7 The Duration of Action

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

Clause 8 The Relationship between this Contract and the Principle Contract

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

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

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

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

Clause 9 Statements and Commitments

Guarantor's statement:

- a) Guarantor is a natural person who possesses the capacity for civil rights and civil conducts in People's Republic of China to perform this contract. Party A can perform the civil conduct independently, no bad credit records such as debt overdue, overdue interest, malicious overdraft on credit card, no criminal records, qualified to be a legal guarantor.
- b) Guarantor has full understanding about the terms and conditions set forth in the contract. It is Guarantor's true will to provide guarantee to debtor.
- c) The establishment of this contract will not constitute a breach of covenant of any other previous contract Guarantor engaged in.
- d) All documents and information provided by Guarantor to Creditor are true, complete, accurate and effective.
- e) Guarantor is willing to cooperate in the checking and inspection of its financial conditions performed by Creditor.
- f) Guarantor did not conceal any existing liability upon the signing of the contract.
- g) Inform the Creditor in time for any issues might affect Guarantor's performing capability, which including but not limited to losses of assets, transfer, donation, assume responsibility on liabilities, involved in significant law suits or disputes.
- h) If the Guarantor is married, make sure the sponsor's consent is obtained.

Clause 10 Authorization of Access to Personal Information

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

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

Clause 11 Breach of Covenants

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

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

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

- 1) Request Guarantor to rectify within a definite time.
 - 2) Reduce, temporarily pause or permanently terminate Guarantor's Credit limit in part or in all.
 - 3) Temporarily pause or permanently terminate in part or in all of Guarantor's application on specific credit line under this contract.
 - 4) Announce the immediate expiration on all the credit lines granted under this contract and affiliated specific credit line contracts.
 - 5) Terminate or release this contract, terminate or release in part or in all of the affiliated specific credit line contracts as well as the other contracts signed between Guarantor and Creditor.
 - 6) Request compensation from Guarantor on the losses thereafter caused.
 - 7) Assume the guarantee responsibility on Guarantors.
 - 8) Other necessary procedures on Party B's concern.
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Clause 12 Rights Reserved

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

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

Clause 13 Change, Modification, Termination and Partial Invalidity

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

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

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

Clause 14 Applicable Law and Resolution for Dispute

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

Clause 15 Attachments

Sponsor's Consent.

Clause 16 Other terms and Conditions

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

5. The title and name of business product is for business purposes, will not used for interpretation of the contract terms and the rights and obligations.

Clause 17 Effectiveness of the Contract

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

The pledge is established upon the effectiveness of this contract.

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

/s/ Dangyu Pan

Signature of Guarantor and Sponsor

/s/ [COMPANY SEAL]

Stamp of Creditor (if Pledgee is a corporation)

Signature of legal representative or authorized representative

Consent Letter

I (name: Zhoutao Yin, certificate type: identification card , id number: _____) is the spouse of the guarantor DANG YU PAN under the maximum amount guarantee contract (No. : 2018zhenzhongyinyinbubaoezi No.00030B). I agree to undertake the responsibility of the Maximum Amount Guarantee Contract by the couple's property.

Maximum Amount Guaranty Contract

Reference No. : 2018zhenzhongyinbubaoezi No.00030C

Guarantor: Springpower Technology (Shenzhen) Co., Ltd

Business Licenses: ***

Legal Representative: Dangyu Pan

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

Postal code: 518000

Deposit A/C and Financial Institutions: Bank of China, Pinghu Sub-branch, Shenzhen

Telephone: 0755-28010758; Facsimile: 0755-28010758

Creditor: Bank of China, Buji Sub-branch.

Legal Representative: Xiaochuan Zheng

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

Telephone: 0755-22337156 ; Facsimile: 0755-28772290

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

Clause 1 Principle Contract

1. The principle contract is “Comprehensive credit contract (2018zhenzhongyinbuxiezi No 00030)” and its supplements signed between Creditor and Debtor, Icon Energy System (Shenzhen) Co., Ltd.

Clause 2 Principle Creditor’s Rights and the Period

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

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

Clause 3 The Maximum Amount Guaranteed

1. The maximum amount assumed guaranteed is:

Currency: Renminbi

Amount (Capital letter): Seventy Million Only

Amount (in numbers): 70,000,000.00

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

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

Clause 4 Types of guaranty

Joint responsibility guaranty.

Clause 5 The Guarantee Responsibilities

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

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

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

Clause 6 The Responsible Period

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

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

Clause 7 The Duration of Action

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

Clause 8 The Relationship between this Contract and the Principle Contract

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

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

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

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

Clause 9 Statements and Commitments

Guarantor's statement:

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

Clause 10 Breach of Covenants

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

1. Guarantor is in violation with the previous terms of the contract.
 2. The statements of the Guarantor is untrue or in violation with its commitments.
 3. The occurrence of issues defined under the point 6 of clause 9 which might affect the Guarantor's financial position and performing capability.
 4. Experiencing the termination of operation or bankruptcy.
 5. In violation with other rights and obligations agreed in this contract.
 6. Guarantor breaches the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.
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When any of the above mentioned situations noticed, Creditor will perform the following in separate or all at the same time:

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

Clause 11 Rights Reserved

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

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

Clause 12 Change, Modification, Termination and Partial Invalidity

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

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

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

Clause 13 Applicable Law and Resolution for Dispute

This contract is entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China.

The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts.

Clause 14 Attachments

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

Clause 15 Other terms and Conditions

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

Clause 16 Effectiveness of the Contract

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

The pledge is established upon the effectiveness of this contract.

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

[COMPANY SEAL]

Stamp of Guarantor (if Guarantor is a corporation)

Signature of Authorized Representative

/s/ [COMPANY SEAL]

Stamp of Creditor (if Creditor is a corporation)

Signature of legal representative or authorized representative

Maximum Amount Guaranty Contract

Reference No. : 2018zhengzhongyinbubaoezi No.00030

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

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

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1. The principle contract is “Comprehensive credit contract (2018zhengzhongyinbuxiezi No 00030)” and its supplements signed between Creditor and Debtor, Icon Energy System (Shenzhen) Co., Ltd.

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

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

Clause 3 The Maximum Amount Guaranteed

1. The maximum amount assumed guaranteed is:

Currency: Renminbi
Amount (Capital letter): Seventy Million Only
Amount (in numbers): 70,000,000.00

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

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

Clause 4 Types of Guaranty

Joint responsibility guaranty.

Clause 5 The Guarantee Responsibilities

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

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

Clause 6 The Responsible Period

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

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

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

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

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

Clause 9 Statements and Commitments

Guarantor's Statement:

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

Clause 10 Breach of Covenants

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

1. Guarantor is in violation with the previous terms of the contract.
 2. The statements of the Guarantor is untrue or in violation with its commitments
 3. The occurrence of issues defined under the point 6 of clause 9 which might affect the Guarantor's financial position and performing capability.
 4. Experiencing the termination of operation or bankruptcy.
 5. In violation with other rights and obligations agreed in this contract.
 6. Guarantor breaches the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.
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When any of the above mentioned situations noticed, Creditor will perform the following in separate or all at the same time:

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

Clause 11 Rights Reserved

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

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

Clause 12 Change, Modification, Termination and Partial Invalidity

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

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

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

Clause 13 Applicable Law and Resolution for Dispute

This contract is entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China.

The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts

Clause 14 Attachments

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

Clause 15 Other terms and conditions

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

Clause 16 Effectiveness of the Contract

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

The pledge is established upon the effectiveness of this contract.

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

[COMPANY SEAL]

Stamp of Guarantor (if Guarantor is a corporation)

Signature of Authorized Representative

/s/ [COMPANY SEAL]

Stamp of Creditor (if Creditor is a corporation)

Signature of legal representative or authorized representative

Comprehensive Credit Line Contract

Reference No. : 2018 zhenzhong yinbuxiezi No.00029

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

Business Licenses:**

Legal Representative: Dangyu Pan

Address: 101, NO.2, 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: Xiaochuan Zheng

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 following agreement:

Clause 1 Scope of Business

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

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

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

Clause 2 Types and Amount of Credit Line

Party B agrees to offer the following:

Currency in: Renminbi

Amount: Renmibi Eighty Millions RMB 80,000,000.00

Types: 1. Loans : RMB40,000,000.00

2. Bank Acceptances: RMB40,000,000.00

Clause 3 Usage of Credit Lines

1. Within the credit line period, under the agreed upper limits on each type of credit line, Party A can use the credit line recurrently.

If Party A needs to apply for the one-off credit line, a written application is required. And both parties should agree that Party B has the final say on whether and how the one-off credit line will be granted. Party B will notify Party A in written once the decision is made.

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

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

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

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

Clause 4 Application of Specific Credit Line Business

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

Clause 5 Period

The credit line defined in clause 2 under this contract will be started from the effective date and end on July 12, 2019.

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

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

Clause 6 Condition Precedents of Specific Credit Line Business

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

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

Clause 7 Guaranty

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

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

Clause 8 Statement and Commitment

1. Party A's Statement:

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

2. Party A's Commitment:

- 1) Timely delivery of the financial statements and other relevant information, (including but not limited to annual, quarterly and monthly financial reports.
- 2) Cooperate in Party B's exam and inspection on the utilization of the loan as well as Party A's financials and operations
- 3) Any counter-guarantee agreement between the guarantors and Party A will not affect the Party B's underlying rights under this contract
- 4) Under circumstances Party A or Guarantor's capability of performing the contract might be affected, Party A should notify Party B in time. Those circumstances include but are not limited to significant organizational changes, e.g. business splitting, merger and termination, disposal of major assets, restructuring, reorganization, joint venture arrangement with foreign capitals, changing of controlling shareholders or de facto control of Party A, capital reduction, liquidation, re-pledge of the encumbered assets, withdrawal, bankruptcy, dissolution and involvement in significant lawsuits.
- 5) Something out of this agreement and individual agreement, party A agrees to be dealt with in accordance with party B's relevant provisions and business practices.

Clause 9 Related Party and Related Party Transaction of Party A

Party A is defined as Group Credit Customer by Party B in accordance with "Guidance of Risk Management by Commercial Banks for Granting Credit to Customer Groups". Party A shall, in accordance with Article 17 of the Guidelines, report to Party B in a timely manner the related transactions with net assets of more than 10 %, including the related relationship between the parties to the transaction, the transaction items and the nature of the transaction, the amount of the transaction or the corresponding proportion and pricing policy (including transactions with no amount or only symbolic amount).

Clause 10 Breach of Covenants

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

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

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

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

Clause 11 Rights Reserved

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

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

Clause 12 Change, Modification, Termination and Partial invalidity

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

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

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

Clause 13 Applicable Law and Resolution for Dispute

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

Clause 14 Attachments

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

- Annex 1: For Opening International L/C.
- Annex 2: For Import Bill Advance.
- Annex 3: For Packing Loan.
- Annex 4: For Export Bill Purchase.
- Annex 5: For Export Bill Discount under L/C.
- Annex 6: For Opening Letter of Guarantee/ Standby L/C.
- Annex 7: For Opening Domestic L/C.
- Annex 8: For Seller Bill Advance under Domestic L/C.
- Annex 9: For Buyer Bill Advance under Domestic L/C.
- Annex 10: For Domestic L/C Negotiation.
- Annex 11: For Outward Remittance Advance.
- Annex 12: For Order Financing.
- Annex 13: For Outward Remittance Advance (Domestic Trade).
- Annex 14: Attached Provisions for Individual Cases.

Clause 15 Other Terms and Conditions

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

Clause 16 Effectiveness of the Contract

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

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

/s/ Dangyu Pan

Stamp of Party A

Signature of director or authorized representative

/s/ [COMPANY SEAL]

Stamp of Party B

Signature of legal representative or authorized representative

Annex 1: For Opening International L/C

1. In case of any discrepancy between this Annex and the Credit Line Agreement (hereinafter referred to as the Agreement), this Annex shall prevail.

2. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for opening a L/C.

3. Party A agrees Party B to deal with matters under the L/C in accordance with the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce (UCP500/UCP600, same below) and assume the obligations and responsibilities arising therefrom.

4. Opening and amendment of a L/C:

(1) If Party B accepts Party A's application for opening a L/C, Party B shall open a L/C according to the Application for Opening an International L/C submitted by Party A.

(2) If Party B requests Party A to submit relevant notes or documents for opening a L/C, such as trade contract, Party B shall not be deemed obliged to open a L/C on the basis of these notes or documents.

(3) Should Party A amend the L/C, Party A shall submit to Party B an Application for Amending International L/C. Party A agrees Party B to deal with matters under the L/C in accordance with the aforesaid Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce and assume the obligations and responsibilities arising therefrom. An amendment of L/C shall be binding upon Party A immediately after it is issued.

(4) Party B has the independent right to judge whether to amend a L/C. Party B has the right to refuse Party A's application for amendment and to raise opinions on the contents of amendment. If amendment of the L/C involves amount, currency, interest rate or term and Party B thinks strengthening the surety's obligations, Party B shall have the right to demand Party A to add security money, and/or demand Party A to obtain the surety's signature and agreement on the Application for Amending International L/C, and/or providing maximum guarantee, and/or providing other guarantee, or Party B shall have the right to refuse Party A's application for such amendment.

(5) Amendment of the L/C may not result in change of Party A's other rights and obligations under the Agreement and this Annex.

(6) L/C-related contents in the Application for Opening International L/C and the Application for Amending International L/C shall be written in English. In case of any dispute arising from the applicant's unclear handwriting or ambiguous meaning, Party A shall assume all the responsibilities arising therefrom.

(7) Party A shall pay Party B timely all the expenses arising from opening and amendment of the L/C (including relevant banking charges refused by a foreign beneficiary). The charging method shall comply with the stipulations of Party B.

5. External payment under the L/C:

(1) After receiving a document arrival notice from Party B within the validity of the L/C, Party A shall notify Party B of the document processing opinions within the time limit specified in the notice, or Party A shall be deemed as having no payment refusal opinion on the documents and having agreed Party B's external payment/payment by acceptance/payment by commitment; if Party A notifies Party B of acceptance of the documents within the time limit specified in the notice and Party B agrees Party A's document processing opinions, Party B may handle external payment/payment by acceptance/payment by commitment. Party A shall deposit provision according to the stipulations of the Application for Opening International L/C.

If Party A notifies Party B of acceptance of the documents but Party B disagrees Party A's document processing opinions, Party B shall have the right to decide whether to refuse external payment only depending on whether the documents are compliant; if Party A agrees to provide Party B with full security money or other payment guarantee, Party B shall have the right to decide on waiving or reserving the right of refusal of external payment as the case may be.

(2) If Party A thinks there are nonconformities in the documents and presents a request of refusing external payment /payment by acceptance/payment by commitment to Party B within the time limit specified in the document arrival notice, Party A shall list all the nonconformities and submit two letters of payment refusal causes affixed with Party A's seal. Party B has the right to deem the nonconformities stated in Party A's letters of payment refusal causes as all the nonconformities raised by Party A. If Party B agrees the nonconformities raised by Party A, Party B may handle refusal of external payment. If Party B thinks that the nonconformities are not satisfied through review in accordance with international practice or the nonconformities are immaterial and not enough to constitute a reason for refusal of payment, Party B shall have the right to decide on external payment /payment by acceptance/payment by commitment and use the provision deposited by Party A to make external payment directly, and all the obligations and responsibilities arising therefrom shall be assumed by Party A.

(3) If the provision deposited by Party A is not enough to make advance to the accounts payable, Party A shall pay off the accounts payable. The interest rate and calculation of advance shall follow the stipulations of the related application.

6. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to conduct the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

(1) In case of any L/C-related amendment of the import/export trade contract after the L/C is opened, Party A shall notify Party B of such amendment immediately in writing;

(2) When Party B makes advance or payment by acceptance or commitment, Party B shall reserve the right to dispose all the documents/goods under the L/C or other possible security interests or property interests entitled by applicable laws and regulations. If Party A reserves the right to dispose all the documents/goods under the L/C in accordance with applicable laws and regulations or according to the opinions of the competent court or arbitration agency, Party A agrees to transfer such right to Party B unconditionally within the maximum limit permitted by applicable laws, and Party A accepts Party B's all actions and omissions of disposal of documents/goods. If Party B reserves the right to dispose all the documents/goods under the L/C in accordance with applicable laws and regulations or according to the award of the competent court or arbitration agency, Party B shall reserve such right until Party A retires documents or pays Party B in full the advance made by Party B.

