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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 15, 2022

**Applied Optoelectronics, Inc.**  
(Exact name of Registrant as specified in its charter)

**Delaware**  
(State of Incorporation)

**001-36083**  
(Commission File Number)

**76-0533927**  
(I.R.S. Employer Identification No.)

**13139 Jess Pirtle Blvd.**  
**Sugar Land, TX 77478**  
(address of principal executive offices and zip code)

**(281) 295-1800**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Securities registered pursuant to Section 12(b) of the Act:**

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Common Stock, Par value \$0.001	AAOI	NASDAQ Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

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## Item 1.01 Entry Into a Material Definitive Agreement

### *Purchase Agreement*

On September 15, 2022 (the “Effective Date”), Applied Optoelectronics, Inc. (“AOI” or the “Company”) and Prime World International Holdings Ltd. (the “Seller”), which is a company incorporated in the British Virgin Islands and wholly owned subsidiary of AOI, entered into a definitive agreement (the “Purchase Agreement”) with Yuhan Optoelectronic Technology (Shanghai) Co., Ltd. (the “Purchaser”), which is a company incorporated in the People’s Republic of China (“PRC”). Pursuant to the Purchase Agreement, among other things, AOI would divest its manufacturing facilities located in the PRC and certain assets related to its transceiver business and multi-channel optical sub-assembly products for the internet datacenter, fiber-to-the-home (“FTTH”) and telecom markets (the “Transferred Business”). AOI would retain its manufacturing facilities in Taiwan and Sugar Land, Texas, as well as assets related to its cable television (“CATV”) business and to its manufacturing of lasers and laser components for the internet datacenter, FTTH, telecom and CATV markets. The closing of this transaction (the “Closing”) is subject to regulatory approvals and closing conditions as described below and set forth in the Purchase Agreement. AOI anticipates that the transaction will not be completed until 2023.

### *Transaction Structure; Reorganization*

This transaction is structured such that Global Technology Co., Ltd., a company incorporated in the PRC and wholly-owned subsidiary of the Seller (the “PRC Subsidiary”), would become a wholly-owned subsidiary of a new company that the Seller will establish in Hong Kong (“Newco”), and then the Purchaser would purchase from the Seller all of the share capital of Newco (such shares, the “Newco Shares,” and such transaction, collectively, the “Newco Sale”). Prior to consummating the Newco Sale, the Seller will contribute to Newco 100% of its equity interests in the PRC Subsidiary, such that the PRC Subsidiary will become a wholly owned subsidiary of Newco (the “Reorganization”). As a result of the Reorganization and Newco Sale, upon the Closing the PRC Subsidiary will be indirectly wholly owned by Purchaser.

### *Purchase Price; Use of Proceeds*

The purchase price payable by the Purchaser to the Seller will be an amount equal to the \$150,000,000 USD equivalent of Renminbi (the “Purchase Price”), less a holdback amount as described below (the “Holdback Amount”) (the Purchase Price less the Holdback Amount, the “Initial Consideration”).

The Holdback Amount will be based on the aggregate value of certain inventory of the PRC Subsidiary that is held for sale to or through AOI, which value will be determined based on an audit of the PRC Subsidiary’s financial statements (the “Completion Audit”). The Completion Audit is to be conducted only after certain filings are made with the Committee on Foreign Investment in the United States (“CFIUS”) and CFIUS notifies the parties that it has concluded that the transaction is not subject to review under Section 721 of the U.S. Defense Production Act of 1950, as amended, including implementing regulations (“DPA”), or that CFIUS has completed all action under the DPA with respect to the transaction (as applicable, the “CFIUS Approval”). As a result, the size of the Holdback Amount will not be known until the CFIUS Approval is obtained and such Completion Audit is conducted.

Half of the Initial Consideration will be paid to the Seller upon the later of (i) the issuance of the Completion Audit, and (ii) the Purchaser obtaining certain outbound direct investment filings, approvals, and/or certificates from the competent Development and Reform Commission and Commerce Department of the PRC and the outbound direct investment foreign exchange registration with a competent bank designated by the State Administration of Foreign Exchange of the PRC (collectively, the “ODI Approval”). The Purchaser will pay the Seller the remainder of the Initial Consideration at the Closing.

Amounts from the Holdback Amount will be released to the Seller after the Closing in monthly installments equal to the value of certain inventory of the PRC Subsidiary depleted during the applicable month, for twelve months or until all of such inventory has been depleted.

As a condition to Closing, the Seller will be required to use a portion of the Initial Consideration to (i) repay certain account payables owed by AOI or its affiliates to the PRC Subsidiary as of the reference date for the Completion Audit; and (ii) provide payment for all of the then outstanding principal amounts and accrued interests of the secured borrowings of the PRC Subsidiary (which payments are subject to reimbursement at Closing) and cause any liens on the PRC Subsidiary’s real property securing such borrowings to be released. Similarly, within seven (7) business days after the Closing, the Purchaser will be required to pay all account payables owed to AOI or its affiliates (excluding the PRC Subsidiary and Newco) as of the reference date for the Completion Audit. The net impact of these obligations to settle inter-company balances cannot yet be determined.

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The Seller will also be required to make capital contributions to the PRC Subsidiary in an amount determined with reference to (i) fifty percent (50%) of the difference between the PRC Subsidiary's net asset value as of December 31, 2020 and June 30, 2022, which is estimated to be \$6.3 million, and (ii) the difference between the PRC Subsidiary's net asset value as of June 30, 2022 and its net asset value as of the reference date used for the Completion Audit, which amount cannot yet be determined.

Prior to the Closing, AOI anticipates investing an amount equal to between 4% and 10% of the estimated proceeds from the transaction in exchange for a 10% equity interest in the Purchaser. Additional details regarding such investment are subject to further negotiation between the parties.

AOI currently intends that the remainder of the net proceeds from the transaction would be used for general working capital purposes.

#### *Representations and Warranties; Covenants*

Pursuant to the Purchase Agreement, the Seller and the Purchaser made customary representations and warranties for transactions of this type. In addition, the Seller agreed to be bound by certain covenants that are customary for transactions of this type, including obligations to operate its businesses in the ordinary course and to refrain from taking certain specified actions without the prior written consent of the Purchaser, in each case, subject to certain exceptions and qualifications. Additionally, for a period of seven years from the Closing, the Purchase Agreement restricts the ability of the Seller and its affiliates to engage in businesses competitive with the Transferred Business anywhere in the world, and restricts the ability of the Purchaser and its affiliates to engage in the CATV business in North America for a period of seven years from the Closing as long as the PRC Subsidiary is AOI's largest supplier of networking products for CATV.

#### *Conditions to Closing*

The Closing is subject to the satisfaction or waiver of certain closing conditions, including, without limitation: (i) the parties obtaining CFIUS Approval, (ii) the Purchaser obtaining the ODI Approval, (iii) approval of the Newco Sale and related transactions by the Company's stockholders or the Company's receipt and delivery to the Purchaser of an opinion of Delaware counsel confirming that such stockholder approval is not required pursuant to the Delaware General Corporation Law, and (iv) completion of the Reorganization.

#### *Termination*

If any of the conditions to Closing have not been satisfied by 5:00 p.m. Beijing time on the date that is nine months after notice of the Newco Sale is filed with CFIUS or such later date as the Seller may agree, then the Purchase Agreement will automatically terminate with immediate effect. In addition, the Purchase Agreement may be terminated at any time prior to the Closing by either the Purchaser or the Seller if the Closing does not occur as a result of the other party failing to comply with certain obligations, including, among others, (i) the Purchaser's payment of the Purchase Price, (ii) delivery to the other party of evidence that such party is authorized to execute the Purchase Agreement, and (iii) delivery to the other party of an executed instrument of transfer in respect of the Newco Shares.

If the Purchase Agreement is terminated for certain specified reasons prior to the Closing, the Purchaser or the Seller, as applicable, will be required to pay a breakup fee equal to 2% of the Purchase Price. The breakup fee payable by the Purchaser may be reduced to 1% of the Purchase Price if such termination is a result of the Purchaser's failure to obtain the ODI Approval due to Purchaser's breach of certain of its obligations under the Purchase Agreement. No termination fee applies in the event the Purchase Agreement is terminated due to a failure to receive CFIUS approval, provided that the parties comply with their obligations to seek CFIUS approval.

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### *Ancillary Agreements*

The Purchase Agreement requires that the parties enter into a (i) Trademark License Agreement, pursuant to which AOI will license certain trademarks to the PRC Subsidiary and the Purchaser, (ii) Technology Cross-License Agreement, pursuant to which the certain intellectual property will be licensed to certain licensee(s), (iii) Product Supply Agreement, pursuant to which the Purchaser will purchase certain products and services from AOI, and (iv) Contract Manufacturing Agreement, pursuant to which, the PRC Subsidiary and the Purchaser will manufacture and sell certain products and services to AOI (collectively, the “**Ancillary Agreements**”). In addition, the parties agreed that certain patents and applications for patents owned or registered by AOI and the Seller and used for the Transferred Business will be transferred to the Purchaser pursuant to a patent transfer agreement to be entered into after the Closing.

The foregoing descriptions of the Purchase Agreement, Trademark License Agreement, Technology Cross-License Agreement, Product Supply Agreement and Contract Manufacturing Agreement do not purport to be complete and are qualified in their entirety by reference to the full text thereof, copies of which are filed with this Current Report on Form 8-K as Exhibits 2.1, 10.1, 10.2, 10.3, and 10.4, respectively, and incorporated herein by reference. The Purchase Agreement and the Ancillary Agreements provide investors with information regarding their terms and are not intended to provide any other factual information about the parties. In particular, the assertions embodied in the representations and warranties contained in the Purchase Agreement were made only to the parties to the Purchase Agreement as of the dates specified in the Purchase Agreement. Moreover, certain representations and warranties in the Purchase Agreement may have been used for the purpose of allocating risk between the parties rather than establishing matters of fact. Accordingly, you should not rely on the representations and warranties in the Purchase Agreement as characterizations of the actual statements of fact about the parties.

### *Additional Information and Where to Find It*

This Current Report on Form 8-K relates to a proposed transaction involving the Company. In connection with the proposed transaction, the Company will file relevant materials with the SEC if and when required, which may include pro forma financial information reflecting the disposition of the Transferred Business under Item 9.01 of Form 8-K following the Closing. Stockholders of the Company and other interested persons may obtain more information regarding the names and interests in the proposed transaction of the Company’s directors and officers in the Company’s filings with the SEC, including the Company’s Annual Report on Form 10-K for the year-ended December 31, 2021, which was filed with the SEC on February 24, 2022. The documents filed with the SEC may be obtained free of charge at the SEC’s website at [www.sec.gov](http://www.sec.gov) or from the Company’s website at [www.ao-inc.com](http://www.ao-inc.com).

### *Cautionary Statement Regarding Forward-Looking Statements*

Certain statements in this Current Report on Form 8-K are “forward-looking statements.” These statements relate to future events or the Company’s future financial performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company or its industry to be materially different from those expressed or implied by any forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as “may,” “will,” “could,” “would,” “should,” “expect,” “forecast,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “poised,” “predict,” “potential” or the negative of those terms or other comparable terminology. The Company has based these forward-looking statements on its current expectations, assumptions, estimates and projections. While the Company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the Company’s control, including: important factors, including risks relating to, among others: risks related to the Company’s ability to complete the Newco Sale on the proposed terms and schedule or at all; the risk that certain closing conditions may not be timely satisfied or waived; the failure (or delay) to receive the required regulatory or other government approvals relating to the transaction; and the occurrence of any event, change or other circumstance that could give rise to the termination of the Purchase Agreement.

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When considering forward-looking statements, investors should keep in mind the risk factors and other cautionary statements set forth in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q and the other reports that the Company files with the SEC, from time to time. Except as required under applicable law, the Company assumes no obligation to update or revise any forward-looking statements made herein or any other forward-looking statements made by it, whether as a result of new information, future events or otherwise.

#### **Item 7.01 Regulation FD Disclosure**

On September 15, 2022, the Company issued a press release announcing the execution of the Purchase Agreement, a copy of which is furnished as Exhibit 99.1 and incorporated herein by reference.

The information in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and it shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or under the Exchange Act, whether made before or after the date hereof, except as expressly set forth by specific reference in such filing to Item 7.01 of this Current Report on Form 8-K.

#### **Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

##### **Exhibit**

<b>No.</b>	<b>Description</b>
<a href="#"><u>2.1*</u></a>	<a href="#"><u>Agreement for the Sale and Purchase of a New Company to Be Established in Hong Kong Special Administrative Region of The People's Republic Of China, dated as of September 15, 2022, by and between Prime World International Holdings Ltd., Applied Optoelectronics, Inc. and Yuhan Optoelectronic Technology (Shanghai) Co., Ltd.</u></a>
<a href="#"><u>10.1</u></a>	<a href="#"><u>Form of Trademark License Agreement, by and among Applied Optoelectronics, Inc. Global Technology Co., Ltd., and Yuhan Optoelectronic Technology (Shanghai) Co., Ltd.</u></a>
<a href="#"><u>10.2</u></a>	<a href="#"><u>Form of Technology Cross-License Agreement, by and among Applied Optoelectronics, Inc. Global Technology Co., Ltd., and Yuhan Optoelectronic Technology (Shanghai) Co., Ltd.</u></a>
<a href="#"><u>10.3*</u></a>	<a href="#"><u>Form of Product Supply Agreement, by and between Applied Optoelectronics, Inc. and Yuhan Optoelectronic Technology (Shanghai) Co., Ltd.</u></a>
<a href="#"><u>10.4*</u></a>	<a href="#"><u>Form of Contract Manufacturing Agreement, by and among Applied Optoelectronics, Inc. Global Technology Co., Ltd., and Yuhan Optoelectronic Technology (Shanghai) Co., Ltd.</u></a>
<a href="#"><u>99.1**</u></a>	<a href="#"><u>Press Release of Applied Optoelectronics, Inc., dated September 15, 2022</u></a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

\* Certain portions of this exhibit have been omitted pursuant to Item 601(a)(5) and 601(b)(2) of Regulation S-K. A copy of the omitted portions will be furnished supplementally to the Securities and Exchange Commission upon request; provided, however that the Company may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for the information so furnished.

\*\* Furnished herewith, not filed.

**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 hereunto duly authorized.

Dated: September 15, 2022

**Applied Optoelectronics, Inc.**

By: /s/ DAVID C. KUO

DAVID C. KUO

General Counsel and Secretary

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PROJECT RADIANCE

PRIME WORLD INTERNATIONAL HOLDINGS LTD.

AND

APPLIED OPTOELECTRONICS INC.

AND

YUHAN OPTOELECTRONIC TECHNOLOGY (SHANGHAI) CO., LTD.  
(裕汉光电子科技(上海)有限公司)

AGREEMENT FOR THE SALE AND PURCHASE OF  
A NEW COMPANY TO BE ESTABLISHED IN HONG KONG SPECIAL  
ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA

\* Certain information has been excluded from this exhibit because it is both immaterial and competitively harmful if publicly disclosed. Where applicable, omissions have been marked “[\*\*\*]”.

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**Agreed Form Documents**

1. Trademark License Agreement
2. Technology Cross-License Agreement
3. Supply Agreement
4. Contract Manufacturing Agreement

THIS AGREEMENT (this “Agreement”) is made on \_\_\_\_\_ 2022 (the “Execution Date”)

**BETWEEN:**

- (1) **Prime World International Holdings Ltd.**, a company incorporated in the British Virgin Islands (registered number 1005401) whose registered office is at Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands (the “Seller” or “Prime World”);
- (2) **Yuhan Optoelectronic Technology (Shanghai) Co., Ltd.** (裕汉光电子科技(上海)有限公司), a company incorporated in the PRC (registered no. 91310115MA1H8BHE0A), whose registered office is at Block C, No. 888 Huanhu West Two Road, Nanhui New Town, Pudong New District, Shanghai (the “Buyer”); and.
- (3) **Applied Optoelectronics Inc.**, a company incorporated in State of Delaware of United States with principal place of business at 13139 Jess Pirtle Blvd., Sugar Land, Texas, United States (“AOI”).

The Seller, the Buyer and AOI will be hereinafter jointly referred to as the “Parties” and individually as a “Party”.

**RECITALS:**

- (1) As at the Execution Date, AOI and the Seller owns and controls the Business operated by the Group.
- (2) Prior to the Completion, the Seller shall undertake the Reorganization (as defined below) to reorganize the Business pursuant to the Reorganization Plan (as defined below), such that (i) the Subsidiary shall be wholly owned by the Company, (ii) the Company shall be wholly owned by Prime World, and (iii) the Branch remains as a branch of Prime World.
- (3) Subject to the completion of the Reorganization and other conditions set out in this Agreement, the Seller wishes to sell to the Buyer, and the Buyer wishes to purchase, the Shares at the Completion, on the terms and conditions set out in this Agreement.

**THE PARTIES AGREE** as follows:

**1. INTERPRETATION**

1.1 In this Agreement:

“Additional Consideration” has the meaning given to it in paragraph 5 of **Schedule 8**;

“Affiliate” means, in relation to a person, any other person which, directly or indirectly, controls, is controlled by or is under the common control of the first-mentioned person, where “control” means the ownership, directly or indirectly, of more than fifty per cent (50%) of the voting shares, registered capital or other equity interest of the relevant person, or the power to appoint or elect a majority of the directors, or otherwise to direct the management of the relevant person;

“Ancillary Agreements” means the following documents, each in the agreed form, to be entered into by and between AOI, the Seller, the Subsidiary and the Buyer (as the case may be): (1) trademark license agreement, (2) technology cross-license agreement, (3) supply agreement, (4) contract manufacturing agreement; and (5) any other document referred to in this Agreement;

“AOI Stockholder Approval” has the meaning given to it in clause 4.1(3);

“**Applicable Laws**” means all applicable statutes and laws, and orders and regulations of any Governmental Authority;

“**Branch**” means Prime World International Holdings Ltd., Taiwan Branch (英属维尔京群岛商祥茂光电科技股份有限公司台湾分公司), the branch of Prime World set up in Taiwan whose registered office is at No.18, Gong 4th Rd., Gong-er Industrial Park, Linkou Dist., New Taipei City 24452, Taiwan;

“**Business**” means the business and operations conducted and operated by the Group prior to Completion;

“**Business Day**” means any day (other than a Saturday or Sunday or public holiday) on which banks are open for the transaction of normal business in the PRC, Hong Kong and the United States;

“**Buyer’s Breakup Fee**” means an amount equal to 1% or 2% of the Consideration, pursuant to clause 2.4(1), as the case may be;

“**Buyer’s Group**” means the Buyer, its ultimate parent undertaking and their respective subsidiary undertakings from time to time and includes, for the avoidance of doubt, each Target Group Company after Completion and “**member of the Buyer’s Group**” shall be construed accordingly;

“**Buyer’s Warranty**” means a statement contained in **Schedule 5** and “**Buyer’s Warranties**” means all those statements;

“**CATV Business**” means the production, sales, aftermarket business, research and development of CATV Products of a similar nature to, and that directly compete with, the CATV Products sold by the Seller’s Group as at the date of this Agreement;

“**CATV Products**” means the networking products provided by the Group primarily for the market of cable television;

“**CFIUS**” means the Committee on Foreign Investment in the United States, or any member agency thereof acting in such capacity;

“**CFIUS Approval**” means that one of the following conditions has been met in response to the filing of a Notice by the parties hereto, namely, AOL, the Seller and the Buyer have received written notice from CFIUS that CFIUS: (a) has concluded that the Transaction is not a “covered transaction” and not subject to review under the DPA; or (b) has completed all action under the DPA with respect to the Transaction;

“**CFIUS Notice**” means a notice to CFIUS filed pursuant to the DPA, including implementing regulations with respect to the Transaction;

“**Claim**” means a claim by the Buyer under or pursuant to the provisions of this Agreement;

“**Conditions Precedent**” has the meaning given to it in clause 4.1;

“**Company**” means a company to be established by the Seller in Hong Kong immediately upon the Execution Date pursuant to the Reorganization Plan;

“**Completion**” means completion of the sale and purchase of the Shares in accordance with this Agreement;

“**Completion Date**” means the date which is five (5) Business Days after the date on which the last of the Conditions Precedent is satisfied or waived in accordance with clause 4 but in any event not later than the Long Stop Date;

“**Consideration**” means, collectively, the Initial Consideration and the Additional Consideration; provided, that, for the purpose of calculation of the relevant amounts under clauses 2.3, 2.4, 2.5 and 11.4, the Consideration shall be deemed as US\$ 150,000,000;

“**Data Room**” means the virtual data room hosted by Intralinks and operated by the Seller containing documents and information relating to the Business made available by the Seller to the Buyer as at 5 p.m. on 11 April 2022 (PRC time), the contents of which are contained in a USB storage flash drive in duplicate and delivered to the Seller and the Buyer within five (5) Business Days after the Execution Date;

“**Deal Prohibition**” has the meaning given to it in clause 10.4;

“**DGCL**” means the General Corporation Law of the State of Delaware, as amended;

“**Distribution Products**” has the meaning given to it in clause 9.7; “**Distribution Territory**” has the meaning given to it in clause 9.7;

“**DPA**” means Section 721 of the U.S. Defense Production Act of 1950, as amended, including implementing regulations;

“**Encumbrance**” means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect;

“**Financial Statements**” has the meaning given to it in **Schedule 4**;

“**Force Majeure Event**” means war, insurrection, riot or act of terrorism, lightning, earthquake, fire, flood, storm or extreme weather condition, or other events mutually agreed between the Parties from time to time; *provided* that in each case: (i) the occurrence of the relevant event or circumstance is beyond the reasonable control of the Party claiming Force Majeure Event; (ii) the occurrence of the relevant event or circumstance could not reasonably have been foreseen by the Party claiming Force Majeure Event at the Execution Date; and (iii) the effects of the relevant event or circumstance could not reasonably have been avoided or overcome by the Party claiming Force Majeure Event. For the avoidance of doubt, a Party’s own lack of funds will not constitute “Force Majeure Event” in respect of such Party;

“**Fraud**” means an intentional fraud under Applicable Laws with respect to the making of the representations and warranties in this Agreement, with the intention to deceive or mislead any other party;

“**Governmental Authority**” means any transnational, national or foreign federal, state, provincial, municipal or local government (including any subdivision, court, administrative agency, regulatory body (including any securities exchange) or commission or other authority thereof), or any quasi-governmental or private body exercising any regulatory, importing or other governmental or quasi-governmental authority;

“**Group**” means the Group Companies, taken as a whole;

“**Group Companies**” means the Company, the Subsidiary and the Branch, and “**Group Company**” means any one of them;

“**HKIAC**” has the meaning given to it in clause 12.13(2);

“**HK Stamp Duty**” has the meaning given to it in clause 12.5(2);

“**Hong Kong**” means Hong Kong Special Administrative Region of the People's Republic of China;

“**Initial Consideration**” has the meaning given to it in clause 2.2(1);

“**Intellectual Property**” means all of the following anywhere in the world: (a) all patents and applications for patents; (b) all copyrights and copyright registrations; (c) all trade dress and trade names, logos, internet addresses and domain names, social media addresses and handles, trademarks and service marks and related registrations and applications and any renewals or extensions, all other indicia of commercial source or origin and all goodwill associated with any of the foregoing; (d) rights of publicity; (e) all inventions, technology, recipes, trade secrets, processes and techniques; and (f) other intellectual property or similar proprietary rights;

“**Issuing Bank**” has the meaning given to it in clause 2.3;

“**Leakage Claim**” has the meaning given to it in clause 3.2;

“**Letter of Credit**” has the meaning given to it in clause 2.3;

“**Locked Box Account**” means the individual management accounts income statement and the management accounts individual balance sheet of each Target Group Company for the fiscal year ended on the Locked Box Date;

“**Locked Box Date**” means 31 December 2020;

“**Long Stop Date**” means the date falling nine (9) months after the CFIUS Notice has been filed or such later date as the Seller may agree from time to time;

“**Losses**” means all losses, liabilities, costs (including without limitation lawyers’ and other experts’ and consultants’ fees), charges, expenses, actions, proceedings, claims and demands;

“**Multi-OSA Business**” means the production, sales, aftermarket business, research and development of Multi-OSA of a similar nature to, and that directly compete with, the Multi-OSA sold by the Group for the data center, access network (fiber to the x) and wireless telecommunication applications as at the date of this Agreement;

“**NDA**” means the non-disclosure agreement dated 28 May 2021 between AOI and Shanghai Shunmao InfoTech Co., Ltd (上海舜茂信息科技有限公司), the sole shareholder of the Buyer;

“**Permitted Leakage**” means a payment set out in **Schedule 2**;

“**PRC**” means the People’s Republic of China and solely for the purposes of this Agreement, excluding Hong Kong, Macau, and Taiwan;

“**Privileged Communications**” has the meaning given to it in clause 12.11;

“**Reorganization**” means the reorganization of the Group, resulting in the structure of the Group as set forth in **Schedule 6** hereto;

“**Reorganization Plan**” mean the steps plan for the Reorganization set out in **Schedule 6**;

“**Representative**” of any person means such person’s directors, managers, officers, employees, agents, attorneys, consultants, financial, tax, and other professional advisors, shareholders, members, partners, or other representatives of such person;

“**Rules**” has the meaning given to it in clause 12.13(2);

“**SAMR**” means the State Administration for Market Regulation of the PRC or its competent local branch;

“**Seller’s Bank Account**” means the following bank wire instructions for the Seller:

Name of beneficiary: PRIME WORLD INTERNATIONAL HOLDINGS LTD

Account number: 1440002464008

Bank SWIFT code: BRBTUS33

ABA number: 111017694

Name of bank: Truist Bank

Address of bank: 214 N. Tryon St, Charlotte, NC, United States;

“**Seller’s Breakup Fee**” means an amount equal to 2% of the Consideration;

“**Seller’s Counsels**” means King & Wood Mallesons and Perkins Coie LLP;

“**Seller’s Group**” means the Seller, its ultimate parent undertaking and their respective subsidiary undertakings from time to time, and “**member of the Seller’s Group**” shall be construed accordingly;

“**Seller’s knowledge**” means the actual knowledge of Thompson Lin, Stefan Murry, Fred Chang, Shu-Hua (Joshua) Yeh, David C. Kuo and their direct reports who have responsibility for the applicable subject matter;

“**Seller’s Warranty**” means a statement contained in **Schedule 4** and “**Seller’s Warranties**” means all those statements;

“**SEC**” has the meaning given to it in clause 4.7(1);

“**Shares**” means the whole of the allotted and issued share capital of the Company;

“**Sub-Assembly Products**” means such components in optical modules used for the data center, access network (fiber to the *x*) and wireless communication applications which are inclusive of the following:

- (1) the mono channel optical sub-assembly products (“**Mono OSA**”), being:
  - (a) any chip-on-carrier / chip-on-submount (“**COC/COS**”) products under single channel or single laser wavelength,
  - (b) any transmitting optical sub-assembly (“**TOSA**”) products, receiving optical sub-assembly (“**ROSA**”) products, and/or bidirectional optical sub-assembly (“**BOSA**”) products under single channel or single laser wavelength, and
  - (c) any other package style products under single channel or single laser wavelength, AND;
- (2) the multi-channel optical sub-assembly products (“**Multi-OSA**”), being:
  - (a) any TOSA/ROSA/BOSA products under multi-channels or multi-laser wavelengths,

- (b) any optical engine products under multi-channels or multi-laser wavelengths, and
- (c) any other package style products under multi-channels or multi-laser wavelengths.

“**Subsidiary**” means Global Technology Co., Ltd. (宁波环球广电科技有限公司), a company incorporated in the PRC whose registered office is at No.88 Qiushi Road, Wangchun Industrial Park, Haishu District, Ningbo, Zhejiang Province;

“**Subsidiary CATV Revenue**” has the meaning given to it in clause 10.4;

“**Target Group**” means the Target Group Companies, taken as a whole;

“**Target Group Companies**” means the Company and the Subsidiary, and “**Target Group Company**” means any one of them;

“**Tax**” means any form of taxation, levy, duty, charge, contribution, or withholding of whatever nature (including any related fine, penalty, surcharge or interest) imposed, collected or assessed by, or payable to, any national, provincial, municipal or local government or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function;

“**Technology Cross-License Agreement**” has the meaning given to it in clause 9.2;

“**Third Party Claim**” means a claim, demand, allegation, suggestion, implication or any other form of request or complaint by a third party;

“**Total CATV Revenue**” has the meaning given to it in clause 10.4;

“**Transaction**” means the sale and purchase of the Shares pursuant to this Agreement and other transactions contemplated under other Transaction Documents;

“**Transaction Documents**” means this Agreement and the Ancillary Agreements;

“**Transceiver Business**” means the production, sales, aftermarket business, research and development of Transceivers Products of a similar nature to, and that directly compete with, the Transceivers Products sold by the Group as at the date of this Agreement; for the avoidance of doubt, the “Transceiver Business” shall not be deemed to include the Seller’s Group’s CATV Business;

“**Transceivers Products**” means optical modules excluding Sub-Assembly Products, combining both transmit and receive functions used in digital transmission of data for the internet data center, telecom and fiber-to-the home industry;

“**Transferred Patents**” means the Sub-Assembly Products and the Transceivers Products related patents and applications for patents owned or registered by AOI and Prime World as of the Execution Date as listed on **Schedule 7**;

“**U.S.**” means the United States of America; and

“**US Dollar**” or “**US\$**” means the lawful currency of the United States of America.

1.2 In this Agreement, a reference to:

- (1) a “**subsidiary**” means, with respect to a company, any other company in which the first mentioned company directly or indirectly owns more than 50 per cent of the voting shares, registered capital or other equity interest in the other company;

- (2) a “**controlling shareholder**” means, with respect to a company, any person which directly or indirectly owns more than 50 per cent of the voting shares, registered capital or other equity interest in the first mentioned company, or any person whose voting rights are sufficient to have a material effect on the resolutions of the shareholders meeting;
- (3) a “**person**” includes a reference to any individual, company, enterprise or other economic organization, or any government authority or agency, or any joint venture, association, partnership, collective, trade union or employee representative body (whether or not having legal person status) and includes a reference to that person's successors and permitted assigns;
- (4) a “**party**” or “**parties**”, unless the context otherwise requires, is a reference to a party or parties to this Agreement and includes a reference to that party's successors and permitted assigns;
- (5) an agreement or a document is a reference to such agreement or document as amended, restated or supplemented from time to time, unless otherwise expressed to the contrary;
- (6) a document in the “agreed form” is a reference to a document in a form approved and for the purposes of identification initialed by or on behalf of each party;
- (7) a clause, paragraph or schedule, unless the context otherwise requires, is a reference to a clause or paragraph of, or schedule to, this Agreement;
- (8) a statutory provision includes a reference to the statutory provision as modified from time to time before the date of this Agreement and any implementing regulations made under the statutory provision (as so modified) before the date of this Agreement;
- (9) a party being liable to another party, or to liability, includes, but is not limited to, any liability in contract or tort (including negligence);
- (10) a time of the day is a reference to the time in Beijing, PRC; and
- (11) the singular includes the plural and vice versa unless the context otherwise requires.

1.3 The headings in this Agreement do not affect its interpretation.

1.4 The Schedules to this Agreement form part of this Agreement.

1.5 For the purposes of this Agreement, any monetary sum which is expressed in Renminbi and which is payable in US Dollars shall be converted into US Dollars at the average middle rate for the exchange of Renminbi into US Dollars at the close of business in the PRC on the Business Days within three (3) months immediately prior to the Execution Date as published by the People's Bank of China.

## **2. SALE AND PURCHASE AND BREAKUP FEE**

### **2.1 Agreement to Sell and Purchase**

Subject to the Conditions Precedent being satisfied or waived in accordance with this Agreement and any other relevant terms and conditions hereof, the Seller agrees to sell, and the Buyer agrees to buy the Shares and each right (including, without limitation, the right to receive all dividends, distributions or any return of capital declared, paid or made by the Company) attaching to the Shares at or after Completion, free of any Encumbrance.



## 2.2 Consideration

### (1) Amount

The purchase price payable by the Buyer to the Seller for the Shares (including for the avoidance of doubt any interest accrued under its respective terms until Completion) shall be the aggregate of the following amounts, and shall be payable by the Buyer to the Seller in US Dollars:

- (a) US\$150,000,000 equivalent of Renminbi *less* the aggregate value ascribed to the Subsidiary Inventory in the Completion Audit (as described under **Schedule 8**) (the “**Initial Consideration**”); and
- (b) such Additional Consideration payable, as provided under paragraph 6 of **Schedule 8**.

### (2) Payment Schedule

- (a) 50% of the Initial Consideration shall be paid by the Buyer to the Seller’s Bank Account immediately upon the later of (x) the issue of the Completion Audit as contemplated under **Schedule 8**; and (y) the obtaining of the ODI approval provided under clause 4.1(2); provide, that the Seller shall, upon receipt of such proceeds:
  - (i) procure that all of the Subsidiary’s account receivables and accrued interests (if any) owed by AOI and/or any of its Affiliates (excluding Target Group) as of the Reference Date (shown in the Completion Audit) (collectively, the “**Related ARs**”) be paid in full;
  - (ii) procure repayment of all of the then outstanding principal amount and accrued interests of the secured borrowings of the Subsidiary (collectively, the “**Subsidiary Borrowings**”);
  - (iii) cause the mortgages in respect to real properties of the Subsidiary for securing the above-described borrowings to be released by the relevant lenders of such borrowings; and
  - (iv) complete the Capital Contribution as contemplated under paragraph 5 of **Schedule 8**;

provided, that, in the event the total sum of the Related ARs settled in accordance with paragraph (i) above, the proceeds of the Capital Contribution and the Subsidiary’s other cash resources are not sufficient for repayment of the Subsidiary Borrowings, the Seller shall pay, or procure payment of, such amount equal to the shortfall to the Subsidiary, by way of shareholder loan(s), to fund repayment of the Subsidiary Borrowings (the “**Shareholder Loan**”);

- (b) The Buyer shall, upon Completion and pursuant to the terms and conditions under **Schedule 3**, (i) pay the remaining Initial Consideration to the Seller; and (ii) on behalf of the Subsidiary, repay the Shareholder Loan (if any) to the Seller; and
- (c) The Additional Consideration shall be paid by the Buyer pursuant to the terms and conditions under **Schedule 8**.

### 2.3 Letter of Credit

As soon as possible, and in any event no later than four (4) months after the Execution Date, the Buyer shall deliver to the Seller an irrevocable and unconditional standby letter of credit (the “**Letter of Credit**”) in a form reasonably satisfactory to the Seller and the Buyer issued by Agricultural Bank of China or Bank of China (the “**Issuing Bank**”) in an amount not less than 2% of the Consideration in favour of the Seller. For the avoidance of doubt, the form of the Letter of Credit should be agreed between the Parties before Execution Date. In the event and to the extent that the Buyer fails to pay the Buyer’s Breakup Fee in accordance with clause 2.4, and upon presentation by the Seller to the Issuing Bank of documentation in compliance with the terms of the Letter of Credit, the Issuing Bank shall (and the Buyer shall procure the Issuing Bank to) unconditionally pay to the Seller any unpaid amount of the Buyer’s Breakup Fee in US Dollars in immediately available funds for same day value to the Seller’s Bank Account. In addition, the Seller shall have the right to terminate this Agreement by giving the Buyer a written notice if the Buyer has failed to complete its obligations under this clause 2.3 to deliver to the Seller the Letter of Credit within four (4) months after the Execution Date.

### 2.4 Buyer’s Breakup Fee

The Buyer shall pay the Buyer’s Breakup Fee to the Seller’s Bank Account:

- (1) in an amount equal to 1% of the Consideration, upon the termination of this Agreement pursuant to clause 4.9 due to the non-satisfaction of the Conditions Precedent in clause 4.1(2) for any reason attributable to any breach of or omission to observe any of the Buyer’s obligations under clause 7.6 hereof; or
- (2) in an amount equal to 2% of the Consideration, upon the termination of this Agreement by the Seller pursuant to clause 5.4(2) or for repudiatory breach of this Agreement of the Buyer.

### 2.5 Seller’s Breakup Fee

The Seller shall pay the Seller’s Breakup Fee in an amount equal to 2% of the Consideration to the designated bank account of the Buyer upon the termination of this Agreement by the Buyer pursuant to clause 5.4(2).

2.6 The Parties agree that the Breakup Fee (including Buyer’s Breakup Fee and Seller’s Breakup Fee) is an amount payable by way of liquidated damages to compensate the counterparty for its costs, expenses and losses incurred in the negotiation and preparation of this Agreement and the loss of opportunity to sell the Shares, and the Parties agree that the amount of the Breakup Fee is:

- (1) a genuine pre-estimate of such costs, expenses and losses and not a penalty;
- (2) is in proportion to the legitimate interests of counterparty and is not extravagant, unreasonable or unconscionable; and
- (3) has been negotiated at arm’s length with each Party having received legal advice.

### 3. LOCKED BOX

3.1 The Seller covenants and undertakes to the Buyer that in the period from (and excluding) the Locked Box Date up to (and including) Completion (save to the extent comprising a Permitted Leakage):

- (1) no dividend or other distribution of profits or assets has been declared, paid or made by any Target Group Company to or for the benefit of the Seller;
- (2) no share or loan capital of any Target Group Company has been redeemed, repurchased or repaid, or resulted in a payment to, or an agreement or obligation to make a payment to the Seller;
- (3) no amounts owed to a Target Group Company by the Seller have been waived or forgiven;
- (4) no management, monitoring or other shareholder or directors' fees or bonuses or payments of a similar nature have been paid by or on behalf of a Target Group Company to or for the benefit of the Seller; and
- (5) no costs or expenses of the Seller relating to the sale of the Shares (to any person), or to the other transactions contemplated by this Agreement (including any professional advisers' fees and any transaction or sale bonuses or other payments payable as a result of the completion of the sale of the Shares (to any person)), have been paid or incurred, by or on behalf of any Target Group Company to or on behalf of the Seller.

3.2 Subject to clauses 3.3 and 11.4, in the event of any breach of clause 3.1, the Seller undertakes on demand by the Buyer to reimburse the Buyer (as trustee for and on behalf of each member of the Buyer's Group) on a US Dollar for US Dollar basis equal to the amount received by the Seller in respect of any breach by the Seller of any of the covenants and undertakings set out in clause 3.1. A claim under this clause 3.2 (the "**Leakage Claim**") shall be the sole remedy available to the Buyer and the Target Group Companies arising (directly or indirectly) from a breach of clause 3.1.

3.3 The Seller shall not be liable to make a payment under clause 3.2 for a Leakage Claim unless it has received from the Buyer written notice of such Leakage Claim including, to the extent practicable, the matter or event that caused the Leakage Claim and the amount payable by the Seller in respect of the Leakage Claim on or before the date falling three (3) months after the Completion Date. For the avoidance of doubt, the Seller shall have no liability to the Buyer in respect of any Leakage Claim if Completion does not occur.

### 4. CONDITIONS

4.1 Completion is conditional on the following conditions precedent (the "**Conditions Precedent**") being satisfied or waived on or before 5:00p.m. Beijing time on the Long Stop Date:

- (1) CFIUS Approval. The Parties shall have received the CFIUS Approval;
- (2) ODI approval. The Buyer shall have obtained the outbound direct investment filings or approvals or certificates (as applicable) from the competent Development and Reform Commission and Commerce Department and the outbound direct investment foreign exchange registration with competent bank designated by the State Administration of Foreign Exchange for completing the Transaction;
- (3) Stockholder approval. The Transaction shall have been approved by a vote of the holders of at least a majority of AOI's outstanding shares of stock pursuant to Section 271 of the DGCL (the "**AOI Stockholder Approval**"), or AOI shall have delivered to the Buyer a legal opinion of Delaware counsel stating that such stockholder approval is not required pursuant to the DGCL; and

- (4) Reorganization. The Reorganization shall have been duly completed by the Group.
- 4.2 Conditions Precedent in clauses 4.1(1) to 4.1(4) cannot be waived by either Party.
- 4.3 The Buyer shall make all reasonable efforts to achieve satisfaction of each Conditions Precedent in clauses 4.1(1) and 4.1(2) as soon as possible after the date of this Agreement and in any event no later than 5:00pm Beijing time on the Long Stop Date. The Seller shall and shall cause AOI and the Target Group (as the case may be) to make all reasonable efforts to promptly make available to the Buyer, as reasonably requested, all information, records, and documents relating to such filings, applications, submissions and/or communications in respect of each Conditions Precedent set forth in clauses 4.1(1), 4.1(3) and 4.1(4).
- 4.4 Except as otherwise provided in clauses 4.6 and 4.7, the Buyer shall:
- (1) in order to achieve satisfaction of each Conditions Precedent under clauses 4.1(1) and 4.1(2), make all necessary filings, applications and submission to the applicable Governmental Authorities as soon as practicable after the date of this Agreement but in any event not more than eighty-five (85)days after the date of AOI's public announcement of the execution of this Agreement and the Transaction and promptly supply all information requested or required by the applicable Governmental Authorities; and
  - (2) after the date of this Agreement, not enter into (and will procure that no member of the Buyer's Group enters into) any other agreement or arrangement where the effect of any such agreement or arrangement may affect, delay, impede or in any respect prejudice the satisfaction of the Conditions Precedent.
- 4.5 Except as otherwise provided in clause 4.6, the Buyer shall keep the Seller informed as to the progress towards satisfaction of the Conditions Precedent in clauses 4.1(1) and 4.1(2) and shall:
- (1) notify the Seller and provide to the Seller copies of any communications from any Governmental Authority or other person in relation to obtaining any consent, approval or action where such communications have not been independently or simultaneously supplied to the Seller;
  - (2) provide the Seller with draft copies of all submissions and communications to any Governmental Authority or other person in relation to obtaining any consent, approval or action at such time as will allow the Seller a reasonable opportunity to provide comments on such submissions and communications before they are submitted or sent and promptly provide the Seller with copies of all such submissions and communications in the form submitted or sent; and
  - (3) where requested by the Governmental Authority, allow persons nominated by the Seller to attend any meeting, telephone call or video call with any Governmental Authority or other person in relation to obtaining any consent, approval or action,
- provided that*** nothing in this clause 4.5 shall require the Buyer to disclose to the Seller any information which is commercially sensitive in respect of the business and operations of the Buyer's Group.