With respect to the usance bill accepted or the deferred payment confirmed by Party B, Party A shall not request Party B to stop payment by any excuse and, within the scope permitted by laws and regulations, Party A shall waive the right to, by any excuse, apply to the people's court for freezing or file a lawsuit for requesting stop payment under the L/C.

(3) The risks of loss, delay, omission or damage of business correspondence and documents under the L/C during postal delivery, telecommunication delivery or other delivery process and the risks arising from Party B's use of a third party service shall be assumed by Party A.

7. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Opening International L/C and the Application for Amending International L/C.

Annex 2: For Import Bill Advance

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting import bill advance.

3. If Party B accepts Party A's application for import bill advance, Party B shall pay the presenting bank the documentary bill funds according to the currency and amount specified in the Application for Import Bill Advance accepted by Party B.

4. Party A hereby confirms:

(1) Party B reserves the right to dispose all the documents/goods under the import bill advance or other possible security interests or property interests entitled by applicable laws and regulations. If Party A reserves the right to dispose all the documents/goods under the import bill advance in accordance with applicable laws and regulations or according to the award of the competent court or arbitration agency, Party A agrees to transfer such right to Party B unconditionally within the maximum limit permitted by applicable laws, and Party A accepts Party B's all actions and omissions of disposal of documents/goods. If Party B reserves the right to dispose all the documents/goods under the import bill advance in accordance with applicable laws and regulations or according to the award of the competent court or arbitration agency, Party B shall reserve such right until Party A pays Party B in full the documentary bill financing provided by Party B.

(2) When Party A applies to Party B for bearing documents/goods and repays Party B's documentary bill financing with the sales amount, Party A shall act as Party B's consignee only, including but not limited to keeping relevant documents, handling storage, maintenance, transportation, processing, sales and insurance of goods under the documents, and keeping the payment for goods or depositing the payment for goods to the account designated by Party B. When selling goods to a third person, Party A shall show the third person of its such identity.

(3) Party A shall bear the expenses (including but not limit to insurance, storage, transportation and port charges) of the goods during the custody period. Party A promises to cover insurance for all possible risks according to the market price of the goods. It shall be indicated in the policy original that Party B is the insured and the policy original shall be submitted to Party B for keeping. In case of loss of the insured goods, Party B shall have the right to directly claim the insurance company for compensation.

(4) Without Party B's permission, Party A shall not dispose the goods by means of deferred payment or any non-monetary method or at a price lower than the market price. Party A shall not mortgage or pledge the goods to any others nor make the goods bound by any lien. Once required by Party B, Party A shall submit to Party B the detailed information of the account or sales revenue of the goods or the goods-related sales contract. Party B has the right to enter the warehouse at any time to examine the actual conditions of the goods or re-occupy the goods.

5. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to conduct the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

Party A promises to use the incomes obtained from sales of the goods under import to firstly repay Party B's financing to Party A.

6. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Import Bill Advance.

Annex 3: For Packing Loan

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting a packing loan.

3. If Party B accepts Party A's application for a packing loan, Party B shall pay the Party A the loan according to the currency and amount specified in the Application for Packing Loan accepted by Party B.

4. Party A shall use the total loan for purchasing, organizing production and arranging export and transportation of the exported goods under the L/C. Without Party B's written consent, Party A shall not use the loan for any other purpose.

5. Party A shall satisfy the following conditions before it withdraws money:

(1) present a written withdrawal application prior to expiration of the usage term of the packing loan limit approved by Party B for Party A;

(2) provide relevant documents proving the loan purpose;

(3) submit the L/C original to Party B for keeping; and

(4) meet the preconditions agreed in the Agreement;

6. The payments for goods received by Party A after delivery, presentation of documents and handling exchange collection under the export L/C shall be the prime source of repayment of the loan hereunder. Party A hereby irrevocably agrees to entrust Party B to handle matters concerning exchange collection under the export L/C. Party A agrees Party B offset the loan principal and interest and expenses hereunder automatically with the incomes obtained from exchange collection under the export L/C.

If Party A handles a L/C for a packing loan while it applies to Party B for conducting export bill purchase, Party A agrees Party B to offset the loan principal and interest and expenses hereunder firstly with the incomes obtained from export bill purchase.

If Party A is unable to collect payments for goods on time due to delayed delivery, nonconforming documents or other causes, Party A shall repay the loan principal and interest and expenses hereunder timely with other capital source.

9. In addition to the contents agreed in the Agreement, in order to conduct the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

(1) Party A shall timely provide Party B with the instructions of preparing goods with the packing loan and be ready for accepting Party B's supervision and inspection at any time;

(2) Party A shall, within the validity of the L/C and the document presentation period agreed in the L/C, submit the documents under the L/C to Party B for handling matters concerning export bill purchase under the L/C;

(3) The export collection of Party A under the L/C shall be firstly used for repaying the loan principal and interest and the expenses hereunder.

If Party A is for any reason unable to collect funds, Party A shall unconditionally assume the responsibility of repaying the loan principal and interest and the expenses hereunder;

(4) In case of any serious difficult of production or sales of the goods under export, Party A shall notify Party B timely in written form.

10. The following shall constitute or be deemed as Party A's breach, except otherwise agreed in the Agreement:

(1) Party A is for any reason unable to submit all documents under the L/C to Party B, or there are nonconformities detected through Party B's verification in the documents provided by Party A, and Party A is unable to eliminate these nonconformities;

(2) The funds under the L/C, for any reason, cannot be collected on time according to the provisions of the L/C.

11. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Packing Loan.

Annex 4: For Export Bill Purchase

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting export bill purchase.

3. If Party B accepts Party A's application for export bill purchase, Party B shall pay Party A the documentary bill funds according to the currency and amount specified in the Application for Export Financing accepted by Party B.

Where it is export bill purchase under the L/C and Party A and Party B conduct a packing loan at the same time, Party A agrees Party B to use the financing funds obtained from export bill purchase firstly for offsetting the principal and interest of the loan provided by Party B and relevant expenses under the packing loan, and Party B shall pay Party A the remaining balance.

4. Party A agrees Party B to use the incomes obtained from processing documents under export bill purchase as a source of documentary repayment for automatically offsetting Party B's funds financed to Party A.

5. Party A hereby confirms:

Party B shall reserve the right to dispose all the documents/goods under the L/C /under collection or other possible security interests or property interests entitled by applicable laws once Party A submits documents to Party B and Party B pays Party A the financing funds. These interests shall be terminated when all the creditor's rights of Party B are fully repaid.

With respect to the export bill purchase of which the documents are nonconforming, where there is any element affecting normal collection of the accounts receivable, Party B shall have the right to request Party A to prepay the documentary bill funds or/and take other remedial measures specified in the Agreement.

6. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to conduct the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

(1) Party A shall, according to Party B's requirements, timely provide the instructions of the sales of the goods under export;

(2) In case of any serious difficult of sales of the goods under export, Party A shall notify Party B timely in written form.

7. The following shall constitute or be deemed as Party A's breach, except otherwise agreed in the Agreement:

(1) the foreign bank or payer refuses, delays or deducts payment due to nonconformities in documents or due to any other reason;

(2) there is turbulence, war or financial crisis at the location of the opening bank or the payer, or the opening bank or the payer goes into bankruptcy, or there is any other force majeure event, which may lead to that the foreign bank or payer refuses, delays or deducts payment;

(3) the foreign bank or payer refuses, delays or deducts payment due to loss or delay of documents or telecommunication failure during postal process.

8. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Export Financing.

Annex 5: For Export Bill Discount under L/C

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting export bill discount under L/C.

3. If Party B accepts Party A's application for export bill discount under L/C, Party B shall pay Party A the discounting funds according to the currency and amount specified in the Application for Export Financing accepted by Party B.

4. Party A agrees Party B to use the incomes obtained from processing documents as a source of repayment for automatically offsetting Party B's funds financed to Party A.

5. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to conduct the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

(1) Party A has obtained the documents by legitimate, good will and honest ways;

(2) Party A shall assume all responsibilities for the legitimacy of the draft-based transaction.

6. The following shall constitute or be deemed as Party A's breach, except otherwise agreed in the Agreement:

(1) The accepting/paying bank has the following cases:

A. The financial status of the accepting/paying bank goes bad and Party B thinks the accepting/paying bank incapable of performing the obligation of payment;

B. The accepting/paying bank is or may be dissolved, revoked, shutdown or announced bankruptcy;

C. The accepting/paying bank is announced freezing of funds by the court or is issued payment injunction by the court;

D. The accepting/paying bank notifies that the funds are frozen or stopped by the court, or other property preservation measures are taken, which result in delayed payment;

E. The main assets of the accepting/paying bank are damaged, sealed, detained, frozen, confiscated, sold by auction, sold off or expropriated;

F. The accepting/paying bank is involved in any major lawsuit or arbitration case and Party B thinks possibly affecting the accepting/paying bank's ability for performing the obligation of payment;

G. The accepting/paying bank is unable to pay relevant foreign exchange due to the foreign exchange control system of the located country;

H. The located country of the accepting/paying bank has political unrest, natural disaster or financial crisis and Party B thinks possibly cause that the accepting/paying bank is unable to make payment on time.

I. There is any other event at the located country of the accepting/paying bank that Party B thinks possibly affecting the accepting bank's payment capacity.

7. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Export Financing.

Annex 6: For Opening Letter of Guarantee/ Standby L/C

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for opening a letter of guarantee/standby L/C.

3. Opening and amendment of a letter of guarantee /standby L/C:

(1) If Party B accepts Party A's application for opening a letter of guarantee / a standby L/C, Party B shall open a letter of guarantee /standby L/C according to both parties' agreement.

(2) Party B shall refer to the Application for Opening Letter of Guarantee/Standby L/C submitted by Party A according to the detailed contents of the letter of guarantee/standby L/C applied by Party A. The final contents shall be subject to the letter of guarantee/standby L/C opened by Party B.

(3) Should Party A amend the letter of guarantee/standby L/C, Party A shall submit to Party B an Application for Amending Letter of Guarantee/Standby L/C.

(4) If amendment of the letter of guarantee/standby L/C involves amount, currency, interest rate or term or other provisions that Party B thinks necessary to add guarantee, Party B shall have the right to demand Party A to add security money, and/or demand Party A to obtain the counter-guarantor's signature and agreement on the Application for Amending Letter of Guarantee/Standby L/C, and/or providing maximum guarantee, and/or providing other guarantee, or Party B shall have the right to refuse Party A's application for such amendment.

(5) Amendment of the letter of guarantee/standby L/C may not result in change of Party A's other rights and obligations under the Agreement and this Annex.

4. Party A agrees, if there is any claim under the letter of guarantee/standby L/C within the validity of the letter of guarantee/standby L/C, and the beneficiary's claim documents comply with the stipulations of the letter of guarantee/standby L/C upon review by Party B, Party B shall have the right to make external payment directly with the provision deposited by Party A, and Party B shall also have the right to positively take Party A's foreign or RMB account in Party B as provision for external payment.

If the provision deposited by Party A is not enough to make advance to the claim, Party A shall pay off the claim. Party A shall bear the interest from the date of advancement by Party B to the date of actual payment by Party A. The interest rate of advance shall be handled in accordance with the Application for Opening Letter of Guarantee/Standby L/C.

5. In addition to the contents agreed in the Agreement, in order to conduct the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

(1) If the letter of guarantee/standby L/C is reopened/forwarded by any other bank as having been entrusted, Party A agrees to assume all the risks and responsibilities of the reopening/forwarding bank caused due to reopening/forwarding of the letter of guarantee/standby L/C;

(2) Party A shall notify Party B immediately after occurrence of any case which affects Party B's guarantee liability, including the execution, amendment, change and termination of the basic contract or basic transaction on which the letter of guarantee/standby L/C is based;

(3) Party A shall coordinate Party B to go through formalities for performance under external guarantee;

(4) The risks of loss, delay, omission or damage of business correspondence and documents under the letter of guarantee/standby L/C during postal delivery, telecommunication delivery or other delivery process and the risks arising from Party B's use of a third party service shall be assumed by Party A.

(5) Where the letter of guarantee/standby L/C has no definite date of ineffectiveness, no applicable foreign law or practice and no definite amount of guarantee, Party A agrees to make compensation for all risks, responsibilities and losses caused to Party B;

6. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Opening Letter of Guarantee/Standby L/C and the Application for Amending Letter of Guarantee/Standby L/C.

Annex 7: For Opening Domestic L/C

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for opening a domestic L/C.

3. Party A irrevocably assumes the following responsibilities:

(1) Party A is willing to abide by the Measures for Settlement by Domestic Letter of Credit of the People's Republic of China and other relevant national laws and regulations. Party A agrees Party B to handle all matters under the L/C in accordance with the Measures for Settlement by Domestic Letter of Credit of the People's Republic of China and other relevant national laws and regulations. Party A agrees to assume all the responsibilities arising therefrom.

(2) Party A ensures that all the materials provided for Party B for the purpose of opening the L/C are genuine, complete and effective and the L/C opened has true trade background. If Party A provide Party B with false and/or incomplete and/or ineffective materials, and/or the L/C opened does not have any true trade background, Party A is willing to assume all the responsibilities arising therefrom.

(3) If the goods under the L/C are actually controlled by Party A before Party A pays Party B the funds under the L/C, Party A promises that Party B reserves the ownership of the goods.

(4) All the consequences arising from unclear handwriting or ambiguous meaning in the application shall be assumed by Party A.

4. Opening and amendment of a domestic L/C:

(1) If Party B accepts Party A's application for opening a domestic L/C, Party B shall open a domestic L/C according to the Application for Opening Domestic L/C submitted by Party A. The final contents shall be subject to the domestic L/C opened by Party B.

(2) If Party B requests Party A to submit relevant notes or documents for opening a domestic L/C, such as trade contract, Party B shall not be deemed obliged to open a domestic L/C on the basis of these notes or documents.

(3) Should Party A amend the domestic L/C, Party A shall submit to Party B an Application for Amending Domestic L/C. Party A agrees Party B to deal with matters under the domestic L/C in accordance with the Measures for Settlement by Domestic Letter of Credit of the People's Republic of China and assume the obligations and responsibilities arising therefrom. An Application for Amending Domestic L/C shall be binding upon Party A immediately after it is issued.

(4) Party B has the independent right to judge whether to amend a domestic L/C. Party B has the right to refuse Party A's application for amendment and to raise opinions on the contents of amendment. If amendment of the domestic L/C involves amount or term and Party B thinks strengthening the surety's obligations, Party B shall have the right to demand Party A to add security money, and/or demand Party A to obtain the surety's signature and agreement on the Application for Amending Domestic L/C, and/or providing maximum guarantee, and/or providing other guarantee, or Party B shall have the right to refuse Party A's application for such amendment.

(5) Amendment of the domestic L/C may not result in change of Party A's other rights and obligations under the Agreement and this Annex.

(6) Domestic L/C-related contents in the Application for Opening Domestic L/C and the Application for Amending Domestic L/C shall be written in Chinese. In case of any dispute arising from the applicant's unclear handwriting or ambiguous meaning, Party A shall assume all the responsibilities arising therefrom.

(7) Party A shall pay Party B timely all the expenses arising from opening and amendment of the domestic L/C (including relevant banking charges refused by the beneficiary). The charging method shall comply with the stipulations of Party B.

5. Payment under the domestic L/C:

(1) After receiving a document arrival notice from Party B within the validity of the domestic L/C, Party A shall notify Party B of the document processing opinions within the time limit specified in the notice, or Party A shall be deemed as having no payment refusal opinion on the documents and having agreed Party B's payment/payment by commitment; if Party A notifies Party B of acceptance of the documents within the time limit specified in the notice and Party B agrees Party A's document processing opinions, Party B may handle payment/payment by commitment. Party A shall deposit provision according to the stipulations of the Application for Opening Domestic L/C.

If Party A notifies Party B of acceptance of the documents but Party B disagrees Party A's document processing opinions, Party B shall have the right to decide whether to refuse payment only depending on whether the documents are compliant; if Party A agrees to provide Party B with full security money or other payment guarantee, Party B shall have the right to decide on waiving or reserving the right of refusal of payment as the case may be.

(2) If Party A thinks there are nonconformities in the documents and presents a request of refusing payment /payment by commitment to Party B within the time limit specified in the document arrival notice, Party A shall list all the nonconformities and submit two letters of payment refusal causes affixed with Party A's seal. Party B has the right to deem the nonconformities stated in Party A's letters of payment refusal causes as all the nonconformities raised by Party A. If Party B agrees the nonconformities raised by Party A, Party B may handle refusal of external payment. If Party B thinks that the nonconformities are not satisfied through review according to practice or the nonconformities are immaterial and not enough to constitute a reason for refusal of payment, Party B shall have the right to decide on payment /payment by commitment and use the provision deposited by Party A to make external payment directly, and all the obligations and responsibilities arising therefrom shall be assumed by Party A.

(3) If the provision deposited by Party A is not enough to make advance to the accounts payable, Party A shall pay off the accounts payable.

6. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to continue the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

(1) In case of any domestic L/C-related amendment of the trade contract after the domestic L/C is opened, Party A shall notify Party B of such amendment immediately in writing;

(2) With respect to the deferred payment confirmed by Party B, Party A shall not request Party B to stop payment by any excuse and, within the scope permitted by laws, rules and regulations, Party A shall waive the right to, by any excuse, apply to the people's court for freezing or file a lawsuit for requesting stop payment under the domestic L/C.

(3) The risks of loss, delay, omission or damage of business correspondence and documents under the domestic L/C during postal delivery, telecommunication delivery or other delivery process and the risks arising from Party B's use of a third party service shall be assumed by Party A.

7. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Opening Domestic L/C and the Application for Amending Domestic L/C.

Annex 8: For Seller Bill Advance under Domestic L/C

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Seller bill advance means the short-term financing that the bank provides the seller on the basis of the right of resource reserved in the domestic L/C business according to the documents submitted by the seller after the seller ships the goods.

3. Preconditions for seller bill advance:

(1) Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting seller bill advance.

(2) The L/C shall state applicable to the Measures for Settlement by Domestic Letter of Credit of the People's Republic of China or its updated version effective on the date of opening of the L/C. The format and contents of the L/C shall be reviewed and accepted by Party B.

4. Application for seller bill advance

When the Agreement becomes effective, Party A shall submit an Application for Seller Bill Advance under Domestic L/C for each seller bill advance business (hereinafter referred to as the transaction) applied by Party A.

Transactions hereunder shall be mutually independent and shall comply with this Annex, related L/C and Party A's application.

5. Payment

If Party B accepts Party A's application for conducting seller bill advance, Party B shall pay Party A the documentary bill funds according to the amount agreed in the Application for Seller Bill Advance under Domestic L/C accepted by Party B.

Documentary bill term and other relevant matters shall be implemented specifically according to the Application for Seller Bill Advance under Domestic L/C hereunder.

6. Party A agrees Party B to use the incomes obtained from processing documents under seller bill advance as a source of documentary repayment for automatically offsetting Party B's funds financed to Party A.

7. Interest and expenses

To handle the transaction, Party A agrees to pay the negotiating bank interest and expenses, specifically according to the stipulations of the Application for Seller Bill Advance under Domestic L/C hereunder.

8. Party A hereby confirms:

Party B shall reserve the right to dispose all the documents/goods under the domestic L/C or other possible security interests or property interests entitled by applicable laws once Party A submits documents to Party B and Party B pays Party A the financing funds. These interests shall be terminated when all the creditor's rights of Party B are fully repaid.

With respect to the seller bill purchase of which the documents are nonconforming, where there is any element affecting normal collection of the accounts receivable of the seller's goods under the domestic L/C, Party B shall have the right to request Party A to prepay the documentary bill funds or/and take other remedial measures specified in the Agreement.

If the L/C payer refuses, delays or deducts payment due to nonconformities in documents, due to loss, delay or telecommunication failure of documents during postal process, or due to other reasons not attributable to Party B, Party B may claim Party A for the principal and interest, expenses and losses of all financing funds or the insufficient part. Party B also has the right to choose self disposal of the documents and goods under the seller bill advance herein and obtain compensation from the incomes obtained therefrom. Party B has the right to recourse Party A for the insufficient part.

If the incomes from processing documents or self disposal of documents and goods are not enough to repay the total financing funds, Party B shall have the right to make deduction actively from any account opened by Party A with Party A or from other collections. If Party B makes deduction directly from Party A's account according to relevant stipulations of this Annex and the currency of the account is different from the pricing currency, conversion shall be made according to the exchange rate applicable to Party B.

9. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to continue the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

(1) Party A shall, according to Party B's requirements, timely provide the instructions of the sales of the goods under the seller of the domestic L/C;

(2) In case of any serious difficult of sales of the goods under the seller of the domestic L/C, Party A shall notify Party B timely in written form.

10. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Seller Bill Advance under Domestic L/C.

Annex 9: For Buyer Bill Advance under Domestic L/C

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Buyer bill advance means the short-term financing that Party B provides Party A in the domestic L/C business at Party B's request after Party B receives the documents submitted by the negotiating bank or the presenting bank, for paying the funds under these documents.

3. Preconditions for buyer bill advance:

(1) Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting buyer bill advance.

(2) The L/C shall state applicable to the Measures for Settlement by Domestic Letter of Credit of the People's Republic of China or its updated version effective on the date of opening of the L/C. The format and contents of the L/C shall be reviewed and accepted by Party B.

4. Application for buyer bill advance

Party A shall submit an Application for Buyer Bill Advance under Domestic L/C for each buyer bill advance business (hereinafter referred to as the transaction) applied by Party A.

Transactions hereunder shall be mutually independent and shall comply with this Annex, related L/C and Party A's application.

5. Payment

When the preconditions for buyer bill advance are met and Party B accepts Party A's application for conducting buyer bill advance, Party B shall represent Party A to make external payment under the L/C according to the amount agreed in the Application for Buyer Bill Advance under Domestic L/C accepted by Party B.

Documentary bill term and other relevant matters shall be implemented specifically according to the Application for Buyer Bill Advance under Domestic L/C hereunder.

6. Party A hereby confirms:

(1) Party B reserves the right to dispose all the documents/goods under the buyer bill advance or other possible security interests or property interests entitled by applicable laws and regulations. If Party A reserves the right to dispose all the documents/goods under the buyer bill advance in accordance with applicable laws and regulations or according to the award of the competent court or arbitration agency, Party A agrees to transfer such right to Party B unconditionally within the maximum limit permitted by applicable laws, and Party A accepts Party B's all actions and omissions of disposal of documents/goods. If Party B reserves the right to dispose all the documents/goods under the buyer bill advance in accordance with applicable laws and regulations or according to the award of the competent court or arbitration agency, Party B shall reserve such right until Party A pays Party B in full the documentary bill financing provided by Party B.

(2) When Party A applies to Party B for bearing documents/goods and repays Party B's documentary bill financing with the sales amount, Party A shall act as Party B's consignee only, including but not limited to keeping relevant documents, handling storage, maintenance, transportation, processing, sales and insurance of goods under the documents, and keeping the payment for goods or depositing the payment for goods to the account designated by Party B. When selling goods to a third person, Party A shall show the third person of its such identity.

(3) Party A shall bear the expenses (including but not limit to insurance, storage, transportation and port charges) of the goods during the custody period. Party A promises to cover insurance for all possible risks according to the market price of the goods. It shall be indicated in the policy original that Party B is the insured and the policy original shall be submitted to Party B for keeping. In case of loss of the insured goods, Party B shall have the right to directly claim the insurance company for compensation.

(4) Without Party B's permission, Party A shall not dispose the goods by means of deferred payment or any non-monetary method or at a price lower than the market price. Party A shall not mortgage or pledge the goods to any others nor make the goods bound by any lien. Once required by Party B, Party A shall submit to Party B the detailed information of the account or sales revenue of the goods or the goods-related sales contract. Party B has the right to enter the warehouse at any time to examine the actual conditions of the goods or re-occupy the goods.

7. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to continue the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

Party A promises to use the incomes obtained from sales of the goods under the domestic L/C to firstly repay Party B's financing to Party A.

8. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Buyer Bill Advance under Domestic L/C.

Annex 10: For Domestic L/C Negotiation

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Negotiation means the action that Party B pays Party A the consideration after deducting the negotiating interest under the conditions of documents in compliance with the L/C. Negotiation is only limited to the negotiable deferred payment documentary credit.

3. Preconditions for negotiation:

(1) Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting negotiation.

(2) Party A shall present a written negotiation application;

(3) Party A has completed relevant vouchers and provided relevant documents and materials according to Party B's requirements;

(4) Party A has handled the legal and administrative examination and approval procedures required for negotiation, and has submitted relevant examination and approval documents to Party B for inspection. Party B has the right to request Party A to provide the copies of the examination and approval documents or the photocopies in compliance with the originals;

(5) The L/C shall state applicable to the Measures for Settlement by Domestic Letter of Credit of the People's Republic of China or its updated version effective on the date of opening of the L/C. The format and contents of the L/C shall be reviewed and accepted by Party B.

(6) Party A shall present documents within the presentation period and valid period of the L/C. Party A shall submit to Party B the complete L/C and the amendment original, which shall comply with documents upon review by Party B;

(7) The L/C shall be a negotiable deferred payment documentary credit and Party B is designated as the negotiating bank.

4. Application for negotiation

When the Agreement becomes effective, Party A shall submit an Application for Negotiation of Domestic L/C for each negotiation business (hereinafter referred to as the transaction) applied by Party A.

Transactions hereunder shall be mutually independent and shall comply with this Annex, related L/C and Party A's application.

5. Payment

If Party B accepts Party A's application for conducting negotiation, Party B shall pay Party A the negotiating funds according to the amount agreed in the Application for Negotiation of Domestic L/C accepted by Party B.

Negotiation term and other relevant matters shall be implemented specifically according to the Application for Negotiation of Domestic L/C.

6. Party A agrees Party B to use the incomes obtained from processing documents under negotiation as a source of repayment by negotiation for automatically offsetting Party B's funds financed to Party A.

7. Interest and expenses

To handle the transaction, Party A agrees to pay the negotiating bank interest and expenses, specifically according to the stipulations of the Application for Negotiation of Domestic L/C hereunder.

8. Party A hereby confirms:

Party B shall reserve the right to dispose all the documents/goods under the domestic L/C or other possible security interests or property interests entitled by applicable laws once Party A submits documents to Party B and Party B pays Party A the financing funds. These interests shall be terminated when all the creditor's rights of Party B are fully repaid.

If the L/C payer refuses, delays or deducts payment due to nonconformities in documents, due to loss, delay or telecommunication failure of documents during postal process, or due to other reasons not attributable to Party B, Party B may claim Party A for the principal and interest, expenses and losses of all financing funds or the insufficient part. Party B also has the right to choose self disposal of the documents and goods under negotiation herein and obtain compensation from the incomes obtained therefrom. Party B has the right to recourse Party A for the insufficient part.

If the incomes from processing documents or self disposal of documents and goods are not enough to repay the total financing funds, Party B shall have the right to make deduction actively from any account opened by Party A with Party A or from other collections. If Party B makes deduction directly from Party A's account according to relevant stipulations of this Annex and the currency of the account is different from the pricing currency, conversion shall be made according to the exchange rate applicable to Party B.

9. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to continue the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

(1) Party A shall, according to Party B's requirements, timely provide the instructions of the sales of the goods under the seller of the domestic L/C;

(2) In case of any serious difficult of sales of the goods under the seller of the domestic L/C, Party A shall notify Party B timely in written form.

10. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Negotiation of Domestic L/C.

Annex 11: For Outward Remittance Advance

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Outward remittance means that Party A, as the payer of the contract having been signed, makes payment through bank remittance according to the stipulations of the contract. In this Annex and relevant documents of this Annex, financing under outward remittance means the short-term financing that Party B makes advance of import funds for Party A according to the effective voucher and commercial documents under outward remittance in various businesses, including cash on delivery, remittance of profit, dividend and bonus, and advance payment for some types and service trade remittance.

3. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting outward remittance advance.

4. If Party B accepts Party A's application for outward remittance advance, Party B shall remit the financing funds to the payee indicated in the remittance application submitted by Party A according to the currency and amount agreed in the Application for Financing under Outward Remittance.

5. If Party A has provided Party B with all documents according to Party B's requirements, it shall not be interpreted that Party B bears the obligation and responsibility of reviewing the genuine and legitimacy of the transaction that Party A is engaged in.

6. Party A hereby confirms:

(1) Party B reserves the right to dispose all the documents/goods under the outward remittance advance or other possible security interests or property interests entitled by applicable laws and regulations. If Party A reserves the right to dispose all the documents/goods under the outward remittance advance in accordance with applicable laws and regulations or according to the award of the competent court or arbitration agency, Party A agrees to transfer such right to Party B unconditionally within the maximum limit permitted by applicable laws, and Party A accepts Party B's all actions and omissions of disposal of documents/goods. If Party B reserves the right to dispose all the documents/goods under the outward remittance advance in accordance with applicable laws and regulations or according to the award of the competent court or arbitration agency, Party B shall reserve such right until Party A pays Party B in full the financing provided by Party B.

(2) When Party A applies to Party B for bearing documents/goods and repays Party B's financing with the sales amount, Party A shall act as Party B's consignee only, including but not limited to keeping relevant documents, handling storage, maintenance, transportation, processing, sales and insurance of goods under the documents, and keeping the payment for goods or depositing the payment for goods to the account designated by Party B. When selling goods to a third person, Party A shall show the third person of its such identity.

(3) Party A shall bear the expenses (including but not limit to insurance, storage, transportation and port charges) of the goods during the custody period. Party A promises to cover insurance for all possible risks according to the market price of the goods. It shall be indicated in the policy original that Party B is the insured and the policy original shall be submitted to Party B for keeping. In case of loss of the insured goods, Party B shall have the right to directly claim the insurance company for compensation.

(4) Without Party B's permission, Party A shall not dispose the goods by means, including change of the payment method specified in the contract, deferred payment or by any non-monetary method or at a price lower than the market price. Party A shall not mortgage or pledge the goods to any others nor make the goods bound by any lien. Once required by Party B, Party A shall submit to Party B the detailed information of the account or sales revenue of the goods or the goods-related sales contract. Party B has the right to enter the warehouse at any time to examine the actual conditions of the goods or re-occupy the goods.

(5) The currency used by Party A for performing the obligation of repayment shall be the same as the pricing currency of Party B's business. When Party B makes deduction actively from Party A's account according to relevant stipulations of the Contract and if the currency of the account is different from the pricing currency, conversion shall be made according to the exchange rate issued by Party B on the date of deduction.

7. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to continue the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

Party A promises to use the incomes obtained from sales of the goods under import to firstly repay Party B's financing to Party A.

Party A shall perform the obligation of prudence, diligence and care when it disposes the import goods under the Financing Contract. It shall be requested in the Contract for disposing the goods that the buyer of the goods should directly make payment to Party B's account for repaying the financing principal and interest and other expenses hereunder.

8. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Financing under Outward Remittance.

Annex 12: For Order Financing

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.
 2. Order financing means the special trade financing that, as having been applied by Party A, Party B provides Party A for procurement, production and shipment of the goods under the order according to the trade contract or order submitted by Party A in order to support the goods preparation and shipment under Party A's international trade and domestic trade.
 3. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting order financing.
 4. If Party B accepts Party A's application for order financing, Party B shall pay Party A the financing funds according to the currency and amount specified in the Application for Order Financing. Party B has the right to charge handling charges according to the rate specified in the Application for Order Financing and charge interest and default interest according to the term, interest rate and method specified therein.
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5. Party A shall satisfy the following conditions before it withdraws money:

- (1) present a written withdrawal application prior to expiration of the usage term of the order financing limit approved by Party B for Party A;
- (2) meet the preconditions agreed in the Agreement.

6. Party A hereby irrevocably agrees as follows:

(1) The funds collected under the order after shipment and presentation of documents shall be the prime source of repayment of financing hereunder. According to the delivery and shipment time requested in the order or trade contract, Party A shall timely handle relevant settlement procedures of accounts receivable through Party B and submit to Party B for review the business invoice, shipping documents, export declaration (if any) and other relevant documents required by Party B. Under L/C or collection, Party B shall send the full unit of original documents to the opening bank (under L/C) or to the outward collection (under collection). Under the mode of sell on credit, Party B shall be the receiving bank and Party B shall be agreed to offset the financing principal and interest and expenses hereunder automatically with the funds collected under the order. If draft is settled under domestic trade, Party A shall handle collection or discount through Party B and agree Party B to offset the financing principal and interest and expenses hereunder automatically with the draft collection or discount funds.