#### 4.6 CFIUS Approval

- (1) The Buyer and the Seller will each use reasonable best efforts to prepare and submit promptly a CFIUS Notice with respect to the Transaction and to achieve CFIUS Approval. Without limiting the generality of the foregoing, the Buyer and the Seller shall each use reasonable best efforts to (a) provide as promptly as practicable to each other's counsel and to CFIUS any additional or supplemental information and documentary material as may be necessary, proper or advisable in connection with preparation and submission of the CFIUS Notice and thereafter to achieve CFIUS Approval and permit consummation of the Transaction; (b) permit the other Party to review reasonably in advance any communication (subject to mutually acceptable appropriate redactions to maintain confidentiality of business information) proposed to be given by it to CFIUS, and consult with each other in advance of any meeting or conference with CFIUS, and, to the extent permitted by CFIUS, give the other Party reasonable opportunity to attend and participate in any such meeting or conference; and (c) keep each other timely apprised of the status of any communications with, and any inquiries or requests for additional information or documentary material from, CFIUS, in each case (a)-(c), to the extent permitted by Applicable Laws and subject to customary and mutually acceptable confidentiality practices and all applicable privileges (including the attorney-client privilege).
- (2) None of the Parties shall take or permit any of its subsidiaries or Affiliates to take any action that would reasonably be expected to prevent, delay or impede any CFIUS Approval, provided, that the Parties agree that any mitigation proposed by CFIUS would have to be acceptable to the Seller.
- (3) The Buyer and Seller will each bear its own legal fees for the CFIUS process and will each be responsible for 50% of the CFIUS filing fee for a written notice.

#### 4.7 AOI Stockholder Approval

- (1) To the extent AOI Stockholder Approval is required for the Transaction, the Seller will procure AOI to use reasonable best efforts to prepare and submit promptly to the U.S. Securities and Exchange Commission ("**SEC**") a preliminary proxy statement with respect to the Transaction, and the Buyer will reasonably cooperate with the Seller and AOI in providing information required for such preliminary proxy statement or requested by the SEC in connection with the SEC's review of the preliminary proxy statement.
- (2) To the extent AOI Stockholder Approval is required for the Transaction, as soon as reasonably practicable and in any event within three (3) months following any SEC review of the preliminary proxy statement or the AOI's receipt of confirmation that the SEC will not be reviewing the preliminary proxy statement, the Seller will procure AOI to finalize and distribute the proxy statement and conduct a stockholders meeting for purposes of seeking stockholder approval of the Transaction.

- 4.8 If, at any time, the Buyer becomes aware of a fact, matter or circumstance that might prevent any Conditions Precedent from being satisfied, it shall immediately inform the Seller in writing or orally.

- 4.9 If any Conditions Precedent has not been satisfied by 5:00pm Beijing time on the Long Stop Date, this Agreement shall automatically terminate with immediate effect.
- 4.10 Each Party's further rights and obligations cease immediately on termination (excluding those under clauses 2.3 and 2.4), but termination does not affect a Party's accrued rights and obligations at the date of termination.

## **5. COMPLETION**

- 5.1 Completion shall take place at the offices of the Subsidiary on the Completion Date, or at such other location, time or date as may be agreed in writing between the Parties.
- 5.2 At Completion, the Seller and the Buyer shall comply with their respective obligations specified in Schedule 3.
- 5.3 The Seller and the Buyer are not obliged to complete this Agreement unless:
- (1) (in the case of the Seller only) the Buyer complies with all its obligations under this clause 5 and **Schedule 3**;
  - (2) (in the case of the Buyer only) the Seller complies with all its obligations under this clause 5 and **Schedule 3**.
- 5.4 If Completion does not take place on the Completion Date because any Party fails to comply with any of its obligations under this clause 5 and **Schedule 3** (whether such failure amounts to a repudiatory breach or not), the other Party may by notice to the defaulting Party:
- (1) postpone Completion to a date not more than ten (10) Business Days after the Completion Date and not later than the Long Stop Date; or
  - (2) terminate this Agreement.
- 5.5 If any Party postpones Completion to another date in accordance with clause 5.4(1), the provisions of this Agreement apply as if that other date is the Completion Date.
- 5.6 If a Party terminates this Agreement pursuant to clause 5.4(2), each Party's further rights and obligations cease immediately on termination (excluding those under clauses 2.3 and 2.4), but termination does not affect a Party's accrued rights and obligations at the date of termination.

## **6. THE SELLER'S WARRANTIES**

- 6.1 The Seller warrants to the Buyer that each Seller's Warranty is true, accurate and not misleading in all material respects at the Completion Date.
- 6.2 The Seller does not give or make any warranty or representation as to the accuracy or feasibility of the forecasts, estimates, projections, statements of intent or statements of opinion provided to the Buyer or any of its officers, employees, agents or advisers on or prior to the date of this Agreement.
- 6.3 The Seller's Warranties are subject to and qualified by any of the matters contained in the Data Room, any of the Buyer's knowledge (actual or implied) in respect to the Business and any matters in connection with the Target Group or the Business that are publicly available on or before the Completion Date or which might reasonably be expected to come to the knowledge of a reasonable Buyer familiar with the type of transactions contemplated in this Agreement.
- 6.4 Each Party warrants to each other that it will strictly comply with Applicable Laws, and complete the necessary internal approvals and approvals with competent Governmental Authority for the Transaction.

6.5 The Buyer acknowledges and agrees that the Seller is not making, and that the Buyer has not relied upon, any representations or warranties whatsoever, express or implied, beyond those expressly given by the Seller in **Schedule 4**. The Buyer further acknowledges that the Seller has not made, and that the Buyer has not relied upon, any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding the Group Companies or the Transaction contemplated by this Agreement not expressly set forth in this Agreement, and neither the Seller nor any of the Seller's Affiliates will have or be subject to any liability (whether based on contract, tort or any other theory, at law or in equity, or otherwise) to the Buyer or any of its Affiliates resulting from the disclosure to the Buyer, or the Buyer's use of, any such information with respect to which a representation and warranty has not been made, including any publications or Data Room information provided to the Buyer, or any other document or information in any form provided to the Buyer or its representatives in connection with the Transaction contemplated hereby, with respect to which a representation and warranty has not been made in this Agreement. The Buyer acknowledges that it has conducted, to its satisfaction, its own independent investigation of the Group Companies in making the determination to proceed with the Transaction. The Buyer has relied solely on the Seller's Warranty contained in **Schedule 4** and the results of the Buyer's own independent investigation.

6.6 In the case of a breach of any of the Seller's Warranties or of any covenant or obligation that a Seller is required to perform under this Agreement and any other Transaction Documents, the Seller shall only compensate the Buyer for Losses that would actually arise from such breach.

## 7. THE BUYER'S WARRANTIES AND UNDERTAKINGS

7.1 The Buyer warrants to the Seller that each Buyer's Warranty is true, accurate and not misleading, at the date of this Agreement and at the Completion Date.

7.2 The Buyer undertakes to the Seller for itself and as agent and trustee for each of its Affiliates that (in the absence of fraud) the Buyer:

- (1) has no rights against; and
- (2) may not make any Claim against

any employee, director, agent, officer or adviser of the Seller or any Affiliate of or adviser to the Seller on whom it may have relied before agreeing to any term of, or entering into, this Agreement or any other agreement or document referred to herein.

7.3 To the knowledge of the Buyer (which shall include the facts, matter and circumstances disclosed in this Agreement or the Data Room), the Buyer is not aware as at the date of this Agreement of any fact, matter, or circumstance which might entitle the Buyer either at Completion or with the passing of time to make a Claim against the Seller or any Affiliate of the Seller.

7.4 The Buyer warrants that it will strictly comply with relevant applicable laws and regulations, and complete the necessary examination and approval procedures for the Transaction. If the Transaction fails or is punished by the regulatory authorities due to non-compliance with relevant applicable laws and regulations of the Buyer or failure to complete necessary examination and approval procedures, the Buyer shall bear the losses incurred to the Seller.

7.5 Notwithstanding that the Buyer becomes aware at any time:

- (1) that there has been a breach of any provision of this Agreement; or
- (2) that there may be a Claim against the Seller in connection with this Agreement,

the Buyer shall not be entitled to rescind this Agreement or treat this Agreement as terminated but (without prejudice to clause 3.2 in respect of a breach of clause 3.1) shall only be entitled to claim damages in respect of such matter and, accordingly, the Buyer waives all and any rights of rescission it may have in respect of any such matter (howsoever arising or deemed to arise), other than any such rights arising in respect of fraud of a Seller.

7.6 The Buyer undertakes to the Seller that it shall take all actions, file all documents and notices with relevant Governmental Authorities and do all other things necessary or advisable in order to achieve satisfaction of each of the Conditions Precedent set out in clause 4.1(2) as soon as possible before the Long Stop Date. Without prejudice to the generality of the foregoing, the Buyer shall undertake to (i) file the applications for the ODI approval (as described in clause 4.1(2)) to the relevant Governmental Authorities as soon as practically possible after the signing of this Agreement, in any event not later than eighty-five (85) days after the date of AOI's public announcement of the execution of this Agreement and the Transaction; (ii) respond as promptly as practicable to any inquiries or requests received from any Governmental Authority for information or documentary material relating to the regulatory approvals; (iii) keep the Seller informed of communication to or from any Governmental Authority regarding the ODI approval, and (iv) take any necessary actions and agree to any undertakings or conditions sought or requested by the relevant Governmental Authority for granting the ODI approval.

7.7 The Buyer undertakes to the Seller that it shall take all actions, file all documents and notices with relevant Governmental Authorities and do all other things necessary or advisable in order to achieve satisfaction of each of the Conditions Precedent set out in clause 4.1(1) as soon as possible before the Long Stop Date. Without prejudice to the generality of the foregoing, the Buyer shall undertake to (i) file the applications for the CFIUS Approval to the relevant Governmental Authorities as soon as practically possible after the signing of this Agreement, in any event not later than eighty-five (85) days after the date of AOI's public announcement of the execution of this Agreement and the Transaction; (ii) respond as promptly as practicable to any inquiries or requests received from any Governmental Authority for information or documentary material relating to the regulatory approvals; (iii) keep the Seller informed of communication to or from any Governmental Authority regarding the CFIUS Approval, and (iv) take any necessary actions and agree to any undertakings or conditions sought or requested by the relevant Governmental Authority for granting the CFIUS Approval.

## **8. PRE-COMPLETION CONDUCT**

8.1 Except as expressly permitted by this Agreement, from the date of this Agreement until the Completion Date, the Seller agrees that it will cause each Target Group Company to:

- (1) operate the Business in the ordinary course, consistent with past practices and methods, and maintain its assets and properties in good condition suitable for their intended use;
- (2) comply with all Applicable Laws in all material respects;



- (3) use commercially reasonable efforts to preserve the goodwill of the Target Group, including its relationships with its business partners; and
  - (4) maintain, at all times, its books and records consistent with past practice.
- 8.2 Without prejudice to clause 8.1, the Seller undertakes to procure that, between the date of this Agreement and Completion Date, each Target Group Company shall not, except (i) as may be required to comply with this Agreement, (ii) in the ordinary course of business, or (iii) save as required by Applicable Laws, without the prior written consent of the Buyer, such consent not to be unreasonably withheld or delayed:
- (1) amend the constitutional documents of a Target Group Company;
  - (2) dispose of, create, allot or issue, acquire, repay, redeem or grant an option to subscribe for, any share capital or loan capital of any Target Group Company;
  - (3) acquire or agree to acquire, an interest in a corporate body or merge or consolidate with a corporate body or any other person;
  - (4) enter into any demerger transaction or participate in any other type of corporate reconstruction;
  - (5) dispose of, or agree to dispose of, any material asset at below market value; or acquire, or agree to acquire, any material asset at above market value;
  - (6) enter into any new agreement or arrangement with the Seller or its Affiliates;
  - (7) conclude, amend or terminate a material agreement, arrangement or obligation outside the ordinary course of its business;
  - (8) make any material change to its accounting practices or policies;
  - (9) file a petition for insolvency or other similar order of any Target Group Company;
  - (10) incur any material borrowings or indebtedness in the nature of borrowings other than in the ordinary course of business; and
  - (11) agree to do any of the foregoing.
- 8.3 In order to assist the Buyer in connection with the Buyer's arrangement of the debt financing for the purpose of the consummation of the Transaction, the Buyer shall, and shall cause the Subsidiary to, use their respective commercially reasonable efforts to provide such assistance and cooperation as the Buyer may reasonably request in connection with the arrangement of the debt financing.
- 8.4 The Seller undertakes to procure that, between the date of this Agreement and the date of the CFIUS Approval, the Subsidiary will:
- (1) provide the Buyer with the Subsidiary's monthly management accounts within twelve (12) Business Days following the end of each month; provided, that, the Buyer shall not disclose, or permit disclosure of, the management accounts to any person other than its Representatives on a need-to-know basis; provided, further, that, the Buyer shall notify its Representatives of the confidentiality obligations hereunder and ensure their full compliance of such obligations;
  - (2) provide the Buyer with written notice of any material change in the assets or indebtedness of the Subsidiary which exceeds US Dollar 500,000 within five (5) Business Days following occurrence of such change; and

- (3) convene a monthly meeting with the Buyer to discuss the operating results of the Subsidiary; provided, however, that the Seller and the Subsidiary shall not be obligated to provide access to any information which they reasonably consider to be a trade secret or confidential information.
- 8.5 The Seller and the Buyer agree that, between the date of the CFIUS Approval and the Completion, they will use their respective commercially reasonable efforts to cooperate with each other ensuring successful Completion in a timely manner, and the Buyer will appoint no more than three (3) representatives to work upon the premises of the Subsidiary consulting and coordinating the Completion-related matters with the Seller's representative(s).

## 9. POST-COMPLETION UNDERTAKINGS

9.1 Each of the Seller and the Buyer undertakes to each other that:

- (1) within seven (7) Business Days following the Completion Date, the Buyer shall, and shall procure each Target Group Company, pay in full all account payables arising from the purchase of raw material and/or laser chips or components for the Business and accrued interests (if any) owed by the Target Group to AOI and/or any of its Affiliates (excluding Target Group) as of the Reference Date (shown in the Completion Audit).
- (2) the Seller shall procure that, as of the Reference Date (as defined in **Schedule 8**), the Subsidiary will not have any outstanding trade payables owed to AOI and/or any of its Affiliates (excluding Target Group) which have been incurred by the Subsidiary otherwise than in connection with the Subsidiary's purchase of raw material and/or laser chips or components for the Business.
- (3) the Seller shall procure that, as of the Reference Date (as defined in **Schedule 8**), the Subsidiary will not have any outstanding account payables and/or receivables other than arising from the Subsidiary's ordinary course of business.
- (4) The terms "Reference Date" and "Completion Audit" are defined in **Schedule 8**.

9.2 After Completion,

- (1) AOI, the Seller and the Buyer will enter into patent transfer agreement to transfer the Transferred Patents to the Buyer at nil consideration, and will submit the application to United States Patent and Trademark Office and other applicable Governmental Authorities for the transfer;
- (2) AOI, the Subsidiary and the Buyer will enter into a trademark license agreement, in the agreed form, pursuant to which, AOI will license certain trademarks to the Subsidiary and the Buyer;
- (3) AOI, the Subsidiary and the Buyer will enter into a technology cross-license agreement ("**Technology Cross-License Agreement**"), in the agreed form, pursuant to which, the relevant licensor will license certain Intellectual Property to the relevant licensee(s), as the case may be;
- (4) AOI and the Buyer will enter into a product supply agreement, in the agreed form, pursuant to which, the Buyer will purchase certain products and services from AOI; and
- (5) AOI, the Subsidiary and the Buyer will enter into a contract manufacturing agreement, in the agreed form, pursuant to which, the Subsidiary and the Buyer will manufacture and sell certain products and services to AOI.

- 9.3 After Completion, the Seller shall make reasonable efforts to assist on the filing and/or registration with SAMR in relation to the change of legal representative, directors, and general manager of the Subsidiary.
- 9.4 The Buyer acknowledges that AOI and the Seller may need access from time to time after Completion to certain accounting, tax and other records and information held by the members of the Target Group to the extent such records and information pertain to events occurring prior to Completion for the purpose of (i) filing its tax returns or dealing with the relevant taxation authority in respect of such returns, and/or (ii) complying with Applicable Laws, and, accordingly, the Buyer agrees that it shall, upon being given reasonable notice by AOI/the Seller and subject to AOI or the Seller giving such undertaking as to confidentiality as the Buyer shall reasonably require, and shall cause the Target Group to:
- (1) properly retain and maintain such records until the earlier of the date that is six (6) years after Completion and such time as AOI/the Seller agrees that such retention and maintenance is no longer necessary; and
  - (2) subject to any Applicable Laws and confidentiality obligations of the Target Group Companies owed to any of their clients, allow AOI/the Seller and its officers, employees, agents, auditors and Representatives, to (i) inspect, review and make copies of such records and information for and only to the extent necessary for that purpose; and (ii) be given reasonable access to any employee, officer, adviser or premises of any of the Target Group Companies (and within five (5) Business Days of a request for such reasonable access) during normal working hours and at the expense of AOI/the Seller.
- 9.5 Subject to the non-compete obligations under clause 10, Buyer agrees that, following the Completion, it shall not, and shall procure that none of its Affiliates will, on a permanent basis, bring any Proceedings against AOI or any of its Affiliates or otherwise assert any claim or action against AOI or any of its Affiliates for the using, distributing or otherwise commercially utilizing of the Transferred Patents as incorporated in the Sub-Assembly Products all around the world. For the purpose hereof, the term “**Proceedings**” shall mean any legal, arbitral, administrative, regulatory or other action or proceedings.
- 9.6 After the Completion, the Seller shall procure that AOI fulfill the obligations owed to customers with respect to the previous sold products; and the Buyer shall procure that Target Group fulfill the obligations owed to AOI with respect to the previous sold products. For the purpose hereof, the term “**previous sold products**” shall mean the products sourced from the Subsidiary and then sold by AOI to the customers at any time prior to the Completion, together with any after-sale services for such Transceivers Products sold.
- 9.7 Subject to definitive agreement or purchase order to be separately agreed following Completion, the Buyer and/or the Target Group may wish to appoint AOI and/or the Seller as (i) a non-exclusive distributor for the sale and distribution of certain Transceivers Products (the “**Distribution Products**”) in the U.S. and such other territory(ies) to be agreed by the parties (collectively, the “**Distribution Territory**”), for a distribution price per product chargeable by the Buyer / the Target Group to AOI / Seller not more than 95% of the purchase price per product as set forth in the purchase order received by AOI or Seller from customers in the Distribution Territory or such other distribution price as the parties may separately agree upon; provided all advertising, marketing, freight, forwarding, delivery, insurance, custom or any other costs and expenses with respect to the marketing, delivery, packaging, export and import of the Distribution Products shall be borne by the Buyer and/or the Target Group (as the case may be); and (ii) a provider of after-sale services to the end-users of the Distribution Products, at such additional charge to be separately agreed.

## 10. NON-COMPETE AND IP NON-ASSERT

- 10.1 Subject to clause 10.2, from the Completion until the seventh (7<sup>th</sup>) anniversary of the Completion, the Seller undertakes to the Buyer, that the Seller will not, and it will procure that no member of the Seller's Group will, directly or indirectly, carry on, own or have an equity interest in any Transceiver Business and/or Multi-OSA Business throughout the world, other than Seller's potential investment directly or indirectly in the Buyer, unless otherwise agreed by the Buyer.
- 10.2 Nothing in clause 10.1 shall prevent or restrict in any way the Seller or any member of the Seller's Group from carrying on their present business or businesses (other than the Transceiver Business and/or Multi-OSA Business of the Group as carried on at the date of this Agreement) or any natural development thereof.
- 10.3 Subject compliance with clause 10.1 by the Seller and the members of the Seller's Group, the Buyer agrees that neither the Buyer, the Company, the Subsidiary, nor any Affiliate of the Buyer, the Company or the Subsidiary will assert any of the Transferred Patents or the Intellectual Property owned or registered by the Buyer, the Company and/or the Subsidiary against AOI, the Seller or the members of the Seller's Group regarding AOI, the Seller's or any member of the Seller's Group carrying on their present business or businesses (other than the Transceiver Business of the Group as carried on at the date of this Agreement) or any natural development thereof.
- 10.4 From the Completion until the seventh (7<sup>th</sup>) anniversary of the Completion,, the Buyer undertakes to the Seller, that the Buyer will not, and it will procure that no member of the Buyer's Group will, directly or indirectly, carry on, own or have an equity interest in any CATV Business in North America. More specifically:
- (1) The Buyer will not (and it will procure that each member of the Buyer's Group not to), either by itself or via any third party, deliver any CATV Products to any end customer located in North America, or otherwise enter into any transaction with any end customer located in North America in relation to the CATV Business ("**Deal Prohibition**"); provided, that the Buyer shall also ensure that any third party entering into any dealings with the Buyer's Group in relation to the CATV Business shall execute a written undertaking to comply with the Deal Prohibition.
  - (2) The Buyer will (and will procure each member of the Buyer's Group) terminate the agreement with any third party in relation to the CATV Business upon such third party's breach of the Deal Prohibition and bring claim against such third party accordingly. The Buyer and the Target Group shall also be jointly and severally liable for relevant Losses, if any, arising from any breach of the Deal Prohibition by the Buyer's Group or any third party, and shall compensate the Seller for such Losses.
  - (3) For the avoidance of doubt, the Deal Prohibition only applies so long as the Subsidiary is the largest supplier of AOI for CATV Products, to be determined by the value of the total revenue for CATV Products awarded to the Subsidiary (the "**Subsidiary CATV Revenue**"), in comparison to all of the AOI suppliers of similar CATV Products (the "**Total CATV Revenue**"), during any fiscal year of AOI following the Completion, where the Subsidiary CATV Revenue shall be equal to or more than 51% of Total CATV Revenue.

- (4) For the purpose hereof, the Subsidiary CATV Revenue includes any purchase orders that is awarded to the Subsidiary but rejected by the Subsidiary under section 1.5 of the Contract Manufacturing Agreement where AOI's expected Gross Margin for the CATV Products to be manufactured by the Subsidiary under such purchase order is equal to or more than 10%, but excludes any purchase orders that is awarded to the Subsidiary but rejected by the Subsidiary under section 1.5 of the Contract Manufacturing Agreement under which AOI's expected Gross Margin for the CATV Products to be manufactured by the Subsidiary is less than 10%.
- (5) For the purpose hereof, the "**Gross Margin**" with respect to any CATV Products shall be calculated as: (total revenue of relevant CATV Products *minus* cost of goods sold) divided by total revenue of relevant CATV Products *multiplied* by 100%.
- 10.5 Notwithstanding the foregoing, the Parties acknowledge and agree that after Completion, the Buyer and the Subsidiary shall be entitled to manufacture and sell to any CATV customer located in North America other than the ones as specified on **Schedule 11**. The Seller further acknowledges that the customers listed **Schedule 11** either are customers of the Target Group as of the date hereof, or were customers of the Target Group at any time during six (6) months prior to the date hereof.

## **11. LIMITATION OF SELLER'S LIABILITY**

### **11.1 General**

- (1) The Parties agree that the arrangements for liability provided for in this Agreement shall be the only remedy that the Buyer shall be entitled to claim in relation to the Transaction, and that they replace and exclude the general arrangements for liability of the Seller under Applicable Laws.
- (2) All payments by the Seller pursuant to this clause 11 shall be net of any (i) third-party insurance or indemnity, contribution, or similar payments or proceeds received or reasonably expected to be received, and (ii) Tax benefits realized or reasonably expected to be realized, in each case in connection with the facts giving rise to the right of indemnification.

### **11.2 Time Limitation for Claims**

The Seller is not liable for a Claim unless the Buyer has notified the Seller in writing of the Claim on or before the date which is twelve (12) months after the Completion Date.

### **11.3 Minimum Claims**

The Seller shall not be liable under this Agreement in respect of any Claim unless and until the amount in respect of all Claims exceeds US\$350,000.00, in which case the Seller shall be liable in respect of the total aggregated amounts (subject to clause 11.4) and not the excess only.

#### **11.4 Maximum Liability**

The Seller's maximum aggregate liability in respect of the Losses of all Claims under or in connection with this Agreement (excluding, for the avoidance of doubt, any Leakage Claim which shall be subject to US Dollar for US Dollar reimbursement provided under clause 3.2) shall not exceed an amount equal to 3% of the Consideration.

#### **11.5 Notice of Potential Claims**

If the Buyer becomes aware of any fact, matter or circumstance that may give rise to a Claim, the Buyer shall within sixty (60) days give notice in writing to the Seller setting out such information as is available to the Buyer as is reasonably necessary to enable the Seller to assess the merits of the potential Claim, to act to preserve evidence and to make such provision as the Seller may consider necessary. If the Buyer fails to give such notice, the Buyer shall not be entitled to make the relevant Claim under this Agreement.

#### **11.6 Notice of Claims**

Notices of Claims shall be given by the Buyer to the Seller within the time limit specified in clause 11.2 and shall not be valid unless they specify reasonable details in relation to the legal and factual basis of the claim and the evidence on which the Buyer relies and setting out the Buyer's estimate of the amount of Losses which are, or are to be, the subject of the Claim.

#### **11.7 Commencement of Proceedings**

A Claim notified in accordance with clause 11.2 and not satisfied, settled or withdrawn is unenforceable against the Seller on the expiry of the period of six (6) months starting on the day of notification of the Claim, unless proceedings in respect of the Claim have been properly issued and validly served on the Seller.

#### **11.8 Contingent Liabilities**

The Seller shall not be liable under this Agreement in respect of any liability that is contingent unless such contingent liability is a direct cause of action and becomes an actual liability.

#### **11.9 Investigation by Seller**

In connection with any matter or circumstance that may give rise to a Claim against the Seller under this Agreement and subject to any Applicable Laws and confidentiality obligations of the Target Group Companies owed to any of their clients, the Buyer shall allow, and shall procure that the Target Group allow, the Seller and its financial, accounting or legal advisers: (i) to investigate the matter or circumstance alleged to give rise to such claim and whether and to what extent any amount is payable in respect of such Claim; and (ii) to access premises and personnel, and examine and copy or photograph any assets, accounts, documents and records, of the relevant Target Group Company.

#### **11.10 Conduct of Third Party Claims**

If the Buyer becomes aware of any Third Party Claim against any Target Group Company with respect to any Losses arising out of or relating to any event in, condition of, practice of or operation of the Business prior to the Completion, then:

- (1) as soon as reasonably practicable, the Buyer shall notify the Seller in writing of such Third Party Claim and ensure that the Seller and its Representatives are given all reasonable information, facilities and opportunity to investigate it;

- (2) the Seller may in its discretion elect to cause the Target Group Company to resolve or undertake the defense of such Third Party Claim, provided that such election shall in no way be construed as a limitation of the Buyer's right to indemnification under this Agreement, and provided further that, no admissions in relation to the Third Party Claim shall be made by or on behalf of the Buyer or any other member of the Buyer's Group and the Third Party Claim shall not be compromised, reconciled or otherwise settled without the written consent of the Seller (such consent not to be unreasonably withheld or delayed); and
- (3) the Buyer shall provide its full cooperation to the Seller and the Target Group Company for the resolution or defense of such Third Party Claim, including to pass any members resolutions, or to cause the Target Group Company to take any other action, that is reasonably required for the resolution or defense of such Claim by the Target Group Company.

#### **11.11 No Liability for Consequential Loss**

The Seller shall not be liable under this Agreement or in respect of a Claim for any consequential, exemplary, punitive, special, indirect or incidental damages, or any multiple of damages, including, without limitation, loss of profits or revenue.

#### **11.12 Recovery Only Once**

The Buyer is not entitled to recover more than once in respect of any one matter giving rise to a Claim.

#### **11.13 Mitigation**

The Buyer shall procure that reasonable steps are taken and reasonable assistance is given to avoid or mitigate any Losses that in the absence of mitigation might give rise to or enhance a liability in respect of any claim under this Agreement.

#### **11.14 Joint and Several Liability**

AOI covenants with the Buyer that it shall be jointly and severally liable with the Seller under this Agreement in the event of the Seller's failure, refusal or negligence to perform its obligations hereunder.

### **12. MISCELLANEOUS**

#### **12.1 Legal Effect**

This Agreement shall be legally binding with full force and effect upon the Execution Date hereof.

#### **12.2 Variation**

No variation of this Agreement shall be effective unless in writing and signed by or on behalf of each Party.

#### **12.3 Confidentially**

- (1) This clause 12.3 shall be without prejudice to the NDA, which shall continue notwithstanding this Agreement until Completion, upon which it shall cease to exist, without prejudice to any rights and obligations already accrued thereunder.

- (2) Subject to clause 12.3(3), each Party undertakes that it shall not at any time disclose to any third party any information relating to this Agreement or the Transaction contemplated hereby, other than: (i) any information properly available to the public without breach of such undertaking by such Party; (ii) any information required to be disclosed to the applicable Governmental Authority(ies) or relevant stock exchanges; (iii) any information required to be disclosed pursuant to any court or arbitral tribunal's decision, order, judgment or award or otherwise pursuant to any Applicable Laws; or (iv) any information disclosures to a Party's shareholders, Affiliates, investors, advisors, employees, representatives, agents and consultants only to the extent necessary and for the purpose to consummate the Transaction contemplated hereby. For the avoidance of doubt, the Buyer and the Buyer's Group undertake that they shall not at any time disclose to any third party any information relating to the business, financial or other affairs of the Group occurred prior to the Completion.
- (3) Furthermore, the Parties agree that they shall not issue any reports, statements or releases pertaining to this Agreement or the Transaction contemplated hereby, unless agreed beforehand by the Parties, except that each Party may issue any such report, statement or release if such issuance is required in order to comply with Applicable Laws or a requirement of any applicable Governmental Authority, provided that such Party shall have disclosed with the other Party the type and nature of information being disclosed in such issuance in advance. The Parties shall cooperate with each other as to the timing and content of press releases or other forms of public announcements concerning this Agreement or the Transaction contemplated hereby.

#### 12.4 Securities Law Compliance and Standstill Covenants

- (1) The Buyer shall, and shall procure any and all of its Affiliates and the directors and officers of the Buyer and such Affiliates, comply with applicable securities laws (including U.S. securities laws) in all respects, including the relevant insider dealing and market abuse rules and regulations.
- (2) The Buyer shall, and shall procure any and all of its Affiliates and the directors and officers, undertake that, during the period from the Execution Date until the first (1<sup>st</sup>) anniversary of the Completion, not to acquire, offer to acquire, or agree to acquire, directly or indirectly, by purchase or otherwise, any securities, debt instruments or assets or direct or indirect rights to acquire any securities, debt instruments or assets of AOI or any subsidiary thereof if such acquisition would result in the Buyer and/or any and all of its Affiliates, the directors and officers collectively beneficially owning one percent (1%) or more of the then outstanding voting securities of AOI;
- (3) During the period from the Execution Date until the first (1<sup>st</sup>) anniversary of the Completion, none of the Buyer, its Affiliates (or anyone acting on behalf of any of such persons), their respective directors and officers shall in any manner, directly or indirectly, alone or jointly or in concert with any other person, without the prior written consent of AOI and the Seller, except in connection with the Transaction:
  - (a) acquire, offer to acquire, or agree to acquire, directly or indirectly, by purchase or otherwise, any securities, debt instruments or assets or direct or indirect rights to acquire any securities, debt instruments or assets of AOI or any subsidiary thereof;



- (b) make, or in any way participate in, directly or indirectly, any “solicitation” of “proxies” with respect to any transaction (as such terms are used in the rules of the Securities and Exchange Commission) to vote, or seek to advise or influence any person or entity with respect to the voting of, any voting securities of AOI or its subsidiaries;
- (c) propose or initiate or make any public announcement with respect to, or submit a proposal for, or offer of (with or without conditions) any merger, consolidation, business combination, tender or exchange offer, restructuring, recapitalization or other extraordinary transaction of or involving AOI or any of its subsidiaries or their securities or assets;
- (d) form, join or in any way participate in a “group” (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) in connection with any voting securities of AOI or its subsidiaries;
- (e) otherwise act, alone or in concert with others, to seek to control or influence the management, board of directors or policies of AOI; or
- (f) directly or indirectly, have any discussions or enter into any arrangements, understandings or agreements (whether written or oral) with, or advise, assist procure or encourage, any other persons in connection with any of the foregoing.

#### 12.5 Tax and Expenses

- (1) Unless otherwise specified in this Agreement or the Transaction Documents, each Party shall bear its own costs, expenses and taxes incurred in connection with the Transaction.
- (2) Without prejudice to the generality of the foregoing, the Parties agree that each Party shall be responsible for fifty percent (50%) of all stamp duty (including fines and penalties) chargeable, payable or assessed in relation to this Agreement and the transfer of the Shares to the Buyer, especially the stamp duty payable in Hong Kong (“**HK Stamp Duty**”).
- (3) On the Completion Date, the Parties and the Company shall procure the Company’s company secretary to submit the original instrument of transfer and bought and sold notes in respect of the Shares to the Hong Kong Inland Revenue Department for adjudication of stamp duty and the Buyer shall cooperate to provide such other information as may be required in order to enable the relevant documents to be submitted for stamping. The total amount of HK Stamp Duty shall be shared equally between the Seller and the Buyer. Each Party agrees to pay their own portion of HK Stamp Duty (being fifty percent (50%) of the total amount) directly to the designated bank account of company secretary of the Company on the Completion Date.

#### 12.6 Notice

- (1) A notice shall be in writing in English, and delivered personally or sent by internationally reputable courier or by email to the party due to receive the notice to the address set out in clause 12.6(3) (or otherwise notified by the other Party in accordance with this clause 12.6).

- (2) Unless there is evidence that it was received earlier, a notice is deemed given if:
- (a) delivered personally, when left at the address set out in clause 12.6(3);
  - (b) sent by internationally reputable courier, three (3) Business Days after posting it if the sender and recipient are in the same country or eight (8) Business Days after posting it if the sender and recipient are in different countries; or
  - (c) sent by electronic mail, when confirmation of its transmission has been recorded by the sender's email system.
- (3) The address referred to in clause 12.6(1) and (2) is:

<b>Name of party</b>	<b>Address</b>	<b>Marked for the attention of</b>	<b>E-mail Address</b>
The Seller and AOI	13139 Jess Pirtle Blvd. Sugar Land, Texas 77478	[***]	[***]
The Buyer	4th Floor, Building A, No. 888, Huanhu West 2nd Road, Nanhui New Town, Pudong New Area, Shanghai	[***]	[***]

## 12.7 Entire Agreement

- (1) This Agreement and each document referred to in it constitutes the entire agreement and supersedes any previous agreements between the Parties relating to the subject matter of this Agreement.
- (2) The Buyer acknowledges and represents that it has not relied on or been induced to enter into this Agreement by a representation, warranty or undertaking given by the Seller other than the Seller's Warranties or otherwise as set out in this Agreement.
- (3) The Seller is not liable to the Buyer for a representation, warranty or undertaking that is not set out in this Agreement. The Buyer is not liable to the Seller for a representation, warranty or undertaking that is not set out in this Agreement.
- (4) Nothing in this clause 12.7 shall have the effect of limiting or restricting any liability arising as a result of any fraud, wilful misconduct or wilful concealment.

- (5) If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable under the laws of any jurisdiction, that shall not affect:
- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or
  - (b) the legality, validity or enforceability under the law of any other jurisdiction of that or another provision of this Agreement.

#### 12.8 Severability

If any provision of this Agreement or other Transaction Documents should be or become fully or partially invalid, illegal or unenforceable in any respect for any reason whatsoever, the validity, legality and enforceability of the remaining provisions of this Agreement or other Transaction Documents shall not in any way be affected or impaired thereby.

#### 12.9 Assignment

Except as otherwise expressly provided in this Agreement, neither Party may without the prior written consent of the others, assign, grant any security interest over, hold on trust or otherwise transfer the benefit of the whole or any part of this Agreement.

#### 12.10 No Set-off

The Buyer shall procure that all monies payable to the Seller under or pursuant to this Agreement shall be paid in USD and in full without any deduction, set-off or counterclaim whatsoever and the Buyer irrevocably waives any right to set-off or counterclaim against, or deduct from any monies owed to it by the Seller.

#### 12.11 Privilege

The Buyer further agrees that, as to all communications among (i) the Seller's Counsels and (ii) the Seller and its Affiliates, including the Group Companies, that relate in any way to the Transaction (collectively, the "**Privileged Communications**"), the attorney-client privilege and the expectation of client confidence belongs to the Seller and may be controlled by the Seller and shall not pass to or be claimed by the Buyer or any of the Target Group Companies. The Privileged Communications are the property of the Seller, and from and after the Completion Date, none of the Buyer, the Target Group Companies, or any person purporting to act on behalf of or through the Buyer or the Target Group Companies will seek to obtain such communications, whether by seeking a waiver of the attorney-client privilege or through other means. As to any such Privileged Communications prior to the Completion Date, the Buyer, the Target Group Companies, and each of their respective Affiliates, successors or assigns, further agree that no such Party may use or rely on any of the Privileged Communications in any action against or involving any of the Parties after the Completion Date. The Privileged Communications may be used by the Seller in connection with any dispute that relates in any way to the Transaction contemplated by this Agreement, including in any Claim brought by the Buyer. Notwithstanding the foregoing, in the event that a dispute arises between the Buyer, the Target Group Companies and a third party (other than a Party to this Agreement or any of their respective Affiliates) after the Completion Date, the Target Group Companies may assert the attorney-client privilege to prevent disclosure of confidential communications by the Seller's Counsels to such third party; *provided*, however, that none of the Target Group Companies may waive such privilege without the prior written consent of the Seller.

#### 12.12 General

- (1) The failure to exercise or delay in exercising a right, power or remedy provided by this Agreement or any document entered into pursuant to it or by law does not impair or constitute a waiver of the right, power or remedy or an impairment of or a waiver of other rights, power or remedies. No single or partial exercise of a right, power or remedy provided by this Agreement or by law prevents other or further exercise of the right, power or remedy or the exercise of another right, power or remedy.
- (2) Except to the extent that they have been performed and except where this Agreement provides otherwise, the obligations contained in this Agreement remain in full force and effect after Completion.

#### 12.13 Governing Law and Jurisdiction

- (1) This Agreement is governed by, and shall be construed in accordance with, the laws of Hong Kong.
- (2) Any dispute, controversy or claim arising out of, relating to, or in connection with this Agreement, including (without limitation) any dispute regarding the breach, existence, validity or termination of this Agreement shall be finally settled by binding arbitration administered by the Hong Kong International Arbitration Centre (“**HKIAC**”) in accordance with the HKIAC Administered Arbitration Rules in effect at the time of the arbitration (“**Rules**”), which Rule are deemed to be incorporated by reference into this clause and as may be amended by the provisions of this clause.
- (3) The seat of the arbitration shall be Hong Kong. The arbitration tribunal shall consist of three arbitrators to be appointed in accordance with the Rules.
- (4) The language to be used in the arbitral proceedings shall be English and any arbitral award shall be given in English.
- (5) Nothing in this clause 12.13 shall be construed as preventing any party from seeking conservatory or interim relief from any court of competent jurisdiction. Any award shall be final and binding upon the parties from the day it is made. The parties undertake to carry out each and every arbitral award without delay
- (6) The arbitration fee, other expenses of the arbitration and any fees and expenses of enforcement of the arbitral award shall be borne by the losing party. The arbitration award shall rule on the costs of the parties that are not expressly agreed upon in this Agreement.

#### 12.14 Governing Language

This Agreement is written in English. If this Agreement is translated into another language, the English version shall prevail.

#### 12.15 Counterparts

This Agreement may be executed in any number of counterparts, each of which when executed and delivered is an original and all of which together evidence the same agreement.

#### 12.16 Force Majeure

- (1) During the occurrence of a Force Majeure Event, the obligations of the Party affected by such Force Majeure Event, to the extent and for the period that such obligations are not performed as a result of such Force Majeure Event, will be suspended, and such Party will not be considered to be in breach or default hereunder, for the period of such occurrence. The suspension of performance will be of no greater scope and of no longer duration than is required by the Force Majeure Event. No obligation of either Party that arose before the Force Majeure Event causing the suspension of performance will be excused as a result of the Force Majeure Event.