(2) If Party A handles order financing while it applies to Party B for conducting packing loan, documentary bill, export discount, export invoice discounting and domestic invoice discounting or other trade financing business, Party A agrees Party B to offset the loan principal and interest and expenses hereunder firstly with the other financing funds.

(3) If Party A is unable to collect the funds under the order on time due to delayed delivery, nonconforming documents or other causes, Party A shall repay the loan principal and interest and expenses hereunder timely with other capital source.

7. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to conduct the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

- (1) The document, order and other relevant documents submitted are genuine, legitimate and effective;
- (2) The total financing is for purchasing and organizing the production and arranging the export and transportation of the goods under the related trade contract/order. Without Party B's written consent, Party A shall not use the financing for any other purpose.
- (3) Party A shall timely provide Party B with the instructions of preparing goods and shipment with the order financing and be ready for accepting Party B's supervision and inspection at any time;
- (4) In case of any adverse element affecting payment collection under the order, including but not limited to: serious difficult in production, procurement and sales of the goods under the order, commercial dispute with the buyer or deterioration of the buyer's operating situations, Party A shall timely notify Party B in written form.

8. Except the situations agreed in the Agreement, Party A's failure in timely handling relevant settlement procedures of accounts receivable under the order financing through Party B shall constitute or be deemed as an event of default by Party A under the Agreement and this Annex.

9. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Order Financing.

Annex 13: For Outward Remittance Advance (Domestic Trade)
(Specially for RongHuoDa)

1. In case of any discrepancy between this Annex and the Agreement, this Annex shall prevail.

2. Outward remittance under domestic trade means that Party A, as the buyer of the goods contract having been signed, makes payment through bank remittance according to the stipulations of the contract.

In this Contract and the documents related to this Contract, financing under outward remittance (domestic trade) means that after Party A presents the needs of capital financing, while handling outward remittance for Party A, Party B, as the remitting bank of the remittance under outward remittance (domestic trade), provides Party A with external payment of funds, and later, Party A repays Party B the financing funds.

3. Party A shall meet the preconditions agreed in the Agreement if Party A applies to Party B for conducting outward remittance advance (domestic trade).

4. If Party B accepts Party A's application for outward remittance advance (domestic trade), Party B shall remit the financing funds to the payee indicated in the remittance application submitted by Party A according to the currency and amount agreed in the Application for Outward Remittance Advance (Domestic Trade).

5. If Party A has provided Party B with all documents according to Party B's requirements, it shall not be interpreted that Party B bears the obligation and responsibility of reviewing the genuine and legitimacy of the transaction that Party A is engaged in.

6. Party A hereby confirms:

(1) Party B reserves the right to dispose all the documents/goods under outward remittance advance (domestic trade) or other possible security interests or property interests entitled by applicable laws and regulations. If Party A reserves the right to dispose all the documents/goods under the outward remittance advance (domestic trade) in accordance with applicable laws and regulations or according to the award of the competent court or arbitration agency, Party A agrees to transfer such right to Party B unconditionally within the maximum limit permitted by applicable laws, and Party A accepts Party B's all actions and omissions of disposal of documents/goods. If Party B reserves the right to dispose all the documents/goods under the outward remittance advance (domestic trade) in accordance with applicable laws and regulations or according to the award of the competent court or arbitration agency, Party B shall reserve such right until Party A pays Party B in full the financing provided by Party B.

(2) When Party A applies to Party B for bearing documents/goods and repays Party B's financing with the sales amount, Party A shall act as Party B's consignee only, including but not limited to keeping relevant documents, handling storage, maintenance, transportation, processing, sales and insurance of goods under the documents, and keeping the payment for goods or depositing the payment for goods to the account designated by Party B. When selling goods to a third person, Party A shall show the third person of its such identity.

(3) Party A shall bear the expenses (including but not limit to insurance, storage, transportation and port charges) of the goods during the custody period. Party A promises to cover insurance for all possible risks according to the market price of the goods. It shall be indicated in the policy original that Party B is the insured and the policy original shall be submitted to Party B for keeping. In case of loss of the insured goods, Party B shall have the right to directly claim the insurance company for compensation.

(4) Without Party B's permission, Party A shall not dispose the goods by means, including change of the payment method specified in the contract, deferred payment or by any non-monetary method or at a price lower than the market price. Party A shall not mortgage or pledge the goods to any others nor make the goods bound by any lien. Once required by Party B, Party A shall submit to Party B the detailed information of the account or sales revenue of the goods or the goods-related sales contract. Party B has the right to enter the warehouse at any time to examine the actual conditions of the goods or re-occupy the goods.

(5) The currency used by Party A for performing the obligation of repayment shall be the same as the pricing currency of Party B's business. When Party B makes deduction actively from Party A's account according to relevant stipulations of the Contract and if the currency of the account is different from the pricing currency, conversion shall be made according to the exchange rate issued by Party B on the date of deduction.

7. Supplementary commitments:

In addition to the contents agreed in the Agreement, in order to continue the business hereunder, Party A hereby makes the following supplementary commitments to Party B:

Party A promises to use the incomes obtained from sales of the goods to firstly repay Party B's financing to Party A.

Party A shall perform the obligation of prudence, diligence and care when it disposes the goods under the Financing Contract. It shall be requested in the Contract for disposing the goods that the buyer of the goods should directly make payment to Party B's account for repaying the financing principal and interest and other expenses hereunder.

8. Other specific matters for conducting the business hereunder shall be handled pursuant to the Application for Outward Remittance Advance (Domestic Trade) (Specially for RongHuoDa).

Annex 1: Attached Provisions for Individual Cases.

If there are discrepancies in contents in the attachment with this contract, this contract should prevail.

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

"All the credit line contracts previously signed" here means the contract signed with reference no of "2016zhenzhongyinyinbuexiezi No. 0000445."

Add after Item 5 of Party A's Commitment in the Statement and Commitment of Article 8 of the Credit Line Agreement:

6) Party A committed to distribute bonus agreed by Party B during the credit period.

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

8) If any one borrower of party A/ Shenzhen Highpower Technology Co., Ltd. / Icon Energy System (Shenzhen) Co., Ltd.. defaults, Party B can think other borrowers to default, and have the right to take appropriate preservation measures. If group (HPJ) ratio above 75%, Party B has the right to request Party A to increase measures or reduce the credit limit, until the debt ratio below 75%.

9) During the period of credit, Party A gives pledge of accounts receivable to a third party by getting the written consent of Party B, and Party B shall enjoy the right of accounts receivable pledge first place;

Maximum Amount Guaranty Contract

Reference No. : 2018zhenzhongyinyinubaoezi No.00029A

Guarantor: Huizhou Highpower Technology Co., Ltd
Business Licenses: ***
Legal Representative: Dangyu Pan
Address: Xihu Industrial Development Zone, Maan Town, Huicheng District, Huizhou.
Postal code: 518000
Deposit A/C and Financial Institutions: Bank of China, Pinghu Sub-branch, Shenzhen
Telephone: 89686236; Facsimile: 89686298

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

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

Clause 1 Principle Contract

The principle contract is “Comprehensive credit contract (2018zhenzhongyinyinubaoezi No 00029)” and its supplements signed between Creditor and Debtor, Springpower Technology (Shenzhen) Co., Ltd.

Clause 2 Principle Creditor’s Rights and the Period

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

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

Clause 3 The Maximum Amount Guaranteed

1. The maximum amount assumed guaranteed is:

Currency: Renminbi
Amount (Capital letter): Eighty Million Amount (in numbers): 80,000,000.00

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

Clause 4 Types of Guaranty

Joint responsibility guaranty.

Clause 5 The Guarantee Responsibilities

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

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

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

Clause 6 The Responsible Period

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

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

Clause 7 The Duration of Action

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

Clause 8 The Relationship between this Contract and the Principle Contract

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

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

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

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

Clause 9 Statements and Commitments

Guarantor's Statement:

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

Clause 10 Breach of Covenants

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

1. Guarantor is in violation with the previous terms of the contract.
 2. The statements of the Guarantor is untrue or in violation with its commitments.
 3. The occurrence of issues defined under the point 6 of clause 9 which might affect the Guarantor's financial position and performing capability.
 4. Experiencing the termination of operation or bankruptcy.
 5. In violation with other rights and obligations agreed in this contract.
 6. Guarantor breaches the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.
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When any of the above mentioned situations noticed, Creditor will perform the following in separate or all at the same time:

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

Clause 11 Rights Reserved

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

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

Clause 12 Change, Modification, Termination and Partial Invalidity

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

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

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

Clause 13 Applicable Law and Resolution for Dispute

This contract is entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China.

The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts.

Clause 14 Attachments

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

Clause 15 Other Terms and Conditions

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

Clause 16 Effectiveness of the Contract

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

The pledge is established upon the effectiveness of this contract.

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

[COMPANY SEAL]

Stamp of Guarantor (if Guarantor is a corporation)

Signature of Authorized Representative

[COMPANY SEAL]

Stamp of Creditor (if Creditor is a corporation)

Signature of legal representative or authorized representative

Maximum Amount Guaranty Contract

(Applicable if guarantor is natural person)

Reference No. : 2018zhenzhongyinbubaoezi No.00029B

Guarantor: Dangyu Pan
Type of certification: Identification Card
Certification number:
Address: Building A2, Luoshan Industrial Zone, Longgang District, Shenzhen
Postal code: 518000
Telephone: 89686236 ; Facsimile: 89686298

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

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

Clause 1 Principle Contract

1. The principle contract is "Comprehensive credit contract (2018zhenzhongyinbuexiezi No 00029)" and its supplements signed between Creditor and Debtor, Springpower Technology (Shenzhen) Co., Ltd.

Clause 2 Principle Creditor's Rights and the Period

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

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

Clause 3 The Maximum Amount Guaranteed

1. The maximum amount assumed guaranteed is:
Currency: Renminbi
Amount (Capital letter): Eighty Million Amount (in numbers): 80,000,000.00

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

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

Clause 4 Types of Guaranty

Joint responsibility guaranty.

Clause 5 The Guarantee Responsibilities

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

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

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

Clause 6 The responsible period

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

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

Clause 7 The Duration of Action

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

Clause 8 The Relationship between this Contract and the Principle Contract

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

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

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

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

Clause 9 Statements and Commitments

Guarantor's Statement:

- a) Guarantor is a natural person who possesses the capacity for civil rights and civil conducts in People's Republic of China to perform this contract. Party A can perform the civil conduct independently, no bad credit records such as debt overdue, overdue interest, malicious overdraft on credit card, no criminal records, qualified to be a legal guarantor.
- b) Guarantor has full understanding about the terms and conditions set forth in the contract. It is Guarantor's true will to provide guarantee to debtor.
- c) The establishment of this contract will not constitute a breach of covenant of any other previous contract Guarantor engaged in.
- d) All documents and information provided by Guarantor to Creditor are true, complete, accurate and effective.
- e) Guarantor is willing to cooperate in the checking and inspection of its financial conditions performed by Creditor.
- f) Guarantor did not conceal any existing liability upon the signing of the contract.
- g) Inform the Creditor in time for any issues might affect Guarantor's performing capability, which including but not limited to losses of assets, transfer, donation, assume responsibility on liabilities, involved in significant law suits or disputes.
- h) If the Guarantor is married, make sure the sponsor's consent is obtained.

Clause 10 Authorization of Access to Personal Information

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

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

Clause 11 Breach of Covenants

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

1. Guarantor is in violation with the previous terms of the contract.
-

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

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

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

Clause 12 Rights Reserved

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

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

Clause 13 Change, Modification, Termination and Partial Invalidity

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

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

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

Clause 14 Applicable Law and Resolution for Dispute

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

Clause 15 Attachments

Sponsor's Consent.

Clause 16 Other Terms and Conditions

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

Clause 17 Effectiveness of the Contract

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

The pledge is established upon the effectiveness of this contract.

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

/s/ Dangyu Pan

Signature of Guarantor and Sponsor

/s/ [COMPANY SEAL]

Stamp of Creditor (if Pledgee is a corporation)

Signature of legal representative or authorized representative

Consent Letter

I (name: Zhoutao Yin, certificate type: identification card , id number: _____) am the spouse of the guarantor DANG YU PAN under the maximum amount guarantee contract (No. : 2018zhengzhongyinbubaoezi No.00029B). I agree to undertake the responsibility of the maximum amount guarantee contract by the couple's property.

Maximum Amount Guaranty Contract

Reference No. : 2018zhengzhongyinyinbubaoezi No.00029

Guarantor: Shenzhen Highpower Technology Co., Ltd
Business License: ***
Legal Representative: Dangyu Pan
Address: Building 1, 68 Xinxia Street, Pinghu, Longgang, Shenzhen;
Postal code: 518000
Deposit A/C and Financial Institutions: Bank of China, Pinghu Sub-branch, Shenzhen
Telephone: 89686236; Facsimile: 89686298

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

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

Clause 1 Principle Contract

1. The principle contract is “Comprehensive credit contract (2018zhengzhongyinyinbubaoezi No 00029)” and its supplements signed between Creditor and Debtor, Springpower Technology (Shenzhen) Co., Ltd.

Clause 2 Principle Creditor’s Rights and the Period

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

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

Clause 3 The Maximum Amount Guaranteed

1. The maximum amount assumed guaranteed is:

Currency: Renminbi
Amount (Capital letter): Eighty Million Amount (in numbers): 80,000,000.00

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

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

Clause 4 Types of Guaranty

Joint responsibility guaranty.

Clause 5 The Guarantee Responsibilities

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

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

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

Clause 6 The Responsible Period

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

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

Clause 7 The Duration of Action

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

Clause 8 The Relationship between this Contract and the Principle Contract

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

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

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

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

Clause 9 Statements and Commitments

Guarantor's Statement:

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

Clause 10 Breach of Covenants

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

1. Guarantor is in violation with the previous terms of the contract.
 2. The statements of the Guarantor is untrue or in violation with its commitments.
 3. The occurrence of issues defined under the point 6 of clause 9 which might affect the Guarantor's financial position and performing capability.
 4. Experiencing the termination of operation or bankruptcy.
 5. In violation with other rights and obligations agreed in this contract.
 6. Guarantor breaches the covenants on other credit line contracts with Party B or other affiliated institutions of Bank of China.
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When any of the above mentioned situations noticed, Creditor will perform the following in separate or all at the same time:

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

Clause 11 Rights Reserved

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

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

Clause 12 Change, Modification, Termination and Partial Invalidity

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

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

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

Clause 13 Applicable Law and Resolution for Dispute

This contract is entered into according with the People's Republic of China, and applicable to the law of the People's Republic of China.

The resolution of dispute should be appealed in Party B or other Bank of China subsidiaries defined in this contract or other affiliated contracts

Clause 14 Attachments

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

Clause 15 Other terms and Conditions

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

Clause 16 Effectiveness of the Contract

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

The pledge is established upon the effectiveness of this contract.

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

[COMPANY SEAL]

Stamp of Guarantor (if Guarantor is a corporation)

Signature of Authorized Representative

/s/ [COMPANY SEAL]

Stamp of Creditor (if Creditor is a corporation)

Signature of legal representative or authorized representative

Comprehensive Credit Line Contract

Contract No.: H.X.H.F.Z.Z. No. 20180913001

Party A: Guangdong Huaxing Bank Co., Ltd. Huizhou BranchAddress: 1/F and 2/F, Qiangli Business Building, No. 6, Yanda Avenue, Huicheng District, Huizhou City

Tel.: _____ Fax: _____

Person in Charge: Huang Yang Position: PresidentParty B: Huizhou Highpower Technology Co. Ltd.Address: Xinhu Industrial Development Area, Ma'an Town, Huicheng District, Huizhou City

Tel.: _____ Fax: _____

Legal Representative: Pan Dangyu Position: President

In accordance with relevant laws, Party A and Party B make and enter into this Contract upon unanimity through consultation and both parties are willing to abide by all terms and conditions of this Contract.

Article 1 Contents of Comprehensive Credit Line

1. Contents of comprehensive credit line:

(Equivalent to) RMB (in words) one hundred and sixty million only.

Exchange rates of currencies other than RMB shall be converted according to the foreign exchange rate published by Party A when a specific business actually occurs.

2. Term of comprehensive credit line: from September 13, 2018 to August 7, 2019. Use method during this period:

Comprehensive credit line may be revolved. The revolved method, amount and term shall be determined by Party A and Party B through consultation. However, the sum of all outstanding credit line balances used shall not exceed the amount of comprehensive credit line.

Comprehensive credit line may not be revolved.

The commencement date of each specific business term under the credit line shall be within the credit term. The expiry date whether in or out of the credit term shall be specified in a specific business contract.

If Party A does not issue any credit line to Party B prior to February 8, 2019, the comprehensive credit line shall be automatically terminated.

Article 2 Transfer of Credit under the Line

Party B agrees to transfer the credit line to the following a third party to use (in other words, the following object may use the credit line), and Party B shall undertake the joint guarantee liability for the principal, interest, default interest and compound interest of all the debts (including contingent liabilities) under the line, and the expenses for realization of the creditor's right (including but not limited to legal cost, attorney fee, notary fee and execution fee), and other losses and expenses caused to Party A due to the debtor's breach of contract. The guarantee period shall be from the date of effectiveness of the specific credit contract to two years after the expiration of the debt performance term specified in the credit contract (including acceleration of maturity of debt).

The specific credit-transferred object and amount are as follows:

1. / (Credit Transferee), amount: (equivalent to) / (currency) (in words) / ;

2. / (Credit Transferee), amount: (equivalent to) / (currency) (in words) / ;

3. / (Credit Transferee), amount: (equivalent to) / (currency) (in words) / ;

4. _____ / _____

Article 3 This Contract is formulated under the laws of the People's Republic of China and it shall apply to the laws of the People's Republic of China. In case of any dispute during the execution of this Contract, both parties shall make settlement through consultation or mediation; where a dispute cannot be settled through consultation or mediation, it shall be settled according to the method set forth in the following 1:

1. to initiate a lawsuit in the people's court at the location where Party A is located.
2. to apply the ___/___ arbitration commission for arbitration.
3. _____ / _____ ..

Article 4 Enforcement of Notarization

Both Parties agree to handle enforcement of notarization for this Contract.

If Party B does not perform or does not completely perform its obligations specified herein after enforcement of notarization of this Contract is handled by both parties, Party A shall have the right to apply to the original notary public for an enforcement certificate, and holding the original notarial certificate and the enforcement certificate, apply to the competent people's court (the people's court at the location where the person subject to enforcement lives or where the property of the person subject to enforcement is located) for enforcement.

No enforcement of notarization shall be handled for this Contract.

Article 5 Other provisions agreed by Party A and Party B: _____ / _____

Article 6 This Contract is made out in two (2) originals for Party A holding one (1), and Party B, ___ / ___ / ___ and ___ / ___ each holding one (1), which shall be equally authentic.

Article 7 Comprehensive Credit Granting Method

The credit granting method of comprehensive credit line shall include but not be limited to:

Loan, bank lending, bill acceptance and discount, overdraft, factoring, security, loan commitment and opening of L/C.

The specific credit granting method shall be subject to the specific business contract concluded and signed by both parties.

Article 8 Use of Comprehensive Credit Line

When Party B needs to use the comprehensive credit line, it must submit an application. Upon examination and approval by Party A, both parties shall enter into a specific business contract.

Article 9 Representations, Warranties and Commitments of Party B

1. Party B is a company with good reputation duly established and validly existing within the jurisdiction of the location where it is located. Party B has all corporate rights and has obtained the government license and approval for conducting its current business.
 2. Party B has lawful power, right and authorization to sign, deliver and execute this Contract. This Contract constitutes an agreement binding upon Party B and shall be executed by Party B according to the terms and conditions of this Contract.
 3. Party B ensures that all the application materials provided to Party A are true, complete, legitimate and effective and exclude any false record, misleading statement or major omission.
 4. Party B hereby undertakes to perform its all obligations hereunder by ways of goodwill. Without Party A's written consent in advance, Party B may not conduct any behavior (including those which should be done and which may not be done) which may endanger the realization of claim under this Contract.
-

5. Party B hereby makes commitments, if Party B changes its domicile, mailing address, telephone number, business scope, legal representative or other relevant items, it shall notify Party A in writing within ten days after the change. In the event that Party B fails to perform the said notification obligation, the notices and documents given by Party A according to the original mailing address shall be deemed to have been served.

6. Party B hereby confirms that it has carefully read, fully known and understood all terms and conditions of this Contract and conclusion of this Contract is the representation of its true meaning. When this Contract is concluded and signed, Party B has not violate any law, regulation and rule for environmental protection, energy conservation and emission reduction, and pollution reduction, and Party B promises to strictly abide by such laws, regulations and rules after the conclusion of this Contract.

Article 10 Special Provisions on Granting to Group Customers and Affiliated Transactions

I. A group customer means an enterprise or public institution legal person who has the following features:

1. It directly or indirectly controls or is directly or indirectly controlled by another enterprise or public institution legal person in respect of stock right or management;
2. It is jointly controlled by a third party enterprise or public institution legal person;
3. Its principal individual investor, key manager or a close family member (including lineal blood relationship within three generations and collateral blood relationship within two generations) commonly directly or indirectly controls;
4. It has other affiliated relationship and may transfer the assets and profits not on the basis of fair price, which should be deemed as credit management by a customer group.

II. If Party B is a customer group, it shall give a written report to Party A within ten days after the date of affiliated transaction of over 10% of net assets. The report contents shall include the affiliated relation between the transaction parties, transaction item and nature, transaction amount or relevant proportion, and the pricing policy (including no-money involved transaction or only symbolic-money involved transaction).

Article 11 Event of Default and Liability for Breach of Contract

I. Event of Default

Under any one of the circumstances, an event of default shall be deemed as having occurred:

1. Party B violates agreed obligations under this Contract or any specific business contract during the validity of this Contract, or Party B expressly indicates or indicates through its acts that it does not perform the agreed obligations under this Contract or any specific business contract during the validity of this Contract;
 2. The relevant certificates and documents submitted by Party B to Party A or the representations, warranties and commitments made by Party B are not true, not accurate or not complete, or have false record, misleading statement or major omission;
 3. Party B conceals some important true information, or fails to coordinate Party A's investigation, examination and inspection;
 4. Party B changes the purpose of the loan funds without authorization, or conducts illegal transactions by use of the loan or bank loans;
 5. Party B violates any other similar contract (including but not limited to credit contract, loan contract and guarantee contract) concluded and signed with Party A or with any third party, or debt securities issued by Party B, or any dispute arising from such contract or securities is under litigation or arbitration;
 6. Party B's guarantor violates the guarantee contract (including but not limited to guarantee contract, mortgage contract and pledge contract) or has any breach of the guarantee contract, or the guarantee contract has not taken effect, is invalid or is canceled;
-

7. Party B has any one of the following behaviors, being negligent in managing and claiming the creditor's right due, or disposing and transferring its main properties free of charge, or at unreasonable low price or by other improper means, or escaping debts;
8. Party B illegally get funds or credit from Party A or other banks by using a false contract and arrangement with a third party (including but not limited to Party B's affiliated parties), including but not limited to pledge or discount of the notes receivable and other claims without actual trading background;
9. Party B evades bank claims through affiliated transactions or by other means;
10. Party B's operation conditions go into major problems, such as deterioration of financial conditions, serious financial losses, loss of assets (including but not limited to loss of assets caused due to external guarantee) or other financial crisis;
11. Party B has any illegal management behavior, and is subject to administrative punishment or criminal sanction, or is being investigated by relevant authorities, or is likely to be subject to administrative punishment or criminal sanction;
12. Party B has the following changes, such as division, consolidation, major merger, acquisition and reconstruction, disposal of major assets, reduction of capital, liquidation, reorganization, being announced bankruptcy or being dissolved;
13. Party B's controlling shareholder or actual controller is changed that Party A thinks having affected or likely to affect realization of creditor's rights hereunder; or there is any significant event of Party B's controlling shareholder, actual controller, legal representative or senior management personnel, including but not limited to due to illegal management behavior, subject to administrative punishment or criminal sanction, or being investigated by relevant authorities, or likely to be subject to administrative punishment or criminal sanction, or is involved in a lawsuit or arbitration case, or serious deterioration of financial conditions, being announced bankruptcy or dissolved;
14. There is adverse change to the industry where Party B is located, which Party A thinks having affected or likely to affect realization of creditor's rights hereunder;
15. Party B fails to handle settlement or deposit or relevant business with Party A according to provisions;
16. Other circumstances related to Party B which endanger or likely to endanger realization of creditor's right hereunder.

II. Liability for breach of contract

In case of any default event as set forth in Clause I of this Article, Party A shall have the right to take one or more of the following actions:

1. to adjust, cancel or terminate the comprehensive credit line hereunder, or to adjust the valid period of the line;
 2. to announce immediate maturity of all or part of Party B's debts hereunder; to demand Party B to immediately repay all or part of the credit line used;
 3. to demand Party B to add security or take other measures to ensure Party A's lawful rights and interests not infringed;
 4. to make deduction directly from the account of Party B and the guarantor to repay all the debts under this Contract and the specific business contract (including the debts Party A requests for prepayment), without obtaining Party B's consent in advance;
 5. to exercise the suretyship, ask the surety to perform suretyship liability, or realize claim through disposal of the mortgaged property and/or pledged property.
-

Article 12 Anti-corruption and Anti-bribery

1. Both parties of this Contract know and are willing to strictly abide by the anti-corruption and anti-bribery laws and regulations of the People's Republic of China.
2. One party hereto or the agent of one party hereto shall not give or promise to give non-agreed unjust benefits of any form, including but not limited to cash, negotiable securities, shopping card, gifts and tourism, to the other party's main principal, agent or other related personnel, nor ask for unjust benefits of any form from the other party's main principal, agent or other related personnel. Otherwise, the party concerned shall make compensation for the other party's all losses arising therefrom once it is detected.
3. "Other affiliated personnel" referred to in sub-clause 2 of this Article means the personnel directly or indirectly related to the business hereunder other than the other party's main principal and agent, including but not limited to the family members and friends of the other party's main principal and agent.

Article 13 Confirmation of Address for Service

Party A and Party B agree as follows on the service address and legal consequences of various notices, agreements and documents concerned herein, and relevant documents and legal documents of disputes hereunder:

1. Party A confirms that its effective address for service is: 1/F and 2/F, Qiangli Business Building, No. 6, Yanda Avenue, Huicheng District, Huizhou City.
2. Party B confirms that its effective address for service is: Xinhu Industrial Development Area, Ma'an Town, Huicheng District, Huizhou City.
3. The scope of use of such address for service shall include service of various notices, agreements and documents during litigation between both parties, and service of relevant documents and legal documents of disputes hereunder, including service during first instance, second instance, re-instance and executive procedures after the dispute enters civil procedures.
4. Should Party A's address for service be changed, Party A shall perform the duty of notification and notify Party B in written form; should Party B's address for service be changed, Party B shall perform the duty of notification and notify Party A in written form.

If one party fails to perform the duty of notification pursuant to the preceding paragraph, the address for service confirmed by both parties shall be deemed as the effective address for service. If any legal document fails to be actually received by the party concerned after it is posted because the service for address provided or confirmed is untrue or the party concerned does not perform the duty of notification to the other party and the court after change of the address for service, or the party concerned or its designated person refuses to sign in the document, the date of return of the document shall be deemed as the date of service; if sent directly, the date when the person serving the document records in the service receipt on the spot shall be deemed as the date of service; when the duty of notification on change of the address for service is performed, the address for service changed shall be deemed as the effective address for service. The court may send a legal document directly to the address for service specified by both parties in this Contract, and the document shall be deemed as being served even if one party fails to receive the legal document posted by the court.

5. After a dispute enters the civil procedures, if the address confirmed by any party responding the lawsuit and given in the letter of confirmation of address for service directly submitted to the court is different from that confirmed prior to this lawsuit, the address for service submitted to and confirmed by the court shall be adopted.

Article 14 This Contract shall come into force upon the signature of all the parties (signed or sealed by the authorized signatories and affixed with official seal).

Seal of Party A: *Guangdong Huaxing Bank Co., Ltd. Huizhou Branch (Seal)*
Signature of Person in Charge or Authorized Agent:

Seal of Party B: *Huizhou Highpower Technology Co. Ltd. (Seal)*
Signature of Legal Representative or Authorized Agent: *Pan Dangyu (Signature)*

Maximum Suretyship Guaranty Contract

Contract No.: H.X.H.F.E.B.Z. No. 20180913001

Party A (Creditor of the Main Contract): Guangdong Huaxing Bank Co., Ltd. Huizhou Branch
Address: 1/F and 2/F, Qiangli Business Building, No. 6, Yanda Avenue, Huicheng District, Huizhou City
Tel.: Fax:
Person in Charge: Huang Yang Position: President

Party B (Surety): Shenzhen Highpower Technology Co., Ltd.
Certificate Type *: Certificate No. *:
(Items expressed with * may not be filled if Party B is an entity)
Address: Bldg. 1, No. 68, Xinsha Road, Pinghu Street, Longgang District, Shenzhen
Tel.: Fax:
Legal Representative **: Pan Dangyu Position **: President
(Items expressed with ** may not be filled if Party B is an individual)

In order to ensure the execution of the Contract (hereinafter referred to as the Main Contract) between Party A and Huizhou Highpower Technology Co. Ltd. (hereinafter referred to as the Debtor), Party B is willing to provide Party A with suretyship of joint and several liability as the Surety of the Debtor of the Main Contract. IN WITNESS WHEREOF, Party A and Party B hereby make and enter into this Contract upon consensus through consultation. Both Parties are willing to abide by the following terms and conditions.

Article 1 Scope of Suretyship Guaranty

The scope of guaranty hereunder (tick "√" in front of the option)

[X] Principal, interest, compound interest and default interest of all debts (including contingent liabilities), and expenses for realization of creditor's right bearable by the Debtor under the Comprehensive Credit Line Contract of H.X.H.F.Z.Z. No.20180913001. The maximum amount (balance) of the principal of these debts shall be (equivalent to) RMB (in words) one hundred and sixty million only.

[] (Equivalent to) currency (in words) of the total principal (equivalent to) currency (in words) of all debts (including contingent liabilities) and corresponding interest, compound interest and default interest, and expenses for realization of creditor's right bearable by the Debtor under the Contract of H.X. Z. No. . Party A shall have the right to request Party B to bear guaranty liability for the balance of debts within the scope of guaranty above mentioned before the debts under the Main Contract are fully repaid.

[] Execution of all debts under the Main Contract concluded and signed by and between the Debtor and Party A during the period from to . The date of signature of the Main Contract shall be within the period above mentioned, but the execution period of the Main Contract shall not be limited to the period above mentioned. The scope of suretyship guaranty of Party B shall include the principal, interest, compound interest and default interest of the Debtor's all debts (including contingent liabilities), and the expenses for realization of creditor's right under the Main Contract. The maximum amount (balance) of the principal of the aforesaid debts shall be (equivalent to) currency (in words) .

[]

Interest, default interest and compound interest shall be calculated in accordance with the Main Contract and shall be calculated until the debts are fully repaid. The expenses for realization of creditor's right shall include but not be limited to announcement cost, service fee, attorney fee, legal cost, traveling expenses, appraisal cost, auction expenses, property preservation cost and enforcement fee.

Exchange rates of currencies other than RMB shall be converted according to the foreign exchange rate published by Party A when a specific business actually occurs.

Article 2 Guaranty Period

The guaranty period hereunder (tick "✓" in front of the option):

A period from the date of effectiveness of this Contract to two years after the date of expiry of the debt performance period of various specific credits under the Main Contract. The guaranty period of each specific credit shall be calculated independently. In case of expansion of a specific credit term, the guaranty period shall be extended to two years after the expiration of the extended period.

If Party A transfers its creditor's right to a third party during the suretyship period, Party B hereby agrees to continuously bear guaranty liability within the scope of the original suretyship.

Article 3 If the Debtor transfers its credit line granted by Party A to a third party for use, Party B agrees to bear liability of suretyship guaranty for the transferred part according to the stipulations of this Contract. The specific transferred object and amount is as follows:

1. / / (Credit Transferee), amount: (equivalent to) / / (currency) (in words) / / ; _____
2. / / (Credit Transferee), amount: (equivalent to) / / (currency) (in words) / / ; _____
3. / / (Credit Transferee), amount: (equivalent to) / / (currency) (in words) / / ; _____
4. _____

Article 4 Other Provisions Agreed by Party A and Party B: _____ / _____

Article 5 This Contract is made out in three (3) originals for Party A holding one (1), and Party B, the Debtor, / / , / / and / / each holding one (1), which shall be equally authentic.