- (2) A Party whose obligations under this Agreement are affected by a Force Majeure Event will give the other Party prompt notice of the particulars of the Force Majeure Event and its expected duration. Subject to clause 12.16(3), all time limits imposed by this Agreement will be extended by a period equivalent to the period of delay resulting from such Force Majeure Event.
- (3) A Party whose obligations under this Agreement are affected by a Force Majeure Event will use all commercially reasonable efforts to eliminate the Force Majeure Event and to remedy its inability to perform its obligations under this Agreement, but nothing herein will require the Party to question or test the validity of any law, rule, regulation or order of any government or government body or to perform its obligations if a Force Majeure Event renders performance impossible.
- (4) If a Force Majeure Event continues for more than sixty (60) days and materially adversely affects the ability of a Party to perform its obligations hereunder, the Parties will use all commercially reasonable efforts to adapt the requirements of this Agreement and each other agreement contemplated in this Agreement in a manner that achieves to the greatest extent possible the economic, legal and commercial objectives of the Parties as evidenced in this Agreement, and the other agreements contemplated in this Agreement, and, if they do not agree on the manner in which such requirements should be adapted within a further ten (10) Business Days, each Party may require the matter to be determined in accordance with clause 12.13.

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**SCHEDULE 1**  
**INFORMATION ABOUT THE SUBSIDIARY**

**Global Technology Co., Ltd. (宁波环球广电科技有限公司)**

1. Unified social credit code: 91330212739470836U
2. Place of incorporation: PRC
3. Address of registered office: No.88 Qiushi Road, Wangchun Industrial Park, Haishu District, Ningbo, Zhejiang Province (浙江省宁波市海曙区望春工业园区秋实路 88 号)
4. Date of incorporation: June 24, 2002
5. Registered share capital: US\$103,500,000
6. Legal Representative: Lin, Chih-Hsiang (林誌祥)
7. Directors: Lin, Chih-Hsiang (chairman), Yeh, Shu-Hua (Joshua), Weng, Shun-Te (Morris)

**SCHEDULE 2**  
**PERMITTED LEAKAGES**

1. Any payment made or to be made by or on behalf of any Target Group Company which:
  - 1.1 have been specifically accrued or provided for in the Locked Box Accounts;
  - 1.2 is contemplated under or is required in order to comply with this Agreement;
  - 1.3 is incurred in the ordinary course of operation of the Target Group, including the payment which is necessary in order to comply with any agreement to which a Target Group Company is party and which is existing as at or before the date of this Agreement;
  - 1.4 is, or relates to, intercompany payables or receivables incurred in the ordinary course of operation of the Group;
  - 1.5 is otherwise specifically agreed to by or on behalf of the Buyer from time to time; or
  - 1.6 is, or relates to any action or matter which is, (whether past, present or prospective) disclosed in writing to the Buyer prior to the date of this Agreement (whether in the Data Room, this Agreement or otherwise).
2. Any amounts of interest, principal or fees due and payable in respect of any borrowing or indebtedness in the nature of borrowing provided by any local banks in the PRC or AOI/the Seller to the Target Group including, without limitation, bank debt, loans, overdrafts, guarantees, letters of credit, any loan notes or bonds, any other interest bearing and/or secured lending or credit liabilities provided by such local banks or AOI/the Seller to the Target Group in accordance with their terms.
3. Any amounts of rent, operating expenses, or fees due and payable in respect of any lease in accordance with their terms.
4. Transfers of equipment between AOI/the Seller and the Target Group or within the Group that are not required for the Target Group's ongoing operations or that individually have a book value of less than US\$10,000.
5. Expenses properly payable to employees, directors, consultants or officers of any Target Group Company properly due or accrued up to and including Completion.
6. Emoluments and other entitlements properly payable to employees, directors or consultants or officers of any Target Group Company and due or accrued up to and including Completion under any service or other consultancy agreement or by virtue of their employment or directorship.

**SCHEDULE 3**  
**COMPLETION REQUIREMENTS**

**1. General Obligations**

**1.1 Seller's Obligations**

At Completion, the Seller shall deliver or make available to the Buyer evidence that the Seller is authorized to execute this Agreement.

In addition, on or before the Completion, the Seller shall deliver or make available to the company secretary of the Company an instrument of transfer duly executed by the Seller, and a sold note duly executed by the Seller, in respect of the Shares, with a scanned copy sending to the Buyer.

**1.2 Buyer's Obligations**

At Completion, the Buyer shall:

- (1) pay the outstanding Initial Consideration to the Seller, by way of electronic transfer in cleared funds for same day value to the Seller's Bank Account;
- (2) on behalf of the Subsidiary, repay the Shareholder Loan (if any) to the Seller, by way of electronic transfer in cleared funds for same day value to the Seller's Bank Account;
- (3) deliver, or make available to the Seller:
  - (a) evidence that the Buyer is authorized to execute this Agreement and complete the Transaction; and
  - (b) written consent of each of the Buyer-nominated director to act as director of the Company to take effect on Completion.

In addition, on or before the Completion, the Buyer shall deliver or make available to the company secretary of the Company an instrument of transfer duly executed by the Buyer, and a bought note duly executed by the Buyer, in respect of the Shares, with a scanned copy sending to the Seller.

**2. Transfer of Shares on Completion**

On Completion, upon satisfaction by the Buyer of its obligations under paragraph 1.2 above and the receipt of the Initial Consideration by the Seller, the Seller shall deliver (or procure the delivery) to the Buyer:

- (1) the existing share certificate for the Shares in the name of the Seller;
- (2) a certified copy of the Company's register of directors, updated to record the appointment, subject to satisfactory KYC checks, of the Buyer-nominated director as a new director of the Company and resignation of the original director of the Company;
- (3) a copy (or a relevant extract), certified as true and correct by a director or the company secretary of the Company, of:
  - (a) a written resolution of the board of directors of the Company; or
  - (b) minutes of a meeting of the board of directors of the Company at which a resolution was passed, approving:
    - (c) subject to the payment of stamp duty,
      - (i) registration of the transfer of the Shares from the Seller to the Buyer under this agreement in the register of members; and
      - (ii) the issue of share certificate in respect of the Shares in favour of the Buyer;



- (d) subject to the articles of association of the Company, the relevant persons consenting to act, and ensuring that the board of directors of the Company is properly constituted at all times:
  - (i) the appointment of each of the Buyer-nominated director to the board of directors of the Company with effect from Completion;
  - (ii) the resignations of each original director of the Company with effect from Completion;
- (4) signed resignations from the original director of the Company, Lin, Chih-Hsiang, Yeh, Shu-Hua (Joshua) and Weng, Shun-Te (Morris) as directors of the Subsidiary; and
- (5) the common seal (if any) and the chops (including the company, finance, legal representative, business and contract chops) and the originals of all register, minute books and other equivalent company governance records and the originals of all certificate of incorporation, business licenses of each Target Group Company.

**SCHEDULE 4  
SELLER'S WARRANTIES**

**1. Authority and Capacity**

1.1 Incorporation and Existence

Each of the Seller and the Target Group Company validly exists and is a company duly incorporated under Applicable Laws.

1.2 Power, Authority and Action

- (1) The Seller has the legal right and full corporate power and authority, and has taken all action necessary, to execute and deliver this Agreement, to consummate the Transaction contemplated hereunder and to perform its obligations hereunder.
- (2) The Company has the legal right and full corporate power and authority to conduct its business as conducted on the Execution Date.

1.3 Binding Agreements

This Agreement has been duly executed and delivered by the Seller and constitutes valid and binding obligations of the Seller enforceable in accordance with its terms.

**2. Shares**

As of the Completion Date, the Seller is the sole legal and beneficial owner of the Shares and has good and valid title, free and clear of Encumbrances, to all the Shares.

**3. Accounts and Records**

3.1 The Seller has delivered to the Buyer all of the financial statements and notes that have been created in respect of the Target Group Companies (the “**Financial Statements**”) including the unaudited balance sheets thereof and statements of operations as of 31 December 2020, historical three-year audit reports, comparative income statements for 2021 and the first half of 2022 and unaudited half-year statements of assets and liabilities as of 30 June 2022. The Financial Statements fairly present the financial condition and the results of operations, and cash flows of the Target Company as at the dates of and for the periods referred to in such Financial Statements.

3.2 The books of the Target Group Companies as required under Applicable Laws will have been properly maintained and be available, together with the relevant Target Group Company’s business records, from the date of formation of the relevant Target Group Company onwards. The books of the relevant Target Group Company will include a complete and up to date register of all relevant assets and proper books of account that give a true and fair view of its financial position.

**4. Compliance with Laws**

To the Seller’s knowledge, except as fairly disclosed in the Data Room, the Target Group has not received written notice from any Governmental Authority that it is in violation of, or in default with respect to, any statute, regulation, order, decree or judgment of any court or Governmental Authority of the jurisdiction in which it is incorporated, where such violation or default would have a material adverse effect on the assets or financial position of the relevant Target Group Company.

**5. Litigation**

- 5.1 To the Seller's knowledge, each Target Group Company is not a party or threatened to be a party to any civil, criminal, arbitration, administrative or similar proceeding, either actual or pending, that has material adverse effect on each Target Group Company.
- 5.2 To the Seller's knowledge, there is no material outstanding pending judgment, order, decree, arbitral award or decision of a court, tribunal, arbitrator or Governmental Authority against each Target Group Company.
- 5.3 To the Seller's knowledge, each Target Group Company is not involved in any pending or potential investigation by any Governmental Authority that has material adverse effect on each Target Group Company.

**6. Insolvency**

To the Seller's knowledge, no order of any Governmental Authority has been made, petition presented, resolution passed or meeting of creditors convened for the winding up or bankruptcy (or other process whereby any Target Group Company is dissolved and, in connection therewith, the assets of any Target Group Company concerned are distributed amongst the creditors and/or shareholders or investors of each Target Group Company), and there are no cases or proceedings under any applicable insolvency, reorganization or similar laws in the PRC pending against any Target Group Company.

**7. Taxation**

Except as disclosed in the Data Room, to the Seller's knowledge, each Target Group Company has filed all material Tax returns that are required to be filed and has withheld (if required) or paid all Taxes required to be paid in the relevant jurisdictions.

**8. Assets, Real Property and Intellectual Property**

8.1 Asset

Each Target Group Company owns or has the right to use each asset necessary for the operation of its business as conducted on the Execution Date.

8.2 Real Property

The properties disclosed in the Data Room comprise all of the land, buildings, structures and premises (including land use rights and building ownership rights) owned, leased, occupied or used by, or in the possession of the Target Group.

8.3 Intellectual Property

All Intellectual Property registered or applied for by the Target Group Companies are owned either legally or beneficially by the Target Group Companies free and clear of any Encumbrances.

**SCHEDULE 5**  
**BUYER'S WARRANTIES**

**1. Authority and Capacity**

1.1 Incorporation

The Buyer validly exists and is a company duly incorporated under Applicable Laws.

1.2 Authority to enter into Agreement

- (1) The Buyer has the legal right and full power and authority to enter into and perform this Agreement and any other documents to be executed by it pursuant to or in connection with this Agreement.
- (2) The documents referred to in paragraph 1.2(1) will, when executed, constitute valid and binding obligations on the Buyer in accordance with their respective terms.

1.3 Authorization

The Buyer has taken or will have taken by Completion all corporate action required by it to authorize it to enter into and perform its obligations under this Agreement, and any other documents to be executed by it pursuant to or in connection with this Agreement.

1.4 Binding Agreements

This Agreement has been duly executed and delivered by the Buyer, and constitutes valid and binding obligations of the Buyer enforceable in accordance with its terms.

**2. Financing**

The Buyer has available to it, and will have available to it at Completion, sufficient, readily and unconditionally available funds to pay the Consideration and all other amounts payable by the Buyer pursuant to the terms of this Agreement.

**3. Insolvency**

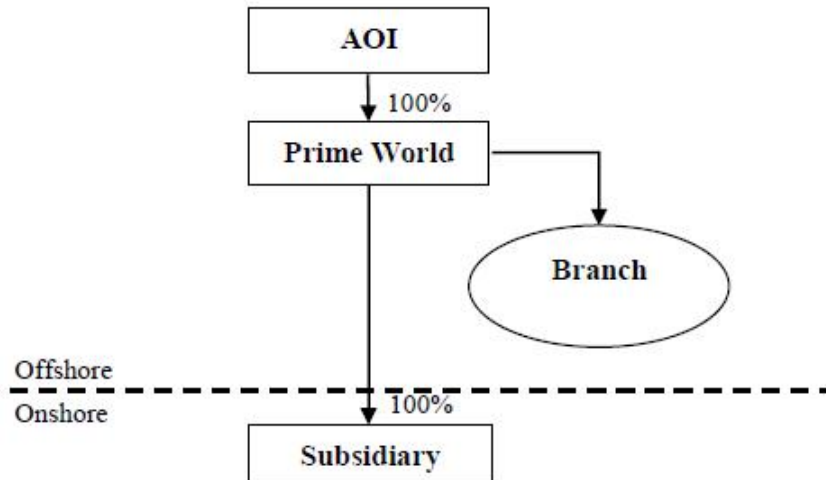
The Buyer is not insolvent or unable to pay its debts as they fall due and will not become insolvent. No order has been made, petition or application presented, resolution passed or meeting convened for the purpose of winding up the Buyer or whereby the assets of the Buyer are to be distributed to creditors or shareholders or other contributories of the Buyer. No administrator, receiver or statutory manager has been appointed in respect of the whole or part of the assets and undertakings of the Buyer.

**4. Knowledge**

None of the directors, officers, employees, agents or financial, accounting or legal advisers of the Buyer or any member of the Buyer's Group involved in negotiating the Transaction is aware of any facts, matters or circumstances which could reasonably be expected to give rise to a claim being made against the Seller for breach of this Agreement.

**SCHEDULE 6  
REORGANIZATION PLAN**

**1. The Shareholding Structure of the Group as of the Execution Date**

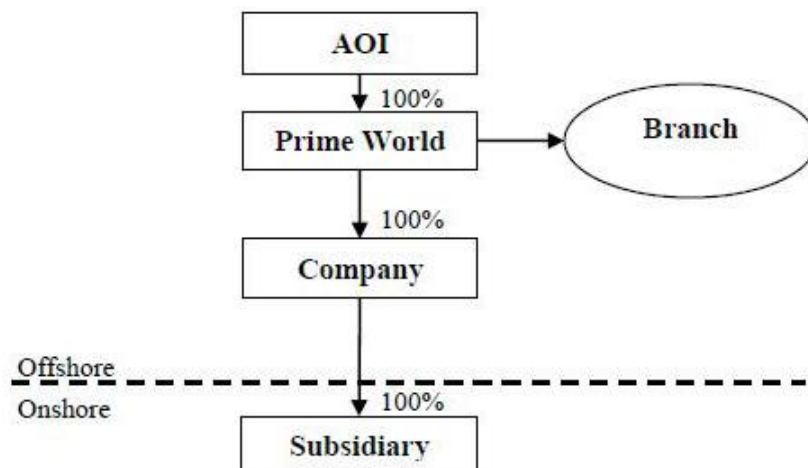


**2. Establishment of the Company**

- (1) Immediately after the Execution Date, Prime World will establish the Company in Hong Kong, and obtain the certificate of incorporation. Prime World will contribute certain assets into the Company, being 100% equity interests in the Subsidiary.
- (2) Upon establishment, the Company will attend (i) the notarization process with local notary in Hong Kong, and (ii) the certification process with a China Appointed Attesting Officer.
- (3) Prime World and the Company will apply for changing the shareholder of the Subsidiary from Prime World to the Company with PRC Governmental Authorities, including SAMR and Ministry of Commerce of China.

**3. The Shareholding Structure of the Group after the completion of Reorganization**

Once clauses 2 to 4 are completed, the shareholding structure of the Group will be as follows:



**SCHEDULE 7**  
**LIST OF TRANSFERRED PATENTS**

<b>Title of Invention</b>	<b>Owner</b>	<b>Country (Jurisdiction)</b>	<b>Legal Status</b>	<b>Appln.No.</b>	<b>Filing Date</b>	<b>Pat. / Serial No.</b>	<b>Patent Issue Date</b>
OPTICAL TRANSCEIVER	PRIME WORLD	TW	Issued	106107127	3/3/2017	I616696	3/1/2018
OPTICAL TRANSCEIVER	PRIME WORLD	US	Issued	15/850766	12/21/2017	10634858	
OPTICAL TRANSCEIVER	PRIME WORLD	TW	Issued	106107126	3/3/2017	I617854	3/11/2018
OPTICAL TRANSCEIVER	PRIME WORLD	US	Issued	15/880051	1/25/2018	10429600	10/1/2019
光收發器	PRIME WORLD	CN	Issued	201810190647.3	3/8/2018	issued	7/24/2020
OPTICAL TRANSCEIVER	PRIME WORLD	TW	Issued	106107125	3/3/2017	I617853	3/11/2018
OPTICAL TRANSCEIVER	PRIME WORLD	US	Issued	15902536	2/22/2018	10170856	1/1/2019
OPTICAL TRANSCEIVER	PRIME WORLD	TW	Issued	106107123	3/3/2017	I641883	11/21/2018
OPTICAL TRANSCEIVER	PRIME WORLD	US	Issued	15/836201	12/8/2017	10,254,491	4/9/2019
帶線式光通訊組件	PRIME WORLD	CN	Pending	201810076462.X	1/26/2018		
帶線式光通訊組件 WIRED OPTICAL COMMUNICATION ASSEMBLY	PRIME WORLD	TW	Issued	107102809	1/26/2018	I655470	4/1/2019
WIRED OPTICAL COMMUNICATION ASSEMBLY	PRIME WORLD	US	Issued	15/991,142	5/29/2018	10551584	2/4/2020
WIRED OPTICAL COMMUNICATION ASSEMBLY	PRIME WORLD	US	Issued	16/779,964	2/3/2020	10948673	3/16/2021
光收發器	PRIME WORLD	CN	Issued	201810964803.7	8/23/2018	issued	10/23/2020
OPTICAL TRANSCEIVER	PRIME WORLD	US	Issued	15/722279	10/2/2017	10,110,311.	10/23/2018
光收發器	PRIME WORLD	CN	Issued	201810932795.8	8/16/2018	CN109143492B	2/2/2021
OPTICAL TRANSCEIVER	PRIME WORLD	US	Issued	15791987	10/24/2017	10,151,891	12/11/2018
光收發器	PRIME WORLD	CN	Issued	201811065706	9/13/2018	<u>CN109709646B</u>	12/8/2020
OPTICAL TRANSCEIVER	PRIME WORLD	US	Issued	15/722317	10/2/2017	10288824	5/14/2019
光收發器及其透鏡單元	PRIME WORLD	CN	Issued	201810971185.9	8/24/2018	issued	10/9/2020
OPTICAL TRANSCEIVER AND OPTICAL LENS THEREOF	PRIME WORLD	US	Issued	15/724621	10/4/2017	10,459,179.	10/29/2019

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Appln.No.	Filing Date	Pat. / Serial No.	Patent Issue Date
光收發器	PRIME WORLD	CN	Pending	201810971248	8/24/2018		
光收發器及其外殼	PRIME WORLD	CN	Pending	201910508647.8	6/13/2019		
OPTICAL TRANSCEIVER AND HOUSING THEREOF	PRIME WORLD	US	Issued	16/150,829	10/3/2018	10,707,964	7/7/2020
OPTICAL TRANSCEIVER AND FIBER ARRAY THEREOF	PRIME WORLD	US	Issued	16/857,966	4/24/2020	11,119,287	9/14/2021
METHOD OF BONDING FOCUSING LENS WITH FIBER ARRAY AND METHOD OF ALIGNING THE SAME	PRIME WORLD	US	Pending	16/858,009	4/24/2020		
METHOD OF COUPLING OPTICAL FIBER OR FIBER ARRAY WITH OPTICAL ACTIVE COMPONENT	PRIME WORLD	US	Pending	16/451,907	6/25/2019		
OPTICAL TRANSCEIVER	PRIME WORLD	CN	Pending	201910103181.3	2/1/2019		
OPTICAL TRANSCEIVER	PRIME WORLD	US	Issued	16/153,685	10/5/2018	10578818.0	3/3/2020
光收發器及其光學次模塊	PRIME WORLD	CN	Issued	201910201897.7	3/18/2019	201910201897.7	7/27/2021
OPTICAL TRANSCEIVER AND OPTICAL SUBASSEMBLY THEREOF	PRIME WORLD	US	Issued	16/288,507	2/28/2019	10739528	8/11/2020
光收發器	PRIME WORLD	CN	Pending	201910312299.7	4/18/2019		
OPTICAL TRANSCEIVER	PRIME WORLD	US	Issued	16/381,835	4/11/2019	11067764	7/20/2021
光收發器	PRIME WORLD	CN	Pending	201910709765.5	8/2/2019		
OPTICAL TRANSCEIVER	PRIME WORLD	US	Issued	16/415,635	5/17/2019	10534144	1/14/2020
光收發器	PRIME WORLD	CN	Pending	201910948217.8	10/8/2019		
OPTICAL TRANSCEIVER	PRIME WORLD	US	Issued	16/584,302	9/26/2019	10742323	8/11/2020
光收發器的光學元件的接合方法	PRIME WORLD	CN	Pending	201910948123	10/8/2019		
METHOD OF BONDING OPTICAL COMPONENTS OF OPTICAL TRANSCEIVER	PRIME WORLD	US	Pending	16/540,751	8/14/2019		
光通訊系統	PRIME WORLD	CN	Pending	202010918962	9/4/2020		
OPTICAL COMMUNICATION SYSTEM	PRIME WORLD	US	Pending	16/931,996	7/17/2020		
網絡交換系統	PRIME WORLD	CN	Pending	202010986201.9	9/18/2020		
NETWORK SWITCH SYSTEM	PRIME WORLD	US	Pending	16/930,508	7/16/2020		
OPTICAL TRNASCEIVER	PRIME WORLD	CN	Pending	202011497284.1	12/17/2020		

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Appln.No.	Filing Date	Pat. / Serial No.	Patent Issue Date
OPTICAL TRANSCEIVER	PRIME WORLD	US	Pending	17069442	10/13/2020		
OPTICAL TRANSCEIVER	PRIME WORLD	US	Issued	17012727	9/4/2020	11275223	3/15/2022
OPTICAL TRANSCEIVER WITH HOUSING PRESSING THERMAL INTERFACE MATERIAL BY UNEVEN SURFACE	PRIME WORLD	US	Pending	17/331,560	5/26/2021		
MULTILAYER PCB STRUCTURE WITH INNER THERMALLY CONDUCTIVE MATERIAL, OPTICAL COMMUNICATION MODULE HAVING THE SAME AND METHOD OF FABRICATING THE SAME	PRIME WORLD	US	Pending	17/412,169	8/25/2021		
OPTICAL TRANSCEIVER WITH EXPOSED HEAT SPREADER AND OPTICAL COMMUNICATION DEVICE HAVING THE SAME	PRIME WORLD	US	Pending	17361301	6/28/2021		
能确保外部激光源的操作安全的光通讯系统	PRIME WORLD	CN	Pending	202210433107.X	4/24/2022		
OPTICAL COMMUNICATION SYSTEM CAPABLE OF ENSURING OPERATION SAFETY OF EXTERNAL LASER SOURCE	PRIME WORLD	US	Pending	17/590,297	2/1/2022		
OPTICAL TRANSCEIVER WITH SEPARATED HEAT DISSIPATION COMPONENTS	PRIME WORLD	CN	Pending	202210288246.8	3/23/2022		
OPTICAL TRANSCEIVER WITH SEPARATED HEAT DISSIPATION COMPONENTS	PRIME WORLD	US	Pending	17/591,578	2/2/2022		
串行外设接口电路及串行外设接口系统的校正方法	PRIME WORLD	CN	Pending	202210456750.4	4/28/2022		
SERIAL PERIPHERAL INTERFACE AND CALIBRATION METHOD FOR SERIAL PERIPHERAL INTERFACE SYSTEM	PRIME WORLD	US	Pending	17/678,320	2/23/2022		
OPTICAL TRANSCEIVER WITH INTERNAL GAS FLOW PASSAGE FOR HEAT DISSIPATION	PRIME WORLD	CN	Pending	202210329682.5	3/31/2022		
OPTICAL TRANSCEIVER WITH INTERNAL GAS FLOW PASSAGE FOR HEAT DISSIPATION	PRIME WORLD	US	Pending	17/578,137	1/18/2022		
光通信组件及其光收发器	PRIME WORLD	CN	Pending	202210340698.6	4/2/2022		
OPTICAL TRANSCEIVER WITH PARTITION FOR PREVENTING INTERFERENCE FIT AND OPTICAL SYSTEM HAVING THE SAME	PRIME WORLD	US	Pending	17/578,122	1/18/2022		
OPTICAL TRANSCEIVER INCLUDING LATCH FOR RELEASE PREVENTION AND OPTICAL COMMUNICATION ASSEMBLY HAVING THE SAME	PRIME WORLD	US	Pending	17/719,770	4/13/2022		
光收发器及光通讯组件	PRIME WORLD	CN	Pending	202210632653.6	6/7/2022		





Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Appln.No.	Filing Date	Pat. / Serial No.	Patent Issue Date
COAXIAL OPTOELECTRONIC DEVICE SEPARATION	AOI	US	Issued	11/966064	12/28/2007	7519260	4/14/2009
LASER PACKAGE INCLUDING SEMICONDUCTOR LASER AND MEMORY DEVICE FOR STORING LASER PARAMETERS	AOI	US	Issued	12/030499	2/13/2008	8787772	7/22/2014
THERMOELECTRIC COOLER CONTROLLER	AOI	US	Issued	12/024041	1/31/2008	8079222	12/20/2011
PHOTOSENSOR OPERATING POINT	AOI	US	Issued	12/023995	1/31/2008	8055138	11/8/2011
PLUGGABLE FORM FACTOR RELEASE MECHANISM [LONG BAIL LATCH MECHANISM]	AOI	US	Issued	12/008094	1/7/2008	7766686	8/3/2010
FIXTURE FOR SECURING OPTOELECTRONIC PACKAGES FOR WIRE AND/OR COMPONENT BONDING	AOI	US	Issued	12/171049	7/10/2008	8091876	1/10/2012
POSITION FINDING SYSTEM AND METHOD FOR USE IN ALIGNING LASER DEVICE WITH AN OPTICAL FIBER	AOI	US	Issued	12/171102	7/10/2008	8045164	10/25/2011
NETWORK TIMING	AOI	US	Issued	12/140134	6/16/2008	8406631	3/26/2013
RECEPTACLE DIPLEXER	AOI	US	Issued	13/235976	9/19/2011	8899846	12/2/2014
OPTICAL TRANSCEIVER THAT MAINTAINS A BEND DIAMETER OF AN INTERNAL OPTICAL FIBER AND METHOD OF ASSEMBLING SAME	AOI	US	Issued	13/208576	8/12/2011	8655183	2/18/2014
OPTICAL TRANSCEIVER INCLUDING OPTICAL FIBER COUPLING ASSEMBLY TO INCREASE USABLE CHANNEL WAVELENGTHS	AOI	US	Issued	13/248424	9/29/2011	8805191	8/12/2014
WAVELENGTH-SELECTABLE LASER DEVICE PROVIDING SPATIALLY-SELECTABLE WAVELENGTH(S)	AOI	US	Issued	13/357116	1/24/2012	9698567 B2	7/4/2017
WAVELENGTH-SELECTABLE LASER DEVICE PROVIDING SPATIALLY-SELECTABLE WAVELENGTH(S)	AOI	US	Issued	15/640,978	7/3/2017	10418782	9/17/2019
WAVELENGTH-SELECTABLE LASER DEVICE AND APPARATUS AND SYSTEM INCLUDING SAME 波长可选择激光装置以及具有该波长可选择激光装置的设备及系统	Prime World	CN	Issued	201280044624.2	3/13/2014	CN103931125A	2/15/2017
WAVELENGTH-SELECTABLE LASER DEVICE AND APPARATUS AND SYSTEM INCLUDING SAME	AOI	EPO	Issued	12 811 404.4	2/14/2014	2732566	9/4/2019
WAVELENGTH-SELECTABLE OPTICAL EMITTER	AOI	US	Issued	13/539961	7/2/2012	9,002,214 B2	4/7/2015

LASER ARRAY MUX ASSEMBLY WITH EXTERNAL REFLECTOR FOR PROVIDING A SELECTED WAVELENGTH OR MULTIPLEXED WAVELENGTHS 用于提供一个选择的波长或多 个波长的具有外部反射器的激 光阵列复用器组件	Prime World	CN	Issued	201280044657.7	3/13/2014	CN104137354A	10/26/2016
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Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Appln.No.	Filing Date	Pat. / Serial No.	Patent Issue Date
LASER ARRAY MUX ASSEMBLY WITH EXTERNAL REFLECTOR FOR PROVIDING A SELECTED WAVELENGTH OR MULTIPLEXED WAVELENGTHS 用于提供一个选择的波长或多个波长的具有外部反射器的激光阵列复用器组件	AOI	EPO	Issued	12811021.0	2/14/2014	2732514	9/1/2021
LASER ARRAY MUX ASSEMBLY WITH EXTERNAL REFLECTOR FOR PROVIDING A SELECTED WAVELENGTH OR MULTIPLEXED WAVELENGTHS	AOI	US	Issued	13/357130	1/24/2012	9502858	11/22/2016
LASER MUX ASSEMBLY FOR PROVIDING A SELECTED WAVELENGTH	AOI	US	Issued	13/359847	1/27/2012	8818208	8/26/2014
EXTERNAL CAVITY LASER ARRAY SYSTEM AND WDM OPTICAL SYSTEM INCLUDING SAME	AOI	US	Issued	13/595505	8/27/2012	9160455 B2	10/13/2015
具有过滤的激光器阵列的 WDM 系统及其光信号传送方法	Prime World	CN	Issued	201380063309.9	10/3/2013	ZL 2013 8 0063309.9	6/5/2018
WDM SYSTEM WITH EXTERNALLY MODULATED FILTERED LASER ARRAY	AOI	EPO	Issued	13 843 383.4	5/5/2015	2904726	12/19/2018
FILTERED LASER ARRAY ASSEMBLY WITH EXTERNAL OPTICAL MODULATION AND WDM OPTICAL SYSTEM INCLUDING SAME	AOI	US	Issued	13/644113	10/3/2012	US 9,214,790 B2	12/15/2015
OPTICALLY MATCHED LASER ARRAY COUPLING ASSEMBLY FOR COUPLING LASER ARRAY TO ARRAYED WAVEGUIDE GRATING	AOI	US	Issued	13/357142	1/24/2012	9,341,774 B2	5/17/2016
具有热屏蔽功能的多信道光发射次模块以及包含该模块的光收发器模组 THERMALLY SHIELDED MULTI-CHANNEL TRANSMITTER OPTICAL SUBASSEMBLY AND OPTICAL TRANSCEIVER MODULE INCLUDING SAME	Prime World	CN	Issued	201480011827.0	2/4/2014	ZL 2014 8 0011827.0	3/13/2018
THERMALLY SHIELDED MULTI-CHANNEL TRANSMITTER OPTICAL SUBASSEMBLY AND OPTICAL TRANSCEIVER MODULE INCLUDING SAME	AOI	US	Issued	13/760533	2/6/2013	9236945	1/12/2016
温控多信道光发射次模块以及具有此温控多信道光发射次模块的光收发器模块 TEMPERATURE CONTROLLED MULTI-CHANNEL TRANSMITTER	Prime World	CN	Issued	201480009996.0	8/21/2015		11/26/2019

OPTICAL SUBASSEMBLY AND OPTICAL TRANSCEIVER MODULE INCLUDING SAME							
TEMPERATURE CONTROLLED MULTI-CHANNEL TRANSMITTER OPTICAL SUBASSEMBLY AND OPTICAL TRANSCEIVER MODULE INCLUDING SAME	AOI	EPO	Pending	14 754 669.1	9/22/2015	2959552	
TEMPERATURE CONTROLLED MULTI-CHANNEL TRANSMITTER OPTICAL SUBASSEMBLY AND OPTICAL TRANSCEIVER MODULE INCLUDING SAME	AOI	US	Issued	13/774,125	2/22/2013	US 8,995,484 B2	3/31/2015
MULTI-CHANNEL OPTICAL TRANSCEIVER MODULE INCLUDING DUAL FIBER TYPE DIRECT LINK ADAPTER FOR OPTICALLY COUPLING OPTICAL SUBASSEMBLIES IN THE TRANSCEIVER MODULE	AOI	US	Issued	13/709195	12/10/2012	US 9,170,383 B2	10/27/2015
MULTI-CHANNEL OPTICAL TRANSCEIVER MODULE INCLUDING DUAL FIBER TYPE DIRECT LINK ADAPTER FOR OPTICALLY COUPLING OPTICAL SUBASSEMBLIES IN THE TRANSCEIVER MODULE	AOI	US	Issued	14/883,970	10/15/2015	US 9,448,367 B2	9/20/2016

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Appln.No.	Filing Date	Pat. / Serial No.	Patent Issue Date
TEMPERATURE CONTROLLED MULTI-CHANNEL TRANSMITTER OPTICAL SUBASSEMBLY AND OPTICAL TRANSCEIVER MODULE INCLUDING SAME	AOI	US	Issued	13/708064	12/7/2012	US 8,831,433 B2	9/9/2014
THERMALLY ISOLATED MULTI-CHANNEL TRANSMITTER OPTICAL SUBASSEMBLY AND OPTICAL TRANSCEIVER MODULE INCLUDING SAME	AOI	US	Issued	13/708569	12/7/2012	9306671	4/5/2016
紧凑型多信道光收发器模块	Prime World	CN	Issued	201480027474.3	5/13/2014	ZL2014800274743	1/5/2018
COMPACT MULTI-CHANNEL OPTICAL TRANSCEIVER MODULE	AOI	EPO	Issued	14797225.1	12/9/2015	2997405	8/7/2019
COMPACT MULTI-CHANNEL OPTICAL TRANSCEIVER MODULE 紧凑型多信道光收发器模块	AOI	US	Issued	13/893802	5/14/2013	9,039,303 B2	5/26/2015
ALIGNING AND DIRECTLY OPTICALLY COUPLING PHOTODETECTORS TO OPTICAL DEMULTIPLEXER OUTPUTS IN A MULTICHANNEL RECEIVER OPTICAL SUBASSEMBLY	AOI	EPO	Pending	14871745.7	6/27/2016	3075082	published
ALIGNING AND DIRECTLY OPTICALLY COUPLING PHOTODETECTORS TO OPTICAL DEMULTIPLEXER OUTPUTS IN A MULTICHANNEL RECEIVER OPTICAL SUBASSEMBLY	AOI	US	Issued	14/088883	11/25/2013	9509433	11/29/2016
ALIGNING AND DIRECTLY OPTICALLY COUPLING PHOTODETECTORS TO OPTICAL DEMULTIPLEXER OUTPUTS IN A MULTICHANNEL RECEIVER OPTICAL SUBASSEMBLY	AOI	US	Issued	15/362,796	11/28/2016	9703054 B2	7/11/2017
HEATED LASER PACKAGE WITH INCREASED EFFICIENCY FOR OPTICAL TRANSMITTER SYSTEMS 用于光发射器系统的提高效率的加热激光器封装	Prime World	CN	Issued	201480046948.9	2/25/2016	105518949B	6/25/2019
HEATED LASER PACKAGE WITH INCREASED EFFICIENCY FOR OPTICAL TRANSMITTER SYSTEMS	AOI	EPO	Pending	14840982.4	2/12/2016		published
HEATED LASER PACKAGE WITH INCREASED EFFICIENCY FOR OPTICAL TRANSMITTER SYSTEMS	AOI	US	Issued	13/975867	8/26/2013	9,083,468 B2	7/14/2015
PLUGGABLE ASSEMBLY FOR OPTICAL TRANSCEIVER	AOI	TW	Issued	101202330	2/9/2012	M431508	6/11/2012
PLUGGABLE ASSEMBLY FOR OPTICAL TRANSCEIVER	AOI	TW	Issued	101202331	2/9/2012	M431509	6/11/2012
PLUGGABLE ASSEMBLY FOR OPTICAL TRANSCEIVER	AOI	TW	Issued	101202329	2/9/2012	M431507	6/11/2012

PLUGGABLE ASSEMBLY FOR OPTICAL TRANSCEIVER	AOI	TW	Issued	101215846	8/17/2012	M458737	8/1/2013
IMPROVED OPTICAL NETWORKING UNIT (ONU) PACKAGING	AOI	US	Issued	14/188768	2/25/2014	9,432,122 B2	8/30/2016
MONITORING A MULTIPLEXED LASER ARRAY IN AN OPTICAL COMMUNICATION SYSTEM	AOI	US	Issued	14/456124	8/11/2014	9455782 B2	9/27/2016

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Appln.No.	Filing Date	Pat. / Serial No.	Patent Issue Date
SWITCHED RADIO FREQUENCY (RF) DRIVER FOR TUNABLE LASER WITH MULTIPLE IN-LINE SECTIONS	AOI	US	Issued	14/248553	4/9/2014	9531155	12/27/2016
LASER TRANSCEIVER WITH IMPROVED BIT ERROR RATE	AOI	US	Issued	14/312930	6/24/2014	9236949	1/12/2016
具有热阵列波导光栅多路复用器和无热阵列波导光栅解复用器的多通道光收发器模块 MULTI-CHANNEL OPTICAL TRANSCEIVER MODULE INCLUDING THERMAL ARRAYED WAVEGUIDE GRATING MULTIPLEXER AND ATHERMAL ARRAYED WAVEGUIDE GRATING DEMULTIPLEXER	Prime World	CN	Issued	201580064422.8	10/30/2015	issued	8/5/2020
MULTI-CHANNEL OPTICAL TRANSCEIVER MODULE INCLUDING THERMAL ARRAYED WAVEGUIDE GRATING MULTIPLEXER AND ATHERMAL ARRAYED WAVEGUIDE GRATING DEMULTIPLEXER	AOI	EPO	Issued	15 854341.3	5/30/2017	3213428	1/5/2022
MULTI-CHANNEL OPTICAL TRANSCEIVER MODULE INCLUDING THERMAL ARRAYED WAVEGUIDE GRATING MULTIPLEXER AND ATHERMAL ARRAYED WAVEGUIDE GRATING DEMULTIPLEXER	AOI	US	Issued	14/528011	10/30/2014	9479259	10/25/2016
MULTICHANNEL RECEIVER OPTICAL SUBASSEMBLY WITH IMPROVED SENSITIVITY	AOI	US	Issued	14/665639	3/23/2015	9847434	12/19/2017
PLUGGABLE ASSEMBLY FOR OPTICAL TRANSCEIVER	AOI	TW	Issued	102135723	10/2/2013	I535118	5/21/2016
PLUGGABLE OPTICAL TRANSCEIVER MODULE	AOI	US	Issued	14/504500	10/2/2014	9523826	12/20/2016
LASER TRANSCEIVER WITH IMPROVED BIT ERROR RATE	AOI	US	Issued	14/312,930	6/24/2014	9236949	1/12/2016
LASER TRANSCEIVER WITH IMPROVED BIT ERROR RATE	Prime World	CN	Pending	201580043883.7	6/24/2015		
可插拔光收发模块 PLUGGABLE OPTICAL TRANSMISSION-RECEIVING MODULE	AOI	CN	Issued	2014200060012.00	1/6/2014	CN203870295U	10/8/2014
PLUGGABLE ASSEMBLY FOR OPTICAL TRANSCEIVER	AOI	TW	Issued	102149251	12/31/2013	I510006	11/21/2015
PLUGGABLE OPTICAL TRANSCEIVER MODULE 可插拔光收发模块	AOI	US	Issued	14/263142	4/28/2014	9671582	6/6/2017
光耦合元件及应用光耦合元	AOI	CN	Issued	CH201410172147.9	4/25/2014	ZL201410172147.9	11/28/2017



件的光学模块 LIGHT-COUPLE ELEMENT AND LIGHT MODULE HAVING LIGHT-COUPLE ELEMENT							
LIGHT-COUPLE <b>ELEMENT</b> AND LIGHT MODULE HAVING LIGHT-COUPLE ELEMENT	AOI	TW	Issued	103119105	5/30/2014	I515465	1/1/2016
<b>OPTICAL COUPLING</b> ELEMENT AND OPTICAL MODULE HAVING THE SAME	AOI	US	Issued	14/482550	9/10/2014	9448372	9/20/2016

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Appln.No.	Filing Date	Pat. / Serial No.	Patent Issue Date
METHOD AND SYSTEM FOR ALIGNMENT OF PHOTODETECTOR ARRAY TO OPTICAL DEMULTIPLEXER OUTPUTS	AOI	US	Issued	14/465240	8/21/2014	9,225,428 B1	12/29/2015
MONITORING AND CONTROLLING TEMPERATURE ACROSS A LASER ARRAY IN A TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) PACKAGE	AOI	US	Issued	14/295459	6/4/2014	9964720	5/8/2018
光传输次组件及其制造方法 TRANSMITTING OPTICAL SUB-ASSEMBLY AND MANUFACTURE METHOD THEREOF	AOI	CN	Issued	201410465636.3	9/12/2014	105403967B	6/23/2017
TRANSMITTING OPTICAL SUB-ASSEMBLY AND MANUFACTURE METHOD THEREOF	AOI	TW	Issued	103131635	9/12/2014	I510832	12/1/2015
光接收次组件与其制造方法 RECEIVING OPTICAL SUB-ASSEMBLY AND MANUFACTURE METHOD THEREOF	AOI	CN	Issued	201410466751.2	9/12/2014	105467532B	6/13/2017
RECEIVING OPTICAL SUB-ASSEMBLY AND MANUFACTURE METHOD THEREOF	AOI	TW	Issued	103131634	9/12/2014		9/1/2015
双向光传输次组件 BIDIRECTIONAL OPTICAL SUB-ASSEMBLY	AOI	CN	Issued	201410381725	2014/8/5	105334589	3/1/2017
BIDIRECTIONAL OPTICAL SUB-ASSEMBLY	AOI	TW	Issued	103129053	8/22/2014	I498619	42248
COAXIAL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) INCLUDING BALL LENS	AOI	US	Issued	15/073,309	3/17/2016	10197751	2/5/2019
具有长方体型 TO 激光器封装的同轴光发射次模块 (TOSA) 及包括其的光收发器 COAXIAL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) WITH CUBOID TYPE TO LASER PACKAGE AND OPTICAL TRANSCEIVER INCLUDING SAME (BASED ON PCT APPLICATION NO. PCT/US16/33759)	AOI	CN	Issued	201680037661.9	12/26/2017	107852244	6/23/2020
COAXIAL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) WITH CUBOID TYPE TO LASER PACKAGE AND OPTICAL TRANSCEIVER INCLUDING SAME	AOI	US	Issued	14/720,336	5/22/2015	9614620	4/4/2017
COAXIAL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) WITH CUBOID TYPE TO LASER PACKAGE AND OPTICAL TRANSCEIVER INCLUDING SAME	AOI	US	Issued	15/576635	11/22/2017	10230471	3/12/2019
COAXIAL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) WITH AN OPTICAL	AOI	CN	Issued	201780030670X	11/16/2018	109154703	10/16/2020

FIBER COUPLING RECEPTACLE							
COAXIAL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) WITH AN OPTICAL FIBER COUPLING RECEPTACLE	AOI	US	Issued	15/073,322	3/17/2016	9804352	10/31/2017
ALIGNMENT CORRECTION FOR OPTICAL ISOLATOR IN A COAXIAL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA)	AOI	US	Issued	15/073,342	3/17/2016	10180545	1/15/2019
LAYERED COAXIAL TRANSMITTER OPTICAL SUBASSEMBLIES WITH SUPPORT BRIDGE THEREBETWEEN	AOI	US	Issued	15/073,360	3/17/2016	9876576	1/23/2018

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Appln.No.	Filing Date	Pat. / Serial No.	Patent Issue Date
具有提供偏心光纤的光耦合插座的多信道光发射次模块 (TOSA) MULTI-CHANNEL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) WITH AN OPTICAL COUPLING RECEPTACLE PROVIDING AN OFF-CENTER FIBER	AOI	CN	Issued	201680060553.3	4/19/2018	CN 108139556B	3/27/2020
MULTI-CHANNEL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) WITH AN OPTICAL COUPLING RECEPTACLE PROVIDING AN OFF-CENTER FIBER	AOI	EPO	Issued	16844936.1	4/9/2018	3347753	11/3/2021
MULTI-CHANNEL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) WITH AN OPTICAL COUPLING RECEPTACLE PROVIDING AN OFF-CENTER FIBER	AOI	US	Issued	14/850,367	9/10/2015	9696503 B2	7/4/2017
MULTI-CHANNEL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) WITH AN OPTICAL COUPLING RECEPTACLE PROVIDING AN OFF-CENTER FIBER	AOI	US	Pending	15/759,100	3/9/2018		
OPTICAL FILTER SUB-ASSEMBLY CARTRIDGE FOR USE IN A RECEIVER OPTICAL SUBASSEMBLY (ROSA) HOUSING 光接收次模块 (ROSA) 外壳中使用的滤光器子组件盒	AOI	CN	Issued	201680074135.X	6/5/2018	CN108369323B	4/7/2020
OPTICAL FILTER SUB-ASSEMBLY CARTRIDGE FOR USE IN A RECEIVER OPTICAL SUBASSEMBLY (ROSA) HOUSING	AOI	US	Issued	14/974,492	12/18/2015	9817196	11/14/2017
RECEIVER OPTICAL SUBASSEMBLY (ROSA) HOUSING WITH SIDEWALL RECEPTACLE TO PROVIDE ELECTRICAL ISOLATION BETWEEN AN ADJACENT TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) IN A TRANSCIEVER HOUSING	AOI	US	Issued	14/838,017	8/27/2015	9915560	3/13/2018
OPTICAL TRANSCIEVER SUBASSEMBLY AND MANUFACTURING METHOD THEREOF	AOI	TW	Issued	104111342	4/8/2015	I588552	42907
TECHNIQUES FOR REDUCING INGRESS OF FOREIGN MATTER INTO AN OPTICAL SUBASSEMBLY	AOI	CN	Pending	201780039152.4	4/25/2016		
TECHNIQUES FOR REDUCING INGRESS OF FOREIGN MATTER INTO AN OPTICAL SUBASSEMBLY	AOI	US	Issued	15/137,794	4/25/2016	9684141 B1	6/20/2017
TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) MODULE WITH INTEGRATED WELDING	AOI	CN	Issued	2017800665223	10/26/2016	109923455B	7/6/2021

MEMBER FOR USE IN OPTICAL TRANSMITTERS OR TRANSCEIVERS							
TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) MODULE WITH INTEGRATED WELDING MEMBER FOR USE IN OPTICAL TRANSMITTERS OR TRANSCEIVERS	AOI	US	Issued	15/334,753	10/26/2016	10,073,229	9/11/2018
TO-CAN PHOTODIODE PACKAGE WITH INTEGRATED COUPLING MEMBER AND EXPOSED ACTIVE REGION, AND A RECEIVER OPTICAL SUBASSEMBLY (ROSA) USING THE SAME	AOI	US	Issued	15/413,514	1/24/2017	10295765	5/21/2019
OPTICAL COMPONENT HOLDER HAVING ALIGNMENT FEATURE FOR FORMING PRESS-FIT AND AN OPTICAL SUBASSEMBLY USING SAME	AOI	CN	Issued	2017800759324	12/6/2017	2017800759324	8/6/2021

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Appln.No.	Filing Date	Pat. / Serial No.	Patent Issue Date
OPTICAL COMPONENT HOLDER HAVING ALIGNMENT FEATURE FOR FORMING PRESS-FIT AND AN OPTICAL SUBASSEMBLY USING SAME	AOI	US	Issued	15/370,559	12/6/2016	10054762	8/21/2018
MIRROR DEVICE WITH VISUAL INDICATOR TO ENABLE IDENTIFICATION OF HIGHLY-REFLECTIVE REGION TO ENSURE CORRECT ORIENTATION OF THE SAME WHEN DISPOSED IN AN OPTICAL SUBASSEMBLY	AOI	US	Issued	15/473,557	3/29/2017	10191233	1/29/2019
AN OPTICAL COMPONENT ASSEMBLY HAVING A KEYED STRUCTURE FOR ENSURING PROPER INSERTION ORIENTATION WITHIN AN OPTICAL SUBASSEMBLY	AOI	CN	Issued	CN109844590A	4/12/2019	CN109844590B	3/16/2020
AN OPTICAL COMPONENT ASSEMBLY HAVING A KEYED STRUCTURE FOR ENSURING PROPER INSERTION ORIENTATION WITHIN AN OPTICAL SUBASSEMBLY	AOI	US	Issued	15/241,979	8/19/2016	10514510	12/24/2019
NEW CHINESE PATENT APPLICATION OF 2017800520332 FOR 用于多角度光路对准的具有垂直安装结构的光学部件组件和使用其的光学次组件”, IN THE NAME OF APPLIED OPTOELECTRONICS, INC.	AOI	CN	Issued	2017800520332	8/30/2017	1099644158	12/8/2020
AN OPTICAL COMPONENT ASSEMBLY WITH A VERTICAL MOUNTING STRUCTURE FOR MULTI-ANGLE LIGHT PATH ALIGNMENT AND AN OPTICAL SUBASSEMBLY USING THE SAME	AOI	US	Issued	15/252,702	8/31/2016	9977200	5/22/2018
NEW CHINESE PATENT APPLICATION OF 2017800516977 FOR 用于减少光发射次组件 (TOSA) 与相关驱动电路之间的电互连损耗的技术和使用其的光收发器系统的技术”, IN THE NAME OF APPLIED OPTOELECTRONICS, INC.	AOI	CN	Issued	2017800516977	8/30/2017	ZL201780051697.7	3/22/2022
TECHNIQUES FOR REDUCING ELECTRICAL INTERCONNECTION LOSSES BETWEEN A TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) AND ASSOCIATED DRIVER CIRCUITRY AND AN OPTICAL TRANSCEIVER SYSTEM USING THE SAME	AOI	US	Issued	15/252,743	8/31/2016	10,044,445	8/7/2018
COAXIAL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) INCLUDING SIDEBY-	AOI	US	Issued	15/591,274	5/10/2017	10418777	9/17/2019

SIDE LASER DIODE AND MONITOR PHOTODIODE ARRANGEMENT							
OPTICAL TRANSCEIVER WITH A MULTIPLEXING DEVICE POSITIONED OFFCENTER WITHIN A TRANSCEIVER HOUSING TO REDUCE FIBER BENDING LOSS	AOI	CN	Issued	201780050835.x	8/18/2017	CN109804285B	4/6/2021
OPTICAL TRANSCEIVER WITH A MULTIPLEXING DEVICE POSITIONED OFFCENTER WITHIN A TRANSCEIVER HOUSING TO REDUCE FIBER BENDING LOSS	AOI	US	Issued	15/242,005	8/19/2016	10175431	1/8/2019
具有直接对准光复用器输入端的光发射子组件 (TOSA) 模块的光发射器或收发器 OPTICAL TRANSMITTER OR TRANSCEIVER INCLUDING TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) MODULES DIRECTLY ALIGNED TO OPTICAL MULTIPLEXER INPUTS	AOI	CN	Issued	201710419155.2	6/6/2017	107479144B	3/30/2021
OPTICAL TRANSMITTER OR TRANSCEIVER INCLUDING TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) MODULES DIRECTLY ALIGNED TO OPTICAL MULTIPLEXER INPUTS	AOI	EPO	Issued	17 174 985.6	6/8/2017	3255471	published

<b>Title of Invention</b>	<b>Owner</b>	<b>Country (Jurisdiction)</b>	<b>Legal Status</b>	<b>Appln.No.</b>	<b>Filing Date</b>	<b>Pat. / Serial No.</b>	<b>Patent Issue Date</b>
OPTICAL TRANSMITTER OR TRANSCEIVER INCLUDING TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) MODULES DIRECTLY ALIGNED TO OPTICAL MULTIPLEXER INPUTS	AOI	US	Issued	15/176,382	6/8/2016	9866329	1/9/2018
OPTICAL TRANSMITTER OR TRANSCEIVER INCLUDING REVERSED PLANAR LIGHTWAVE CIRCUIT (PLC) SPLITTER FOR OPTICAL MULTIPLEXING	AOI	US	Issued	15/176,404	6/8/2016	9923635	3/20/2018
OPTICAL TRANSMITTER OR TRANSCEIVER INCLUDING OPTICAL MULTIPLEXER WITH INPUT AND OUTPUT PORTS ON A SINGLE SIDE	AOI	US	Issued	15/210,193	7/14/2016	9891395	2/13/2018
WELDING ASSEMBLY FOR COUPLING A TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) MODULE TO AN OPTICAL TRANSMITTER OR TRANSCEIVER	AOI	US	Issued	15/473,563	3/29/2017	10509184	12/17/2019
TECHNIQUES FOR DIRECT OPTICAL COUPLING OF PHOTODETECTORS TO OPTICAL DEMULTIPLEXER OUTPUTS AND AN OPTICAL TRANSCEIVER USING THE SAME	AOI	CN	Pending	CN201780039151.X	25 Apr 2016		
TECHNIQUES FOR DIRECT OPTICAL COUPLING OF PHOTODETECTORS TO OPTICAL DEMULTIPLEXER OUTPUTS AND AN OPTICAL TRANSCEIVER USING THE SAME	AOI	US	Issued	15/137,823	4/25/2016	10,042,116	8/7/2018
TECHNIQUES FOR SHIELDING WITHIN AN OPTICAL TRANSCEIVER HOUSING TO MITIGATE ELECTROMAGNETIC INTERFERENCE BETWEEN OPTICAL SUBASSEMBLIES DISPOSED WITHIN THE SAME	AOI	US	Issued	15/475,073	3/30/2017	10514515	12/24/2019
A MULTILAYERED FLEXIBLE PRINTED CIRCUIT WITH BOTH RADIO FREQUENCY (RF) AND DC TRANSMISSION LINES AND AN OPTICAL TRANSCEIVER USING SAME	AOI	US	Issued	15/475,082	3/30/2017	10230470	3/12/2019
次模块壳体的端口与阵列波导光栅之间的间接耦合技术	AOI	CN	Issued	201880037431.1	6/5/2018	201880037431.1	CN 110741297 B



TECHNIQUES FOR INDIRECT OPTICAL COUPLING BETWEEN AN OPTICAL INPUT/OUTPUT PORT OF A SUBASSEMBLY HOUSING AND AN ARRAYED WAVEGUIDE GRATING (AWG) DEVICE DISPOSED WITHIN THE SAME	AOI	US	Issued	15/613,655	6/5/2017	10295763	5/21/2019
AN OPTICAL TRANSCEIVER MODULE HAVING A PARTITIONED HOUSING	AOI	US	Issued	15/242,017	8/19/2016	10247892	4/2/2019
具散热结构的光收发装置 OPTICAL TRANSCEIVER WITH HEAT RADIATION STRUCTURE	AOI	CN	Issued	201620133722.9	2/22/2016		6/29/2016
OPTICAL TRANSCEIVER WITH HEAT DISSIPATION STRUCTURE	AOI	TW	Issued	105200482	1/13/2016	M524593	6/21/2016
具散热结构的光收发装置	AOI	CN	Issued	2016201337229	2/22/2016		6/29/2016
LIGHT ENGINE WITH INTEGRATED TURNING MIRROR FOR DIRECT COUPLING TO PHOTONICALLY-ENABLED COMPLEMENTARY METAL-OXIDE SEMICONDUCTOR (CMOS) DIE	AOI	US	Issued	15/591,166	5/10/2017	10193302	1/29/2019

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Appln.No.	Filing Date	Pat. / Serial No.	Patent Issue Date
TRANSMITTER OPTICAL SUBASSEMBLY WITH TRACE ROUTING TO PROVIDE ELECTRICAL ISOLATION BETWEEN POWER AND RF TRACES	AOI	CN	Pending	201980027842.7	4/26/2019		
TRANSMITTER OPTICAL SUBASSEMBLY WITH TRACE ROUTING TO PROVIDE ELECTRICAL ISOLATION BETWEEN POWER AND RF TRACES	AOI	US	Issued	15/963246	4/26/2018	10313024	6/4/2019
TRANSMITTER OPTICAL SUBASSEMBLY ARRANGEMENT WITH VERTICALLY-MOUNTED MONITOR PHOTODIODES	AOI	CN	Pending	202010083158.5	2/8/2020		
TRANSMITTER OPTICAL SUBASSEMBLY ARRANGEMENT WITH VERTICALLY-MOUNTED MONITOR PHOTODIODES	AOI	US	Issued	16/268,765	2/6/2019	10714890	7/14/2020
NEW CHINESE PATENT APPLICATION OF 2019107048305 FOR “光纤插座及光学收发器”, IN THE NAME OF APPLIED OPTOELECTRONICS, INC.	AOI	CN	Pending	2019107048305	8/2/2018		
RECEPTACLE CONFIGURATION TO SUPPORT ON-BOARD RECEIVER OPTICAL SUBASSEMBLY (ROSA)	AOI	US	Issued	16053398	8/1/2019	10884201	1/5/2021
LENS CLIP FOR COUPLING AND OPTICAL ALIGNMENT OF AN OPTICAL LENS AND AN OPTICAL SUBASSEMBLY MODULE IMPLEMENTING SAME	AOI	CN	Pending	202010020749.8	1/9/2020		
LENS CLIP FOR COUPLING AND OPTICAL ALIGNMENT OF AN OPTICAL LENS AND AN OPTICAL SUBASSEMBLY MODULE IMPLEMENTING SAME	AOI	US	Issued	16/246,853	1/14/2019	11022765	6/1/2021
SUBASSEMBLY WITH HERMETICALLY-SEALED LIGHT ENGINE AND EXTERNAL ARRAYED WAVEGUIDE GRATING	AOI	CN	Pending	2019108052134	8/29/2019		
SUBASSEMBLY WITH HERMETICALLY-SEALED LIGHT ENGINE AND EXTERNAL ARRAYED WAVEGUIDE GRATING	AOI	US	Issued	16/116,087	8/29/2018	10989870	4/27/2021
OPTICAL ISOLATOR ARRAY FOR USE IN AN OPTICAL SUBASSEMBLY MODULE	AOI	CN	Pending	202010073641.5	1/22/2020		
OPTICAL ISOLATOR ARRAY FOR USE IN AN OPTICAL SUBASSEMBLY MODULE	AOI	US	Issued	16/257,635	1/25/2019	10788690	9/29/2020
LENS CLIP FOR COUPLING AND OPTICAL ALIGNMENT OF AN OPTICAL LENS ARRAY AND AN OPTICAL	AOI	CN	Pending	202010650708.7	7/8/2020	CN112241055A	

SUBASSEMBLY MODULE IMPLEMENTING SAME							
LENS CLIP FOR COUPLING AND OPTICAL ALIGNMENT OF AN OPTICAL LENS ARRAY AND AN OPTICAL SUBASSEMBLY MODULE IMPLEMENTING SAME	AOI	US	Issued	16/514,580	7/17/2019	11221460	1/11/2022
OPTICAL TURNING MIRROR WITH ANGLED OUTPUT INTERFACE TO INCREASE COUPLING EFFICIENCY AND A MULTI-CHANNEL OPTICAL SUBASSEMBLY USING SAME	AOI	CN	Pending	202010910393.5	9/2/2020		
OPTICAL TURNING MIRROR WITH ANGLED OUTPUT INTERFACE TO INCREASE COUPLING EFFICIENCY AND A MULTI-CHANNEL OPTICAL SUBASSEMBLY USING SAME	AOI	US	Issued	16/561,555	9/5/2019	10859775	12/8/2020

<b>Title of Invention</b>	<b>Owner</b>	<b>Country (Jurisdiction)</b>	<b>Legal Status</b>	<b>Appln.No.</b>	<b>Filing Date</b>	<b>Pat. / Serial No.</b>	<b>Patent Issue Date</b>
PHOTODIODE (PD) ARRAY WITH INTEGRATED BACKSIDE LENSES AND A MULTI-CHANNEL TRANSCIEVER MODULE IMPLEMENTING SAME	AOI	CN	Pending	201911177847.6	11/27/2019		
PHOTODIODE (PD) ARRAY WITH INTEGRATED BACKSIDE LENSES AND A MULTI-CHANNEL TRANSCIEVER MODULE IMPLEMENTING SAME	AOI	US	Pending	16/202,813	11/28/2018		
TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) WITH LASER DIODE DRIVER (LDD) CIRCUITRY MOUNTED TO FEEDTHROUGH OF TOSA HOUSING	AOI	CN	Pending	202010151738.3	3/6/2020		
TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) WITH LASER DIODE DRIVER (LDD) CIRCUITRY MOUNTED TO FEEDTHROUGH OF TOSA HOUSING	AOI	US	Issued	16/295,586	3/7/2019	10948671	3/16/2021
LOCKING ARRANGEMENT FOR PLUGGABLE OPTICAL SUBASSEMBLY MODULES	AOI	CN	Pending	201910998471.9	10/21/2019		
LOCKING ARRANGEMENT FOR PLUGGABLE OPTICAL SUBASSEMBLY MODULES	AOI	US	Issued	16/167,864	10/23/2018	10451825	10/22/2019
LASER SUBASSEMBLY HAVING IMPEDANCE-MATCHING NETWORK INTEGRATED ON LASER SUBMOUNT AND A TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) IMPLEMENTING SAME	AOI	CN	Pending	201911178017.5	11/27/2019		
LASER SUBASSEMBLY HAVING IMPEDANCE-MATCHING NETWORK INTEGRATED ON LASER SUBMOUNT AND A TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) IMPLEMENTING SAME	AOI	US	Issued	16/202,854	11/28/2018	10608408	3/31/2020
THERMOELECTRIC COOLER (TEC) HAVING TOP AND BOTTOM PLATES WITH ASYMMETRIC THERMAL CONDUCTIVITY AND AN OPTICAL SUBASSEMBLY IMPLEMENTING THE SAME	AOI	CN	Pending	202010654193.8	7/8/2020		
THERMOELECTRIC COOLER (TEC) HAVING TOP AND BOTTOM PLATES WITH ASYMMETRIC THERMAL CONDUCTIVITY AND AN OPTICAL SUBASSEMBLY IMPLEMENTING THE SAME	AOI	US	Issued	16/506,491	7/9/2019	10636954	4/28/2020
TO CAN LASER ASSEMBLY WITH OFF-CENTER LENS CAP AND AN OPTICAL TRANSCIEVER OR TRANSMITTER IMPLEMENTING SAME	AOI	CN	Pending	202010288810.7	4/4/2020		
TO CAN LASER ASSEMBLY WITH OFF-CENTER LENS CAP AND AN OPTICAL TRANSCIEVER OR	AOI	US	Issued	16/387,805	4/18/2019	10811839	10/20/2020

TRANSMITTER IMPLEMENTING SAME							
PRINTED CIRCUIT BOARD ASSEMBLY (PCBA) WITH INTEGRATED MOUNTING STRUCTURE TO ALIGN AND COUPLE TO TRANSMITTER OPTICAL ASSEMBLY (TOSA) MODULES	AOI	US	Issued	16/239,197	1/3/2019	10698168	6/30/2020
MULTIPLEXER\DEMULTIPLEXER WITH INPUT AND OUTPUT PORTS ON A SINGLE SIDE, AND AN OPTICAL TRANSCEIVER IMPLEMENTING SAME	AOI	CN	Pending	202010109114.5	2/21/2020		

<b>Title of Invention</b>	<b>Owner</b>	<b>Country (Jurisdiction)</b>	<b>Legal Status</b>	<b>Appln.No.</b>	<b>Filing Date</b>	<b>Pat. / Serial No.</b>	<b>Patent Issue Date</b>
MULTIPLEXER\DEMUTIPLEXER WITH INPUT AND OUTPUT PORTS ON A SINGLE SIDE, AND AN OPTICAL TRANSCEIVER IMPLEMENTING SAME	AOI	US	Issued	16/281,464	2/21/2019	10634844	4/28/2020
TEMPERATURE CONTROLLED MULTI-CHANNEL TRANSMITTER OPTICAL SUBASSEMBLY AND TRANSCEIVER MODULE INCLUDING SAME	AOI	CN	Pending	202010442885.6	5/22/2020		
TEMPERATURE CONTROLLED MULTI-CHANNEL TRANSMITTER OPTICAL SUBASSEMBLY AND TRANSCEIVER MODULE INCLUDING SAME	AOI	US	Issued	16/419,379	5/22/2019	11146039	10/12/2021
HOLDER ELEMENT WITH INTEGRATED OPTICAL ARRANGEMENT TO OFFSET AN OUTPUT LIGHT PATH	AOI	CN	Pending	202010804876.7	8/12/2020		
HOLDER ELEMENT WITH INTEGRATED OPTICAL ARRANGEMENT TO OFFSET AN OUTPUT LIGHT PATH	AOI	US	Issued	16/561,531	9/5/2019	10983291	4/20/2021
HEATSINK WITH GRAPHENE COATING AND AN OPTICAL TRANSMITTER OR TRANSCEIVER IMPLEMENTING SAME	AOI	CN	Pending	202011302986.x	11/19/2020		
HEATSINK WITH GRAPHENE COATING AND AN OPTICAL TRANSMITTER OR TRANSCEIVER IMPLEMENTING SAME	AOI	US	Issued	16/693,361	11/24/2019	11054592	7/6/2021
OPTICAL DEMULTIPLEXER WITH TRUNCATED PROFILE AND AN OPTICAL TRANSCEIVER MODULE IMPLEMENTING SAME	AOI	CN	Pending	202011319246.7	11/23/2020		
OPTICAL DEMULTIPLEXER WITH TRUNCATED PROFILE AND AN OPTICAL TRANSCEIVER MODULE IMPLEMENTING SAME	AOI	US	Issued	16/693,364	11/24/2019	11320598	5/3/2022
MONITOR PHOTODIODE (MPD) SUBMOUNT FOR VERTICAL MOUNTING AND ALIGNMENT OF MONITORING PHOTODIODES	AOI	CN	Pending	202011228376.x	11/6/2020		
MONITOR PHOTODIODE (MPD) SUBMOUNT FOR VERTICAL MOUNTING AND ALIGNMENT OF MONITORING PHOTODIODES	AOI	US	Issued	16/737,414	1/8/2020	11057112	7/6/2021
SUBSTRATE WITH STEPPED PROFILE FOR MOUNTING TRANSMITTER OPTICAL SUBASSEMBLIES AND AN OPTICAL TRANSMITTER OR TRANSCEIVER IMPLEMENTING SAME	AOI	CN	Pending	202011562992.9	12/25/2020		
SUBSTRATE WITH STEPPED PROFILE FOR MOUNTING TRANSMITTER OPTICAL SUBASSEMBLIES AND AN OPTICAL TRANSMITTER OR	AOI	US	Issued	16/737,438	1/8/2020	11177887	11/16/2021

TRANSCEIVER IMPLEMENTING SAME							
LOCKING ARRANGEMENTS FOR PLUGGABLE OPTICAL SUBASSEMBLY MODULES	AOI	CN	Pending	202111019904.5	9/1/2021	CN 114252962 A	
LOCKING ARRANGEMENTS FOR PLUGGABLE OPTICAL SUBASSEMBLY MODULES	AOI	US	Pending	17/031,362	9/24/2020		
LOCKING ARRANGEMENTS FOR PLUGGABLE OPTICAL SUBASSEMBLY MODULES	AOI	CN	Pending	CN112713127A	4/27/2021		

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Appln.No.	Filing Date	Pat. / Serial No.	Patent Issue Date
TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) WITH LASER DIODE DRIVER (LDD) CIRCUITRY MOUNTED TO FEEDTHROUGH OF TOSA HOUSING	AOI	US	Issued	16/664,202	10/25/2019	10928600	2/23/2021
COMPONENT BRIDGE FOR INCREASING MOUNTING SURFACE AREA ON FEEDTHROUGH DEVICE AND AN OPTICAL SUBASSEMBLY IMPLEMENTING SAME	AOI	US	Pending	202110087778.0	1/22/2021		
COMPONENT BRIDGE FOR INCREASING MOUNTING SURFACE AREA ON FEEDTHROUGH DEVICE AND AN OPTICAL SUBASSEMBLY IMPLEMENTING SAME	AOI	US	Pending	16/751,817	1/24/2020		
TECHNIQUES FOR THERMAL MANAGEMENT WITHIN OPTICAL SUBASSEMBLY MODULES	AOI	CN	Pending	202110768005.9	7/7/2021	114063227 A	
TECHNIQUES FOR THERMAL MANAGEMENT WITHIN OPTICAL SUBASSEMBLY MODULES	AOI	US	Pending	16/987,096	8/6/2020		
TECHNIQUES FOR THERMAL MANAGEMENT WITHIN OPTICAL SUBASSEMBLY MODULES AND A HEATER DEVICE FOR LASER DIODE TEMPERATURE CONTROL	AOI	CN	Pending	202110779740.X	7/9/2021	CN 114069381 A	
TECHNIQUES FOR THERMAL MANAGEMENT WITHIN OPTICAL SUBASSEMBLY MODULES AND A HEATER DEVICE FOR LASER DIODE TEMPERATURE CONTROL	AOI	US	Pending	16/987,126	8/6/2020		
LOCKING ARRANGEMENTS FOR PLUGGABLE OPTICAL SUBASSEMBLY MODULES	AOI	CN	Pending	202111019867.8	9/1/2021	CN 114252961 A	
LOCKING ARRANGEMENTS FOR PLUGGABLE OPTICAL SUBASSEMBLY MODULES	AOI	US	Issued	17/031,392	9/24/2020	11320601	5/3/2022
FIBER HOLDER FOR USE WITH OPTICAL SUBASSEMBLY MODULES	AOI	CN	Pending	202210117089.4	2/7/2022		
FIBER HOLDER FOR USE WITH OPTICAL SUBASSEMBLY MODULES	AOI	US	Pending	17/192,062	3/3/2021		
光次組件模組中使用的拋物面透鏡裝置	AOI	CN	Pending	202210484561.8	5/6/2022		
PARABOLIC LENS DEVICE FOR USE IN OPTICAL SUBASSEMBLY MODULES	AOI	US	Pending	17/331,911	5/27/2021		
OPTICAL TRANSCEIVER HOUSING WITH INTEGRATED VAPOR CHAMBER AND AN OPTICAL TRANSCEIVER	AOI	US	Pending	17/712,807	4/4/2022		



MODULE IMPLEMENTING SAME							
OPTICAL NETWORK UNIT	AOI	TW	Issued	098101897	1/19/2009	I404353	1/8/2013
具有改进误码率的激光收发器 LASER TRANSCIEVER WITH IMPROVED BIT ERROR RATE	AOI	CN	Pending	2015800438837			

**SCHEDULE 8**  
**COMPLETION AUDIT AND ADDITIONAL CONSIDERATION**

1. Within three (3) Business Days of the CFIUS Approval, the Parties shall mutually agree on (i) the scheduled Completion Date (to the extent feasible and subject to satisfaction of other Conditions Precedent); and (ii) the auditor (the “**Auditor**”) for an audit of the financial statements of the Subsidiary as of the last day of the calendar month immediately preceding the date of the CFIUS Approval (the “**Reference Date**”) in accordance with the generally acceptable accounting principles in the PRC (the “**Completion Audit**”). If the Parties fail to agree on the appointment of the Auditor, the Auditor shall be the then auditor of the Subsidiary for the fiscal year immediately prior to the Completion.
2. The Auditor shall be jointly engaged by the Buyer and the Seller on the terms consistent with the Subsidiary’s past practice dealing with its auditors (unless otherwise provided hereunder), and the costs for such appointment shall be borne equally between the Buyer and the Seller.
3. The Seller shall procure that the Completion Audit shall be delivered to the Buyer as soon as is reasonably practicable and in any event within thirty (30) Business Days after the Reference Date. The inventory (the “**Subsidiary Inventory**”), the account payables and receivables (with breakdown showing the relevant amounts to be settled pursuant to clauses 2.2(2) and 9.1 of this Agreement) and the net assets value (the “**Audited NAV**”) of the Subsidiary shall be as set out in the Completion Audit.
4. The Completion Audit shall be final and binding on the Parties for all purposes in accordance with the terms and conditions of this Agreement.
5. The Seller shall ensure that the Subsidiary’s net assets, as reflected in the Completion Audit, shall not be less than the value of the net assets shown in the Subsidiary’s unaudited management accounts dated as of 30 June 2022 (“**30 June 2022 NAV**”). To the extent the value of the net asset as of the 30 June 2022 NAV exceeds the Subsidiary’s net asset as reflected in the Completion Audit, the Seller shall pay the Buyer the value difference of the net asset within (30) calendar days from the Completion Date. The Seller further undertakes to the Buyer that the Seller shall pay, or procure payment of, such amount equal to 50% of the difference of between the value of the net assets shown in the Locked Box Account and 30 June 2022 NAV, by way of capital contribution to the Subsidiary in US Dollars as soon as reasonably practicable and in any event within thirty (30) Business Days after the Reference Date (the “**Capital Contribution**”). For the avoidance of any doubt, when measuring the 30 June 2022 NAV against the Audited NAV and Locked Box NAV, the relevant amounts shall be converted into US Dollars applying the exchange rate provided under clause 1.5 of this Agreement for such purpose.
6. Following the Completion and for a time period of twelve (12) calendar months thereafter (the “**Relevant Period**”), the Buyer shall, within thirty (30) calendar days following the end of each calendar month and by way of electronic transfer in cleared funds for same day value, pay to the Seller’s Bank Account such additional consideration for the Shares equal to the value of the Subsidiary Inventory depleted during such calendar month (such value to be determined based on the value ascribed to such Subsidiary Inventory in the Completion Audit), until the Subsidiary Inventory is fully depleted (collectively, the “**Additional Consideration**”); provided, that, during the Relevant Period, the Seller shall not be entitled to replace or replenish any of the Subsidiary Inventory with inventory of same or similar kind following the Reference Date unless and until the Subsidiary Inventory is depleted in full.
7. The Buyer further undertakes to the Seller that, during the Relevant Period and for three (3) months thereafter, it shall procure that the Subsidiary shall provide the Seller with (i) full access to the inventory management and depletion system of the Subsidiary; and (ii) the right to inspect the premises and warehouses of the Subsidiary, as the Buyer shall deem necessary for it to be able to review in detail the calculation of the value of Subsidiary Inventory depleted (together with all supporting information relied on by the Buyer in making such calculation).

**SCHEDULE 9**  
**ASSETS OF THE SUBSIDIARY**

The assets of the Subsidiary as of 31 December 2020 and 2021 are as below:

Statement of Financial Position

	<u>As at 31 Dec 2021</u>	<u>As at 31 Dec 2020</u>
	RMB	RMB
<b>Assets</b>		
<b>Current Assets</b>		
Inventory	241,225,134.50	352,046,525.66
Accounts receivable	230,759,854.36	189,896,843.46
Cash and cash equivalents	91,668,160.03	56,357,003.28
Notes receivable	51,947,794.09	2,618,523.42
Other receivable	6,086,174.26	6,375,247.28
Prepaid expense	2,224,733.37	2,445,439.99
Prepayments	1,636,229.90	5,693,424.90
Other current assets	198,940.43	174,372.83
Interest receivable	134,205.27	188,284.96
	<b><u>625,881,226.21</u></b>	<b><u>615,795,665.78</u></b>
<b>Non-Current Assets</b>		
Property, plant and equipment	628,157,332.18	635,735,596.54
Intangible assets	37,338,912.54	38,194,370.10
Long-term prepaid expense	26,211,648.97	38,901,728.18
	<b><u>691,707,893.69</u></b>	<b><u>712,831,694.82</u></b>
<b>Total Assets</b>	<b><u>1,317,589,119.90</u></b>	<b><u>1,328,627,360.60</u></b>

**SCHEDULE 10**  
**LIABILITIES OF THE SUBSIDIARY**

The liabilities of the Subsidiary as of 31 December 2020 and 2021 are as below:

Statement of Financial Position

	<u>As at 31 Dec 2021</u>	<u>As at 31 Dec 2020</u>
	RMB	RMB
<b>Liability</b>		
<b>Current Liability</b>		
Accounts payable	276,702,801.44	229,339,470.66
Short-term loan	208,098,608.87	90,711,850.00
Current portion of long-term loan	95,817,750.00	-
Notes payable	52,270,000.00	103,484,000.00
Payroll payable	14,545,892.28	19,575,671.37
Other payable	14,200,492.38	12,837,391.09
Tax payable	3,215,060.56	1,731,370.79
Accrued expenses	1,868,052.65	200,685.01
Provisions	492,006.09	1,340,751.85
Deferred Revenue	-	661.69
	<u>667,210,664.27</u>	<u>459,221,852.46</u>
<b>Non-Current Liability</b>		
Long-term loan	-	97,936,742.16
	-	<u>97,936,742.16</u>
<b>Total Liability</b>	<u>667,210,664.27</u>	<u>557,158,594.62</u>

**SCHEDULE 11**  
**LIST OF CUSTOMER OF SELLER AND/OR ANY MEMBER OF THE**  
**SELLER'S GROUP IN RELATION TO THE CATV BUSINESS**

[\*\*]

SIGNATORIES

Signed by )  
for and on behalf of )  
**Prime World International Holdings Ltd.** )  
in the presence of: )

\_\_\_\_\_  
) Name:  
) Title:

Witness signature: \_\_\_\_\_

Witness name:

*Signature Page to the Agreement for the Sale and Purchase of  
a New Company to be Established in Hong Kong*

\_\_\_\_\_

SIGNATORIES

Signed by )  
for and on behalf of )  
**Yuhan Optoelectronic Technology (Shanghai) Co., Ltd.** )  
裕汉光电子科技(上海)有限公司 )  
in the presence of: )

\_\_\_\_\_  
Name:  
Title:

Witness signature: \_\_\_\_\_

Witness name:

*Signature Page to the Agreement for the Sale and Purchase of  
a New Company to be Established in Hong Kong*

\_\_\_\_\_

SIGNATORIES

Signed by  
for and on behalf of  
**Applied Optoelectronics Inc.**

)  
)  
)  
)

in the presence of:

) \_\_\_\_\_  
) Name:  
) Title:

Witness signature: \_\_\_\_\_

Witness name:

*Signature Page to the Agreement for the Sale and Purchase of  
a New Company to be Established in Hong Kong*

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**PROJECT RADIANCE**

APPLIED OPTOELECTRONICS INC. (as Licensor)

AND

GLOBAL TECHNOLOGY CO., LTD.

YUHAN OPTOELECTRONIC TECHNOLOGY (SHANGHAI) CO., LTD.  
(裕汉光电子科技(上海)有限公司)

**TRADEMARK LICENSE AGREEMENT**

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THIS TRADEMARK LICENSEE AGREEMENT (this “Agreement”) is made on \_\_\_\_\_, 2022 (the “Execution Date”)

**BETWEEN:**

- (1) **Applied Optoelectronics Inc.**, a company incorporated in Delaware, USA, whose principal place of business is at 13139 Jess Pirtle Blvd., Sugar Land, TX 77478 (“**Licensor**” or “**AOI**”);
- (2) **Global Technology Co., Ltd.** (宁波环球广电科技有限公司), a company incorporated in the PRC (unified social credit code: 91330212739470836U) whose registered office is at No.88 Qiushi Road, Wangchun Industrial Park, Haishu District, Ningbo, Zhejiang Province (“**GT**”); and
- (3) **Yuhan Optoelectronic Technology (Shanghai) Co., Ltd.** (裕汉光电子科技(上海)有限公司), a company incorporated in the PRC (registered no. 91310115MA1H8BHE0A), whose registered office is at Block C, No. 888 Huanhu West Two Road, Nanhui New Town, Pudong New District, Shanghai (the “**Buyer**”).

GT and the Buyer, are also hereinafter individually referred to as a “**Licensee**” and collectively as the “**Licensees**”. AOI and Licensees, are also hereinafter individually referred to as a “**Party**” and collectively as the “**Parties**”.

**RECITALS:**

- (1) Prime World International Holdings Ltd. (“**Prime World**”) (as the Seller) and the Buyer have entered into the AGREEMENT FOR THE SALE AND PURCHASE OF A NEW COMPANY TO BE ESTABLISHED IN HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE’S REPUBLIC OF CHINA on \_\_\_\_\_, 2022 (the “**SPA**”), according to which, Prime World agrees to sell, and the Buyer agrees to buy the Shares (as defined in the SPA) and each right attaching to the Shares at or after Completion.
- (2) As of the Execution Date, Licensor is the owner of certain trademarks in the marks AOI and the goodwill associated therewith within the Licensed Territory, including those trademarks registered in the Licensed Territory as listed in Appendix A (the “**Licensed Marks**”). Upon Completion, Licensees desire to obtain a license from Licensor to use the Licensed Marks on the Licensed Products such that within the Licensed Territory by each Licensee.