Article 6 Enforcement of Notarization

Both Parties agree to handle enforcement of notarization for this Contract.

If Party B does not perform or does not completely perform its obligations specified herein after enforcement of notarization of this Contract is handled by both parties, Party A shall have the right to apply to the original notary public for an enforcement certificate, and holding the original notarial certificate and the enforcement certificate, apply to the competent people's court (the people's court at the location where the person subject to enforcement lives or where the property of the person subject to enforcement is located) for enforcement.

No enforcement of notarization shall be handled for this Contract.

Article 7 Liability of Suretyship

Party B shall bear joint and several liability of repayment for the the principal, interest, compound interest and default interest of all debts (including contingent liabilities), and the expenses for realization of creditor's right within the scope of suretyship. If the Debtor fails to perform the obligation of repayment or has other default event agreed in the Main Contract at expiration of this Contract (including expiration and early expiration of this Contract), Party A may claim the Debtor for repayment or directly claim Party B for repayment. Party B hereby irrevocably authorizes Party A that Party A may deduct the amount of the due creditor's right directly from Party B's bank account opened with Party A if the Debtor fails to perform the obligation of repayment at expiration of this Contract (including expiration and early expiration of this Contract).

No matter whether the Debtor or a third person has provided property security (mortgage/pledge), Party A shall have the right to request Party B to bear suretyship liability, without disposal of the guaranteed property in advance.

Article 8 The suretyship hereunder shall be an independent suretyship, without being affected by the guarantees provided by other guarantors.

Article 9 The suretyship hereunder shall be an irrevocable suretyship. It may not be affected by any agreement or document between the Debtor and any entity, nor be changed due to various situations of the Debtor, such as bankruptcy, insolvency, loss of enterprise qualifications or change of organizations and articles of association.

Article 10 Event of Default and Liability for Breach of Contract

I. Event of Default

Under any one of the circumstances, an event of default shall be deemed as having occurred:

1. Party B violates its obligations performable under this Contract, or Party B expressly indicates or indicates through its acts that it does not perform its obligations under this Contract;
 2. The relevant certificates and documents submitted by Party B to Party A or the representations, warranties and commitments made by Party B are not true, not accurate or not complete, or have false record, misleading statement or major omission;
 3. Party B conceals some important true information, or fails to coordinate Party A's investigation, examination and inspection;
 4. Party B has any one of the following behaviors, being negligent in managing and claiming the creditor's rights due, or disposing and transferring its main properties free of charge, or at unreasonable low price or by other improper means, or escaping debts;
 5. Party B violates any other similar contract (including but not limited to credit contract, loan contract and guarantee contract) concluded and signed with Party A or with any third party, or debt securities issued by Party B, or any dispute arising from such contract or securities is under litigation or arbitration;
 6. The suretyship is invalid or cancelled;
 7. The debt under the Main Contract is matured or accelerated, and the creditor's right of Party A is not fully or partially repaid;
 8. Party B evades bank claims through affiliated transactions or by other means;
 9. If Party B is an entity:
 - 9.1 Party B's operation conditions go into major problems, such as deterioration of financial conditions, serious financial losses, loss of assets (including but not limited to loss of assets caused due to external guarantee) or other financial crisis;
 - 9.2 Party B has any illegal management behavior, and is subject to administrative punishment or criminal sanction, or is being investigated by relevant authorities, or is likely to be subject to administrative punishment or criminal sanction;
 - 9.3 Party B has the following changes, such as division, consolidation, major merger, acquisition and reconstruction, disposal of major assets, reduction of capital, liquidation, reorganization, being announced bankruptcy or being dissolved;
 - 9.4 Party B's controlling shareholder or actual controller is changed that Party A thinks having affected or likely to affect realization of creditor's rights hereunder; or there is any significant event of Party B's controlling shareholder, actual controller, legal representative or senior management personnel, including but not limited to due to illegal management behavior, subject to administrative punishment or criminal sanction, or being investigated by relevant authorities, or likely to be subject to administrative punishment or criminal sanction, or is involved in a lawsuit or arbitration case, or serious deterioration of financial conditions, being announced bankruptcy or dissolved;
-

9.5 There is adverse change to the industry where Party B is located, which Party A thinks having affected or likely to affect realization of creditor's right under the Main Contract and/or this Contract;

10. If Party B is an individual:

10.1 Party B has any change, such as disability, unemployment, removal, job change or business change, that Party A thinks having affected or likely to affect Party B's performance of guaranty liability;

10.2 Party B is investigated for criminal responsibility by law, or any other enforcement action is taken to the Credit Applicant by law or the relevant authorities take actions to restrict Party B's some right, that Party A thinks having affected or likely to affect Party B's performance of guaranty liability;

10.3 Party B's successor or legatee waives succession or legacy or refuses to perform guaranty liability after acceptance of succession or legacy;

11. Party B has any other situations that Party A thinks having affected or likely to affect Party B's performance of guaranty liability.

II. Liability for Breach of Contract

In case of any default event as set forth in Clause I of this Article, Party A shall have the right to take one or more of the following actions:

1. to request Party B to bear suretyship liability and have the right to deduct the principal, interest, compound interest, default interest and expenses of all debts (including contingent liabilities) under the Main Contract directly from Party B's account, including but not limited to the expenses for credit investigation, inspection and notarization related to this Contract, and the attorney fee, legal cost, arbitration fee, traveling expenses, announcement cost, service fee, execution fee and other relevant expenses of Party A for realization of creditor's right;

2. to request Party B to provide new security complying with Party A's requirements for the creditor's right under the Main Contract, including but not limited to provision of mortgaged property and pledged property;

3. to claim Party B for compensation for Party A's all losses;

4. to claim Party B's Debtor for the right of subrogation by law; Party B shall, according to Party A's requirements, provide all necessary coordination and assistance and bear Party A's expenses for exercising the right of subrogation;

5. to appeal to the people's court to revoke Party B's waiving of the creditor's right due or Party B's transfer of property free of charge or at an obviously unreasonable low price. Party B shall provide all necessary coordination and assistance according to Party A's requirements, and Party A's all costs and expenses arising therefrom shall be borne by Party B;

6. Other remedial measures that Party A has the right to claim according to law and agreement.

Article 11 In the event that the Main Contract or a specific business contract under the Main Contract becomes invalid or partially invalid by law, Party A shall also have the right to request the Debtor of the Main Contract to return the agreed credit principal and interest and other relevant funds in accordance with relevant laws and regulations. In this case, the validity of this Contract shall not be affected, and Party B shall also bear guaranty liability for the repayment liability of the Debtor of the Main Contract according to the conditions specified herein.

Article 12 Representations, Warranties and Commitments of Party B

1. Party B has lawful power, right and authorization to sign, deliver and execute this Contract. This Contract constitutes an agreement binding upon Party B and shall be executed by Party B according to the terms and conditions of this Contract.

2. If Party B is a company, it shall be a company with good reputation duly established and validly existing within the jurisdiction of the location where it is located. Party B has all corporate rights and has obtained the government license and approval for conducting its current business.

3. Party B ensures that all the application materials provided to Party A are true, complete, legitimate and effective and exclude any false record, misleading statement or major omission.

4. Party B hereby undertakes to perform its all obligations hereunder by ways of goodwill. Without Party A's written consent in advance, Party B may not conduct any behavior (including those which should be done and which may not be done) which may endanger the realization of claim under this Contract.

5. Party B hereby makes commitments, if Party B changes its domicile, mailing address, telephone number and employment conditions (or business scope, legal representative) or other relevant items, it shall notify Party A in writing within ten days after the change. In the event that Party B fails to perform the said notification obligation, the notices and documents given by Party A according to the original mailing address shall be deemed to have been served to Party B.

6. Party B hereby confirms that it has carefully read, fully known and understood all terms and conditions of this Contract and conclusion of this Contract is the representation of its true meaning.

Article 13 Amendment to Contract

1. This Contract may be amended or cancelled upon consensus through consultation between both parties hereto. The agreement on amendment or cancellation of this Contract shall be made in written form.

2. When the Main Contract is amended, Party A shall timely solicit Party B's agreement in writing. Upon Party B's agreement, Party B shall bear liability of joint and several suretyship for the debts of the amended Main Contract. However, the Debtor's debts are lightened (including but not limited to reduce of the amount or shortening of the term of debts under the Main Contract) due to amendment to the Main Contract, Party B shall be deemed as having agreed such amendment and, without obtaining Party B's agreement, Party B shall continue to bear suretyship liability for the debts of the amended Main Contract.

Article 14 Anti-corruption and Anti-bribery

1. Both parties of this Contract know and are willing to strictly abide by the anti-corruption and anti-bribery laws and regulations of the People's Republic of China.

2. One party hereto or the agent of one party hereto shall not give or promise to give non-agreed unjust benefits of any form, including but not limited to cash, negotiable securities, shopping card, gifts and tourism, to the other party's main principal, agent or other related personnel, nor ask for unjust benefits of any form from the other party's main principal, agent or other related personnel. Otherwise, the party concerned shall make compensation for the other party's all losses arising therefrom once it is detected.

3. "Other affiliated personnel" referred to in sub-clause 2 of this Article means the personnel directly or indirectly related to the business hereunder other than the other party's main principal and agent, including but not limited to the family members and friends of the other party's main principal and agent.

Article 15 Confirmation of Address for Service

Party A and Party B agree as follows on the service address and legal consequences of various notices, agreements and documents concerned herein, and relevant documents and legal documents of disputes hereunder:

1. Party A confirms that its effective address for service is: 1/F and 2/F, Qiangli Business Building, No. 6, Yanda Avenue, Huicheng District, Huizhou City.

2. Party B confirms that its effective address for service is: Bldg. 1, No. 68, Xinsha Road, Pinghu Street, Longgang District, Shenzhen

3. The scope of use of such address for service shall include service of various notices, agreements and documents during litigation between both parties, and service of relevant documents and legal documents of disputes hereunder, including service during first instance, second instance, re-instance and executive procedures after the dispute enters civil procedures.

4. Should Party A's address for service be changed, Party A shall perform the duty of notification and notify Party B in written form; should Party B's address for service be changed, Party B shall perform the duty of notification and notify Party A in written form.

If one party fails to perform the duty of notification pursuant to the preceding paragraph, the address for service confirmed by both parties shall be deemed as the effective address for service. If any legal document fails to be actually received by the party concerned after it is posted because the service for address provided or confirmed is untrue or the party concerned does not perform the duty of notification to the other party and the court after change of the address for service, or the party concerned or its designated person refuses to sign in the document, the date of return of the document shall be deemed as the date of service; if sent directly, the date when the person serving the document records in the service receipt on the spot shall be deemed as the date of service; when the duty of notification on change of the address for service is performed, the address for service changed shall be deemed as the effective address for service. The court may send a legal document directly to the address for service specified by both parties in this Contract, and the document shall be deemed as being served even if one party fails to receive the legal document posted by the court.

5. After a dispute enters the civil procedures, if the address confirmed by any party responding the lawsuit and given in the letter of confirmation of address for service directly submitted to the court is different from that confirmed prior to this lawsuit, the address for service submitted to and confirmed by the court shall be adopted.

Article 16 During the valid period of this Contract, Party A's tolerance or grace imposed on or Party A's delay in the execution of its any right under this Contract for Party B's breach or delay shall not damage, impact or restrict Party A's all other rights enjoyable as a creditor in accordance with this Contract and relevant laws, and shall not be deemed as Party A's permit or acceptance of any breach of this Contract nor be deemed as Party A's waiver of the right to take actions for Party B's current or future behaviors of breach.

Article 17 Applicable Laws and Dispute Settlement

1. This Contract is formulated under the laws of the People's Republic of China and it shall apply to the laws of the People's Republic of China.

2. Any and all disputes arising from this Contract shall be settled according to the method specified in the Main Contract.

Article 18 This Contract shall come into force upon the signature of all the parties hereto (if one party is a natural person, the Contract shall be signed by the party; if one party is a legal person or other organization, the Contract shall be signed or sealed by the authorized signatory and affixed with the official seal).

Seal of Party A: *Guangdong Huaxing Bank Co., Ltd. Huizhou Branch (Seal)*

Signature of Person in Charge or Authorized Agent:

Seal of Party B (Party B is an entity):

Shenzhen Highpower Technology Co., Ltd. (Seal)

Party B (Party B is an individual):

Signature of Legal Representative or Authorized Agent:

Pan Dangyu (Signature)

or Signature of Authorized Agent:

Maximum Suretyship Guaranty Contract

Contract No.: H.X.H.F.E.B.Z. No. 20180913002

Party A (Creditor of the Main Contract): Guangdong Huaxing Bank Co., Ltd. Huizhou Branch
Address: 1/F and 2/F, Qiangli Business Building, No. 6, Yanda Avenue, Huicheng District, Huizhou City
Tel.: Fax:
Person in Charge: Huang Yang Position: President

Party B (Surety): Pan Dangyu
Certificate Type *: Citizen Identity Card Certificate No. *:
(Items expressed with * may not be filled if Party B is an entity)
Address:
Tel.: Fax:
Legal Representative **: Pan Dangyu Position **: President
(Items expressed with ** may not be filled if Party B is an individual)

In order to ensure the execution of the Contract (hereinafter referred to as the Main Contract) between Party A and Huizhou Highpower Technology Co. Ltd. (hereinafter referred to as the Debtor), Party B is willing to provide Party A with suretyship of joint and several liability as the Surety of the Debtor of the Main Contract.

IN WITNESS WHEREOF, Party A and Party B hereby make and enter into this Contract upon consensus through consultation. Both Parties are willing to abide by the following terms and conditions.

Article 1 Scope of Suretyship Guaranty

The scope of guaranty hereunder (tick "√" in front of the option)

[X] Principal, interest, compound interest and default interest of all debts (including contingent liabilities), and expenses for realization of creditor's right bearable by the Debtor under the Comprehensive Credit Line Contract of H.X.H.F.Z.Z. No.20180913001. The maximum amount (balance) of the principal of these debts shall be (equivalent to) RMB (in words) one hundred and sixty million only.

[] (Equivalent to) currency (in words) of the total principal (equivalent to) currency (in words) of all debts (including contingent liabilities) and corresponding interest, compound interest and default interest, and expenses for realization of creditor's right bearable by the Debtor under the Contract of H.X. Z. No. Party A shall have the right to request Party B to bear guaranty liability for the balance of debts within the scope of guaranty above mentioned before the debts under the Main Contract are fully repaid.

[] Execution of all debts under the Main Contract concluded and signed by and between the Debtor and Party A during the period from to . The date of signature of the Main Contract shall be within the period above mentioned, but the execution period of the Main Contract shall not be limited to the period above mentioned. The scope of suretyship guaranty of Party B shall include the principal, interest, compound interest and default interest of the Debtor's all debts (including contingent liabilities), and the expenses for realization of creditor's right under the Main Contract. The maximum amount (balance) of the principal of the aforesaid debts shall be (equivalent to) currency (in words) .

[]

Interest, default interest and compound interest shall be calculated in accordance with the Main Contract and shall be calculated until the debts are fully repaid. The expenses for realization of creditor's right shall include but not be limited to announcement cost, service fee, attorney fee, legal cost, traveling expenses, appraisal cost, auction expenses, property preservation cost and enforcement fee.

Exchange rates of currencies other than RMB shall be converted according to the foreign exchange rate published by Party A when a specific business actually occurs.

Article 2 Guaranty Period

The guaranty period hereunder (tick "✓" in front of the option):

A period from the date of effectiveness of this Contract to two years after the date of expiry of the debt performance period of various specific credits under the Main Contract. The guaranty period of each specific credit shall be calculated independently. In case of expansion of a specific credit term, the guaranty period shall be extended to two years after the expiration of the extended period.

If Party A transfers its creditor's right to a third party during the suretyship period, Party B hereby agrees to continuously bear guaranty liability within the scope of the original suretyship.