**NOW THEREFORE**, in consideration of the foregoing and of the mutual promises hereinafter set forth, the Parties agree as follows:

**1. INTERPRETATION**

“**Affiliate**” means, in relation to a person, any other person which, directly or indirectly, controls, is controlled by or is under the common control of the first-mentioned person, where “Control” means the ownership, directly or indirectly, of more than fifty per cent (50%) of the voting shares, registered capital or other equity interest of the relevant person, or the power to appoint or elect a majority of the directors, or otherwise to direct the management of the relevant person;

“**Agreement Year**” means the twelve (12) consecutive month period from 1 January through 31 December during the Term except for the first Agreement Year. The first Agreement Year shall mean the period from the Execution Date through December 31, 2022;

“**Applicable Laws**” means all applicable statutes and laws, and orders and regulations of any Governmental Authority;

“**Business Day**” means any day (other than a Saturday or Sunday or public holiday) on which banks are open for the transaction of normal business in the PRC, Hong Kong and the United States;

“**Completion**” means the completion of the sale and purchase of the Shares in accordance with the SPA;

“**Governmental Authority**” means any transnational, national or foreign federal, state, provincial, municipal or local government (including any subdivision, court, administrative agency, regulatory body (including any securities exchange) or commission or other authority thereof), or any quasi-governmental or private body exercising any regulatory, importing or other governmental or quasi-governmental authority;

“**HKIAC**” has the meaning given to it in clause 14.2;

“**Intellectual Property Rights**” means all of the following anywhere in the world: (a) all patents and applications for patents; (b) all copyrights and copyright registrations; (c) all trade dress and trade names, logos, internet addresses and domain names, social media addresses and handles, trademarks and service marks and related registrations and applications and any renewals or extensions, all other indicia of commercial source or origin and all goodwill associated with any of the foregoing; (d) rights of publicity; (e) all inventions, technology, recipes, trade secrets, processes and techniques; and (f) other intellectual property or similar proprietary rights;

“**Licensed Marks**” means the registered Marks listed in Part A of Appendix A and the pending Marks listed in Part B of Appendix A;

“**Licensed Products**” means any Transceivers Products that uses or bears one or more of the Licensed Marks, being more specifically described in the technical specifications and indices as specified in the report submitted by each Licensee according to clause 3.2;

“**Licensee Marks**” has the meaning given to it in clause 6.3;

“**Licensor Standards**” has the meaning given to it in clause 5.1;

“**Licensed Territory**” for each Licensed Mark means the country/jurisdiction where such Licensed Mark in Parts A or B of Appendix A is registered or to be registered;

“**Marks**” means all trade dress and trade names, logos, trademarks and service marks and related registrations and applications and any renewals or extensions, all other indicia of commercial source or origin and all goodwill associated with any of the foregoing;

“**New Marks**” has the meaning given to it in clause 3.4.1;

“**Notice**” has the meaning given to it in clause 13.1;

“**PRC**” the People’s Republic of China and solely for the purposes of this Agreement, excluding Hong Kong, Macau, and Taiwan;

“**Rules**” has the meaning given to it in clause 14.2;

“**Shares**” has the meaning set forth in the SPA;

“SPA” has the meaning given to it in Recitals;

“Sub-Assembly Products” has the meaning given to it in the SPA;

“Term” has the meaning given to it in clause 2.3;

“Third-Party Marks” has the meaning given to it in clause 6.3;

“Transceiver Business” has the meaning set forth in the SPA;

“Transceivers Products” has the meaning given to it in the SPA.

## 2. TERM

2.1 This Agreement shall take effect from the Execution Date and continue in force for a period of three (3) years after the Execution Date, unless terminated earlier in accordance with clause 9 (the “**Initial Term**”).

2.2 This Agreement may be renewed by the Licensees, upon three (3) months prior written notice to the Licensor, for additional two (2) year periods (each a “**Renewal Term**”), provided that the Licensees: (a) are not in material breach of this Agreement at the expiration of the Initial Term; and (b) provide to the Licensor reasonable written assurance of its ability to continue to perform its obligations under this Agreement and to maintain the operation of the Business (as defined in the SPA).

2.3 Notwithstanding the foregoing, at the end of the first Renewal Term, the Licensor may elect not to renew this Agreement for the next Renewal Term by giving Notice of non-renewal to the Licensees at least six (6) months prior to the expiration of the then current Renewal Term. The “**Term**” of this Agreement shall be the Initial Term and any Renewal Terms.

2.4 Subject to provisions of clause 9 herein, if either Licensee ceases the use of a Licensed Mark within the Licensed Territory for more than eighteen (18) months, Licensor may take such action as it reasonably determines necessary to preserve and maintain that Licensed Mark, including but not limited to making use of such Licensed Mark by Licensor on its own, within the Licensed Territory. Each Licensee shall notify Licensor of any Licensed Mark which such Licensee is no longer using in the Licensed Territory promptly, but no later than thirty (30) days, after such Licensee is aware of discontinued use of the Mark.

## 3. GRANT OF LICENSE

3.1 Inside the Licensed Territory, subject to the provisions of this Agreement and the SPA, Licensor grants to each Licensee, and each Licensee accepts, a non-exclusive, non-transferable, non-sub-licensable, personal license to use the Licensed Marks in the Licensed Territory in connection with the use, distribution, offer for sale, sale, and advertising of the Licensed Products.

3.2 Each Licensee shall, at least thirty (30) Business Days before the commencement of each Agreement Year, submit a report listing out the Licensed Product information to Licensor with the format to the satisfaction of Licensor, which shall at least include the model, type and etc., subject to any Applicable Laws and confidentiality obligations of the relevant Licensee owed to any of their clients.

3.3 Each Licensee shall, as a good faith custodian, use the Licensed Marks properly according to attentions and instructions of Licensor (including without limitation, the branding policies provided by Licensor, if any) within the scope of the license granted by Licensor hereunder.

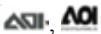
#### 3.4 New Marks

3.4.1 Licensor, in its sole discretion and expense, may pursue additional Marks within the Licensed Territory as part of Licensor's global Intellectual Property Rights strategy, which additional Marks will not then be subject to this Agreement even if such additional Marks are related to Transceivers Products (the "New Marks"), provided that the use of the New Marks is subject to the non-compete covenant of the Seller in the SPA.

3.4.2 Each Licensee may pursue its own trademarks within or outside the Licensed Territory, provided that such trademarks are not an extension, derivative or dilutive of any of the Licensed Marks hereunder.

#### 3.5 Filing

Licensor may, at its sole cost, file this Agreement and submit documents for filing to the competent trademark Governmental Authority upon effectiveness, modification or termination of this Agreement.

3.6 Unless otherwise specifically stipulated in this Agreement, each Licensee must not use, in any manner whatsoever, the trade mark "AOI" in logotype or in any other style, or the trademark known as the  or any other Marks, domain name, owned, controlled or used by Licensor or any other Licensor's Affiliates, or any other word or mark similar thereto.

3.7 During the Term, Licensor reserves all of the right to (i) grant any or all of the rights granted to Licensees hereunder to any third party on a non-exclusive basis within the Licensed Territory; and/or (ii) exploit any or all of the rights granted to Licensees hereunder by itself all around the world. Notwithstanding the foregoing provisions and at any time prior to the seventh (7<sup>th</sup>) anniversary of the Completion (as defined in the SPA), the Licensor undertakes to the Licensees not to grant license to use the Licensed Marks in the Licensed Territory to any manufacturer of the Licensed Products primarily supplied to the data center industry, fibre to the X (FTTx) market and wireless telecommunication market.

3.8 In the event any authorized distributor of any Licensee will require a sub-license of the Licensed Marks for the marketing and distribution of the Licensed Products in the Licensed Territory, the Licensee shall forthwith provide written notice to the Licensor accompanied by the draft sub-license agreement and brief description of the relevant authorized distributor(s), and no such sub-license agreement shall be entered into without the Licensor's prior written consent, and Licensor shall not unreasonably withhold or delay the consent if it cannot reasonably demonstrate in writing that the sublicense would be detrimental to Licensor's interests or goodwill.

### 4. CONSIDERATION

4.1 Unless otherwise agreed by the Parties in writing, the consideration for the license granted under clause 3 of this Agreement during the Initial Term has been fully considered as part of the Consideration as contemplated in SPA.

- 4.2 During the first Renewal Term, the Licensees shall, jointly and severally, pay to the Licensor an aggregate royalties of US100,000 per annum, and the total payment of such royalties shall be made no later than ninety (90) days prior to the commencement of the first Renewal Term.
- 4.3 During the second Renewal Term, the Licensees shall, jointly and severally, pay to the Licensor an aggregate royalties of US200,000 for the first twelve (12) months during such Renewal Term and an aggregate royalties of US200,000 for the second twelve (12) months during such Renewal Term, and the total payment of such royalties shall be made no later than ninety (90) days prior to the commencement of the second Renewal Term.
- 4.4 During the third and any subsequent Renewal Term, the Licensees shall, jointly and severally, pay to the Licensor an aggregate royalties of US400,000 per annum, and the total payment of such royalties shall be made no later than ninety (90) days prior to the commencement of the each Renewal Term.
- 4.5 If any withholding or deduction from any payment under this Agreement by Licensees is required in respect of any taxes, fees, assessments or other charges of any kind imposed by any governmental authority pursuant to any Applicable Law, the Licensees will: (i) deduct such tax from the amount payable to the Licensor; (ii) pay the deducted amount referred to in clause (i) to the relevant governmental authority; and (iii) promptly forward to the Licensor a withholding tax certificate evidencing that payment.
- 4.6 Fees for the license of any Licensed Marks in connection with the products other than the Licensed Products shall be separately negotiated by the Parties.

## 5. QUALITY STANDARDS

- 5.1 Both Licensees agree that the nature and quality of each Licensee's provision of all of the following with respect to the Licensed Products shall conform to standards reasonably requested by, set by, and/or otherwise established by Licensor from time to time (if any, the "**Licensor Standards**") with commercially reasonable prior notice to Licensees: (a) all manufacture, sales, and installation of the Licensed Products rendered by each Licensee; (b) all Licensed Products distributed or sold by each Licensee; and (c) all uses of the Licensed Marks by each Licensee in relation to advertising, promotional, and other matters.
- 5.2 Subject to the Applicable Laws, both Licensees agree to cooperate with Licensor (a) to facilitate Licensor's evaluation of the nature and quality of each Licensee's sales, installation and maintenance of the Licensed Products; (b) to permit Licensor to, solely for the purpose of the aforesaid evaluation, conduct reasonable, periodic inspection of each Licensee's operations, at reasonable times and with reasonable notice; and (c) to supply Licensor with any documents or materials related to maintaining or securing the Licensed Marks or any rights relating to the Licensed Marks, and to supply Licensor with specimens of all uses of the Licensed Marks upon Licensor's reasonable request. Licensor shall keep confidential all information of each Licensee acquired during the aforesaid process, and shall use such information solely for examining whether the nature and quality of each Licensee's sales, installation and maintenance of the Licensed Products conform to the Licensor Standards and requirements under this Agreement. Each Licensee shall comply with all Applicable Laws and obtain all appropriate governmental approvals pertaining to the distribution, sale, and advertising of the Licensed Products.

5.3 If, at any time during the Term, the quality of Licensed Products manufactured or supplied by any Licensee does not meet Licensor Standards, Licensor may, at its sole and absolute discretion, instruct relevant Licensee to rectify such failure in quality at such Licensee own cost. If relevant Licensee fails to rectify the quality standard failures referred to in this clause 5.3 within a reasonable time, Licensor may regard such failure as a breach envisaged by clause 9.2 of this Agreement.

## 6. LICENSED MARKS

6.1 The Parties agree that Licensee may include the Licensed Marks on or with the Licensed Products, and if Licensor requires any special notice and/or legend with respect to the Licensed Marks to be included, Licensor shall notify Licensees in writing in advance and such notice and/or legend shall be consented to by both parties. Licensees shall include “TM”, “®” or the equivalent thereof that are applicable for the Applicable Laws in the Licensed Territory.

6.2 Each Licensee acknowledges Licensor’s ownership of the Licensed Marks in the Licensed Territory, agrees that it will do nothing inconsistent with such ownership, and that all uses of the Licensed Marks by each Licensee. Each Licensee agrees that nothing in this Agreement shall give any Licensee any right, title, or interest in the Licensed Marks other than the right to use the Licensed Marks in accordance with this Agreement and each Licensee agrees that it will not attack the title of Licensor to the Licensed Marks, attack the validity of this Agreement or any of the Licensor’s registrations or applications relating to the Licensed Marks in any jurisdiction. Each Licensee agrees that it has no right to and shall not file any applications to register the Licensed Marks, in whole or in part, or any variation or derivation thereof or any symbols or logos related thereto in any jurisdiction, without the prior written approval of the Licensor.

6.3 The Parties acknowledge that each Licensee may sell the Licensed Products also under the Marks of each Licensee itself (the “**Licensee Marks**”) or other Marks licensed from and owned by third parties (the “**Third-Party Marks**”) (other than the Licensed Marks hereunder) within the Licensed Territory, so long as each Licensee shall not, without the written confirmation and consent of all of the Parties: (a) use any Licensee Marks or Third-Party Marks in any manner that would confuse potential purchasers of the Licensed Products about the source of such items; or (b) use the Licensed Marks in a manner that is disparaging or detrimental to Licensor or any of its Affiliates.

6.4 The Parties acknowledge that each Licensee may rebrand Transceivers Products that use or bear one or more of the Licensed Marks within the Licensed Territory. Licensees may remove that one or more Licensed Marks so long as the Licensee Marks replace such removed Licensed Marks.

## 7. INFRINGEMENT

7.1 Each Licensee shall notify Licensor promptly of any actual or threatened infringements or imitations upon the Licensed Marks, confusion in the marketplace caused by third parties arising from each Licensee’s sale of the Licensed Products, or unauthorized use of the Licensed Marks by third parties of which each Licensee becomes aware. Licensor shall have the sole right (but not the obligation) to (1) prepare and deliver the out-of-court cease and desist letter to the relevant third-party infringer, (2) bring any action in any court, and/or (3) bring any administrative action before the competent Governmental Authorities, on account of any such infringements, imitations, or unauthorized use, or confusion in the marketplace, and each Licensee shall cooperate with Licensor, as Licensor may reasonably request, in connection with any such action brought by Licensor. Licensor shall retain any and all damages, settlement, recoveries and/or compensation paid to Licensor by third parties in connection with any such action brought by Licensor.



## **8. INDEMNIFICATION**

- 8.1 Licensors shall defend and indemnify, and save and hold Licensees harmless from and against any and all liabilities, claims, causes of action, suits, damages, including reasonable attorneys' fees and expenses, for which any Licensee becomes liable, or may incur or be compelled to pay by reason of Licensor's activities or breach of the terms of this Agreement, including but not limited to: (a) any infringement of the Licensed Marks upon Marks owned by third parties (except for the portion of infringement arising from any Licensee's continuing use of such Mark after such Licensee receives the documentation from Licensor which can reasonably evidence the infringement of such Mark and the written instruction from Licensor to cease use of such Mark); or (b) defects in the Licensed Marks, except those arising from any Licensee's fault or material breach of the terms of this Agreement.
- 8.2 Licensees shall defend and indemnify, and save and hold Licensor harmless from and against any and all liabilities, claims, causes of action, suits, damages, including reasonable attorneys' fees and expenses, for which Licensor becomes liable, or may incur or be compelled to pay by reason of any Licensee's activities or breach of the terms of this Agreement, including but not limited to defects in the Licensee Marks, except those arising from Licensor's fault or material breach of the terms of this Agreement.
- 8.3 Pursuant to this Agreement, Licensor shall not be responsible for any personal liability, personal injury, or product defect for a Transceivers Product solely because the Transceivers Product uses or bears one or more of the Licensed Marks.
- 8.4 Licensor shall in no event be responsible, and in no event indemnify Licensees, for relevant losses, if any, arising from any personal liability, personal injury, product defect, or damages to third-parties due to a defect of Licensees.
- 8.5 Each Licensee shall be held jointly and severally liable for all of each other's obligations, liabilities, undertakings, warranties, acknowledgments in this Agreement.
- 8.6 EXCEPT WITH RESPECT TO INDEMNIFICATION FOR THIRD PARTY CLAIMS PURSUANT TO CLAUSE 8.1(a), UNDER NO CIRCUMSTANCES WILL LICENSOR HAVE ANY LIABILITY UNDER THIS AGREEMENT FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, DAMAGES FOR LOSS OF BUSINESS, OR BUSINESS INFORMATION, OR DAMAGES FOR BUSINESS INTERRUPTION.

## **9. TERMINATION**

- 9.1 This Agreement may be terminated before the expiry hereof by an agreement reached between the Parties through negotiation.

9.2 In addition to the provisions of clause 2, Licensor shall have the right to terminate this Agreement by giving any Licensee a written notice, effective upon the expiry of thirty (30) days from any Licensee's receipt of such written termination notice from Licensor:

- (1) in the event of any affirmative act of insolvency by any Licensee;
- (2) upon the appointment of any receiver or trustee to take possession of the properties of any Licensee;
- (3) upon the winding-up, sale, consolidation, merger, or any sequestration by Governmental Authority of any Licensee (except any sale, consolidation or merger between Licensees and their Affiliates);
- (4) the SPA is terminated for whatever reason;
- (5) upon breach of material duties and obligations of any Licensee under this Agreement and, if such breach is curable, failing to cure such breach within ten (10) Business Days of Licensor's written notice of such breach; or
- (6) in the event of any Licensee undertakes a change of Control.

9.3 The exercise of any right of termination under this clause 9 shall not affect any rights which have accrued prior to termination and shall be without prejudice to any other legal remedies to which Licensor or any Licensee may be entitled by reason of such rights. The obligations and provisions of clauses 6, 7, 8 and 10 shall survive any expiration or termination of the Term of this Agreement.

## **10. EFFECTS OF AND PROCEDURE ON TERMINATION**

10.1 Upon the expiration or termination of the Term of this Agreement, each Licensee agrees to discontinue all use of the Licensed Marks and any term confusingly similar thereto within thirty (30) Business Days from the expiry or termination of the Term or such other term as agreed upon between both Parties, to destroy all printed materials bearing any of the Licensed Marks, and that all rights in the Licensed Marks and the goodwill connected therewith shall remain the property of Licensor, provided, however, that Licensor agrees that each Licensee may continue to sell the previously manufactured products in storage and use the Licensed Marks on such products, and continue to lease the products for a reasonable time period not to exceed ninety (90) days after the expiry or termination of the Term.

## **11. RELATIONSHIP OF THE PARTIES**

11.1 The relationship of any Licensee to Licensor is that of an independent contractor and any Licensee or their agents or employees shall not be considered employees or agents of Licensor. This Agreement does not constitute and shall not be construed as constituting a partnership or joint venture or grant of a franchise between Licensor and any Licensee. Any Licensee shall not have the right to bind Licensor to any obligations to third parties.

## **12. ASSIGNMENT**

12.1 Licensor may, by serving a notification to Licensees, freely assign to any third party the benefit of this Agreement or all or part of its rights and/or obligations under this Agreement.

12.2 Any Licensee shall not assign, delegate, sub-contract, transfer, charge or otherwise dispose of all or any of its rights and responsibilities under this Agreement without the express prior written consent of Licensor and any attempted assignment by any Licensee without such prior written consent from Licensor shall be void and shall constitute a breach of the obligations of any Licensee hereunder.

**13. NOTICES**

- 13.1 Any notice, demand, waiver, consent, approval, or disapproval (collectively referred to as “**Notice**”) required or permitted herein shall be in writing and shall be given personally, by messenger, by air courier, by telecopy, or by prepaid registered or certified mail, with return receipt requested, addressed to the Parties at their respective addresses set forth above or at such other address as a Party may hereafter designate in writing to the other Party.
- 13.2 A Notice shall be deemed received on the date of receipt.

**14. GOVERNING LAW AND JURISDICTION**

- 14.1 This Agreement is governed by, and shall be construed in accordance with, the laws of Hong Kong.
- 14.2 Any dispute, controversy or claim arising out of, relating to, or in connection with this Agreement, including (without limitation) any dispute regarding the breach, existence, validity or termination of this Agreement shall be finally settled by binding arbitration administered by the Hong Kong International Arbitration Centre (“**HKIAC**”) in accordance with the HKIAC Administered Arbitration Rules in effect at the time of the arbitration (“**Rules**”), which Rule are deemed to be incorporated by reference into this clause and as may be amended by the provisions of this clause.
- 14.3 The seat of the arbitration shall be Hong Kong. The arbitration tribunal shall consist of three arbitrators to be appointed in accordance with the Rules.
- 14.4 The language to be used in the arbitral proceedings shall be English and any arbitral award shall be given in English.
- 14.5 Nothing in this clause 14 shall be construed as preventing any party from seeking conservatory or interim relief from any court of competent jurisdiction. Any award shall be final and binding upon the parties from the day it is made. The parties undertake to carry out each and every arbitral award without delay.

**15. GOVERNING LANGUAGE**

This Agreement is written in English. If this Agreement is translated into another language, the English version shall prevail.

**16. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which when executed and delivered is an original and all of which together evidence the same agreement.

*[Signatures on Following Page]*

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed by their duly authorized representatives, each of which shall constitute an original effective as of the date hereof.

**APPLIED OPTOELECTRONICS, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**GLOBAL TECHNOLOGY CO., LTD.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**YUHAN OPTOELECTRONIC TECHNOLOGY (SHANGHAI) CO., LTD. (裕汉光电子科技(上海)有限公司)**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*Signature Page to Trademark License Agreement*

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Appendix A

Part A

Registration Number	Trademark Name	Filing Date	Issue Date	Goods And Services	Registration Territory
835558	AOI	2004/7/29	2004/7/29	LIGHT EMITTING DIODES, LASERS AND PHOTODETECTORS, NOT FOR MEDICAL USE	Australia
835558	AOI	2004/7/29	2004/7/29	LASERS AND PHOTODETECTORS, NOT FOR MEDICAL USE	China
835558	AOI	2004/7/29	2004/7/29	LIGHT EMITTING DIODES, LASERS AND PHOTODETECTORS, NOT FOR MEDICAL USE	Korea
835558	AOI	2004/7/29	2004/7/29	LIGHT EMITTING DIODES, LASERS AND PHOTODETECTORS, NOT FOR MEDICAL USE	EU
00810835558	AOI	2004/7/29	2004/7/29	LIGHT EMITTING DIODES, LASERS AND PHOTODETECTORS, NOT FOR MEDICAL USE	United Kingdom
2,535,730	AOI	2000/4/3	2002/2/5	LASERS AND PHOTODETECTORS NOT FOR MEDICAL USE	USA
37122258	AOI APPLIED OPTOELECTRONICS, INC. (Stylized)	2019/3/27	2021/2/21	OPTICAL COMMUNICATION INSTRUMENT; NETWORK COMMUNICATION EQUIPMENT; OPTICAL FIBERS; LASERS, NOT FOR MEDICAL PURPOSE	China

<b>Registration Number</b>	<b>Trademark Name</b>	<b>Filing Date</b>	<b>Issue Date</b>	<b>Goods And Services</b>	<b>Registration Territory</b>
5,897,518	AOI APPLIED OPTOELECTRONICS, INC. (Stylized)	2016/7/29	2019/10/29	OPTOELECTRONIC DEVICES, NAMELY, LASERS NOT FOR MEDICAL USE AND PHOTODETECTORS	USA
6620757	AOI (Stylized)	2008/3/26	2010/5/14	LASERS NOT FOR MEDICAL USE	China
2832440	AOI (Stylized)	2001/3/9	2004/4/13	LASERS NOT FOR MEDICAL USE	USA
836064	APPLIED OPTOELECTRONICS, INC.	2004/7/29	2004/7/29	International Class 09	Japan
3001557	APPLIED OPTOELECTRONICS, INC.	2004/7/28	2005/9/27	LASERS NOT FOR MEDICAL USE	USA

<b>Registration Number</b>	<b>Title</b>	<b>Filing Date</b>	<b>Issue Date</b>	<b>Goods And Services</b>	<b>Registration Territory</b>
	AOI (Stylized)	2021/10/12		OPTICAL COMMUNICATION INSTRUMENTS; NETWORK COMMUNICATION EQUIPMENT; PHOTODETECTORS NOT FOR MEDICAL USE; OPTICAL FIBERS; TRANSISTORS; PHOTODIODE; PHOTOELECTRIC SENSORS; OPTICAL RECEIVERS; OPTICAL NODES; OPTICAL AMPLIFIERS; RF AMPLIFIER	USA
	AOI (Stylized)	2021/9/10		OPTICAL COMMUNICATION INSTRUMENTS; NETWORK COMMUNICATION EQUIPMENT; PHOTODETECTORS NOT FOR MEDICAL USE; OPTICAL FIBERS; TRANSISTORS; PHOTODIODE; PHOTOELECTRIC SENSORS; OPTICAL RECEIVERS; OPTICAL NODES; OPTICAL AMPLIFIERS; RF AMPLIFIER	Taiwan

<b>Registration Number</b>	<b>Title</b>	<b>Filing Date</b>	<b>Issue Date</b>	<b>Goods And Services</b>	<b>Registration Territory</b>
	AOI (Stylized)	2021/10/19		PHOTODIODE; PHOTOELECTRIC SENSORS; OPTICAL RECEIVERS; OPTICAL NODES; OPTICAL AMPLIFIERS; RF AMPLIFIER	China
	AOI APPLIED OPTOELECTRONICS, INC. (Stylized)	2021/10/12		OPTICAL COMMUNICATION INSTRUMENTS; NETWORK COMMUNICATION EQUIPMENT; PHOTODETECTORS NOT FOR MEDICAL USE; OPTICAL FIBERS; TRANSISTORS; PHOTODIODE; PHOTOELECTRIC SENSORS; OPTICAL RECEIVERS; OPTICAL NODES; OPTICAL AMPLIFIERS; RF AMPLIFIER	USA
	AOI APPLIED OPTOELECTRONICS, INC. (Stylized)	2021/9/10		OPTICAL COMMUNICATION INSTRUMENTS; NETWORK COMMUNICATION EQUIPMENT; PHOTODETECTORS NOT FOR MEDICAL USE; OPTICAL FIBERS; TRANSISTORS; PHOTODIODE; PHOTOELECTRIC SENSORS; OPTICAL RECEIVERS; OPTICAL NODES; OPTICAL AMPLIFIERS; RF AMPLIFIER	Taiwan



<b>Registration Number</b>	<b>Title</b>	<b>Filing Date</b>	<b>Issue Date</b>	<b>Goods And Services</b>	<b>Registration Territory</b>
	AOI APPLIED OPTOELECTRONICS, INC. (Stylized)	2021/10/19		PHOTODIODE; PHOTOELECTRIC SENSORS; OPTICAL RECEIVERS; OPTICAL NODES; OPTICAL AMPLIFIERS; RF AMPLIFIER	China
	AOI	2021/10/19		PHOTODIODE; PHOTOELECTRIC SENSORS; OPTICAL RECEIVERS; OPTICAL NODES; OPTICAL AMPLIFIERS; RF AMPLIFIER	China
	AOI	2021/10/12		OPTICAL COMMUNICATION INSTRUMENTS; NETWORK COMMUNICATION EQUIPMENT; PHOTODETECTORS NOT FOR MEDICAL USE; OPTICAL FIBERS; TRANSISTORS; PHOTODIODE; PHOTOELECTRIC SENSORS; OPTICAL RECEIVERS; OPTICAL NODES; OPTICAL AMPLIFIERS; RF AMPLIFIER	USA

<b>Registration Number</b>	<b>Title</b>	<b>Filing Date</b>	<b>Issue Date</b>	<b>Goods And Services</b>	<b>Registration Territory</b>
	AOI	2021/9/10		OPTICAL COMMUNICATION INSTRUMENTS; NETWORK COMMUNICATION EQUIPMENT; PHOTODETECTORS NOT FOR MEDICAL USE; OPTICAL FIBERS; TRANSISTORS; PHOTODIODE; PHOTOELECTRIC SENSORS; OPTICAL RECEIVERS; OPTICAL NODES; OPTICAL AMPLIFIERS; RF AMPLIFIER	Taiwan

**PROJECT RADIANCE**

APPLIED OPTOELECTRONICS INC.

AND

GLOBAL TECHNOLOGY CO., LTD

YUHAN OPTOELECTRONIC TECHNOLOGY (SHANGHAI) CO., LTD.  
(裕汉光电科技(上海)有限公司).

**TECHNOLOGY CROSS LICENSE AGREEMENT**

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THIS TECHNOLOGY CROSS LICENSE AGREEMENT (this “Agreement”) is made on \_\_\_\_\_, 2022 (the “Execution Date”)

**BETWEEN:**

- (1) **Applied Optoelectronics Inc.**, a company incorporated in State of Delaware of United States with principal place of business at 13139 Jess Pirtle Blvd., Sugar Land, Texas, United States (“**AOI**”);
- (2) **Global Technology Co., Ltd.** (宁波环球广电科技有限公司), a company incorporated in the PRC (unified social credit code: 91330212739470836U) whose registered office is at No.88 Qiushi Road, Wangchun Industrial Park, Haishu District, Ningbo, Zhejiang Province (“**Ningbo Target**”); and
- (3) **Yuhan Optoelectronic Technology (Shanghai) Co., Ltd.** (裕汉光电子科技(上海)有限公司), a company incorporated in the PRC (unified social credit code: 91310115MA1H8BHE0A) whose registered office is at Block C, No. 888 Huanhu West Two Road, Nanhui New Town, Pudong New District, Shanghai (“**Yuhan Shanghai**”).

AOI, Ningbo Target and Yuhan Shanghai, are also hereinafter individually referred to as a “**Party**” and collectively as the “**Parties**”.

**RECITALS:**

- (1) Prime World International Holdings Ltd. (“**Prime World**”) (as the Seller) and Yuhan Shanghai (as the Buyer) have entered into the AGREEMENT FOR THE SALE AND PURCHASE OF A NEW COMPANY TO BE ESTABLISHED IN HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE’S REPUBLIC OF CHINA on \_\_\_\_\_, 2022 (the “**SPA**”), according to which, Prime World agrees to sell, and the Buyer agrees to buy the Shares (as defined in the SPA) (i.e. the whole of the allotted and issued share capital of NewCo) and each right (including, without limitation, the right to receive all dividends, distributions or any return of capital declared, paid or made by NewCo) attaching to the Shares at or after Completion (as defined in the SPA).
- (2) As of the Execution Date, (a) AOI is the owner of certain Patents in relation to the CATV Products granted or applied within the Licensed Territory of Ningbo Target or Yuhan Shanghai(the “**AOI Technology**”); (b) Ningbo Target is the owner of certain Patents and Know-How in relation to the Transceivers Products, Sub-Assembly Products and CATV Products granted or applied within the Licensed Territory of AOI (the “**Ningbo Target Technology**”); (c) Yuhan Shanghai is or would be the owner of certain Patents in relation to the Transceivers Products and Sub-Assembly Products granted or applied within the Licensed Territory of AOI (the “**Yuhan Shanghai Technology**”).
- (3) Following the Execution Date, Ningbo Target and Yuhan Shanghai desire to obtain a license under the AOI Technology to make, use, import, export, offer for sale, lease, distribute, sell and/or otherwise dispose of AOI Licensed Products, and AOI desires to obtain a license under the Ningbo Target Technology and the Yuhan Shanghai Technology to make, use, import, export, offer for sale, lease, distribute, sell and/or otherwise dispose of Ningbo Target Licensed Products and / or the Yuhan Shanghai Licensed Products.

NOW THEREFORE, in consideration of the foregoing and of the mutual promises hereinafter set forth, the Parties agree as follows:

## 1. INTERPRETATION

“**Affiliate**” means, in relation to a person, any other person which, directly or indirectly, controls, is controlled by or is under the common control of the first-mentioned person, where “control” means the ownership, directly or indirectly, of more than fifty percent (50%) of the voting shares, registered capital or other equity interest of the relevant person, or the power to appoint or elect a majority of the directors, or otherwise to direct the management of the relevant person;

“**Agreement Year**” means the twelve (12) consecutive month period from 1 January through 31 December during the Term except for the first Agreement Year. The first Agreement Year shall mean the period from the Execution Date through December 31, 2022;

“**Applicable Laws**” means all applicable statutes and laws, and orders and regulations of any Governmental Authority;

“**AOI Licensed Products**” means the AOI Patent Products;

“**AOI Patent Products**” means:

- (i) all goods, the manufacture, sale (or other supply) or use of which infringes a granted Valid Claim of AOI Patents or would infringe a pending Valid Claim of AOI Patents if granted, in each case, in the country of manufacture, sale (or other supply) or use; and
- (ii) all services, the provision of which infringes a granted Valid Claim of the AOI Patents or would infringe a pending Valid Claim of the AOI Patents if granted, in each case, in the country of provision;

“**AOI Patents**” means the Patents as set out in Part A of Appendix A, which is related to CATV Products;

“**AOI Technology**” means the AOI Patents;

“**Business Day**” means any day (other than a Saturday or Sunday or public holiday) on which banks are open for the transaction of normal business in the PRC, Hong Kong and the United States;

“**CATV Products**” has the meaning set forth in the SPA;

“**Confidential Information**” of a Party (the “**Disclosing Party**”) means all information of a confidential or proprietary nature which is obtained directly or indirectly from the Disclosing Party or any of its Affiliates by the other Party (the “**Receiving Party**”) or any of its Affiliates at any time before, on, or after the Execution Date, without regard to the form or manner in which such information is disclosed or obtained (including information disclosed orally, in writing or by observation), and includes the terms of this Agreement. As between the Parties (i) the Licensed Know-How shall be the Confidential Information of each Licensor, and (ii) the Licensee of the Licensed Know-How is the Receiving Party of such the Licensed Know-How;

“**Corporate Transaction**” has the meaning set forth in clause 15.2.3;

“**Deal Prohibition**” has the meaning set forth in clause 3.1.1;

“**End Customers**” means the person or entity that purchase the CATV Products for its personal or internal use (whether used for incorporation purpose or not) and not for remarketing, redistribution or other transfer of the purchased CATV Products to any other person or entity (for example, a multiple system operator);

“**Governmental Authority**” means any transnational, national or foreign federal, state, provincial, municipal or local government (including any subdivision, court, administrative agency, regulatory body (including any securities exchange) or commission or other authority thereof), or any quasi-governmental or private body exercising any regulatory, importing or other governmental or quasi-governmental authority;

“**HKIAC**” has the meaning set forth in clause 17.2;

“**Intellectual Property Rights**” means all of the following anywhere in the world: (a) all patents and applications for patents; (b) all copyrights and copyright registrations; (c) all trade dress and trade names, logos, internet addresses and domain names, social media addresses and handles, trademarks and service marks and related registrations and applications and any renewals or extensions, all other indicia of commercial source or origin and all goodwill associated with any of the foregoing; (d) rights of publicity; (e) all inventions, technology, recipes, trade secrets, processes and techniques; and (f) other intellectual property or similar proprietary rights;

“**Know-How Products**” means the Ningbo Target Know-How Products;

“**Know-How**” means information regarding unpatented Inventions, methods, technologies, data, processes, procedures, techniques, designs, plans, research tools, reagents, formulations, assay techniques, clinical test design, protocols, product life cycle management strategies and operating conditions except to the extent that such information is publicly available or is otherwise protected by patent law;

“**Licensed Patents**” means the Patents licensed under this Agreement including, as the case may be, AOI Patents, or Ningbo Target Patents, or Yuhon Shanghai Patents;

“**Licensed Know-How**” means the Ningbo Target Know-How;

“**Licensed Products**” means the AOI Licensed Products, the Ningbo Target Licensed Products, or the Yuhon Shanghai Licensed Products, as the case may be;

“**Licensed Technology**” means the Intellectual Property Rights licensed under this Agreement including, as the case may be, the AOI Technology, the Ningbo Target Technology and the Yuhon Shanghai Technology;

“**Licensed Term**” means on a country-by-country basis and Licensed Product-by-Licensed Product basis:

- (i) in respect of Patent Products, the last to expire Valid Claim which would be infringed by the sale, supply or provision of the Patent Products;
- (ii) in respect of Know-How Products, the last to expire Valid Claim of a Licensed Patents which would be infringed by the sale, supply or provision of such Know-How Product;

“**Licensed Territory**” for each Licensed Patent, the territory where such Licensed Patents is applied and granted, as listed in Appendix A. For clarification purpose, only the license of the Licensed Patents shall be subject to the Licensed Territory limitation where the license of Licensed Know-How is not subject to the Licensed Territory limitation;

“**Licensee**” means Ningbo Target or Yuhan Shanghai (as the case may be) for the AOI Technology; means AOI for the Ningbo Target Technology and the Yuhan Shanghai Technology;

“**Licensor**” means AOI for the AOI Technology; means Ningbo Target for the Ningbo Target Technology; means Yuhan Shanghai for the Yuhan Shanghai Technology;

“**NewCo**” means a company to be established in Hong Kong special administrative region of the PRC, as defined in the SPA;

“**Ningbo Target Know-How Products**” means:

- (i) all goods which incorporate Ningbo Target Know-How or the development, manufacture or use of which uses any Ningbo Target Know-How; and
- (ii) all services the provision of which uses any Ningbo Target Know-How;

but in each case excluding Ningbo Target Patent Products;

“**Ningbo Target Know-How**” means the Know-How owned by the Yuhan Shanghai and /or Ningbo Target during the Term or under which Ningbo Target has the right during the Term to grant licenses or sub-licenses, as set out in Appendix B;

“**Ningbo Target Licensed Products**” means the Ningbo Target Know-How Products and the Ningbo Target Patent Products;

“**Ningbo Target Patent Products**” means:

- (i) all goods, the manufacture, sale (or other supply) or use of which infringes a granted Valid Claim of Ningbo Target Patents or would infringe a pending Valid Claim of Ningbo Target Patents if granted, in each case, in the country of manufacture, sale (or other supply) or use; and
- (ii) all services, the provision of which infringes a granted Valid Claim of the Ningbo Target Patents or would infringe a pending Valid Claim of the Ningbo Target Patents if granted, in each case, in the country of provision;

“**Ningbo Target Patents**” means the Patents owned by Ningbo Target itself, as set out in Part B of Appendix A in relation to Transceiver Products, Sub-Assembly Products and CATV Products;

“**Ningbo Target Technology**” means the Ningbo Target Patents and the Ningbo Target Know-How;

“**Patent Products**” means the AOI Patent Products, the Ningbo Target Patent Products and the Yuhan Shanghai Patent Products, as the case may be;

“**Patents**” means all patents worldwide other than design patents, including utility models and all applications therefor, including without limitation continuations, continuations-in-part, divisionals, reexaminations, extensions, foreign counterparts and any patents reissuing thereon. Design patents are not within the scope of this Agreement;

“**Permitted Holder**” has the meaning set forth in clause 15.2.1;

“**PRC**” means the People’s Republic of China and solely for the purposes of this Agreement, excluding Hong Kong, Macau, and Taiwan;



“**Sub-Assembly Products**” has the meaning set forth in the SPA;

“**Transceivers Products**” has the meaning set forth in the SPA;

“**Rules**” has the meaning set forth in clause 17.2;

“**Valid Claim**” means a claim of:

- (i) an issued and in force patent which has not (a) expired; nor (b) been permanently revoked, or found unenforceable or invalid by a court or other governmental agency of competent jurisdiction in a final and non-appealable judgment; nor (c) been revoked, or found unenforceable or invalid by a court or other governmental agency of competent jurisdiction in an appealable judgement from which an appeal has not been taken in the time allowed; or
- (ii) a pending patent application which claim has not been withdrawn, abandoned or finally disallowed without the possibility of appeal or refiling of the claim, provided that the claim in question has not been pending for more than six (6) years from the priority date.

“**Yuhan Shanghai Technology**” means the Yuhan Shanghai Patents;

“**Yuhan Shanghai License**” has the meaning set forth in clause 3.1.3;

“**Yuhan Shanghai Licensed Products**” means the Yuhan Shanghai Patent Products;

“**Yuhan Shanghai Patent Products**” means:

- (i) all goods, the manufacture, sale (or other supply) or use of which infringes a granted Valid Claim of Yuhan Shanghai Patents or would infringe a pending Valid Claim of Yuhan Shanghai Patents if granted, in each case, in the country of manufacture, sale (or other supply) or use; and
- (ii) all services, the provision of which infringes a granted Valid Claim of Yuhan Shanghai Patents or would infringe a pending Valid Claim of Yuhan Shanghai Patents if granted, in each case, in the country of provision;

“**Yuhan Shanghai Patents**” means the Patents owned by the Yuhan Shanghai itself, as set out in Part C of Appendix A;

## **2. TERM**

2.1. This Agreement shall take effect from the Execution Date, and unless terminated earlier in accordance with clause 12:

- (a) As for Licensed Technology concerning CATV Products, shall continue in force on a country-by-country basis and Licensed Product-by-Licensed Product until the end of the applicable Licensed Term and on such date, this Agreement shall expire in the relevant country and the Licensee shall benefit from a non-exclusive, perpetual, irrevocable, fully-paid up, sub-licensable license under the Licensed Know-How licensed to it in the relevant country;

- (b) As for Licensed Technology concerning other products (including Transceiver Products and Sub-Assembly Products), shall continue in force on a country-by-country basis and Licensed Product-by-Licensed Product for a period of ten (10) years after the Execution Date, which shall be automatically renewed by the relevant Licensee, for additional ten (10) years period and each subsequent ten (10) years period renewal thereafter, **provided** that the relevant Licensee is not in material breach of this Agreement at the expiration of the previous term,

collectively, the “Term”.

### 3. GRANT OF LICENSE

#### 3.1. Licensed Technology.

##### 3.1.1. AOI Technology

Subject to the provisions of this Agreement and clause 10 under SPA, AOI grants to Ningbo Target and Yuhan Shanghai, and each Ningbo Target and Yuhan Shanghai accepts, a perpetual, irrevocable, royalty-free, nontransferable, sub-licensable, personal, nonexclusive license (other than the rights referred to in clause 3.4 and the circumstances under clause 3.5) under the AOI Technology, in the Licensed Territory for AOI Patents and subject to the Deal Prohibition as defined in clause 3.1.1, during the Licensed Term:

- (a) to make, (but not have made) (including the right to use any apparatus and practice any method in making), use (including the right to practice any method or process with respect to such use), import, export, offer for sale, lease, distribute, sell, supply, and/or otherwise dispose of the AOI Licensed Products (as the case may be); and
- (b) subject to the provisions in clause 3.2, to have the AOI Licensed Products made by another manufacturer for the use, import, export, offer for sale, lease, sale, supply and/or other disposal by Ningbo Target, or have the AOI Licensed Products made by another manufacturer for the use, import, export, offer for sale, lease, sale and/or other disposal by Yuhan Shanghai (as the case may be).

**Provided**, however, the AOI Licensed Products under this clause 3.1.1 shall be strictly limited to the CATV Products and, in particular, unless otherwise agreed by AOI in writing, (i) the Ningbo Target, Yuhan Shanghai and the NewCo shall neither, by itself, directly or indirectly, deliver such CATV Products to any End Customer located in North America nor enter into any deals with any End Customer located in North America; (ii) the Ningbo Target, Yuhan Shanghai and the NewCo shall require, in writing in their agreement with their contractual parties in relation to the CATV Products that, their contractual parties shall neither, directly or indirectly, deliver such CATV Products to any End Customer located in North America nor enter into any deals with any End Customer located in North America (“**Deal Prohibition**”) and the Ningbo Target, Ningbo Target and the NewCo shall terminate their cooperation with such contractual parties upon their breach of their obligation of Deal Prohibition and claim against such contractual parties accordingly; (iii) the Ningbo Target, Yuhan Shanghai and the NewCo shall be jointly and severally liable for relevant losses, if any, arising from such contractual parties’ breach of their obligation of Deal Prohibition.

**Provided**, in case that Ningbo Target or Yuhan Shanghai intends to sub-license the AOI Technology, Ningbo Target and Yuhan Shanghai shall procure the sub-licensee to execute a deed of adherence, in the form and substance satisfactory to AOI, such that the sub-licensee agrees to be bound by the provisions of this Agreement; **provided further**, that, if the sub-licensee fails to execute such deed of adherence prior to the grant of sub-license by Ningbo Target or Yuhan Shanghai, AOI’s license under this clause 3.1.1 shall forthwith terminate.

For the avoidance of doubt, the Deal Prohibition only applies so long as the Ningbo Target is the largest supplier of AOI for CATV Products, to be determined by the value of the total revenue for CATV Products awarded to the Ningbo Target (the “**Subsidiary CATV Revenue**”), in comparison to all of the AOI suppliers of similar CATV Products (the “**Total CATV Revenue**”), during any of AOI’s fiscal year following the Execution Date, where the Subsidiary CATV Revenue shall be equal to or more than 51% of Total CATV Revenue. For the purpose of this Agreement, the Subsidiary CATV Revenue includes any purchase orders that is awarded to the Subsidiary but rejected by the Subsidiary under section 1.5 of the Contract Manufacturing Agreement where AOI’s expected Gross Margin for the CATV Products to be manufactured by the Subsidiary under such purchase order is equal to or more than 10%, but excludes any purchase orders that is awarded to the Subsidiary but rejected by the Subsidiary under section 1.5 of the Contract Manufacturing Agreement under which AOI’s expected Gross Margin for the CATV Products to be manufactured by the Subsidiary is less than 10%.

For the purpose hereof, the “Gross Margin” with respect to any CATV Products shall be calculated as: (total revenue of relevant CATV Products *minus* cost of goods sold) divided by total revenue of relevant CATV Products *multiplied* by 100%.

### 3.1.2. Ningbo Target Technology

- (a) Subject to the provisions of this Agreement, as for the Ningbo Target Technology concerning Transceivers Products and Sub-Assembly Products, Ningbo Target grants to AOI, and AOI accepts, a worldwide, perpetual, irrevocable, royalty-free, transferable sub-licensable, personal, nonexclusive license (other than the rights referred to in clause 3.4 and the circumstances under clause 3.5) under such Ningbo Target Technology during the Licensed Term:
  - (i) to make, have made, (including the right to use any apparatus and practice any method and the right of reverse engineering in making), use (including the right to practice any method or process with respect to such use), import, export, offer for sale, lease, distribute, sell, supply, and/or otherwise dispose of the relevant Ningbo Target Licensed Products; and
  - (ii) to have the relevant Ningbo Target Licensed Products made by another manufacturer for the use, import, export, offer for sale, lease, sale, supply, and/or other disposal by AOI under a sub-license.

- (b) Subject to the provisions of this Agreement, as for the Ningbo Target Technology concerning CATV Products, Ningbo Target grants to AOI, and AOI accepts, a worldwide, perpetual, irrevocable, royalty-free, transferable sub-licensable, personal, sole license (as provided in clause 3.3 and other than the rights referred to in clause 3.4 and the circumstances under clause 3.5) under the Ningbo Target Technology during the Licensed Term:
  - (i) to make, have made, (including the right to use any apparatus and practice any method and the right of reverse engineering in making), use (including the right to practice any method or process with respect to such use), import, export, offer for sale, lease, distribute, sell, supply, and/or otherwise dispose of the relevant Ningbo Target Licensed Products; and
  - (ii) to have the relevant Ningbo Target Licensed Products made by another manufacturer for the use, import, export, offer for sale, lease, sale, supply, and/or other disposal by AOI under a sub-license..

### 3.1.3. Yuhan Shanghai Technology

Subject to the provisions of this Agreement, Yuhan Shanghai grants to AOI, and AOI accepts, a worldwide, perpetual, irrevocable, royalty-free, sub-licensable, personal license (as provided in clause 3.3 and other than the rights referred to in clause 3.4 and the circumstances under clause 3.5) under the Yuhan Shanghai Technology during the Licensed Term (“**Yuhan Shanghai License**”):

- (a) to make, have made, (including the right to use any apparatus and practice any method and the right of reverse engineering in making), use (including the right to practice any method or process with respect to such use), import, export, offer for sale, lease, distribute, sell, supply, and/or otherwise dispose of the Yuhan Shanghai Licensed Products; and
- (b) to have the Yuhan Shanghai Licensed Products made by another manufacturer for the use, import, export, offer for sale, lease, sale, supply, and/or other disposal by AOI under a sub-license.

## 3.2. Have Made Rights

The licenses granted in clause 3.1.1 to each Ningbo Target or Yuhan Shanghai to have products made by another manufacturer:

- 3.2.1. shall apply only to products made for sale back to (i) such Licensee and/or (ii) such customers with which such Licensee has binding contractual commitments covers such sale (i.e., pricing, warranty, performance, etc.) and to which such Licensee has contractually authorized such original design manufacturers (“**ODMs**”), original equipment manufacturers (“**OEMs**”) and suppliers to sell; and
- 3.2.2. shall apply only to such Licensee’s Licensed Products and/or portions thereof for which the specifications were substantially furnished by such Licensee (either solely or jointly with one or more third parties) or for which the designs are owned by such Licensee or licensed by such Licensee only in the case of reference designs provided by an ODM; and
- 3.2.3. shall not apply to any products in the form manufactured or marketed by said other manufacturer prior to such Licensee’s furnishing of said specifications.

### 3.3. Sole License

For the license under clauses 3.1.2(b), the Licensor shall not, directly or indirectly, authorize any third party other than the Licensee or Licensor's Affiliates (as applicable), to exercise any rights equivalent to the rights granted to the relevant Licensee as per clauses 3.1.2(b) in any manner, without the prior written consent of the relevant Licensee. For the avoidance of doubt, this clause 3.3 and the licenses granted pursuant to clauses 3.1.2(b) do not limit the Licensor's rights or the rights of the Licensor to grant rights to its Affiliates equivalent to the rights granted to the relevant Licensee as per clause 3.1.2(b).

Notwithstanding the foregoing provisions, the Licensor shall be entitled to authorize a third party to exercise rights equivalent of those under clause 3.1.2(b) solely for the purpose of undertaking the suppliers' obligations under the Contract Manufacturing Agreement to be entered into among AOI, the Ningbo Target and Yuhan Shanghai.

### 3.4. Reserved Rights

Subject to clause 3.1, each Licensor reserves all of the right to exploit or exercise any or all of the rights granted to the Licensee(s) under this Agreement according to its sole decision by itself or its Affiliates, including without limitation, the rights to make, have made (including the right to use any apparatus and practice any method in making), use (including the right to practice any method or process with respect to such use), import, offer for sale, lease, distribute, sell, supply, and/or otherwise dispose of any kinds of products in the Licensed Territory of each Licensee.

For each Licensed Patent, the relevant Licensor shall be solely responsible for, and make all decisions concerning, the prosecution and maintenance thereof and notify the relevant Licensee of any additions or deletions and any changes in the status of any Licensed Patent.

### 3.5. Limited Grant

Except for the rights and licenses granted by each Licensor under clause 3, this Agreement does not grant to any Licensee any other right, title or interest by implication, estoppel, or otherwise any right, title or interest. Without limitation of the foregoing, nothing in this Agreement shall be construed as granting by implication, estoppel, or otherwise, any right, title or interest in, to or under Licensor patents other than Licensed Patents regardless of whether such other patents are dominant or subordinate to any Licensed Patent. All rights, titles and interests not specifically, expressly granted by Licensor hereunder are hereby reserved.

### 3.6. Filing

Each Licensor may, at its sole cost, file this Agreement and submit documents for filing to the competent patent Governmental Authority upon effectiveness, modification or termination of this Agreement.

### 3.7. Provision of Know-How

Each Licensor shall, within thirty (30) days after request by Licensee, provide relevant Licensee with copies of the Licensed Know-How and to the extent that such Know-How has not already been provided to the relevant Licensee.

#### 4. CONSIDERATION

Unless otherwise agreed by the Parties in writing, the consideration for the license granted under clause 3 of this Agreement during the Term has been fully considered as part of the Consideration as contemplated in the SPA.

#### 5. CHALLENGES TO LICENSED PATENTS

During the Term, each Licensee shall not institute or actively participate as an adverse party in, or otherwise provides material support to, any action, suit or other proceeding to invalidate or limit the scope of any Patent owned by its Licensor and licensed to Licensee or any Licensed Patent claim or limit to the scope of any Licensed Patent claim owned by Licensor or obtain a ruling that any Licensed Patent claim is unenforceable or not patentable.

#### 6. DILIGENCE AND COMMERCIALIZATION

- 6.1. Each Licensee shall use diligent endeavours to develop and commercially exploit the Licensed Technology in its Licensed Territory for the Term.
- 6.2. If any Licensor considers at any time that the Licensee has failed to comply with clause 6.1, it shall notify the relevant Licensee of the same, detailing any remedial actions that are required by the Licensor, and provide the Licensor with twenty (20) Business Days or such other time as is agreed between the Parties (acting reasonably) to implement such remedial actions necessary to comply with clause 6.1. This clause 6.2 shall be without prejudice to each Party's right to dispute any allegation by the other that it has failed to comply with clause 6.1.

#### 7. QUALITY AND INSURANCE

- 7.1. Each Licensee shall:
  - 7.1.1. use reasonable endeavours to ensure that all of the Licensed Products are of satisfactory quality; and
  - 7.1.2. comply with all applicable Laws in each part of its Licensed Territory in which such Licensed Products are marketed or supplied.

Each Party shall maintain adequate public liability insurance that comes into force on or before the first sale or supply of a Licensed Product by it or its Affiliates or sub-licensees and continues in force until at least three (3) years after the last such sale or supply.

#### 8. CONFIDENTIAL INFORMATION

##### 8.1. Confidentiality Obligations

Each Receiving Party undertakes:

- 8.1.1. to maintain as secret and confidential all Confidential Information of the other Party and take all reasonable precautions to prevent the unauthorized disclosure of it;
- 8.1.2. not to disclose or permit the disclosure of any Confidential Information of the other Party, in whole or in part, to any person, except in accordance with the provisions of this Agreement;
- 8.1.3. not to use the Confidential Information of the other Party for any purpose except the purposes of performing its obligations and enjoying its rights under this Agreement (together the "**Purpose**"); and

8.1.4. to inform the other Party immediately if it becomes aware of the possession or use of any of the Confidential Information of the other Party by any unauthorized person, and to provide all reasonable assistance to the other Party in relation to such unauthorized possession or use.

## 8.2. Exceptions to Confidentiality Obligations

The obligations set out in clause 8.1 shall not apply to that part of the Confidential Information of the other Party which the Receiving Party can demonstrate by reasonable, written evidence:

- 8.2.1. was, prior to its receipt by the Receiving Party from the Disclosing Party, in the possession of the Receiving Party without any obligations of confidence; or
- 8.2.2. is subsequently disclosed to the Receiving Party, without any obligations of confidence, by a third party who is entitled to disclose it without breaching any confidentiality obligations to the Disclosing Party; or
- 8.2.3. is or becomes generally available to the public through no fault of the Receiving Party or its Affiliates or sub-licensees or its or their representatives; or
- 8.2.4. is independently developed by or on behalf of the Receiving Party, as evidenced by written records, without use of or reference to the Confidential Information of the Disclosing Party.

Specific aspects or details of Confidential Information shall not be deemed to be generally available to the public or in the possession of the Receiving Party merely because the Confidential Information is covered or embraced by a more general class of information generally available to the public or in the possession of the Receiving Party. Any combination of information shall not be considered to be generally available to the public or in the possession of the Receiving Party merely because individual elements of such information are generally available to the public or in the possession of the Receiving Party.

## 8.3. Required Disclosure

The Receiving Party will not be in breach of its obligations under clause 8.1 to the extent that it is required to disclose any Confidential Information of the other Party by or to a court or other public body that has jurisdiction over it, provided that the Receiving Party has given the other Party written notice of the requirement as soon as possible prior to disclosing the Confidential Information and discloses only the minimum amount necessary to comply with the requirement and, at the Disclosing Party's request, seeks to persuade the court or public body to have the information treated in a confidential manner, where this is possible under the court or public body's procedures.

## 8.4. Permitted Disclosure

The Receiving Party may:

- 8.4.1. disclose the terms of this Agreement and the Confidential Information of the other Party to those of its Affiliates, sub-licensees, subcontractors and representatives who reasonably need to access such Confidential Information for the Purpose;
- 8.4.2. disclose the terms of this Agreement and the Confidential Information of the other Party to other third parties for the purpose of intellectual property prosecution and maintenance and of seeking regulatory approval for Licensed Products; and

8.4.3. disclose the terms of this Agreement and the Confidential Information of the other Party to potential collaborators, collaborators, potential investors, investors, potential purchasers, purchases who reasonably need to access such Confidential Information for the purpose of the relevant collaboration, investment or purchase;

In each case, provided that before they are given access to such Confidential Information they are made aware of its confidential nature, and are under a legally binding written obligation to treat such Confidential Information in accordance with the terms of this Agreement. The Receiving Party shall procure that all those to whom access to such Confidential Information has been given comply with the provisions of this clause 8 in relation to such Confidential Information. The Receiving Party shall be liable to the Disclosing Party for any disclosure or misuse of such Confidential Information by those to whom access to such Confidential Information has been given, whether directly or indirectly, by the Receiving Party.

#### 8.5. Additional Permitted Disclosure

- (a) AOI may disclose Confidential Information to any third party (i) to whom it is, at the Execution Date, under a legal or contractual obligation to disclose such information or (ii) who was involved in the development of the AOI Technology, including without limitation the creation, invention or funding of the AOI Technology.
- (b) Ningbo Target may disclose Confidential Information in relation to Ningbo Target Technology concerning Transceiver Products and Sub-Assembly Products to any third party (i) to whom it is, at the Execution Date, under a legal or contractual obligation to disclose such information or (ii) who was involved in the development of the Ningbo Target Technology concerning Transceiver Products and Sub-Assembly Products, including without limitation the creation, invention or funding of the Ningbo Target Technology concerning the Transceiver Products and Sub-Assembly Products.

#### 8.6. Term of Confidentiality Obligations

The Receiving Party's obligations of confidence and non-use in this clause 8 shall, with respect to any Confidential Information, remain in full force until the exceptions in clause 8.2 apply to such Confidential Information or the Disclosing Party has given its prior written consent to the disclosure of such Confidential Information.

#### 8.7. Confidentiality of this Agreement

The Parties shall use reasonable endeavours to ensure that, to the extent permitted by relevant authorities, this Agreement shall not form part of any public record.

### 9. INFRINGEMENT

#### 9.1. Notice of Infringement or Third-party Claims

For a Licensed Technology, if (a) either any Licensor or Licensee believes that a Licensed Technology is being infringed or misappropriated by a third party in the Licensed Territory of Licensee or outside the Licensed Territory of Licensee, or (b) if a third party alleges that such Licensed Technology is invalid or unenforceable or claims that a Licensed Product, or its use, development, manufacture or sale infringes such third party's intellectual property rights in the Licensed Territory or outside the Licensed Territory, the Party possessing such belief or awareness of such claims shall promptly provide written notice to the other Parties and provide it with all details of such infringement or claim, as applicable, that are known by such Party.



## 9.2. Right to Bring Action or Defend

- 9.2.1. Each Licensor has the sole right and discretion to prevent or abate any actual or threatened misappropriation or infringement and attempt to resolve any claims relating to its Licensed Technology (“**Action**”), including by (a) prosecuting or defending any opposition, derivation, interference, declaratory judgment, federal district court, U.S. International Trade Commission or other proceeding of any kind; and (b) taking any other lawful action that Licensor, in its sole discretion, believes is reasonably necessary, to protect, enforce or defend any Licensed Technology. Each Licensor has the right to prosecute or defend any such proceeding in Licensor’s own name or, if required by applicable Law, in the name of each Licensee and may join each Licensee as a party. Each Licensor shall bear its own costs and expenses in all such proceedings and have the right to control the conduct thereof and be represented by counsel of its own choice therein.
- 9.2.2. Each Licensee shall and hereby does irrevocably and unconditionally waive any objection to Licensor’s joinder of Licensee to any proceeding described in clause 9.2.1 on any grounds whatsoever, including on the grounds of personal jurisdiction, venue or forum non-convenience. If Licensor brings or defends any such proceeding, Licensee shall cooperate in all respects with Licensor in the conduct thereof, and assist in all reasonable ways, including having its employees testify when requested and make available for discovery or trial exhibit relevant records, papers, information, samples, specimens, and the like. Licensee may bear the expenses first so long as Licensor is provided with written notification prior to bearing such expenses, and Licensor will reimburse Licensee of any reasonable out-of-pocket expenses incurred on an on-going basis by Licensee in providing Licensor such assistance.
- 9.2.3. Notwithstanding otherwise provided, if Licensor does not intend to prosecute or defend an Action or if Licensor does not initiate an Action with respect to any actual or threatened misappropriation or infringement within thirty (30) days following Licensor’s attention or within the term as requested in Licensee’s notification to Licensor with respect to such any actual or threatened misappropriation or infringement, Licensee shall have the right to initiate an Action to resolve such actual or threatened misappropriation or infringement at its own expense and to receive the compensation. Each Party shall have the right to join an Action relating to Licensed Technology taken by the other Party, at its own expense.

## 9.3. Recovery and Settlement

If any Licensor undertakes the enforcement or defense of any Licensed Technology:

- 9.3.1. any recovery, damages or settlement derived from such suit, action or other proceeding shall be retained in its entirety by Licensor; and
- 9.3.2. Licensor may settle any such suit, action or other proceeding, whether by consent order, settlement or other voluntary final disposition, without the prior written approval of any Licensee provided that Licensor shall not settle any such suit, action or other proceeding in a manner that adversely affects the rights of any of Licensee without any Licensee’s prior written consent, which consent may not be unreasonably withheld or delayed.

#### 9.4. March-in Rights

If any suit, action or other proceeding alleging invalidity or non-infringement of any Licensed Technology is brought against any Licensee, Licensor, at its option, shall have the right: (a) within thirty (30) Business Days after commencement of such suit, action or other proceeding, to intervene and take over the sole defense of the suit, action or other proceeding at its own expense; or (b) negotiate with the third party who makes the aforementioned claim so as to cause such Licensee to obtain the cross-license of the disputed Licensed Technology.

### 10. REPRESENTATIONS AND WARRANTIES

#### 10.1. Mutual Representations and Warranties

Each Party represents and warrants to the other Parties that as of the Execution Date of this Agreement:

- 10.1.1. it is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the Laws and regulations of its jurisdiction of incorporation, organization or chartering;
- 10.1.2. it has, and throughout the Term shall retain, the full right, power and authority to enter into this Agreement and to perform its obligations hereunder;
- 10.1.3. the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action of the Party; and
- 10.1.4. when executed and delivered by such Party, this Agreement shall constitute the legal, valid and binding obligation of that Party, enforceable against that Party in accordance with its terms.

#### 10.2. No warranty of confidentiality

Notwithstanding any other provision of this Agreement, neither Party makes any representation or gives any warranty that the Licensed Know-How licensed by it has been maintained as secret or confidential prior to the Execution Date or will be maintained as secret and confidential by it, its Affiliates, its sub-licensees or its or their representatives.

#### 10.3. Acknowledgements

Each Party acknowledges that:

- 10.3.1. the inventions claimed in the Licensed Technology licensed by it, are at an early stage of development. Accordingly, specific results cannot be guaranteed and any results, materials, information, or other items provided under this Agreement are provided 'as is' and without any express or implied warranties, representations, or undertakings. As examples, but without limiting the foregoing, neither Party gives any warranty that any such results, materials, information, or other items are of merchantable or satisfactory quality, are fit for any particular purpose, comply with any sample or description, or are viable, uncontaminated, safe, or non-toxic; and
- 10.3.2. neither Party has performed any searches or investigations into the existence of any third party rights that may affect any of the Licensed Technology licensed by it or its exploitation.

10.4. No other warranties

- 10.4.1. Each of the Licensees acknowledges that it does not enter into this Agreement in reliance on any representation, warranty or other provision except as expressly provided in this Agreement, and any conditions, warranties or other terms implied by Law are excluded from this Agreement to the fullest extent permitted by Law.
- 10.4.2. Without limiting the scope of clause 10.4.1 above, and subject to clause 10.1 above, each Licensor does not make any representation or give any warranty or undertaking:
- (a) as to the efficacy or usefulness of the Licensed Technology licensed by it; or
  - (b) that any of the Licensed Technology licensed by it is or will be valid or existing or (in the case of an application) will proceed to grant; or
  - (c) that the use of any of the Licensed Technology licensed by it, the manufacture, sale, supply or use of Licensed Products or the exercise of any of the rights granted under this Agreement will not infringe any other intellectual property or other rights of any other person; or
  - (d) that any information communicated by it to the other Party under or in connection with this Agreement will produce Licensed Products of satisfactory quality or fit for the purpose for which it intended; or
  - (e) imposing any obligation on that Party to bring or prosecute actions or proceedings against third parties for infringement or to defend any action or proceedings for revocation of any of the Licensed Technology licensed by it.

**11. INDEMNIFICATION**

- 11.1. Each Licensor shall indemnify, and save and hold its relevant Licensee harmless from and against any and all liabilities, claims, causes of action, suits, damages, including reasonable attorneys' fees and expenses, for which any Licensee becomes liable, or may incur or be compelled to pay by reason of Licensor's activities or breach of the terms of this Agreement, including but not limited to: (a) any claims of infringement against the Licensed Technology (except for the portion of claims of infringement arising from any Licensee's continuing use of such technology after such Licensee receives the documentation from Licensor which can reasonably evidence the infringement of such technology and the written instruction from Licensor to cease use of such technology; or (b) defects in the Licensed Technology, except those arising from any Licensee's fault or material breach of the terms of this Agreement.
- 11.2. Licensee shall indemnify, and save and hold Licensor harmless from and against any and all liabilities, claims, causes of action, suits, damages, including reasonable attorneys' fees and expenses, for which Licensor becomes liable, or may incur or be compelled to pay by reason of any Licensee's activities or breach of the terms of this Agreement, including but not limited to defects in the Licensed Technology, except those arising from Licensor's fault or material breach of the terms of this Agreement.
- 11.3. Pursuant to this Agreement, each Licensor shall not be responsible for any personal liability, personal injury, or product defect for a Licensed Product solely because the Licensed Product uses or bears one or more of the Licensed Technology.

11.4. Licensor shall in no event be responsible, and shall in no event indemnify Licensee, for relevant losses, if any, arising from any personal liability, personal injury, product defect, or damages to third-parties due to a defect of Licensee.

11.5. Limitation of Liability

Subject to clause 11.7, neither Party shall have any liability to the other under or in connection with this Agreement for any:

11.5.1. wasted management or other staff time;

11.5.2. losses or liabilities under or in relation to any other contract; or

11.5.3. indirect or special loss or damage.

11.6. Limitation of Liability for Misrepresentation

If a Party has made or given any representation, warranty or promise or otherwise made any innocent or negligent misrepresentation then, except to the extent that it has been expressly set out in this Agreement, the Party to whom it is given or made waives any rights or remedies which it may have in respect of it and agrees that the other Party shall have no liability in respect of it. This clause shall not exclude the liability of a Party for fraud or fraudulent misrepresentation.

11.7. Exceptions to Limitation of Liability

Notwithstanding any other provision of this Agreement, neither Party's liability under or in connection with this Agreement shall be excluded or reduced to the extent that it arises in respect of the following matters:

11.7.1. deliberate breach of this Agreement whether caused by any Party or through the deliberate or willful acts or omissions of its Affiliates, sub-licensees, or its or their representatives;

11.7.2. under any express indemnities contained in this Agreement;

11.7.3. breach of clause 8; or

11.7.4. any matter in respect to of which, by law, liability cannot be excluded or reduced.

**12. EFFECTIVE DATE AND TERMINATION**

12.1. This Agreement shall come into effect as from the Execution Date. Notwithstanding the foregoing, the Parties agree that the Yuhan Shanghai License and all the provisions herein regarding the Yuhan Shanghai License shall come into effect upon the completion of the registration/filing at United States Patent and Trademark Office and other applicable Governmental Authorities for the transfer of the Yuhan Shanghai Patents from AOI / Prime World to Yuhan Shanghai.

12.2. This Agreement may be terminated before the expiry hereof by an agreement reached between the Parties through negotiation.

- 12.3. In addition to the provisions of clause 12.2, each Party shall have the right to terminate this Agreement by giving the other Parties a written notice, effective upon the expiry of thirty (30) days from the other Parties' receipt of such written termination notice, on or at any time after becoming aware of any of the following:
- 12.3.1. an Insolvency Event occurs in respect of the other Party. "**Insolvency Event**" in relation to a Party, any of the following events: (a) any affirmative act of insolvency, or (b) upon the appointment of any receiver or trustee to take possession of the properties, or (c) upon the winding-up, sale, consolidation, merger, or any sequestration by Governmental Authority (except any sale, consolidation or merger between Yuhan Shanghai or Ningbo Target (as applicable) and their Affiliates, or AOI and its Affiliates);
  - 12.3.2. the SPA is terminated for whatever reason; or
  - 12.3.3. upon breach of material duties and obligations of other Party under this Agreement and, if such breach is curable, failing to cure such breach within ten (10) Business Days of the written notice of such breach. To avoid further dispute, any breach of clause 3.1.1 is deemed a breach of material duty and obligation.
- 12.4. Licensor may terminate this Agreement as to any specific Licensed Technology of Licensor by giving at least ninety (90) days' prior written notice to its Licensee if its Licensee or any of its Affiliates or sub-licensees commences legal proceedings to assist any third party to commence legal proceedings to challenge the validity, ownership or enforceability of such Licensed Technology of Licensor, in which case this Agreement shall be terminated solely with respect to such Licensed Technology of Licensor. The exercise of any right of termination under this clause 12 shall not affect any rights which have accrued prior to termination and shall be without prejudice to any other legal remedies to which AOI, Yuhan Shanghai or Ningbo Target may be entitled by reason of such rights. The obligations and provisions of clause 8 (Confidential Information), clause 9 (Infringement), clause 10 (Representations and Warranties), clause 11 (Indemnification), clause 12 (Effective Date and Termination) and clause 13 (Effects of and Procedure on Termination) shall survive any expiration or termination of the Term of this Agreement.

### **13. EFFECTS OF AND PROCEDURE ON TERMINATION**

#### 13.1. Termination without prejudice to accrued rights

The termination or expiry of this Agreement shall be without prejudice to any obligations, rights (including right to payment of amounts earned but not paid) or liabilities of any of the Parties which have accrued before such termination or expiry. If a Party exercises a right to terminate under clause 12, such termination shall be without prejudice to any rights which the Party exercising such right may have in respect of such breach, and such party shall be entitled to recover from the other Party any loss suffered as a result of the early termination of the Agreement.

#### 13.2. Return of confidential information

Upon termination of this Agreement, the Receiving Party shall immediately (no later than ten (10) Business Days after the termination of the Agreement) return to the Disclosing Party (or destroy at the request of the Disclosing Party) all Confidential Information of the Disclosing Party, make no further use of any of the Confidential Information of the Disclosing Party, and permanently delete all electronic copies of any Confidential Information of the Disclosing Party from the computer systems of the Receiving Party and its Affiliates. The Receiving Party shall procure that all those to whom access to such Confidential Information has been given comply with the provisions of this clause.

### 13.3. Termination of licenses

Upon termination of this Agreement under clause 12.3 or 12.4:

- 13.3.1. each Party and its sub-licensees shall be entitled to sell and supply (subject to payment of royalties in accordance with this Agreement) any unsold or unused stocks of the Licensed Products for a period of six (6) months following the date of termination in accordance with the terms of this Agreement;
- 13.3.2. subject to paragraph 13.3.1 above, each Party and its sub-licensees shall no longer be licensed to use, sub-license or otherwise exploit in any way, either directly or indirectly, the Licensed Technology licensed to it under this Agreement;
- 13.3.3. subject to paragraph 13.3.1 above, each Party shall consent to the cancellation of any formal licence granted to it, or of any registration of it in any register, in relation to any of the Licensed Technology licensed to it.

## 14. RELATIONSHIP OF THE PARTIES

- 14.1. The relationship of the Parties is that of an independent contractor and any Party and its agents or employees shall not be considered employees or agents of other Parties. This Agreement does not constitute and shall not be construed as constituting a partnership or joint venture or grant of a franchise between any two Parties. Any Party shall not have the right to bind the other Parties to any obligations to third parties.

## 15. ASSIGNMENT

- 15.1. Each Party may, by serving a notification to the other Parties, freely assign to any third party the benefit of this Agreement or all or part of its rights and/or obligations under this Agreement, *provided* that such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement; *provided, further* that AOI shall obtain Ningbo Target's prior written consent for any assignment of the rights and obligations with respect to the license of Ningbo Target Technology concerning CATV Products by AOI to any person (other than a Permitted Holder, as defined below) formed or incorporated in the PRC, unless such assignment is contemplated arising from or in connection with a Change of Control event, in which case no such written consent shall be required.
- 15.2. For the purpose of this Agreement, the term "**Change in Control**" shall mean:
  - 15.2.1. the sale or disposition, in one or a series of related transactions, of all or substantially all of the assets and/or businesses of AOI to any person other than any person of which a majority of its voting power of its voting equity securities or equity interest is owned, directly or indirectly, by AOI (a "**Permitted Holder**");
  - 15.2.2. any person, other than a Permitted Holder, becomes the beneficial owner, directly or indirectly, of more than 50% of the total voting power of the voting stock of AOI (or any entity which controls AOI, including by way of merger, consolidation, tender or exchange offer or otherwise; or
  - 15.2.3. a reorganization, recapitalization, merger or consolidation (a "**Corporate Transaction**") involving AOI, unless securities representing more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of AOI or the corporation resulting from such Corporate Transaction (or the parent of such corporation) are beneficially owned subsequent to such transaction by the persons who were the beneficial owners of AOI immediately prior to such Corporate Transaction.

## **16. NOTICES**

- 16.1. Any notice, demand, waiver, consent, approval, or disapproval (collectively referred to as “notice”) required or permitted herein shall be in writing and shall be given personally, by messenger, by air courier, by telecopy, or by prepaid registered or certified mail, with return receipt requested, addressed to the Parties at their respective addresses set forth above or at such other address as a Party may hereafter designate in writing to the other Parties.
- 16.2. A notice shall be deemed received on the date of receipt.

## **17. GOVERNING LAW AND JURISDICTION**

- 17.1. This Agreement is governed by, and shall be construed in accordance with, the laws of Hong Kong.
- 17.2. Any dispute, controversy or claim arising out of, relating to, or in connection with this Agreement, including (without limitation) any dispute regarding the breach, existence, validity or termination of this Agreement shall be finally settled by binding arbitration administered by the Hong Kong International Arbitration Centre (“**HKIAC**”) in accordance with the HKIAC Administered Arbitration Rules in effect at the time of the arbitration (“**Rules**”), which Rule are deemed to be incorporated by reference into this clause and as may be amended by the provisions of this clause.
- 17.3. The seat of the arbitration shall be Hong Kong. The arbitration tribunal shall consist of three arbitrators to be appointed in accordance with the Rules.
- 17.4. The language to be used in the arbitral proceedings shall be English and any arbitral award shall be given in English.
- 17.5. Nothing in this clause 17 shall be construed as preventing any Party from seeking conservatory or interim relief from any court of competent jurisdiction. Any award shall be final and binding upon the Parties from the day it is made. The Parties undertake to carry out each and every arbitral award without delay.

## **18. GOVERNING LANGUAGE**

This Agreement is written in English. If this Agreement is translated into another language, the English version shall prevail.

## **19. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which when executed and delivered is an original and all of which together evidence the same agreement.

*[Signatures on Following Page]*

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed by their duly authorized representatives, each of which shall constitute an original effective as of the date hereof.

**APPLIED OPTOELECTRONICS, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**GLOBAL TECHNOLOGY CO., LTD.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*Signature Page to Technology Cross License Agreement*

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**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed by their duly authorized representatives, each of which shall constitute an original effective as of the date hereof.

**YUHAN OPTOELECTRONIC TECHNOLOGY (SHANGHAI) CO., LTD.**  
(裕汉光电子科技(上海)有限公司).

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Appendix A – Licensed Patents****Part A – AOI Patents**

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
PREDISTORTION CIRCUIT HAVING DISTORTION DIODES BIASED TO IMPROVE PERFORMANCE	AOI	US	Issued	11/834873	2007/8/7	7925170	2011/4/12
MODULAR LASER PACKAGE SYSTEM	AOI	US	Issued	11/671587	2007/2/6	7478955	2009/1/20
SYSTEMS AND METHODS FOR REDUCING CLIPPING IN MULTICHANNEL MODULATED OPTICAL SYSTEMS	AOI	US	Issued	11/753082	2007/5/24	8165475	2012/4/24
SYSTEMS AND METHODS FOR REDUCING CLIPPING IN MULTICHANNEL MODULATED OPTICAL SYSTEMS	AOI	US	Issued	11/753162	2007/5/24	8358937	2013/1/22
CLIPPING CORRECTION SYSTEM AND METHOD FOR CORRECTING CLIPPED SIGNALS IN A RECEIVER	AOI	US	Issued	12/117721	2008/5/8	7978985	2011/7/12
DISTORTION COMPENSATION CIRCUIT AND METHOD BASED ON ORDERS OF TIME DEPENDENT SERIES OF DISTORTION SIGNAL	AOI	US	Issued	12/025883	2008/2/5	8121493	2012/2/21

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
REDUCING CROSS MODULATION IN MULTICHANNEL MODULATED OPTICAL SYSTEMS WITH ANTI-CLIPPING	AOI	US	Issued	12/053104	2008/3/21	8165474	2012/4/24
REDUCING CROSS-MODULATION IN MULTICHANNEL MODULATED OPTICAL SYSTEMS	AOI	US	Issued	12/245008	2008/10/3	9,191,111 B2	2015/11/17
DISTORTION COMPENSATION CIRCUIT INCLUDING ONE OR MORE PHASE INVERTIBLE DISTORTION PATHS	AOI	US	Issued	12/026182	2008/2/5	8073340	2011/12/6
DISTORTION COMPENSATION CIRCUIT INCLUDING ONE OR MORE PHASE INVERTIBLE DISTORTION PATHS	AOI	US	Issued	13/311047	2011/12/5	8718489	2014/5/6
REDUCING CROSS-MODULATION IN MULTICHANNEL MODULATED OPTICAL SYSTEMS	AOI	US	Issued	12/245028	2008/10/3	8320773	2012/11/27
QUAD-PORT OPTICAL MODULE WITH PASS-THROUGH AND ADD/DROP CONFIGURATION	AOI	US	Issued	12/203602	2008/9/3	8126329	2012/2/28

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
OPTICAL RECEIVING MODULE	AOI	TW	Issued	97129988	2008/8/7	I366349	2012/6/11
COMPOSITE TRIPLE ORDER BEAT CROSS MODULATION DISTORTION CONTROL CIRCUIT OF OPTICAL RECEIVER	AOI	TW	Issued	097130932	2008/8/14	I373214	2012/9/21
SYSTEM AND METHOD FOR DISTORTING COMPENSATION IN RESPONSE TO FREQUENCY DETECTION 波长可选择激光装置以及具有该波长可选择激光装置的设备及系统	AOI	CN	Issued	201180067494.X	2013/8/13	CN103444102A	2016/5/18
SYSTEM AND METHOD FOR DISTORTING COMPENSATION IN RESPONSE TO FREQUENCY DETECTION	AOI	US	Issued	13/005820	2011/1/13	8606116	2013/12/10
SYSTEM AND METHOD FOR DISTORTION COMPENSATION INCLUDING CONFIGUREABLE DELAY	AOI	US	Issued	12/976136	2010/12/22	8670675	2014/3/11
DISTORTION COMPENSATION CIRCUIT INCLUDING TUNABLE PHASE PATH	AOI	US	Issued	13/435595	2012/3/30	8891974	2014/11/18
PRE-DISTORTION CIRCUITS	AOI	TW	Issued	101216168	2012/8/22	M458739	2013/8/1

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
PLUGGABLE OPTICAL TRANSCEIVER	AOI	TW	Issued	101216164	2012/8/22	M458740	2013/8/1
RADIO FREQUENCY OVER GLASS NODE	AOI	TW	Issued	101216167	2012/8/22	M458738	2013/8/1
HEAT TRANSFER ASSEMBLY PROVIDING HEAT TRANSFER FROM A MODULE MOUNTED ON A CIRCUIT BOARD THROUGH THE CIRCUIT BOARD	AOI	CN	Pending	2017800591963	2019/3/26		
HEAT TRANSFER ASSEMBLY PROVIDING HEAT TRANSFER FROM A MODULE MOUNTED ON A CIRCUIT BOARD THROUGH THE CIRCUIT BOARD	AOI	US	Issued	15/275,785	2016/9/26	10,098,221	2018/10/9
CATV NETWORK DEVICE ENERGY REDUCTION BY PROVIDING AMPLIFIER CONTROL IN RESPONSE TO CHANNEL LOADING	AOI	US	Issued	15/295,189	2016/10/17	10,044,441	2018/8/7
COAXIAL CONNECTOR SEIZURE ASSEMBLY WITH INTEGRATED MECHANICAL STOP AND A HYBRID FIBER-COAXIAL (HFC) MODULE IMPLEMENTING SAME	AOI	CN	Pending	202110117859.0	2021/1/28		

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
COAXIAL CONNECTOR SEIZURE ASSEMBLY WITH INTEGRATED MECHANICAL STOP AND A HYBRID FIBER-COAXIAL (HFC) MODULE IMPLEMENTING SAME	AOI	US	Pending	16/810,517	2020/3/5		
ASSEMBLY WITH TAPERED, THREADED FERRULE HOUSING FOR IMPROVED ALIGNMENT OF FIBER WITH LASER	AOI	US	Issued	10/428390	2003/5/2	7010013	2006/3/7
HOUSING FOR PASSIVELY ALIGNING AN OPTICAL FIBER WITH A LENS	AOI	US	Issued	10/631633	2003/7/31	6736550	2004/5/18
THERMALLY SHIELDED MULTI-CHANNEL TRANSMITTER OPTICAL SUBASSEMBLY AND OPTICAL TRANSCEIVER MODULE INCLUDING SAME	AOI	EPO	Issued	14 749 420.7	2015/8/26	2954628	Published
MULTICHANNEL RECEIVER OPTICAL SUBASSEMBLY WITH IMPROVED SENSITIVITY	AOI	EPO	Pending	16 769 573.3			
OPTICAL TRANSCEIVER ASSEMBLY INCLUDING THERMAL DUAL ARRAYED WAVEGUIDE GRATING	AOI	US	Pending	14/983,773	2015/12/30		

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
具有长方体型 TO 激光器封装的同轴光发射次模块 ( TOSA ) 及包括其的光收发器 COAXIAL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) WITH CUBOID TYPE TO LASER PACKAGE AND OPTICAL TRANSCEIVER INCLUDING SAME (BASED ON PCT APPLICATION NO. PCT/US16/33759)	AOI	CN	Issued	201680037661.9	2017/12/26	Issued	2020/6/23

**Part B – Ningbo Target Patents**

Title of Patent	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
METHOD AND APPARATUS FOR COUPLING A LASER TO A FIBER IN A TWO-LENS LASER SYSTEM	Ningbo Target	US	Issued	10/938974	9/10/2004	7226218	6/5/2007
MODULAR LASER PACKAGE SYSTEM AND ASSOCIATED METHODS	Ningbo Target	US	Issued	11/162374	9/8/2005	7290943	11/6/2007
均衡器	Ningbo Target	CN	Issued	201230553898.7	11/15/2012		3/20/2013
可在电力中断传输信号的光接收器及其紧急广播系统 OPTICAL RECEIVER CAPABLE OF TRANSMITTING SIGNAL DURING POWER INTERRUPTION AND EMERGENCY BROADCAST SYSTEM USING THE SAME	Ningbo Target	CN	Issued	200810007112.4	1/31/2008	Z1200810007112.4	1/4/2012
一种光接收模块 OPTICAL RECEIVING MODULE	Ningbo Target	CN	Issued	200810063500.4	8/8/2008	Z1200810063500.4	8/10/2011
一种光接收机的 CTB/XMOD 控制电路	Ningbo Target	CN	Issued	200810120533.8	8/15/2008	Z1200810120533.8	3/28/2012