Article 3 If the Debtor transfers its credit line granted by Party A to a third party for use, Party B agrees to bear liability of suretyship guaranty for the transferred part according to the stipulations of this Contract. The specific transferred object and amount is as follows:

1. / (Credit Transferee), amount: (equivalent to) / (currency) (in words) / ;
2. / (Credit Transferee), amount: (equivalent to) / (currency) (in words) / ;
3. / (Credit Transferee), amount: (equivalent to) / (currency) (in words) / ;
4. _____

Article 4 Other Provisions Agreed by Party A and Party B: _____ / _____

Article 5 This Contract is made out in three (3) originals for Party A holding one (1), and Party B, the Debtor, / , / and / each holding one (1), which shall be equally authentic.

Article 6 Enforcement of Notarization

Both Parties agree to handle enforcement of notarization for this Contract.

If Party B does not perform or does not completely perform its obligations specified herein after enforcement of notarization of this Contract is handled by both parties, Party A shall have the right to apply to the original notary public for an enforcement certificate, and holding the original notarial certificate and the enforcement certificate, apply to the competent people's court (the people's court at the location where the person subject to enforcement lives or where the property of the person subject to enforcement is located) for enforcement.

No enforcement of notarization shall be handled for this Contract.

Article 7 Liability of Suretyship

Party B shall bear joint and several liability of repayment for the the principal, interest, compound interest and default interest of all debts (including contingent liabilities), and the expenses for realization of creditor's right within the scope of suretyship. If the Debtor fails to perform the obligation of repayment or has other default event agreed in the Main Contract at expiration of this Contract (including expiration and early expiration of this Contract), Party A may claim the Debtor for repayment or directly claim Party B for repayment. Party B hereby irrevocably authorizes Party A that Party A may deduct the amount of the due creditor's right directly from Party B's bank account opened with Party A if the Debtor fails to perform the obligation of repayment at expiration of this Contract (including expiration and early expiration of this Contract).

No matter whether the Debtor or a third person has provided property security (mortgage/pledge), Party A shall have the right to request Party B to bear suretyship liability, without disposal of the guaranteed property in advance.

Article 8 The suretyship hereunder shall be an independent suretyship, without being affected by the guarantees provided by other guarantors.

Article 9 The suretyship hereunder shall be an irrevocable suretyship. It may not be affected by any agreement or document between the Debtor and any entity, nor be changed due to various situations of the Debtor, such as bankruptcy, insolvency, loss of enterprise qualifications or change of organizations and articles of association.

Article 10 Event of Default and Liability for Breach of Contract

I. Event of Default

Under any one of the circumstances, an event of default shall be deemed as having occurred:

1. Party B violates its obligations performable under this Contract, or Party B expressly indicates or indicates through its acts that it does not perform its obligations under this Contract;
 2. The relevant certificates and documents submitted by Party B to Party A or the representations, warranties and commitments made by Party B are not true, not accurate or not complete, or have false record, misleading statement or major omission;
 3. Party B conceals some important true information, or fails to coordinate Party A's investigation, examination and inspection;
 4. Party B has any one of the following behaviors, being negligent in managing and claiming the creditor's rights due, or disposing and transferring its main properties free of charge, or at unreasonable low price or by other improper means, or escaping debts;
 5. Party B violates any other similar contract (including but not limited to credit contract, loan contract and guarantee contract) concluded and signed with Party A or with any third party, or debt securities issued by Party B, or any dispute arising from such contract or securities is under litigation or arbitration;
 6. The suretyship is invalid or cancelled;
 7. The debt under the Main Contract is matured or accelerated, and the creditor's right of Party A is not fully or partially repaid;
 8. Party B evades bank claims through affiliated transactions or by other means;
 9. If Party B is an entity:
 - 9.1 Party B's operation conditions go into major problems, such as deterioration of financial conditions, serious financial losses, loss of assets (including but not limited to loss of assets caused due to external guarantee) or other financial crisis;
 - 9.2 Party B has any illegal management behavior, and is subject to administrative punishment or criminal sanction, or is being investigated by relevant authorities, or is likely to be subject to administrative punishment or criminal sanction;
 - 9.3 Party B has the following changes, such as division, consolidation, major merger, acquisition and reconstruction, disposal of major assets, reduction of capital, liquidation, reorganization, being announced bankruptcy or being dissolved;
 - 9.4 Party B's controlling shareholder or actual controller is changed that Party A thinks having affected or likely to affect realization of creditor's rights hereunder; or there is any significant event of Party B's controlling shareholder, actual controller, legal representative or senior management personnel, including but not limited to due to illegal management behavior, subject to administrative punishment or criminal sanction, or being investigated by relevant authorities, or likely to be subject to administrative punishment or criminal sanction, or is involved in a lawsuit or arbitration case, or serious deterioration of financial conditions, being announced bankruptcy or dissolved;
-

9.5 There is adverse change to the industry where Party B is located, which Party A thinks having affected or likely to affect realization of creditor's right under the Main Contract and/or this Contract;

10. If Party B is an individual:

10.1 Party B has any change, such as disability, unemployment, removal, job change or business change, that Party A thinks having affected or likely to affect Party B's performance of guaranty liability;

10.2 Party B is investigated for criminal responsibility by law, or any other enforcement action is taken to the Credit Applicant by law or the relevant authorities take actions to restrict Party B's some right, that Party A thinks having affected or likely to affect Party B's performance of guaranty liability;

10.3 Party B's successor or legatee waives succession or legacy or refuses to perform guaranty liability after acceptance of succession or legacy;

11. Party B has any other situations that Party A thinks having affected or likely to affect Party B's performance of guaranty liability.

II. Liability for Breach of Contract

In case of any default event as set forth in Clause I of this Article, Party A shall have the right to take one or more of the following actions:

1. to request Party B to bear suretyship liability and have the right to deduct the principal, interest, compound interest, default interest and expenses of all debts (including contingent liabilities) under the Main Contract directly from Party B's account, including but not limited to the expenses for credit investigation, inspection and notarization related to this Contract, and the attorney fee, legal cost, arbitration fee, traveling expenses, announcement cost, service fee, execution fee and other relevant expenses of Party A for realization of creditor's right;

2. to request Party B to provide new security complying with Party A's requirements for the creditor's right under the Main Contract, including but not limited to provision of mortgaged property and pledged property;

3. to claim Party B for compensation for Party A's all losses;

4. to claim Party B's Debtor for the right of subrogation by law; Party B shall, according to Party A's requirements, provide all necessary coordination and assistance and bear Party A's expenses for exercising the right of subrogation;

5. to appeal to the people's court to revoke Party B's waiving of the creditor's right due or Party B's transfer of property free of charge or at an obviously unreasonable low price. Party B shall provide all necessary coordination and assistance according to Party A's requirements, and Party A's all costs and expenses arising therefrom shall be borne by Party B;

6. Other remedial measures that Party A has the right to claim according to law and agreement.

Article 11 In the event that the Main Contract or a specific business contract under the Main Contract becomes invalid or partially invalid by law, Party A shall also have the right to request the Debtor of the Main Contract to return the agreed credit principal and interest and other relevant funds in accordance with relevant laws and regulations. In this case, the validity of this Contract shall not be affected, and Party B shall also bear guaranty liability for the repayment liability of the Debtor of the Main Contract according to the conditions specified herein.

Article 12 Representations, Warranties and Commitments of Party B

1. Party B has lawful power, right and authorization to sign, deliver and execute this Contract. This Contract constitutes an agreement binding upon Party B and shall be executed by Party B according to the terms and conditions of this Contract.

2. If Party B is a company, it shall be a company with good reputation duly established and validly existing within the jurisdiction of the location where it is located. Party B has all corporate rights and has obtained the government license and approval for conducting its current business.

3. Party B ensures that all the application materials provided to Party A are true, complete, legitimate and effective and exclude any false record, misleading statement or major omission.

4. Party B hereby undertakes to perform its all obligations hereunder by ways of goodwill. Without Party A's written consent in advance, Party B may not conduct any behavior (including those which should be done and which may not be done) which may endanger the realization of claim under this Contract.

5. Party B hereby makes commitments, if Party B changes its domicile, mailing address, telephone number and employment conditions (or business scope, legal representative) or other relevant items, it shall notify Party A in writing within ten days after the change. In the event that Party B fails to perform the said notification obligation, the notices and documents given by Party A according to the original mailing address shall be deemed to have been served to Party B.

6. Party B hereby confirms that it has carefully read, fully known and understood all terms and conditions of this Contract and conclusion of this Contract is the representation of its true meaning.

Article 13 Amendment to Contract

1. This Contract may be amended or cancelled upon consensus through consultation between both parties hereto. The agreement on amendment or cancellation of this Contract shall be made in written form.

2. When the Main Contract is amended, Party A shall timely solicit Party B's agreement in writing. Upon Party B's agreement, Party B shall bear liability of joint and several suretyship for the debts of the amended Main Contract. However, the Debtor's debts are lightened (including but not limited to reduce of the amount or shortening of the term of debts under the Main Contract) due to amendment to the Main Contract, Party B shall be deemed as having agreed such amendment and, without obtaining Party B's agreement, Party B shall continue to bear suretyship liability for the debts of the amended Main Contract.

Article 14 Anti-corruption and Anti-bribery

1. Both parties of this Contract know and are willing to strictly abide by the anti-corruption and anti-bribery laws and regulations of the People's Republic of China.

2. One party hereto or the agent of one party hereto shall not give or promise to give non-agreed unjust benefits of any form, including but not limited to cash, negotiable securities, shopping card, gifts and tourism, to the other party's main principal, agent or other related personnel, nor ask for unjust benefits of any form from the other party's main principal, agent or other related personnel. Otherwise, the party concerned shall make compensation for the other party's all losses arising therefrom once it is detected.

3. "Other affiliated personnel" referred to in sub-clause 2 of this Article means the personnel directly or indirectly related to the business hereunder other than the other party's main principal and agent, including but not limited to the family members and friends of the other party's main principal and agent.

Article 15 Confirmation of Address for Service

Party A and Party B agree as follows on the service address and legal consequences of various notices, agreements and documents concerned herein, and relevant documents and legal documents of disputes hereunder:

1. Party A confirms that its effective address for service is: 1/F and 2/F, Qiangli Business Building, No. 6, Yanda Avenue, Huicheng District, Huizhou City.

2. Party B confirms that its effective address for service is: Bldg. 1, No. 68, Xinsha Road, Pinghu Street, Longgang District, Shenzhen

3. The scope of use of such address for service shall include service of various notices, agreements and documents during litigation between both parties, and service of relevant documents and legal documents of disputes hereunder, including service during first instance, second instance, re-instance and executive procedures after the dispute enters civil procedures.

4. Should Party A's address for service be changed, Party A shall perform the duty of notification and notify Party B in written form; should Party B's address for service be changed, Party B shall perform the duty of notification and notify Party A in written form.

If one party fails to perform the duty of notification pursuant to the preceding paragraph, the address for service confirmed by both parties shall be deemed as the effective address for service. If any legal document fails to be actually received by the party concerned after it is posted because the service for address provided or confirmed is untrue or the party concerned does not perform the duty of notification to the other party and the court after change of the address for service, or the party concerned or its designated person refuses to sign in the document, the date of return of the document shall be deemed as the date of service; if sent directly, the date when the person serving the document records in the service receipt on the spot shall be deemed as the date of service; when the duty of notification on change of the address for service is performed, the address for service changed shall be deemed as the effective address for service. The court may send a legal document directly to the address for service specified by both parties in this Contract, and the document shall be deemed as being served even if one party fails to receive the legal document posted by the court.

5. After a dispute enters the civil procedures, if the address confirmed by any party responding the lawsuit and given in the letter of confirmation of address for service directly submitted to the court is different from that confirmed prior to this lawsuit, the address for service submitted to and confirmed by the court shall be adopted.

Article 16 During the valid period of this Contract, Party A's tolerance or grace imposed on or Party A's delay in the execution of its any right under this Contract for Party B's breach or delay shall not damage, impact or restrict Party A's all other rights enjoyable as a creditor in accordance with this Contract and relevant laws, and shall not be deemed as Party A's permit or acceptance of any breach of this Contract nor be deemed as Party A's waiver of the right to take actions for Party B's current or future behaviors of breach.

Article 17 Applicable Laws and Dispute Settlement

1. This Contract is formulated under the laws of the People's Republic of China and it shall apply to the laws of the People's Republic of China.

2. Any and all disputes arising from this Contract shall be settled according to the method specified in the Main Contract.

Article 18 This Contract shall come into force upon the signature of all the parties hereto (if one party is a natural person, the Contract shall be signed by the party; if one party is a legal person or other organization, the Contract shall be signed or sealed by the authorized signatory and affixed with the official seal).

Seal of Party A: *Guangdong Huaxing Bank Co., Ltd. Huizhou Branch (Seal)*

Signature of Person in Charge or Authorized Agent:

Seal of Party B (Party B is an entity):

Party B (Party B is an individual):

Signature of Legal Representative or Authorized Agent:
(Signature)

or Signature of Authorized Agent:

Maximum Pledge Guaranty Contract

Contract No.: H.X.H.F.E.Z.Z. No. 20180913001

Party A (Creditor of the Main Contract): Guangdong Huaxing Bank Co., Ltd. Huizhou BranchAddress: 1/F and 2/F, Qiangli Business Building, No. 6, Yanda Avenue, Huicheng District, Huizhou CityTel.: _____ Fax: _____
Person in Charge: Huang Yang Position: PresidentParty B (Pledgor): Huizhou Highpower Technology Co. Ltd.Certificate Type *: _____ Certificate No. *: _____
(Items expressed with * may not be filled if Party B is an entity)Address: Xinhu Industrial Development Area, Ma'an Town, Huicheng District, Huizhou City

Tel.: _____ Fax: _____

Legal Representative **: Pan Dangyu Position **: President
(Items expressed with ** may not be filled if Party B is an individual)

In order to ensure the execution of the Contract (hereinafter referred to as the Main Contract) between Party A and Huizhou Highpower Technology Co. Ltd. (hereinafter referred to as the Debtor) Party B is willing to provide its legally possessed property as a pledge for Party A. IN WITNESS WHEREOF, Party A and Party B hereby agree to make and enter into this Contract upon consensus through consultation. Both Parties are willing to abide by the following terms and conditions.

Article 1 Scope of Pledge Guaranty

The scope of guaranty hereunder (tick "√" in front of the option)

Principal, interest, compound interest and default interest of all debts (including contingent liabilities), and expenses for realization of creditor's right bearable by the Debtor under the Comprehensive Credit Line Contract of H.X.H.F.Z.Z. No. 20180913001, and the expenses for keeping and maintaining the pledged property. The maximum amount (balance) of the principal of these debts shall be (equivalent to) RMB (in words) one hundred and sixty million only.

(Equivalent to) ___/___ currency (in words) ___/___ of the total principal (equivalent to) ___/___ currency (in words) ___/___ of all debts (including contingent liabilities) and corresponding interest, compound interest and default interest, and expenses for realization of creditor's right, and the expenses for keeping and maintaining the pledged property bearable by the Debtor under the ___/___ Contract of H.X. ___/___ Z. No. ___/___ . Party A shall have the right to request Party B to bear guaranty liability for the balance of debts within the scope of guaranty above mentioned before the debts under the Main Contract are fully repaid.

Execution of all debts under the Main Contract concluded and signed by and between the Debtor and Party A during the period from ___/___ to ___/___ . The date of signature of the Main Contract shall be within the period above mentioned, but the execution period of the Main Contract shall not be limited to the period above mentioned. The scope of pledge guaranty of Party B shall include the principal, interest, compound interest and default interest of the Debtor's all debts (including contingent liabilities), and the expenses for realization of creditor's right under the Main Contract, and the expenses for keeping and maintaining the pledged property. The maximum amount (balance) of the principal of the aforesaid debts shall be (equivalent to) ___/___ currency (in words) ___/___ .

_____ / _____

Interest, default interest and compound interest shall be calculated in accordance with the Main Contract and shall be calculated until the debts are fully repaid. The expenses for realization of creditor's right shall include but not be limited to announcement cost, service fee, attorney fee, legal cost, traveling expenses, appraisal cost, auction expenses, property preservation cost and enforcement fee.

Exchange rates of currencies other than RMB shall be converted according to the foreign exchange rate published by Party A when a specific business actually occurs.