Title of Patent	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
一种光接收机的 CSO 控制电路	Ningbo Target	CN	Issued	200810120534.2	8/15/2008		6/27/2012
光接收模块 OPTICAL RECEIVING MODULE	Ningbo Target	CN	Issued	200910005974.8	1/22/2009		12/26/2012
一种用于信号传输的阶层式与备用式功能整合模块 HIERARCHICAL AND STAND-BY FUNCTION INTEGRATION MODULE FOR SIGNAL TRANSMISSION	Ningbo Target	CN	Issued	201210294788.2	8/17/2012		10/28/2015
用于信号传输的阶层式与备用式功能整合模块 HIERARCHICAL AND BACKUP FUNCTION INTEGRATING MODULE FOR SIGNAL TRANSMISSION	Ningbo Target	CN	Issued	201210294847.6	8/17/2012		3/18/2015
用于信号传输的阶层式与备用式功能整合模块 HIERARCHICAL TRANSMISSION OF A SIGNAL INTEGRATING MODULE STANDBY FUNCTION OF FORMULA	Ningbo Target	CN	Issued	201210294899.3	8/17/2012		10/28/2015
内胆讯号传输路径结构: RANSMISSION PATH STRUCTURE OF LINER SIGNAL	Ningbo Target	CN	Issued	201210461818.4	11/15/2012		4/8/2015

Title of Patent	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
具有中继功能的光缆调制调解器 NODE 装置	Ningbo Target	CN	Issued	201310561686.7	11/12/2013		1/27/2016
NODE DEVICE FOR OPTICAL FIBER RADIO FREQUENCY TRANSMISSION	Ningbo Target	CN	Issued	201310561695.6	11/12/2013		11/11/2015
具有可收纳的显示器的系统管理模块	Ningbo Target	CN	Issued	201120016397.5	1/19/2011		11/23/2011
一种用于信号传输的阶层式与备用式功 能整合模块	Ningbo Target	CN	Issued	201220410110.1	8/17/2012		1/23/2013
用于信号传输的阶层式与备用式功能整 合模块	Ningbo Target	CN	Issued	201220410363.9	8/17/2012		3/6/2013
用于信号传输的阶层式与备用式功能整 合模块	Ningbo Target	CN	Issued	201220410794.5 0	8/17/2012		1/23/2013
上行回传光接收机	Ningbo Target	CN	Issued	201220450964.2	9/6/2012		1/30/2013
用于有线电视网络的可升级式频率模组	Ningbo Target	CN	Issued	201220451036.8	9/6/2012		1/30/2013
回传光发射机	Ningbo Target	CN	Issued	201220451331.3	9/6/2012		1/30/2013
用于有线电视网络的可升级式均衡电路	Ningbo Target	CN	Issued	201220451342.1	9/6/2012		1/30/2013
光站供电电路	Ningbo Target	CN	Issued	201220451435.4	9/6/2012		1/30/2013
一种光站供电电路	Ningbo Target	CN	Issued	201220451466.X	9/6/2012		3/13/2013
单纤三向光收发模块接地套筒	Ningbo Target	CN	Issued	201220452043.X	9/6/2012		1/30/2013

Title of Patent	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
用于信号传输的阶层式与备用式功能整合模块	Ningbo Target	CN	Issued	201220455252.X	9/7/2012		1/30/2013
用于处理组合三次差拍失真的电路	Ningbo Target	CN	Issued	201220456332.7	9/7/2012		2/13/2013
插拔式可调均衡器	Ningbo Target	CN	Issued	201220604743.6	11/15/2012		4/3/2013
光纤收容器	Ningbo Target	CN	Issued	201320004117.8	1/5/2013		6/5/2013
光站电源管理模块	Ningbo Target	CN	Issued	201320004795.4	1/5/2013		6/5/2013
插入式固定衰减器导槽	Ningbo Target	CN	Issued	201320004806.9	1/5/2013		6/5/2013
有线电视射频放大器	Ningbo Target	CN	Issued	201320711045	11/12/2013		4/16/2014
用于光传输平台的系统管理模组	Ningbo Target	CN	Issued	201320713359.4	11/12/2013		4/2/2014
单纤三向光电收发器件	Ningbo Target	CN	Issued	201320726059.X	11/18/2013		4/2/2014
单纤双向光收发器件	Ningbo Target	CN	Issued	201320726377.6	11/18/2013		4/2/2014
宽范围光接收机光监控电路	Ningbo Target	CN	Issued	201320890822.2	12/30/2013		5/28/2014
光接收机监控电路	Ningbo Target	CN	Issued	201320891272.6	12/30/2013		5/28/2014
光接收机光监控电路	Ningbo Target	CN	Issued	201320892494.X	12/30/2013		5/28/2014
推挽放大器电路	Ningbo Target	CN	Issued	201420262638.8	5/21/2014		9/10/2014

Title of Patent	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
用于光传输平台的双模组插件	Ningbo Target	CN	Issued	201420428535.4	7/31/2014		11/26/2014
带光纤收容器的光站	Ningbo Target	CN	Issued	201420430430.2	7/31/2014		12/31/2014
有线电视网络传输设备	Ningbo Target	CN	Issued	201420430452.9	7/31/2014		11/26/2014
光发射机失真补偿电路	Ningbo Target	CN	Issued	201520058881.2	1/28/2015		5/6/2015
HFC 有线电视网络系统	Ningbo Target	CN	Issued	201520058882.7	1/28/2015		5/6/2015
低噪声光接收机	Ningbo Target	CN	Issued	201520058911.X	1/28/2015		5/6/2015
斜率监控电路	Ningbo Target	CN	Issued	201520060264.6	1/28/2015		5/13/2015
基于 NFC 的有线电视网络传输设备	Ningbo Target	CN	Issued	201520060338.6	1/28/2015		5/6/2015
HFC 设备通用管理模块	Ningbo Target	CN	Issued	201520060376.1	1/28/2015		5/27/2015
回传光接收机	Ningbo Target	CN	Issued	201520060924.0	1/28/2015		5/6/2015
一种回传光接收机	Ningbo Target	CN	Issued	201520061376.3	1/28/2015		5/6/2015
组合回传光接收机	Ningbo Target	CN	Issued	201520061377.8	1/28/2015		5/6/2015
芯片散热结构 CHIP COOLING STRUCTURE	Ningbo Target	CN	Issued	201520638537.0	8/24/2015		12/2/2015
光站中无电源供电光接收机	Ningbo Target	CN	Issued	201520772357.1	9/30/2015		1/13/2016

Title of Patent	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
无电源供电光接收机	Ningbo Target	CN	Issued	201520772415	9/30/2015		1/13/2016
下行光接收机	Ningbo Target	CN	Issued	201520788194.6	10/12/2015		2/3/2016
带相位调节功能的预失真电路	Ningbo Target	CN	Issued	201520905424.2	11/13/2015		3/2/2016
电子色散补偿电路	Ningbo Target	CN	Issued	201521028219.9	12/11/2015		4/6/2016
智能型网络升级装置及其控制方法	Ningbo Target	CN	Issued	201710522952.3	6/30/2017	Cn107450942b	1/19/2021
射频信号连接结构	Ningbo Target	CN	Issued	2016213663905	12/14/2016		6/13/2017
斜率、位准检测和自动补偿电路	Ningbo Target	CN	Issued	2016211697184	11/2/2016		7/7/2017
多重备份反向光接收机	Ningbo Target	CN	Issued	2016209124019	8/19/2016		1/18/2017
斜率、位准检测和自动补偿电路及其控制方法	Ningbo Target	CN	Issued	2016109452588	11/2/2016		7/7/2017
有线电视网络的高精度可调电控均衡电路	Ningbo Target	CN	Issued	201711286106.2	12/7/2017	Issued	9/8/2020
ADJUSTABLE ELECTRIC CONTROL EQUALIZATION CIRCUIT OF CABLE TELEVISION NETWORKS	Ningbo Target	US	Issued	15/917244	3/9/2018	10218544	2/26/2019
CATV 插片式固定衰减器识别电路	Ningbo Target	CN	Issued	2018106844914	6/28/2018	Cn109030900b	1/22/2021
EQUALIZATION CIRCUIT FOR CABLE TELEVISION PLUG-IN FIXED ATTENUATOR TECHNICAL FIELD	Ningbo Target	US	Issued	16/238,249	1/2/2019	10979665	4/13/2021

Title of Patent	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
CATV 插片固定衰减器式均衡电路	Ningbo Target	CN	Issued	2018106844505	6/28/2018	201810684450.5	5/17/2022
IDENTIFICATION CIRCUIT FOR CABLE TELEVISION PLUG-IN FIXED ATTENUATOR	Ningbo Target	US	Issued	16/293,062	3/5/2019	11047902	6/29/2021
自动补偿电路	Ningbo Target	CN	Pending	201811036598.4	9/6/2018		
一种通用型高精度电控均衡补偿装置	Ningbo Target	CN	Issued	2018114524231	11/30/2018	201811452423.1	12/29/2020
一种多频带电控均衡补偿装置	Ningbo Target	CN	Issued	2018114524087	11/30/2018	Cn109714499b	5/18/2021
高精度多频带电控均衡电路 HIGH-PRECISION MULTI-BAND ELECTRIC CONTROL EQUALIZATION CIRCUIT	Ningbo Target	CN	Pending	201811283927.5	10/31/2018		

**Part C – Yuhan Shanghai Patents**

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
OPTICAL TRANSCEIVER AND HOUSING THEREOF	PRIME WORLD	US	Issued	16/150,829	10/3/2018	10,707,964	7/7/2020
OPTICAL TRANSCEIVER AND OPTICAL SUBASSEMBLY THEREOF	PRIME WORLD	US	Issued	16/288,507	2/28/2019	10739528	8/11/2020
LASER PACKAGE INCLUDING SEMICONDUCTOR LASER AND MEMORY DEVICE FOR STORING LASER PARAMETERS	AOI	US	Issued	12/030499	2/13/2008	8787772	7/22/2014
THERMOELECTRIC COOLER CONTROLLER	AOI	US	Issued	12/024041	1/31/2008	8079222	12/20/2011
PLUGGABLE FORM FACTOR RELEASE MECHANISM [LONG BAIL LATCH MECHANISM]	AOI	US	Issued	12/008094	1/7/2008	7766686	8/3/2010
MULTI-CHANNEL OPTICAL TRANSCEIVER MODULE INCLUDING DUAL FIBER TYPE DIRECT LINK ADAPTER FOR OPTICALLY COUPLING OPTICAL SUBASSEMBLIES IN THE TRANSCEIVER MODULE	AOI	US	Issued	14/883,970	10/15/2015	US 9,448,367 B2	9/20/2016

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
PLUGGABLE ASSEMBLY FOR OPTICAL TRANSCEIVER	AOI	TW	Issued	101202330	2/9/2012	M431508	6/11/2012
PLUGGABLE ASSEMBLY FOR OPTICAL TRANSCEIVER	AOI	TW	Issued	101202331	2/9/2012	M431509	6/11/2012
PLUGGABLE ASSEMBLY FOR OPTICAL TRANSCEIVER	AOI	TW	Issued	101202329	2/9/2012	M431507	6/11/2012
PLUGGABLE ASSEMBLY FOR OPTICAL TRANSCEIVER	AOI	TW	Issued	101215846	8/17/2012	M458737	8/1/2013
LASER TRANSCEIVER WITH IMPROVED BIT ERROR RATE	AOI	US	Issued	14/312930	6/24/2014	9236949	1/12/2016
PLUGGABLE ASSEMBLY FOR OPTICAL TRANSCEIVER	AOI	TW	Issued	102149251	12/31/2013	I510006	11/21/2015
PLUGGABLE OPTICAL TRANSCEIVER MODULE 可插拔光收发模块	AOI	US	Issued	14/263142	4/28/2014	9671582	6/6/2017



Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
COAXIAL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) INCLUDING BALL LENS	AOI	US	Issued	15/073,309	3/17/2016	10197751	2/5/2019
COAXIAL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) WITH CUBOID TYPE TO LASER PACKAGE AND OPTICAL TRANSCEIVER INCLUDING SAME	AOI	US	Issued	14/720,336	5/22/2015	9614620	4/4/2017
COAXIAL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) WITH CUBOID TYPE TO LASER PACKAGE AND OPTICAL TRANSCEIVER INCLUDING SAME	AOI	US	Issued	15/576635	11/22/2017	10230471	3/12/2019
COAXIAL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) WITH AN OPTICAL FIBER COUPLING RECEPTACLE	AOI	US	Issued	15/073,322	3/17/2016	9804352	10/31/2017
ALIGNMENT CORRECTION FOR OPTICAL ISOLATOR IN A COAXIAL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA)	AOI	US	Issued	15/073,342	3/17/2016	10180545	1/15/2019

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
TO-CAN PHOTODIODE PACKAGE WITH INTEGRATED COUPLING MEMBER AND EXPOSED ACTIVE REGION, AND A RECEIVER OPTICAL SUBASSEMBLY (ROSA) USING THE SAME	AOI	US	Issued	15/413,514	1/24/2017	10295765	5/21/2019
COAXIAL TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) INCLUDING SIDEBY-SIDE LASER DIODE AND MONITOR PHOTODIODE ARRANGEMENT	AOI	US	Issued	15/591,274	5/10/2017	10418777	9/17/2019
A MULTILAYERED FLEXIBLE PRINTED CIRCUIT WITH BOTH RADIO FREQUENCY (RF) AND DC TRANSMISSION LINES AND AN OPTICAL TRANSCEIVER USING SAME	AOI	US	Issued	15/475,082	3/30/2017	10230470	3/12/2019
OPTICAL TRANSCEIVER WITH HEAT DISSIPATION STRUCTURE	AOI	TW	Issued	105200482	1/13/2016	M524593	6/21/2016
TRANSMITTER OPTICAL SUBASSEMBLY WITH TRACE ROUTING TO PROVIDE ELECTRICAL ISOLATION BETWEEN POWER AND RF TRACES	AOI	US	Issued	15/963246	4/26/2018	10313024	6/4/2019

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
TRANSMITTER OPTICAL SUBASSEMBLY ARRANGEMENT WITH VERTICALLY-MOUNTED MONITOR PHOTODIODES	AOI	US	Issued	16/268,765	2/6/2019	10714890	7/14/2020
RECEPTACLE CONFIGURATION TO SUPPORT ON-BOARD RECEIVER OPTICAL SUBASSEMBLY (ROSA)	AOI	US	Issued	16053398	8/1/2019	10884201	1/5/2021
OPTICAL TURNING MIRROR WITH ANGLED OUTPUT INTERFACE TO INCREASE COUPLING EFFICIENCY AND A MULTI-CHANNEL OPTICAL SUBASSEMBLY USING SAME	AOI	US	Issued	16/561,555	9/5/2019	10859775	12/8/2020
LOCKING ARRANGEMENT FOR PLUGGABLE OPTICAL SUBASSEMBLY MODULES	AOI	US	Issued	16/167,864	10/23/2018	10451825	10/22/2019
LASER SUBASSEMBLY HAVING IMPEDANCE-MATCHING NETWORK INTEGRATED ON LASER SUBMOUNT AND A TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) IMPLEMENTING SAME	AOI	US	Issued	16/202,854	11/28/2018	10608408	3/31/2020

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
THERMOELECTRIC COOLER (TEC) HAVING TOP AND BOTTOM PLATES WITH ASYMMETRIC THERMAL CONDUCTIVITY AND AN OPTICAL SUBASSEMBLY IMPLEMENTING THE SAME	AOI	US	Issued	16/506,491	7/9/2019	10636954	4/28/2020
TO CAN LASER ASSEMBLY WITH OFF-CENTER LENS CAP AND AN OPTICAL TRANSCEIVER OR TRANSMITTER IMPLEMENTING SAME	AOI	US	Issued	16/387,805	4/18/2019	10811839	10/20/2020
PRINTED CIRCUIT BOARD ASSEMBLY (PCBA) WITH INTEGRATED MOUNTING STRUCTURE TO ALIGN AND COUPLE TO TRANSMITTER OPTICAL ASSEMBLY (TOSA) MODULES	AOI	US	Issued	16/239,197	1/3/2019	10698168	6/30/2020

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
MONITOR PHOTODIODE (MPD) SUBMOUNT FOR VERTICAL MOUNTING AND ALIGNMENT OF MONITORING PHOTODIODES	AOI	US	Issued	16/737,414	1/8/2020	11057112	7/6/2021
SUBSTRATE WITH STEPPED PROFILE FOR MOUNTING TRANSMITTER OPTICAL SUBASSEMBLIES AND AN OPTICAL TRANSMITTER OR TRANSCEIVER IMPLEMENTING SAME	AOI	US	Issued	16/737,438	1/8/2020	11177887	11/16/2021
TRANSMITTER OPTICAL SUBASSEMBLY (TOSA) WITH LASER DIODE DRIVER (LDD) CIRCUITRY MOUNTED TO FEEDTHROUGH OF TOSA HOUSING	AOI	US	Issued	16/664,202	10/25/2019	10928600	2/23/2021
TECHNIQUES FOR THERMAL MANAGEMENT WITHIN OPTICAL SUBASSEMBLY MODULES	AOI	US	Pending	16/987,096	8/6/2020		

Title of Invention	Owner	Country (Jurisdiction)	Legal Status	Application No.	Filing Date	Pat. / Serial No.	Patent Issue Date
TECHNIQUES FOR THERMAL MANAGEMENT WITHIN OPTICAL SUBASSEMBLY MODULES AND A HEATER DEVICE FOR LASER DIODE TEMPERATURE CONTROL	AOI	US	Pending	16/987,126	8/6/2020		
OPTICAL TRANSCEIVER HOUSING WITH INTEGRATED VAPOR CHAMBER AND AN OPTICAL TRANSCEIVER MODULE IMPLEMENTING SAME	AOI	US	Pending	17/712,807	4/4/2022		

## **Appendix B – Licensed Know-How**

Ningbo Target Know-How includes any and all proprietary ideas, inventions, discoveries, materials, assays, data, results, formulae, designs, specifications, scientific methods, business plans and methodologies, processes, formulae, trade secrets and information (including but not limited to structural, functional, technical, manufacturing and other technical information in relation to Transceiver Products, Sub-Assembly Products and CATV Products), owned by the Ningbo Target during the Term or under which Ningbo Target has the right during the Term to grant licenses or sub-licenses.

**PROJECT RADIANCE**

APPLIED OPTOELECTRONICS, INC.

AND

Yuhan Optoelectronic Technology (Shanghai) Co., Ltd. (裕汉光电子科技(上海)有限公司)

**PRODUCT SUPPLY AGREEMENT**

\* Certain information has been excluded from this exhibit because it is both immaterial and competitively harmful if publicly disclosed. Where applicable, omissions have been marked “[\*\*\*]”.

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THIS PRODUCT SUPPLY AGREEMENT (this “Agreement”) is made on \_\_\_\_\_ (the “Effective Date”)

**BETWEEN:**

- (1) **Applied Optoelectronics, Inc.**, a company incorporated in Delaware, USA, whose principal place of business is at 13139 Jess Pirtle Blvd., Sugar Land, TX 77478 (“Supplier” or “AOI”); and
- (2) **Yuhan Optoelectronic Technology (Shanghai) Co., Ltd.** (裕汉光电科技(上海)有限公司), a company incorporated in the PRC (unified social credit code: 91310115MA1H8BHE0A) whose registered office is at Block C, No. 888 Huanhu West Two Road, Nanhui New Town, Pudong New District, Shanghai (“Buyer” or “Yuhan Shanghai”).

Supplier and Buyer, are also hereinafter individually referred to as a “Party” and collectively as the “Parties”.

**RECITALS:**

- (1) Prime World International Holdings Ltd. (“Prime World”) (as the Seller) and Yuhan Shanghai have entered into the AGREEMENT FOR THE SALE AND PURCHASE OF A NEW COMPANY TO BE ESTABLISHED IN HONG KONG on \_\_\_\_\_, 2022 (the “SPA”), according to which, Seller agrees to sell, and Yuhan Shanghai agrees to buy the Shares (as defined in the SPA) (i.e. the whole of the allotted and issued share capital of NewCo) and each right (including, without limitation, the right to receive all dividends, distributions or any return of capital declared, paid or made by NewCo) attaching to the Shares at or after Completion (as defined in the SPA).
- (2) Upon the Completion, Buyer wish to purchase certain products and services from Supplier, and Supplier wishes to sell such products and services to Buyer.
- (3) Buyer and Supplier agree that the terms of this Agreement govern the products and related services purchased by Buyer from Supplier.

**NOW THEREFORE**, in consideration of the foregoing and of the mutual promises hereinafter set forth, the Parties agree as follows:

**1. INTERPRETATION**

“Affiliate” means, in relation to a person, any other person which, directly or indirectly, controls, is controlled by or is under the common control of the first-mentioned person, where “control” means the ownership, directly or indirectly, of more than fifty per cent (50%) of the voting shares, registered capital or other equity interest of the relevant person, or the power to appoint or elect a majority of the directors, or otherwise to direct the management of the relevant person;

“Applicable Laws” means all applicable statutes and laws, and orders and regulations of any Governmental Authority;

“Business Day” means any day (other than a Saturday or Sunday or public holiday) on which banks are open for the transaction of normal business in the PRC, Taiwan and the United States;

“Delivery Sites” has the meaning given to it in clause 4.2;

“**End of Life**” has the meaning given to it in clause 3.6;

“**Firm Order Period**” has the meaning given to it in clause 4.1;

“**Forecast**” has the meaning given to it in clause 4.1;

“**Force Majeure Event**” has the meaning given to it in clause 14.5;

“**Frustrated Party**” has the meaning given to it in clause 14.5;

“**Non-Frustrated Party**” has the meaning given to it in clause 14.5;

“**Improvements**” has the meaning given to it in clause 3.3;

“**Intellectual Property**” means all of the following anywhere in the world: (a) all patents and applications for patents; (b) all copyrights and copyright registrations; (c) all trade dress and trade names, logos, internet addresses and domain names, social media addresses and handles, trademarks and service marks and related registrations and applications and any renewals or extensions, all other indicia of commercial source or origin and all goodwill associated with any of the foregoing; (d) rights of publicity; (e) all inventions, technology, recipes, trade secrets, processes and techniques; and (f) other intellectual property or similar proprietary rights;

“**Initial Term**” has the meaning given to it in clause 13.1;

“**Order**” has the meaning given to it in clause 4.2;

“**PRC**” means the People’s Republic of China and solely for the purposes of this Agreement, excluding Hong Kong, Macau, and Taiwan;

“**Preferred Supplier**” means the largest supplier for laser component products to the Buyer based on total revenue Buyer purchase for Products in a given fiscal year.

“**Products**” means laser component products and certain transceivers products as specified in Exhibit A;

“**Product Specification**” means specifications agreed to by Supplier and Buyer for a Product.

“**Product Specification Change**” has the meaning given to it in clause 3.2;

“**Purchase Order**” has the meaning given to it in clause 3.1;

“**Renewal Term**” has the meaning given to it in clause 13.1;

“**RMA**” has the meaning given to it in clause 5.4;

“**Tax**” means any form of taxation, levy, duty, charge, contribution, or withholding of whatever nature (including any related fine, penalty, surcharge or interest) imposed, collected or assessed by, or payable to, any national, provincial, municipal or local government or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function;

“**Warranty Period**” has the meaning given to it in clause 8.1.

## 2. SUPPLY OF PRODUCTS

2.1 Any supply of the Products made by Supplier to Buyer shall be governed by this Agreement. Buyer shall order the Products in accordance with clause 3.1 and Supplier shall supply them according to the conditions laid down herein.

- 2.2 Unless otherwise agreed in this Agreement or among the Parties in a separate representation and distribution agreement, (a) none of the Products shall be re-sold or otherwise supplied by Buyer to any third party; and (b) none of the Products shall be re-exported to any other individual, organization or country without the prior written consent of Supplier.
- 2.3 For the entire duration of this Agreement, and unless otherwise instructed by Supplier, Supplier shall be the Preferred Supplier of Products if, and to the extent, Supplier offers the same terms and conditions (including price, quality, any relevant tariffs and shipping cost) for such Products as other local suppliers' best quotation, subject to the conditions set out in the following exceptions. The obligations of the Buyer under this Section 2.3 of the Agreement do not apply when and to the extent that: (a) a manufacturing of products by Supplier to Buyer is prohibited by applicable law; (b) the manufacturing of products by Supplier is prohibited by an agreement between Buyer or an affiliate of Buyer and a third party which exists as of the Effective Date; (c) any of the Buyer's customers refuse Supplier. If Supplier's terms deviate from terms offered by industry standards and materially disfavor the Buyer, Supplier will consider and discuss those terms with Buyer.

### 3. PRODUCT PURCHASES

- 3.1 **Purchase Order.** The Products shall be set forth in a purchase order agreed upon by the Parties from time to time ("**Purchase Order**"). Each Purchase Order shall be substantially in the form of Purchase Order set forth in Exhibit B, and shall include, among other items, the relevant Products pricing, purchase commitments, and delivery date. The Parties intend for the express terms and conditions contained in this Agreement (including any Exhibits hereto) and to exclusively govern and control each of the Parties' respective rights and obligations regarding the subject matter of this Agreement, and this Agreement is expressly limited to such terms and conditions. Without limitation of the foregoing, any additional, contrary or different terms contained in any Purchase Order or other request or communication by Buyer pertaining to the sale of Products by Supplier, and any attempt to modify, supersede, supplement or otherwise alter this Agreement, will not modify this Agreement or be binding on the Parties unless such terms have been fully approved in a signed writing by authorized representatives of both Parties.
- 3.2 **Product Specification Changes.** In the event any Buyer requests a change in the applicable Specifications (a "**Product Specification Change**"), then Supplier may, upon mutual agreement and acceptance by both parties, elect to incorporate the Product Specification Change into the applicable Products, and the price for such Products shall be adjusted accordingly as determined by Supplier.
- 3.3 **Improvements.** During the Term of this Agreement, Supplier may, upon mutual agreement and acceptance by both parties, develop improvements ("**Improvements**") to the Products that are designed to (i) mitigate obsolete components, (ii) improve manufacturability of the Products, or (iii) other commercially reasonable improvements as deemed necessary by Supplier.
- 3.4 If such Product Specification Change and Improvement are requested by Buyer, Supplier will only be liable for damages caused to the Buyer if the Product does not meet Product Specifications.
- 3.5 If Supplier makes Product Specification Changes or Improvements without mutual agreement, then Supplier will be liable for any damages resulting from these unauthorized Product Specification Changes or Improvements caused to the Buyer.

### 3.6 End of Life

- (1) Nothing in this Agreement shall be construed as permitting Supplier to cease manufacture of the then-current version of the Products (“**End of Life**”) without providing Buyer with at least six (6) months prior written notice of its intent to End of Life.
- (2) In the event that Supplier determines to End of Life a version of the Products, the Parties shall discuss all available options to ensure continued support of the Products by Supplier or a third party, on commercially reasonable terms.

## 4. FORECASTS AND ORDERS

4.1 Forecasts. Except as otherwise expressly stated in a Purchase Order, each Buyer shall by [\*\*\*] provide to Supplier a rolling forecast of its estimated requirements for the applicable Products over the following [\*\*\*] (each a “**Forecast**”). Each Forecast shall state the relevant Buyer’s anticipated requirements [\*\*\*] The commitment levels relating to the applicable Products, unless otherwise agreed in writing, shall be carried forward as follows in successive Forecasts:

- (1) the [\*\*\*] covered by that Forecast (the “**Firm Order Period**”) shall be a binding order and, unless otherwise agreed by the Parties, shall not be amended by a subsequent Forecast and shall constitute a commitment on Buyer to purchase, and on Supplier to supply, the stated amounts of Products for the Firm Order Period;
- (2) the [\*\*\*] covered by that Forecast shall not be a binding order but, unless otherwise agreed by the Parties, shall not be amended by a subsequent Forecast by more than [\*\*\*] and, within such tolerance, shall constitute a commitment on Buyer to purchase, and on Supplier to supply, the stated amounts of Products;
- (3) the [\*\*\*] covered by that Forecast shall not be a binding order but, unless otherwise agreed by the Parties, shall not be amended by a subsequent Forecast by more than [\*\*\*] and, within such tolerance, shall constitute a commitment on Buyer to purchase, and on Supplier to supply, the stated amounts of Products;
- (4) the subsequent consecutive [\*\*\*] estimation covered by that Forecast are provided for planning purposes only and shall in no event be deemed as a commitment on Buyer to purchase, and on Supplier to supply, any quantity of the Products.

4.2 Orders. On or prior to the date on which Buyer delivers Forecast pursuant to clause 4.1, each Buyer shall submit, in writing or electronically, to Supplier a binding Purchase Order (each, an “**Order**”) for the number of Products to which the relevant Buyer is committed to purchase during [\*\*\*] such Forecast. Such Order shall specify the relevant Buyer’s order number, the applicable Purchase Order and Products description, the quantity of Products to be purchased, the price for such Products (based on the applicable Purchase Order), the Delivery dates and the location or locations identified as the destination for the shipment of Products in an Order (“**Delivery Sites**”), and the specific carriers or transportation methods by which Delivery shall be made. Subject to the terms and conditions of this Agreement, an Order submitted by Buyer pursuant to this clause 4.2 shall constitute a firm commitment by Buyer to purchase the Products specified in the Order from Supplier. All orders are subject to acceptance by Supplier, who will accept or reject orders according to Supplier’s then current processes. Every purchase order issued by Buyer to Supplier following the Effective Date of this Agreement shall be governed by and be deemed to include the provisions of this Agreement.

4.3 Order Cancellations. Buyer may not cancel or terminate any Order, in whole or in part, without the prior written consent of Supplier, which consent, if given, shall be upon terms that will compensate Supplier for the incurred costs therefrom.

## 5. **DELIVERY; TITLE**

### 5.1 Shipment.

(1) Delivery shall be made by reasonably economical means and at a reasonable rate, in the sole discretion of Supplier, at Buyer’ sole cost. If no Delivery Site is specified by Buyer for shipment of the applicable Products, then the applicable Products shall be shipped to Buyer’ address noted on the Order.

(2) Supplier shall, subject to events beyond its control, make commercially reasonable efforts to meet specified delivery dates referenced in the Purchase Order. Supplier shall notify Buyer immediately in writing if Supplier has knowledge of any event that could result in any change to the agreed upon delivery plan. In the event that any Products scheduled for delivery is more than [\*\*\*] days late, Buyer may request such Products be shipped and delivered via a different mode of transportation at Supplier’s expense.

5.2 Inspection. Buyer shall have the right to inspect all Products within [\*\*\*] days after receipt thereof, and Products shall be conclusively deemed accepted by Buyer (unless a notice of rejection, along with evidence thereof satisfactory to Supplier, has been sent by Buyer to Supplier within such [\*\*\*] day period), relieving Supplier of liability for damages, if any. Inspection is limited to volume or visual damages to the Products. If a transceiver product containing an AOI laser fails at the end user, AOI shall work with the buyer to analyze it and if it is determined that the failure is on AOI’s side, AOI will pass an RMA or a replacement.

5.3 Buyer shall have the right to return a Products if after discussion with Supplier, Buyer believes that the Products have failed and does not conform to the applicable Product Specifications. Notwithstanding any provision to the contrary, Supplier’s sole and exclusive obligations to the Buyer for any Products made by Supplier and sold hereunder are to repair returned Products or provide a replacement Products, at Supplier’s sole option, for any Products which has been returned to Supplier under the Return Material Authorization procedure (as defined below).

5.4 Return Materials Authorization. Supplier will only accept Products returned under the Supplier Return Materials Authorization (“RMA”) process and shipped pursuant to the RMA Shipping and Packaging Instructions. Failure to comply with RMA Shipping and Packaging Instructions shall render the Products warranty null and void immediately. Buyer is responsible for shipping Products to Supplier and for such shipping expense in all circumstances. Buyer shall obtain a RMA number from Supplier prior to returning any Products and return the Products prepaid and insured to Supplier to the FCA point. One RMA number per part number will be designated by Supplier. Any part number not covered by the applicable RMA number will be returned to Buyer at Buyer’s sole expense. RMA numbers are issued only after Buyer have completed an RMA Authorization Request form. RMAs must be accompanied by any and all test printouts, photos, photomicrographs, and any other results or characterization conducted by Buyer which Buyer contend set forth defect(s). The warranty of repaired Products shall be the same as the original Products [\*\*\*] and from the shipment date of the repaired Products, or such other period expressly stated in the applicable Purchase Order. Supplier reserves the right to test a representative sample of returned parts only and to make its return authorization for the entire requested quantity based on said sample. Alternatively, and at Supplier’s sole and absolute discretion, returned Products may be replaced in part or in its entirety with new Products that meets original Products specifications. In the event that Buyer returns the Products to Supplier under the proper RMA process and Supplier, determines that it is covered under warranty and replaces or repairs the defective Products, Supplier is responsible for shipping expense back to the Buyer only.

5.5 Buyer Requested Delay. If any shipment of Products is delayed at Buyer’s request beyond the applicable delivery date, Supplier, at its sole discretion, shall be entitled to either (a) treat such delay as a breach of this Agreement, or (b)(i) arrange storage of the shipment either at Supplier’s premises or at another reasonably secure location on Buyer’s behalf and at Buyer’s risk and expense and (ii) invoice Buyer for all reasonable storage costs relating to such shipment delay that are incurred by Supplier between the date of Buyer’s notice and the actual delayed delivery date.

5.6 Title. Unless otherwise agreed in writing by the Parties, shipping terms shall be as follows:

- (1) In the case where a third party carrier delivers the Products to the Delivery Sites, FCA (Incoterms 2020) the Supplier’s designated shipping warehouse, meaning that Supplier retains title to, and shall bear risk of loss for, all Products until the Products are received by the third party carrier at Supplier’s designated shipping warehouse.
- (2) Title and risk of loss to any Products that is properly rejected shall pass back to Supplier if and when Supplier takes repossession of such Products (whether for of replacement or repair).
- (3) All claims for loss or damage during shipment must be filed by Buyer with the carrier.

## 6. PRICE/PAYMENT/INVOICE

6.1 Payment.

- (1) Upon credit approval by Supplier, payment terms shall be cash upon delivery or, at the option of Supplier, [\*\*\*] from the date of the shipment. Supplier reserves the right to require alternative payment terms, including TT in advance or letter of credit of payment in advance. All payments must be in United States dollars.

(2) If at any time any Buyer is delinquent in the payment of any invoice or is otherwise in breach of this Agreement, Supplier may, at its discretion, withhold shipment (including partial shipments) of any order or may, at its option, require such Buyer to pre-pay for further shipments. All payments not received when due shall be subject to an additional charge of [\*\*\*] per month (annual rate [\*\*\*]) of the unpaid amount or the maximum rate permitted by law, whichever is less, until the date of payment, as well as Supplier's costs of collection, including attorneys' fees and costs, including court costs and cost of arbitration. In return or exchange for the credit extended by Supplier to Buyer on account, Buyer gives Supplier a continuing security interest in rights, title, and interest in Product(s) currently and hereafter acquired on account or otherwise purchased under this Agreement to secure payment for those Products purchased. Buyer shall execute and deliver, in a form acceptable to Supplier, in Supplier's sole opinion and judgment, all documents which are necessary to perfect and maintain the security interest in the collateral, including assignments, financing statements, and certificates of title or registration. Non-payment by Buyer of any outstanding invoices shall be deemed an extension of credit by Supplier for purposes of the above security interest provisions only. There is no set-off right for the Buyer.

6.2 No Taxes. The price for each Products is exclusive of any local, state or federal tax, levy, tariff, sales tax, fees, customs or duties (foreign or domestic) required by law or any regulatory authority or which are assessable against such Products by any government agency, all of which shall be payable by Buyer to the extent that Buyer is required by law to pay the relevant tax authority for such tax. Buyer shall pay separately itemized sales and/or use taxes invoiced by Supplier on the date of the sale of each Products. To the extent Supplier is required to pay any such tax, Supplier shall separately itemize such amounts on the invoice and Buyer shall pay such amounts as provided herein. Neither Party shall have any obligation to pay any tax which is not directly imposed on such Party or under this Agreement, including, without limitation, income, franchise, property and gross receipts taxes imposed on such Party's net income, net worth, property or revenue.

## 7. LICENSING REQUIREMENTS

7.1 Software License. Supplier grants to Buyer a limited, non-transferable, non-exclusive, fully paid up, royalty free license (or, as applicable, a sublicense) to (a) use the Supplier Software in connection with the use of the Products and (b) run the Supplier Software on the Products when required for testing, compatibility and quality assurance purposes. Except as provided in this clause 7.1, nothing in this Agreement grants Buyer any rights in the Supplier Software. Buyer shall not translate, reverse engineer, decompile, or disassemble the Supplier Software or any part thereof or otherwise attempt to derive source code or create derivative works there from, and shall not authorize any third party to do any of the foregoing. For purposes of this clause 7.1, "Supplier Software" shall mean any software provided by Supplier (including all updates, upgrades and fixed thereto) hereunder.



## 8. PRODUCT WARRANTIES

### 8.1 Supplier Warranties

- (1) Supplier represents, warrants and covenants to Buyer that for a period of [\*\*\*] from the shipment date of the applicable Products, or such other period expressly stated in the applicable Purchase Order (the “**Warranty Period**”), (i) the Products and all components included in each Products shall be free from Material Defects (“**Material Defects**” shall mean when the Products does not meet the Product Specifications) in materials and workmanship; (ii) excluding normal wear and tear, each Products and all components and Supplier Software shall conform in all material respects to the applicable Specifications and the Acceptance Performance Standard in effect at the time the Products was shipped; and (iii) each Products shall conform in all material respects to any and all other requirements set forth in the applicable Purchase Order.

### 8.2 Warranty Claims

- (1) **IF THE APPLICABLE WARRANTY PERIOD DESCRIBED HAS NOT EXPIRED, SUPPLIER’S LIABILITY SHALL BE LIMITED SOLELY TO, AS DETERMINED AT SUPPLIER’S OPTION, THE REPAIR OR REPLACEMENT (IN EACH CASE TO THE EXTENT BUYER IS NOT IN DEFAULT HEREUNDER) OF PARTS OF THE PRODUCTS UNDER THE WARRANTY CLAUSE HEREIN.** If the Warranty Period has expired, Supplier shall not be liable for any damages of any kind whatsoever and shall have no obligation under this warranty. Supplier shall have the right to determine, prior to effecting such repair or replacement, whether or not the warranty noted above has been violated failure of Buyer to use/operate the Products in accordance with Supplier’s instructions, misuse, abuse or neglect by or on the behalf of Buyer, modification, abnormal conditions of operation, damage by accident (including fall, fire, exposure to water, improper temperature, humidity, other environmental conditions, or abnormal electrical exposure), installed improperly by personnel not certified or approved by Supplier or attempted service or modification not authorized by Supplier. If such determination is made by Supplier, then Supplier shall not be liable for any damages of any kind whatsoever and shall have no obligation under the warranty in clause 8.1. Additionally, Supplier shall not have responsibility or liability, direct or indirect, contingent or otherwise, arising out of, or based upon, a violation of the warranty caused in whole or in part, in the opinion of Supplier, by those actions or omissions of or on behalf of Buyer described in this clause. Responsibility for proper service and operation of the Products if not installed, serviced and operated by Supplier, or in accordance with Supplier’s instructions, rests entirely with Buyer. If and to the extent that correction of a defect involves the provision of replacement Products, Buyer shall be liable for any and all costs of retrieving or re-installing Products or any portion thereof. Other than as set out above, any and all costs of defect correction shall be met by Buyer.

- (2) **BUYER ACKNOWLEDGES AND AGREES THAT THE PROVISIONS CONTAINED IN THIS WARRANTY CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY AVAILABLE TO IT WITH REGARD TO THE PRODUCTS, SOFTWARE AND SERVICES FURNISHED BY SUPPLIER. EXCEPT FOR THE EXPRESS WARRANTIES MADE IN SECTION 6.01, PRODUCTS ARE SOLD “AS IS” AND SUPPLIER EXPRESSLY DISCLAIMS AND EXCLUDES ALL WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING ALL WARRANTIES WHICH, BUT FOR THIS PROVISION, MIGHT ARISE FROM COURSE OF DEALING, CUSTOM OR TRADE AND INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT OF THIRD PARTY RIGHTS WITH RESPECT TO THE PRODUCTS, SOFTWARE AND SERVICES FURNISHED BY SUPPLIER.** If any portion of the Products is not manufactured by Supplier, then Supplier will, to the extent it is authorized to do so, pass along to Buyer the manufacturer’s warranty. Supplier makes no warranty whatsoever with respect to any portion of the Products not manufactured by Supplier and such portion of the Products are sold to Buyer by Supplier “AS IS”.
- (3) All warranty claims (including with respect to prioritization and timing) for the Products will be handled in accordance with Supplier’s policies then in effect. Buyer is responsible for shipping and shipping expenses related to any warranty claim.
- (4) The warranty claim shall apply to Buyer and Buyer’s Affiliates and subsidiaries.
- (5) If a customer of Buyer demands a longer warranty period, Supplier may provide up to five (5) year Warranty if Buyer provides written evidence of such demand to Supplier.