Article 2 If the Debtor transfers its credit line granted by Party A to a third party for use, Party B agrees to bear liability of pledge guaranty for the transferred part according to the stipulations of this Contract. The specific transferred object and amount is as follows:

1. _____ / _____ (Credit Transferee), amount: (equivalent to) _____ / _____ (currency) (in words) _____ / _____ ;
2. _____ / _____ (Credit Transferee), amount: (equivalent to) _____ / _____ (currency) (in words) _____ / _____ ;
3. _____ / _____ (Credit Transferee), amount: (equivalent to) _____ / _____ (currency) (in words) _____ / _____ ;
4. _____ / _____

Article 3 Other provisions agreed by Party A and Party B: _____

Article 4 This Contract is made out in two (2) originals for Party A holding one (1), and Party B, the Debtor, ___/___, ___/___ and ___/___ each holding one (1), which shall be equally authentic.

Article 5 Enforcement of Notarization

Both Parties agree to handle enforcement of notarization for this Contract.

If Party B does not perform or does not completely perform its obligations specified herein after enforcement of notarization of this Contract is handled by both parties, Party A shall have the right to apply to the original notary public for an enforcement certificate, and holding the original notarial certificate and the enforcement certificate, apply to the competent people's court (the people's court at the location where the person subject to enforcement lives or where the property of the person subject to enforcement is located) for enforcement.

No enforcement of notarization shall be handled for this Contract.

Article 6 Refer to the *List of Pledged Property* for the detailed situations of the pledged property.

After the signature of this Contract, Party B shall timely submit the pledged property to Party A or go through formalities for pledge registration to ensure Party A's pledge right legitimate and effective.

Without Party A's agreement, Party B's aforesaid pledged property may not be transferred or allowed to others for use or disposal by other means after it is pledged. In the event that transfer is agreed through consultation between Party A and Party B, the funds obtained from transfer shall be used for prepaying Party A the creditor's right secured or depositing in the third party designated by Party A.

If the pledged property is a certificate of deposit or a financial product of bank, but the debts within the scope of pledge guaranty are not yet due or are matured in advance when the certificate of deposit or the financial product of bank expires, Party B authorizes Party A to deposit the certificate of deposit automatically. Party B shall continue to provide pledge guaranty with the certificate of deposit which is automatically deposited, or Party B shall authorize Party A to transfer the principal and incomes liquidated from the due financial product of bank to the deposit account and Party B shall continue to provide pledge guaranty with the funds in the deposit account.

If the pledged property is national debt or structure deposit wealth product or other transferable property right, Party B irrevocably authorizes Party A to directly transfer the principal and incomes to the deposit account after maturity of the pledged property to continuously provide security for the debts under the Main Contract; or deduct the principal and interest of the due creditor's right from the due principal and incomes of the pledged property.

During the period of credit granted by Party A to the Debtor, if the value of the pledged property is depreciated due to change of exchange rate, serious fluctuation of the financial market or due to other causes, thereby affecting the safety of the creditor's right of Party A, Party B shall, within three working days after receipt of Party A's notice, make up the deposit according to the requirements notified by Party A, or Party A shall have the right to request Party B to bear liability for breach of contract pursuant to Article 7 herein.

Article 10 Party B's Event of Default and Liability for Breach of Contract

I. Event of Default

Under any one of the circumstances, an event of default shall be deemed as having occurred:

1. Party B violates its obligations performable under this Contract, or Party B expressly indicates or indicates through its acts that it does not perform its obligations under this Contract;
2. The relevant certificates and documents submitted by Party B to Party A or the representations, warranties and commitments made by Party B are not true, not accurate or not complete, or have false record, misleading statement or major omission;
3. Party B conceals some important true information, or fails to coordinate Party A's investigation, examination and inspection;
4. The pledge is invalid or cancelled;
5. The debt under the Main Contract is matured or accelerated, and the creditor's right of Party A is not fully or partially repaid;
6. Party B hasn't any or complete ownership or disposal right of the pledged property, or there is any dispute about the ownership of the pledged property;
7. The pledged property is damaged or the value of the pledged property is significantly depreciated, or there is any possibility of damage to the pledged property or depreciation of the value of the pledged property;
8. Without Party A's written agreement, Party B transfers or disposes by other means the pledged property, or allows others to use the pledged property;
9. Other circumstances which may endanger or likely to endanger Party A's rights and interests related to the pledged property.

II. Liability for Breach of Contract

In case of any default event as set forth in Clause I of this Article, Party A shall have the right to take one or more of the following actions:

1. to request Party B to recover the value of the pledged property or provide other collateral accepted by Party A;
 2. to claim Party B for compensation for Party A's all losses;
 3. to liquidate the certificate directly for repaying the creditor's right of Party A if the pledged property is a certificate of deposit;
-

4. to gain compensation in priority from the incomes from discount, or auction or sale of the pledged property by law; if the incomes from auction or sale of the pledged property exceeds the creditor's right of Party A, the positive difference shall be kept by Party B; if the incomes therefrom is insufficient to prepay the creditor's right of Party A, Party A shall press for payment separately;

5. Other remedial measures that Party A has the right to claim according to law and agreement.

Article 8 No matter whether the creditor's right under the maximum pledge guaranty is determined or not, Party A shall have the right to transfer all or part of its creditor's right. If Party A transfers all or part of its creditor's right, Party B agrees that Party A may transfer all or part of the pledge right together with the creditor's right. If Party A transfers part of the pledge right, the specific share to be transferred shall be determined through consultation between Party A and the transferee and shall be notified to Party B, unnecessary to obtain Party B's agreement. Party B has the obligation to coordinate to go through formalities for pledge registration according to Party A's requirements.

Article 9 Representations, Warranties and Commitments of Party B

1. Party B has lawful power, right and authorization to sign, deliver and execute this Contract. This Contract constitutes an agreement binding upon Party B and shall be executed by Party B according to the terms and conditions of this Contract.

2. If Party B is a company, it shall be a company with good reputation duly established and validly existing within the jurisdiction of the location where it is located. Party B has all corporate rights and has obtained the government license and approval for conducting its current business.

3. Party B ensures that all the application materials provided to Party A are true, complete, legitimate and effective and exclude any false record, misleading statement or major omission.

4. Party B ensures that it has the legitimate right to pledge the pledged property, without any dispute with any third person. Party B's acts of signature and execution of this Contract have no conflict with any other contract signed and executed by Party B.

5. Party B hereby undertakes to perform its all obligations hereunder by ways of goodwill. Without Party A's written consent in advance, Party B may not conduct any behavior (including those which should be done and which may not be done) which may endanger the realization of claim under this Contract.

6. Party B hereby makes commitments, if Party B changes its domicile, mailing address, telephone number and employment conditions (or business scope, legal representative) or other relevant items, it shall notify Party A in writing within ten days after the change. In the event that Party B fails to perform the said notification obligation, the notices and documents given by Party A according to the original mailing address shall be deemed to have been served to Party B.

7. Party B hereby confirms that it has carefully read, fully known and understood all terms and conditions of this Contract and conclusion of this Contract is the representation of its true meaning.

8. Party B warrants that its representations made in the Contract Annex, *List of Pledged Property*, are true, accurate and complete. Where there is untrue information or important omission in these representations, thereby causing the pledged property invalid or devalued and harming Party A's right, Party B is willing to bear joint and several liability of repayment for the Debtor's all debts under the Main Contract.

Article 10 The pledged property provided by Party B is an independent pledged property, without being affected or replaced by the security provided by other guarantor.

Article 11 In the event that the Main Contract or a specific business contract under the Main Contract becomes invalid or partially invalid by law, Party A shall also have the right to request the Debtor of the Main Contract to return the agreed credit principal and interest and other relevant funds in accordance with relevant laws and regulations. In this case, the validity of this Contract shall not be affected, and Party B shall also bear guaranty liability for the repayment liability of the Debtor of the Main Contract according to the conditions specified herein.

Article 12 All expenses of both parties for the conclusion and execution of this Contract, including notarization or witness fee, registration fee, auction or sale expenses shall be handled according to relevant provisions of the State; in the absence of such provisions, Party A and Party B shall make determination through consultation between both parties.

Article 13 Amendment to Contract

1. This Contract may be amended or cancelled upon consensus through consultation between both parties hereto. The agreement on amendment or cancellation of this Contract shall be made in written form.

2. When the Main Contract is amended, Party A shall timely solicit Party B's agreement in writing. Upon Party B's agreement, Party B shall bear guaranty liability for the debts of the original Main Contract and the amended Main Contract . However, the Debtor's debts are lightened (including but not limited to reduce of the amount or shortening of the term of debts under the Main Contract) due to amendment to the Main Contract, Party B shall be deemed as having agreed such amendment and, without obtaining Party B's agreement, Party B shall continue to bear guaranty liability for the debts of the amended Main Contract.

Article 14 During the valid period of this Contract, Party A's tolerance or grace imposed on or Party A's delay in the execution of its any right under this Contract for Party B's breach or delay shall not damage, impact or restrict Party A's all other rights enjoyable as a creditor in accordance with this Contract and relevant laws, and shall not be deemed as Party A's permit or acceptance of any breach of this Contract nor be deemed as Party A's waiver of the right to take actions for Party B's current or future behaviors of breach.

Article 15 Anti-corruption and Anti-bribery

1. Both parties of this Contract know and are willing to strictly abide by the anti-corruption and anti-bribery laws and regulations of the People's Republic of China.

2. One party hereto or the agent of one party hereto shall not give or promise to give non-agreed unjust benefits of any form, including but not limited to cash, negotiable securities, shopping card, gifts and tourism, to the other party's main principal, agent or other related personnel, nor ask for unjust benefits of any form from the other party's main principal, agent or other related personnel. Otherwise, the party concerned shall make compensation for the other party's all losses arising therefrom once it is detected.

3. "Other affiliated personnel" referred to in sub-clause 2 of this Article means the personnel directly or indirectly related to the business hereunder other than the other party's main principal and agent, including but not limited to the family members and friends of the other party's main principal and agent.

Article 16 Confirmation of Address for Service

Party A and Party B agree as follows on the service address and legal consequences of various notices, agreements and documents concerned herein, and relevant documents and legal documents of disputes hereunder:

1. Party A confirms that its effective address for service is: 1/F and 2/F, Qiangli Business Building, No. 6, Yanda Avenue, Huicheng District, Huizhou City.

2. Party B confirms that its effective address for service is: Xinhu Industrial Development Area, Ma'an Town, Huicheng District, Huizhou City.

3. The scope of use of such address for service shall include service of various notices, agreements and documents during litigation between both parties, and service of relevant documents and legal documents of disputes hereunder, including service during first instance, second instance, re-instance and executive procedures after the dispute enters civil procedures.

4. Should Party A's address for service be changed, Party A shall perform the duty of notification and notify Party B in written form; should Party B's address for service be changed, Party B shall perform the duty of notification and notify Party A in written form.

If one party fails to perform the duty of notification pursuant to the preceding paragraph, the address for service confirmed by both parties shall be deemed as the effective address for service. If any legal document fails to be actually received by the party concerned after it is posted because the service for address provided or confirmed is untrue or the party concerned does not perform the duty of notification to the other party and the court after change of the address for service, or the party concerned or its designated person refuses to sign in the document, the date of return of the document shall be deemed as the date of service; if sent directly, the date when the person serving the document records in the service receipt on the spot shall be deemed as the date of service; when the duty of notification on change of the address for service is performed, the address for service changed shall be deemed as the effective address for service. The court may send a legal document directly to the address for service specified by both parties in this Contract, and the document shall be deemed as being served even if one party fails to receive the legal document posted by the court.

5. After a dispute enters the civil procedures, if the address confirmed by any party responding the lawsuit and given in the letter of confirmation of address for service directly submitted to the court is different from that confirmed prior to this lawsuit, the address for service submitted to and confirmed by the court shall be adopted.

Article 17 Applicable Laws and Dispute Settlement

1. This Contract is formulated under the laws of the People's Republic of China and it shall apply to the laws of the People's Republic of China.

2. Any and all disputes arising from this Contract shall be settled according to the method specified in the Main Contract.

Article 18 This Contract shall come into force upon the signature of all the parties hereto (if one party is a natural person, the Contract shall be signed by the party; if one party is a legal person or other organization, the Contract shall be signed or sealed by the authorized signatory and affixed with the official seal).

Annex: List of Pledged Property (additional page is allowed where there is not enough space in the form)

List of Pledged Property

SN	Name	Quantity	Quality	Property Right and Ownership	Property Ownership Certificate No.	Place of Storage	Share of the Pledged Property Held by the Pledgor	Name of Co-owner (if any)	Other Status of the Pledged Property
1	Accounts receivable	156172007		Huizhou Highpower Technology Co. Ltd.			100%		
2									
3									

The Pledgor warrants that these representations are true, accurate and complete. Where there is untrue information or important omission in these representations, thereby causing the pledged property invalid or devalued and harming main creditor's right, the Pledgor is willing to bear joint and several liability of repayment for the Debtor's all debts under the Main Contract.

Seal of Party A:

Guangdong Huaxing Bank Co., Ltd. Huizhou Branch (Seal)

Signature of Person in Charge or Authorized Agent:

Seal of Party B (Party B is an entity):

Huizhou Highpower Technology Co. Ltd. (Seal)

Signature of Legal Representative or Authorized Agent:

Pan Dangyu (Signature)

Party B (Party B is an individual):

or Signature of Authorized Agent:



Loan Agreement

Party A (Lender): Pan Dangyu
Address: **
ID Card Number:**

Party B (Borrower): Shenzhen Highpower Technology Co., Ltd.
Registered Address: Building 1, No. 68, Xinxia Avenue, Pinghu Sub-district, Longgang District, Shenzhen
Legal Representative: Pan Dangyu

This Loan Agreement is voluntarily made and entered into by and between the Lender and Borrower with the aim to clarify the responsibilities of both Parties hereto in compliance with the principle of good faith through unanimously agreement for mutual compliance.

I. Loan amount (in words): RMB Sixty Million only (RMB 60,000,000).

II. Purpose: to supplement the operating cash flow of the Borrower.

III. The interest rate: 5.65% (the interest shall be floated upward by 30% based on 4.35% benchmark interest rate of the same period released by the People's Bank of China)

IV. Loan period: the borrowing period starts on July 20, 2018 and ends on March 20, 2019.

V. Date and method of repayment: the money hereof shall be repaid together with the interest at lump sum upon maturity.

VI. Liability for Breach of Contract:

Party B shall be obliged to repay the Loan hereof in accordance with the time stipulated in the Contract. In the event that Party B fails to repay the Loan hereof as scheduled, Party A shall be entitled to recover the Loan within a time limit, and charge overdue interest in accordance with the bank interest rate for the same period as agreed upon hereof.

VII. Dispute resolution: any dispute arising out and in connection with the performance of this Contract shall be settled by both Parties hereto through negotiations. If negotiation fails, such dispute may be referred to the people's court in the place where Party B is located.

VIII. Other Provisions:

1. If Party A pays the Loan hereof by installments, the total amount shall not exceed RMB 60,000,000. The interest hereof shall be calculated from the date on which the money is actually received by Party B.

2. Pursuant to the relevant laws and regulations, the taxes payable by both Parties hereto shall be borne by each party, respectively. However, the relevant taxes payable by Party A shall be paid by Party B in advance on its behalf and be deducted from the interest payable upon Party B's repayment.

3. Agreement on early repayment: during the loan period, Party B shall have the right to prepay the Loan hereof. If Party B wishes to prepay the Loan hereof, it shall notify Party A three (3) days in advance, and pay the principal and the interest of the corresponding period (from the loan date to the actual repayment date) into Party A's account.

4. This Loan shall become effective after being signed by both Parties hereto and automatically become invalid after the payment of the principal and interest hereof in full.

This Contract is made in duplicate. The Borrower and the Lender shall hold one copy, respectively. The text of the Contract has the same legal effect.

Party A (Lender):

(Signature): Pan Dangyu
(signature and fingerprint)
July 20, 2018

Party B (Borrower):

Shenzhen Highpower Technology Co., Ltd. (seal)
(Signature): Pan Dangyu (signature)
Shengbin Pan (signature)
July 20, 2018

**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 13, 2018

/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 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 13, 2018

/s/ Shengbin (Sunny) Pan

Shengbin (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 Form 10-Q for the quarter ending September 30, 2018, 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 13, 2018

/s/ Shengbin (Sunny) Pan

Shengbin (Sunny) Pan
Chief Financial Officer
(Principal Financial and Accounting Officer)
November 13, 2018