8.3 Procedure for Warranty Qualification. Notwithstanding anything to the contrary Supplier shall not be liable for a breach of the warranties set out in clause 8.1 unless (a) any Buyer notifies Supplier of the breach in writing within [\*\*\*] days of the expiration of the Warranty Period (provided that the breach shall have occurred during the Warranty Period), and (b) Supplier is given a reasonable opportunity after receiving the notice to examine the applicable Products. The Buyer must make all claims under this warranty and no claim will be accepted from any third party.

8.4 Security Agreement. For any Products delivered to Buyer for which any Buyer has not fully paid Supplier, such Buyer hereby grants to Supplier, its successors and assigns, a purchase money security interest in such Products to secure the full payment of the purchase price of such Products, including a right of repossession until the full purchase price has been paid under the applicable Purchase Order without limiting any other rights or remedies of Supplier hereunder. Buyer will, other than the security interest granted to Supplier hereby, cause such Products to be free and clear of all liens, claims, charges and encumbrances. Default in payment of such price or any part of the price when due shall permit Supplier, in its sole discretion, to declare all obligations of such Buyer immediately due and payable under the applicable Purchase Order, and in such event, Supplier shall have all the rights and remedies of a secured party under applicable law (including the rights of repossession described above). In connection with any security interest granted herein, Supplier is expressly authorized, at its discretion, to file one or more financing statements or other notices under applicable law naming the relevant Buyer as debtor and Supplier as secured party. In the event that Supplier commences legal action, or consults with counsel, with respect to the transaction which is the subject hereof, such Buyer shall, on demand, pay Supplier the legal fees, costs and expenses so incurred by Supplier.

8.5 If Buyer becomes a Frustrated Party due to a Force Majeure Event as specified in section 14.5, Buyer shall promptly provide a written notice to the Supplier within 5 business days of such Force Majeure Event. Buyer need to indicate on the notice how such Force Majeure Event impacted Buyer's ability to continue manufacturing, the period of time which Buyer believe such event will last, and provide an inventory of the Supplier's Products ("**Listed Products**") that are impacted by this Force Majeure Event. Upon receiving such notice, Supplier will extend the warranty period for the Listed Products by the duration of the Force Majeure Event.

## 9. INDEMNIFICATION AND COVENANTS

### 9.1 General Indemnity

- (1) Supplier will defend against and will indemnify and hold harmless Buyer, at Supplier's expense, from and against any claims, demands, suits, proceedings, or causes of actions brought by a third party to the extent arising from (i) Supplier's negligent acts or omissions or intentional misconduct in connection with the performance of its obligations hereunder; or (ii) any violation of any applicable law by Supplier.
- (2) Buyer will defend against and will indemnify and hold harmless Supplier, its affiliates and each of their respective employees, directors, officers, and successors and assigns from and against at Buyer's expense, from and against any claims, demands, suits, proceedings, or causes of actions brought by a third party to the extent arising from (i) Buyer's breach, negligent acts or omissions or intentional misconduct in connection with the performance of its obligations hereunder; (ii) the violation of any applicable law by Buyer in its marketing and distribution of the Products; or (iii) Buyer's possession or use of the Products, including without limitation, any misuse or mishandling of the Products or modification(s) to the Products by Buyer.

9.2 Survival of Indemnification Obligations. The rights and obligations in clause 9.1 shall survive expiration or earlier termination of this Agreement.

9.3 Limitation of Liability. [\*\*\*].

9.4 Consequential Damages. IN NO EVENT SHALL ANY PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF ITS PERFORMANCE OR NONPERFORMANCE OF ANY PROVISION OF THIS AGREEMENT OR THE PRIOR AGREEMENT REGARDLESS OF THE NATURE OF THE CLAIM OR WHETHER SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

## 10. GENERAL WARRANTIES AND COVENANTS

10.1 Mutual Warranties. Each Party represents and warrants to the other Party that (a) it is duly organized and validly existing under the laws of its jurisdiction of organization; (b) it has the legal power and authority to execute and deliver this Agreement and to fully perform its obligations hereunder; (c) the execution, delivery and performance of this Agreement by it have been duly authorized by all necessary actions and do not violate its organizational documents or any other material agreements to which it is a Party; and (d) this Agreement constitutes a legally valid and binding obligation of such Party, enforceable against it in accordance with its terms, except as such enforcement may be limited by applicable law.

10.2 Supplier's Undertaking. Supplier undertakes to Buyer to grant the following preferential treatment to Buyer:

- (1) Supplier will make commercially reasonable efforts to build up actual capacity to fulfil Buyer's Forecast;
- (2) Supplier will make commercially reasonable efforts to give Buyer priority on open capacity (for the avoidance of doubt, excluding any actual capacity that Supplier is required expressly to provide to any third party in accordance with any supply agreement to which Supplier is a party). If at any point Supplier is no longer a Preferred Supplier of Buyer, then this section 10.2(2) is deemed void;
- (3) in case of capacity shortage, Supplier will use commercially reasonable efforts to satisfy the supply to Buyer; and
- (4) in case the actual demand of Buyer exceeds the forecasted or contracted supply, Supplier will make commercially reasonable efforts to coordinate additional idle capacity to supply to Buyer.

## **11. INTELLECTUAL PROPERTY**

11.1 Ownership. Each Party to this Agreement shall (a) continue to own all intellectual property that was owned by such Party prior to the Effective Date (including but not limited to in the case of Supplier, Testing Tools) and (b) separately own any intellectual property subsequently developed or acquired by such Party independent of its performance pursuant to this Agreement.

11.2 Supplier Intellectual Property. All rights, title and interest in and to any inventions, discoveries, improvements, methods, ideas, computer and other apparatus programs and related documentation, other works of authorship fixed in any tangible medium of expression, mask works, or other forms of intellectual property, whether or not subject to statutory protection, which are made, created, developed, written, conceived, or first reduced to practice by Supplier solely, jointly or on its behalf, in the course of, arising out of, or as a result of work performed under an order, and any related tooling set-up, fitting-up and preparation charges whether or not invoiced, shall belong to and be the sole and exclusive property of Supplier.

11.3 Use Restrictions. Except as and to the extent expressly permitted, or as reasonably necessary to make any use of the Products, Buyer shall not and shall not permit others to engage in any of the following:

- (1) Modifying, correcting, adapting, translating, enhancing or otherwise preparing derivative works or improvements of the Products.
- (2) Reverse engineering, disassembling, decompiling, tampering, decoding, or adapting the Products, or otherwise attempting to derive or gain access to the software source code, in whole or in part.

- (3) Renting, leasing, lending, selling, sublicensing, assigning, distributing, publishing, transferring, or otherwise making the Products available to any third party unless the Parties enter into a Products representation and distribution agreement or the Parties are Buyer's Affiliates and subsidiaries.
- (4) Remove, alter, erase, deface or cover over any markings on the Products or its packaging.

## 12. CONFIDENTIALITY

### 12.1 Confidential Information Defined.

- (1) The term "**Confidential Information**" shall include, without limitation, information provided by a Party that such Party has designated as confidential; this Agreement (and all exhibits thereto) and all of its terms and conditions; all manuals and training materials provided by a Party; and all financial, technical, business, product and credit information relating to either Party, including without limitation, all market analyses and market expansion plans, all revenue and profit analyses and projections and all commission structures and statements; all technical information relating to either Party, including, without limitation, all implemented or planned product and service improvements or changes; and all other information relating to the operations of a Party which was disclosed or provided to the other Party or became known to the other Party through this relationship; and all other information not generally known to the public relating to either Party.
- (2) Notwithstanding the foregoing, "Confidential Information" does not include information or material:
  - (i) which is publicly available when it is received by, or becomes known to, the receiving Party or which subsequently becomes publicly available through no fault of the receiving Party;
  - (ii) which is already known to the receiving Party at the time of its disclosure to the receiving Party and is not the subject of an obligation of confidence to the disclosing Party of any kind;
  - (iii) which is independently developed by the receiving Party without any use of or access or reference to the Confidential Information of the disclosing Party; or
  - (iv) which is received by the receiving party from a third party in good faith and free of any obligations of confidentiality of any kind.

- 12.2 No Disclosure. Except as expressly permitted by this Agreement, neither Party nor any person, firm, corporation or other entity affiliated with, owned in whole or in part by, employed by or otherwise connected with such Party, shall directly or indirectly, without the express written consent of the other Party, divulge, use, sell, exchange, furnish, give away, or transfer in any way any Confidential Information of the other Party. Each Party agrees and acknowledges that the obligations imposed in this clause 12 shall be in effect during the Term of this Agreement and for three (3) years after the earlier expiration or termination of this Agreement.

- 12.3 Purpose of Access. Each Party acknowledges that any Confidential Information that has been disclosed to it by the other Party has been disclosed solely for the purpose of enabling the Party to perform its duties hereunder. Each Party agrees that all Confidential Information, whether provided by the other Party prior to or after the commencement date hereof, is the exclusive property of the disclosing Party.
- 12.4 Compelled Disclosure. If either Party is served with any form of process purporting to require that Party to disclose any Confidential Information to any third party, the served Party shall immediately notify the disclosing Party who shall, in addition to the served Party's efforts, if any, have the right to seek to quash such process. Each Party shall cooperate with the other in all efforts to quash such process or otherwise to limit the scope of any required disclosure. In the event that the disclosure of any Confidential Information is compelled, the served Party shall seek an appropriate protective order from the court to limit access to such information.
- 12.5 No Publicity. Neither Party shall issue a press release or any other publicity (including listing Buyer in a Buyer list or listing Supplier in a supplier list) relating to this Agreement without the other Party's prior written approval, except for a Party's required disclosure of this relationship and/or letter in order to comply with U.S. federal financial reporting obligations or other statutory regulations. In the event such disclosure is required, the disclosing Party will notify the other Party in writing.
- 12.6 Destruction/Return of Information. Upon the expiration or termination of this Agreement or upon either Party's request, each Party, as a receiving Party, shall return all Confidential Information to the disclosing Party or at such disclosing Party's option, destroy all Confidential Information and provide a written certification signed by an officer of such Party, certifying that all Confidential Information in all formats, including without limitation, paper, electronic and disk form, have been returned or destroyed, as the case may be, within ten (10) days of a Party's receipt of a written request.
- 12.7 Injunctive Relief. Each Party acknowledges that its failure to comply with the provisions of this clause 12 may cause irreparable harm to the other Party which cannot be adequately compensated for in damages, and accordingly acknowledges that the other Party shall be entitled to claim, in addition to any other remedies available to them, interlocutory and permanent injunctive relief to restrain any anticipated, present or continuing breach of this clause 12.

### 13. TERM AND TERMINATION

- 13.1 Term. This Agreement shall come into force on the Effective Date and shall continue in effect for three (3) years from such date, unless earlier terminated in accordance with the provisions of this clause 13 ("**Initial Term**"). Thereafter, this Agreement shall automatically renew on each anniversary of the Effective Date for a period of one (1) year, unless either Party gives written notice to the other Party of its intent not to renew at least ninety (90) days prior to the anniversary of the Effective Date ("**Renewal Term**"). The Initial Term and each Renewal Term, if any, are referred to herein, collectively, as the "Term".
- 13.2 Termination. Subject to clause 13.3, either Party shall be entitled by written notice to the other Party at any time to terminate this Agreement in its entirety if the other Party commits a material breach of this Agreement and such breach continues uncured for a period of thirty (30) days after written notice detailing the breach is provided to the other Party.

13.3 Effect of Termination. Upon expiration or termination of this Agreement or any Purchase Order, all Products ordered prior to the Effective Date of such expiration or termination shall be delivered and paid for in accordance with the applicable Purchase Order.

#### 14. MISCELLANEOUS

14.1 Dispute. Subject to the other terms and conditions of this Agreement, Supplier and Buyer agree to make a good faith attempt to settle any dispute arising under or related to this Agreement without resort to legal action. If such good faith effort fails, Supplier, at its option, may submit any controversy or claim arising out of or relating to this Agreement, or the breach thereof, to binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Such arbitration shall be maintained and held in Houston, Texas, USA. Should Supplier decide to submit the dispute to arbitration, the parties agree that arbitration will be the sole method of resolving such dispute and the matter may not be submitted to the courts of any jurisdiction except for enforcement of any arbitration award. In that event, any previously filed lawsuit shall be dismissed in favor of arbitration so long as Supplier notifies the other party of its intent to have the matter arbitrated, rather than litigated, within forty-five (45) days of being served with such lawsuit. Supplier retains the right to seek immediate, temporary and/or injunctive relief from the courts of any jurisdiction. Except for claims by Supplier for non-payment, the cost of arbitration, including the fees of the mediator(s) or arbitrator(s) shall be divided equally by the Parties. Each party shall bear its own costs of preparing and presenting its case. An action for breach of contract or warranty, other than for non-payment, must be commenced within two (2) years after the date of original shipment of the Products. The Parties agree that the failure to meet that two (2) year deadline will bar subsequently filed suits or arbitration proceedings. Any lawsuit against Supplier must be filed, to the extent not precluded by arbitration, in the courts in Harris County, Texas.

14.2 Waiver. Except as expressly provided in this Agreement, no waiver of this Agreement shall be binding unless executed in writing by the Party to be bound by it. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

14.3 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO ITS CONFLICTS OF LAWS PRINCIPLES. EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL COURTS OF HARRIS COUNTY, TEXAS (OR STATE COURTS LOCATED IN HARRIS COUNTY, TEXAS IF FEDERAL JURISDICTION DOES NOT APPLY) FOR THE PURPOSE OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT OR THE SUBJECT MATTER HEREOF. EACH PARTY HEREBY WAIVES THE RIGHT TO TRIAL BY JURY OF ANY SUCH SUIT, ACTION OR PROCEEDING.

14.4 No Assignment. Except as provided below, neither Party shall have the right to assign, delegate or otherwise transfer any of its rights or duties granted to it under this Agreement without obtaining the other Party's prior written consent. Notwithstanding the foregoing sentence, a Party may assign this Agreement to (a) any affiliate of that Party; (b) a successor in interest of that Party or as part of a corporate reorganization, consolidation or merger; or (c) a purchaser of all or substantially all of that Party's assets.

- 14.5 Force Majeure. No Party (a “**Frustrated Party**”) shall be liable to any other Party (a “**Non-Frustrated Party**”) for any failure to perform or delay in performance of its obligations under this Agreement caused by (a) act of God; (b) outbreak of hostilities, riot, civil disobedience, act of terrorism or plague; (c) the act of any governmental authority including revocation of any license or consent; (d) fire, explosion, lightning strike, storm (including but not limited to hurricanes and tornadoes) or flood; (e) theft, malicious damage, strike, lockout or industrial action of any kind (provided that the strike, lockout or industrial action was outside the reasonable control of the Frustrated Party); or (f) any causes or circumstances beyond the Frustrated Party’s reasonable control (collectively, a “**Force Majeure Event**”). The Frustrated Party shall promptly notify the Non-Frustrated Party of the nature and extent of the circumstances of the Force Majeure Event once known. In the event of a Force Majeure Event, the Frustrated Party shall forthwith establish and implement a plan that minimizes the disruption to the Non-Frustrated Party and shall use its commercially reasonable efforts to remedy the situation and remove the cause of its inability to perform as soon as possible. The Frustrated Party shall give the Non-Frustrated Party prompt notice of the cessation of the Force Majeure Event. The Frustrated Party and the Non-Frustrated Party shall negotiate in good faith adjustments to the terms and conditions of this Agreement that are equitable taking into account the nature and extent of the circumstances of the Force Majeure Event as they develop and become known, including equitable reductions in the obligations of the Non-Frustrated Party.
- 14.6 Compliance with Laws. Buyer shall at all times comply with all Laws applicable to this Agreement, Buyer’s performance of its obligations hereunder and Buyer’s use or sale of the Products. Without limiting the generality of the foregoing, Buyer shall (a) at its own expense, maintain all certifications, credentials, licenses and permits necessary to conduct its business relating to the purchase, use or resale of the Products and (b) not engage in any activity or transaction involving the Products, by way of resale, lease, shipment, use or otherwise, that violates any Law.
- 14.7 Export Restrictions.
- (1) Buyer shall obtain all licenses, permits and approvals, at Buyer’s expense, required by any government and shall comply with all applicable laws, rules, policies and procedures of the applicable government and other competent authorities. Buyer will indemnify and hold Supplier harmless for any violation or alleged violation by Buyer of such laws, rules, policies or procedures. Buyer shall not transmit, export, or re-export, directly or indirectly, separately or as part of any system, the Products or any technical data (including processes and services) received from Supplier, without first obtaining any and all licenses required by the applicable government, including the United States Government and/or any other applicable competent authority. Buyer also certifies that none of the products or technical data supplied by Supplier under this Agreement will be sold or otherwise transferred to, or made available for use by or for, any entity that is engaged in the design, development, production, or use of nuclear, biological or chemical weapons or missile technology. If Buyer resells or otherwise disposes of any product or technical data purchased hereunder, it will comply with any export restrictions applicable to such transfer. Supplier shall have no liability for delayed delivery or nondelivery resulting from denial, revocation, suspension or governmental delay in issuance, of any necessary export license or authority.



- (2) Supplier shall not be obligated to fulfill its obligations hereunder if such fulfillment is prevented by any impediments arising out of national or international foreign trade or customs requirements or any embargoes or other sanctions.
  - (3) If required to conduct export control checks, Buyer, upon request by Supplier, shall promptly provide Supplier with all information pertaining to particular end customer, destination and intended use of Products, works and services provided by Supplier, as well as any export control restrictions existing.
- 14.8 Severability. Any term of this Agreement which is judged to be void or unenforceable shall to the extent of such invalidity be severable and the continuation in full force and effect of the remainder of the provisions will not be prejudiced.
- 14.9 Entire Agreement. This Agreement, including all Exhibits, Attachments, Statements of Work and Purchase Orders, constitutes the entire agreement between the Parties and their respective affiliates with respect to the subject matter hereof and supersedes all prior agreements and understandings, both oral and written, between the Parties and their respective affiliates with respect to the subject matter hereof.
- 14.10 Amendment. This Agreement may not be amended, varied or modified in any manner except by an instrument in writing signed by duly authorized officers or representatives of each of the Parties.
- 14.11 No Partnership. Nothing in this Agreement shall create or be deemed to create a partnership or joint venture or the relationship of principal and agent between the Parties.
- 14.12 Survival of Obligations. Subject to the terms and conditions of this Agreement, the obligations under this Agreement and/or any Orders placed hereunder that by their nature or as specified under this Agreement are intended to continue beyond the termination, cancellation or expiration of this Agreement, including, without limitation and for the avoidance of doubt, the Parties' obligations under clause 8 and clause 9, shall survive the termination, cancellation or expiration of this Agreement.
- 14.13 Notices. A notice shall be in writing in English, and delivered personally or sent by internationally reputable courier or by email to the party due to receive the notice to the address set out in clause 14.13 (or otherwise notified by the other Party in accordance with this clause 14.13).

Unless there is evidence that it was received earlier, a notice is deemed given if:

- (1) delivered personally, when left at the address set out in clause 14.13;
- (2) sent by internationally reputable courier, three (3) Business Days after posting it if the sender and recipient are in the same country or eight (8) Business Days after posting it if the sender and recipient are in different countries; or
- (3) sent by electronic mail, when confirmation of its transmission has been recorded by the sender's email system.

The address referred to in this clause 14.13 is:

<b>Name of party</b>	<b>Address</b>	<b>Marked for the attention of</b>	<b>E-mail Address</b>
Supplier	13139 Jess Pirtle Blvd. Sugar Land, Texas 77478	***	***
Buyer	4th Floor, Building A, No. 888, Huanhu West 2nd Road, Nanhui New Town, Pudong New Area, Shanghai	***	***

- 14.14 Non-exclusivity. None of the activities to be performed by Supplier and Buyer under this Agreement are exclusive. This Agreement does not grant to Supplier any exclusive right or privilege to provide to Buyer any products or services of the type contemplated herein, and this Agreement does not grant to Buyer an exclusive right or privilege to receive from Supplier any products or services of the type contemplated herein. Supplier and Buyer reserve the right to contract with other persons for the sale and procurement of comparable products and services of the type contemplated herein.
- 14.15 Other Definitional and Interpretative Matters. Unless specified otherwise in this Agreement the obligations of any Party consisting of more than one person are joint and several. The words “hereof”, “herein” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections and Exhibits are to Articles, Sections and Exhibits of this Agreement unless otherwise specified. All Exhibits annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized term used in any Exhibit but not otherwise defined therein shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”, whether or not they are in fact followed by those words or words of like import. “Writing”, “written” and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any person include the successors and permitted assigns of that person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively.
- 14.16 No Third Party Beneficiary. Nothing in this Agreement is intended to confer any benefit on any third party (whether referred to herein by name, class, description or otherwise) or any right to enforce a term set forth in these conditions.

14.17 Counterparts. This Agreement, and any documents to be executed by the Parties in connection herewith, may be executed in multiple counterparts (facsimile or otherwise), each of which shall constitute an original, but all of which together shall constitute one and the same instrument.

*[Signatures on Following Page]*

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed by their duly authorized representatives, each of which shall constitute an original effective as of the date hereof.

**APPLIED OPTOELECTRONICS, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Yuhan Optoelectronic Technology (Shanghai) Co., Ltd. (裕汉光电子科技(上海)有限公司)**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*Signature Page to Product Supply Agreement*

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**EXHIBIT A**  
**THE PRODUCTS**

**1. The Products**

<b>Product</b>	<b>Specification</b>	<b>Product Number</b>
Laser Chips		

### Contract Manufacturing Agreement

THIS Contract Manufacturing Agreement (this “*Agreement*”), effective as of \_\_\_\_\_ (the “*Effective Date*”), is made and entered into by and between (1) **APPLIED OPTOELECTRONICS, INC.**, a Delaware corporation having a place of business at 13139 Jess Pirtle Blvd., Sugar Land, Texas 77478, www.ao-inc.com (“*AOI*”) and (2) Global Technology Co., Ltd. (宁波环球广电科技有限公司), a company incorporated in the PRC (unified social credit code: 91330212739470836U) whose registered office is at No.88 Qiushi Road, Wangchun Industrial Park, Haishu District, Ningbo, Zhejiang Province; (“*GT*”) and (3) Yuhan Optoelectronic Technology (Shanghai) Co., Ltd. (裕汉光电子科技(上海)有限公司), a company incorporated in the PRC (unified social credit code: 91310115MA1H8BHE0A) whose registered office is at Block C, No. 888 Huanhu West Two Road, Nanhui New Town, Pudong New District, Shanghai (“*Yuhan Shanghai*”, collectively with GT, “*Suppliers*”).

#### RECITALS

The following provisions form the basis for, and are hereby made a part of, this Agreement:

**WHEREAS**, Prime World International Holdings Ltd. (“Prime World”) (as the Seller) and Yuhan Shanghai have entered into the AGREEMENT FOR THE SALE AND PURCHASE OF A NEW COMPANY TO BE ESTABLISHED IN HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE’S REPUBLIC OF CHINA on \_\_\_\_\_, 2022 (the “SPA”), according to which, Prime World agrees to sell, and Yuhan Shanghai agrees to buy the Shares (as defined in the SPA) and each right attaching to the Shares at or after Completion.

**WHEREAS**, upon the Completion, AOI wish to purchase certain products and services from Suppliers, and Suppliers wishes to sell such products and services to AOI.

**WHEREAS**, AOI is in the business of, among other things, designing, manufacturing and selling products for markets including but not limited to CATV, Lidar Module Assembly or High Power Industrial Laser Module Assembly.

**WHEREAS**, SUPPLIERS are in the business of contract manufacturing, and desires to manufacture such products for AOI.

**WHEREAS**, SUPPLIERS desire to enter into a long-term relationship with AOI pursuant to which SUPPLIERS will manufacture and sell to AOI in accordance with the terms and conditions set forth herein said products as defined and listed in Exhibit “A” (the “Products”) and in Exhibit “B” (the “Pricelist”), which Exhibits may be amended from time to time as set out herein or by mutual agreement; and

**WHEREAS**, in order to confirm the general terms and conditions pursuant to which SUPPLIERS will manufacture and sell the Products to AOI, and AOI will purchase the Products from SUPPLIERS, SUPPLIERS and AOI (collectively, the “Parties”) desire to enter into this Agreement.

**\* Certain information has been excluded from this exhibit because it is both immaterial and competitively harmful if publicly disclosed. Where applicable, omissions have been marked “[\*\*\*]”.**

## AGREEMENT

Now, THEREFORE, in consideration of the mutual promises, covenants, and obligations set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties hereby mutually agree as follows:

### 1. PURCHASE ORDERS, FORECASTING & DELIVERY.

1.1 AOI will purchase Products from SUPPLIERS by issuing purchase orders (“Order” or “Orders”) to SUPPLIERS as set out in Section 1.2. Orders shall specify quantity, price, delivery date, part numbers, shipping terms, and other relevant information.

AOI and SUPPLIERS will establish a Standard Lead Time for each Product.

Except as otherwise expressly stated in an Order, AOI shall, by the [\*\*\*] provide to SUPPLIERS a rolling forecast of its estimated requirements for the applicable Products over the following [\*\*\*] (“Forecast”). Each Forecast shall state the relevant AOI anticipated requirements by [\*\*\*] beginning with the [\*\*\*] in which the forecast is being delivered. The commitment levels relating to the applicable Products, unless otherwise agreed in writing, shall be carried forward as follows in successive Forecasts:

(1) The first [\*\*\*] covered by the Forecast (the “Firm Order Period”) shall be a binding order and, unless otherwise agreed by the Parties, shall not be amended by a subsequent Forecast and shall constitute a commitment on AOI to purchase, and on SUPPLIERS to supply, the stated amount of Products from the Firm Order Period.

1.2 Long Lead Time Parts: SUPPLIERS and AOI will collaborate to identify and establish at SUPPLIERS’s facilities mutually agreed upon inventories of long lead time parts in order to ensure that a shortage of a small number of parts does not affect delivery of Products as set out herein. The cost and ownership of such inventories will also be mutually agreed upon.

1.3 AOI will prepay [\*\*\*] of all raw material or parts (except for laser components or Products, whether sourced from AOI or elsewhere) sourced by SUPPLIERS for the manufacturing of the Products. AOI will pay SUPPLIERS said prepayment consistent with the payment terms for the raw materials or parts.

1.4 SUPPLIERS shall provide AOI a Purchase Plan and inventory list on a regular basis for AOI’s approval. If SUPPLIERS’s purchased inventory is consistent with AOI’s approved Purchase Plan, then AOI will purchase from SUPPLIERS any raw materials or parts with an inventory age of more than [\*\*\*]. If any of the aged inventory of raw materials or parts are subsequently used in production, SUPPLIERS will re-purchase from AOI or provide AOI with a credit for the difference in the Product price and inventory.

1.5 SUPPLIERS shall accept all Orders submitted in accordance with this Agreement, and shall acknowledge its acceptance or rejection of any particular order within [\*\*\*] after receipt. Upon actual acceptance of a purchase order by SUPPLIERS, a binding contract for the sale and purchase of Product shall exist between SUPPLIERS and AOI in accordance with this Agreement and AOI’s purchase order. After receiving each Order, SUPPLIERS may conduct a profit margin analysis of the Order, and if the analysis results in a profit margin of less than [\*\*\*] SUPPLIERS may provide written notice to AOI rejecting the Order within three (3) business days. In the event that SUPPLIERS do not accept or reject an order within [\*\*\*] then the order shall be deemed to have been accepted. For the avoidance of doubt, the Deal Prohibition (as defined in the SPA and the period of the Deal Prohibition starts from the Completion (as defined in the SPA) until the seventh (7<sup>th</sup>) anniversary of the Completion) only applies so long as GT is the largest supplier of AOI for CATV Products, to be determined by the value of the total revenue for CATV Products awarded to GT (the “**Subsidiary CATV Revenue**”), in comparison to all of the AOI suppliers of similar CATV Products (the “**Total CATV Revenue**”), during any of AOI’s fiscal year following the Effective Date, where the Subsidiary CATV Revenue shall be equal to or more than 51% of Total CATV Revenue. For the purpose of this Agreement, the Subsidiary CATV Revenue includes any purchase orders that is awarded to GT but rejected by GT under section 1.5 of this Agreement where AOI’s expected Gross Margin for the CATV Products to be manufactured by GT under such Order is equal to or more than 10%, but excludes any Order that is awarded to the Subsidiary but rejected by GT under section 1.5 of this Agreement under which AOI’s expected Gross Margin for the CATV Products to be manufactured by GT is less than 10%.

For the purpose hereof, the "Gross Margin" with respect to any CATV Products shall be calculated as: (total revenue of relevant CATV Products minus cost of goods sold) divided by total revenue of relevant CATV Products multiplied by 100%

- 1.6 All Orders will be subject to the provisions of this Agreement and not governed by any terms attached to the Order or the acknowledgement unless mutually agreed to in writing by the Parties. Any changes to orders will be by written notice and SUPPLIERS will provide AOI with written confirmation within five (5) business days of receiving a change request.
- 1.7 Time shall be of the essence in filling AOI's orders. Delivery performance shall be measured by the date of delivery to the named place of shipment. Unless otherwise set forth in the Order, title and risk of loss shall pass to AOI upon successful passage of the Products per standard shipping term under this Agreement.
- 1.8 SUPPLIERS shall notify AOI immediately in writing if SUPPLIERS has knowledge of any event that could result in any change to the agreed delivery plan.
- 1.9 SUPPLIERS agrees to pay AOI liquidated damages for failure to deliver Products by the delivery date as specified on each Purchase Order.
- 1.10 AOI may not cancel or terminate any Order, in whole or in part, without the prior written consent of SUPPLIERS, which consent, if given, shall be upon terms that will compensate SUPPLIERS for the incurred costs.

**2. SPECIFICATIONS AND QUALITY CONTROL.**

- 2.1 SUPPLIERS shall manufacture the Products in accordance with the AOI's product specifications or mutually agreed specifications (the "Specifications"). A list of Products and Specification document identifications is set out in Exhibit A which shall be revised from time to time as required. SUPPLIERS shall not change the Specifications, or manufacture any Products in a manner that varies from the Specifications, without AOI's prior written approval. SUPPLIERS further agrees to advise AOI of major changes to its manufacturing process, vendors or materials relating to the Products, and to ensure that such changes do not compromise the quality or reliability of Products, or their ability to satisfy the Specifications.
- 2.2 AOI may from time to time change the Specifications with respect to a Product and SUPPLIERS agrees to use its best efforts to comply with said changes without additional cost. If any such change will cause an increase in SUPPLIERS's costs, SUPPLIERS shall provide AOI with written notice of such increase in cost within ten (10) business days of change request, and SUPPLIERS shall not undertake such change until AOI approves the increase in costs.
- 2.3 Specifications will include a manufacturing test plan. SUPPLIERS agrees to inspect and test the Products for quality and reliability prior to shipment and to confirm by inclusion of a compliance certificate with all shipments that said Products meet or exceed the Specifications.



**3. INSPECTION AND ACCEPTANCE**

- 3.1 Products purchased pursuant to this Agreement shall be subject to final inspection and acceptance by AOI at AOI facilities within [\*\*\*] of receiving the Products, in accordance with mutually agreed quality standard and acceptable quality level. AOI reserves the right to reject any Product lot that does not conform to the Specifications.
- 3.2 In the event that [\*\*\*] or more of a lot of Product manufactured by Suppliers is delivered to AOI within a rolling [\*\*\*] period is found to be defective or is rejected and the delivery schedule of Products from AOI to its clients does not permit return of the Products to SUPPLIERS for repair or replacement then AOI may elect to repair such defective Products or to have them repaired locally. The cost of such repairs shall be borne by SUPPLIERS.
- 3.3 In the event that a lot of Product is rejected and AOI elects not to repair the Products AOI may, at its discretion, either return defective Products for full credit, refund or require prompt correction or replacement of the defective or non-conforming Products.
- 3.4 In the event AOI returns a Product to SUPPLIERS for correction or replacement, SUPPLIERS shall use its best effort to repair or replace said defective Product within [\*\*\*] of receipt of the Product, or within a reasonable period agreeable to both Parties.
- 3.5 SUPPLIERS shall bear all risk and costs for said defective product attributable to SUPPLIERS such as labor, material, inspection, and shipping from SUPPLIERS'S facilities. AOI shall pay for shipping costs for returns of any Product to SUPPLIERS. SUPPLIERS agrees to provide failure analysis of rejected Product within [\*\*\*] after receipt of said Product. SUPPLIERS will also provide a written corrective action report addressing the steps that will be taken to eliminate the cause of the problem.

**4. PRICING**

- 4.1 Prices for the Products shall be as set forth in the Pricelist which shall be revised from time to time as set out herein. Unless otherwise indicated in the Pricelist, all prices shall have INCOTerm DDP AOI Facility.
- 4.2 Prices shall be established by way of written quotations issued by SUPPLIERS. Upon acceptance by AOI of such a quotation the Pricelist shall be revised.
- 4.3 Prices will be reviewed periodically by both AOI and SUPPLIERS and the price for the Products will be adjusted upward or downward in response to the change of BOM cost of the Products that are outside the control of AOI or SUPPLIERS. Such changes may include but are not limited to commodity price increases or decreases. All such changes shall be made by written notice issued by SUPPLIERS at least [\*\*\*] in advance of the effective date.
- 4.4 Orders placed by AOI before the effective date mentioned in Section 4.3 above shall not be subject to the said change without the AOI's consent.
- 4.5 Non-Recoverable Engineering Expenses: Prior to engaging in any engineering or other design work, SUPPLIERS will provide a written quotation to AOI setting out the scope, parameters and deliverables of the work to be performed as well as payment terms. AOI shall not be responsible for any costs of such work unless it has provided a written acceptance of a quotation to SUPPLIERS.

**5. TERMS & CONDITIONS OF SHIPMENT & PAYMENT**

- 5.1 Payment will be made by wire transfer [\*\*\*] from the date of SUPPLIERS's invoice provided that the relevant Products have been delivered to named place of delivery within [\*\*\*] of the invoice date, otherwise [\*\*\*] from the date of delivery to the named place of shipment.
- 5.2 Unless otherwise agreed in writing by the Parties, the prices of the Products shall be quoted "DDP Houston, TX USA as standard shipping term.

**6. PRODUCT WARRANTY**

- 6.1 SUPPLIERS warrants all Products delivered to AOI under this Agreement shall be free and clear of all liens, encumbrances, restrictions or other claims, and that for a period of [\*\*\*] from date of invoice to AOI, that all Products shall be free from defects in material, workmanship, and design under normal use and service. SUPPLIERS further warrants and represents that all Products shall conform to applicable Specifications, drawings, samples, and descriptions referred to in this Agreement. The warranty for any Product replaced or repaired will be the same as the original Product.
- 6.2 If defect or non-conformance is found during the warranty period, AOI will promptly notify SUPPLIERS of any non-conforming material to obtain a Return Material Authorization (RMA) number. Upon receipt of the RMA number, AOI will cause the return of the non-conforming Products to SUPPLIERS at AOI's expense. Upon its receipt, SUPPLIERS will promptly either repair or replace it, at SUPPLIERS's discretion. Properly repaired or replaced Products will promptly be delivered to AOI at SUPPLIERS's cost.
- 6.3 **Epidemic Failure.** In the event that [\*\*\*] or more of any lot, batch or other separately distinguishable manufacturing run of Products manufactured by SUPPLIERS is delivered to AOI and is found to be defective within a rolling [\*\*\*] period, following SUPPLIERS' delivery of such Products, SUPPLIERS will promptly: (a) dedicate sufficient resources to thoroughly investigate the cause of the defect; (b) perform root cause analysis; and (c) implement corrective action. In addition, after SUPPLIERS' verification, it will render repair and replacement services, as may be requested by AOI, during the applicable Product warranty period. In addition to repair or replacement of Products, SUPPLIERS will credit AOI an amount equal to 100% (one hundred percent) of any penalties imposed upon AOI by AOI customers as compensation for removal and reinstallation associated with the repair or replacement of such Products purchased by AOI's customers, to the extent that such products have been installed by AOI's customer. SUPPLIERS's maximum liability for each Epidemic Failure event shall not exceed the total dollar value of the Purchase Orders of Products that are found to be defective as relating to such Epidemic Failure. Notwithstanding the foregoing, in the event that the epidemic failure is determined to have been caused by an AOI-engineered product or portion of the product, or due to the failure of an AOI-specified vendor's product, then SUPPLIERS' liability under this section is limited to repair or replacement of any units returned to SUPPLIERS by AOI.

**7. TERM OF AGREEMENT & TERMINATION FOR CAUSE**

- 7.1 The initial term of this Agreement shall be two (2) years, commencing on the Effective Date, and will automatically renew for successive terms of one (1) each unless either Party provides the other Party written notice of its intention not to renew not less than sixty (60) days prior to the end of the then current term.
- 7.2 Notwithstanding the foregoing, this Agreement shall remain in full force and effect and shall be applicable to any Order(s) issued by AOI during the term of this Agreement until any and all obligations of the Parties under such Order(s) have been fulfilled.

- 7.3 Either Party may terminate this Agreement and/or any Order issued hereunder at any time by written notice if the other Party:
- (a) Fails to comply with any material provision of this Agreement or any Order issued hereunder, and, in the case of a breach which is capable of remedy, fails to remedy same, in the case of a termination of this Agreement within sixty (60) days of notification of said breach, and in the case of a termination of an Order, within thirty (30) days of notification of said breach; or
  - (b) Becomes insolvent or makes an assignment for the benefit of creditors, or a Receiver or similar officer is appointed to take charge of all or a part of such Party's assets and such condition has not been cured within thirty (30) days.
- 7.4 Upon termination of this Agreement and/or any Order by SUPPLIERS in accordance with the terms hereof, SUPPLIERS shall promptly terminate all performance under this Agreement and under any outstanding Orders. AOI's entire liability shall be to settle obligations owed to SUPPLIERS for finished Products, raw materials, parts, or semi-finished goods which were prepared or manufactured under any outstanding Order by AOI or purchased through a Purchase Plan as approved by AOI. SUPPLIERS shall transfer title and deliver to AOI all finished Products, raw materials, parts and/or semi-finished goods and return to AOI all AOI property furnished by or belonging to AOI or AOI customers or dispose of such property in accordance with AOI's instructions.

## **8. INTELLECTUAL PROPERTY & TRADEMARKS**

- 8.1 AOI warrants the Product does not infringe upon any patent, trademark, copyright, or any other intellectual property right of any third party, and that there are no such claims of infringement pending or threatened with respect to the Product.
- 8.2 AOI shall defend, at its expense, any claim against SUPPLIERS alleging that any Product furnished under this Agreement infringes any patent, trademark, copyright, or other intellectual property right of any third party, and shall pay all costs and damages awarded, provided AOI is notified in writing of such claim and permitted to defend and compromise the claim.
- 8.3 Any tools, drawings, specifications, or other materials furnished by AOI for use by SUPPLIERS in its performance under this Agreement or any Order issued hereunder shall remain the property of AOI and shall be used by SUPPLIERS only in its performance hereunder.
- 8.4 SUPPLIERS acknowledge and agree that AOI specifically retains all right, title and interest in and to the designs of the Products, and all intellectual property rights embodied in the Products, including, without limitation, all copyrights, trade secret rights and other proprietary rights
- 8.5 SUPPLIERS acknowledge and agree that no license or intellectual property right is conveyed by this Agreement. SUPPLIERS agrees not to sell, lease, promote or advertise the Products without obtaining AOI's prior written approval. The Products shall not bear any trademark or other identifying name or symbol pertaining to SUPPLIERS.
- 8.6 SUPPLIERS acknowledge and agree that nothing herein is intended to grant SUPPLIERS any right or license to use any trademark, trade name or brand name owned or controlled by AOI on any products, documentation or packaging. AOI shall have the right to affix, or to demand that the SUPPLIERS affixes, to the Products any trademarks as AOI may decide.

**9. PREFERRED MANUFACTURER**

During the Term of this Agreement, AOI agrees to give preference to SUPPLIERS for Products AOI is seeking quotes for manufacturing. AOI will consider quotes from SUPPLIERS for the manufacturing of said Products and if the terms of the quotations (including taxes as defined herein) provided to AOI by SUPPLIERS are equal to or better than terms provided to AOI by other manufacturers, AOI will provide preference to SUPPLIERS in placing its purchase order, subject to the conditions set out in the following exceptions. The obligations of AOI under this section 9 of the Agreement do not apply when and to the extent that: (a) the manufacturing of products by SUPPLIERS to AOI is prohibited by applicable law; (b) the manufacturing of products by SUPPLIERS is prohibited by an agreement between AOI or an affiliate of AOI and a third party which exists as of the Effective Date; (c) any of AOI's customers refuse SUPPLIERS.

**10. LIMITATION OF LIABILITY**

Notwithstanding anything to the contrary in this Agreement, neither Party shall be liable to the other party for any incidental, indirect, exemplary, punitive, special or consequential damages such sustained or incurred in connection with this Agreement including, without limitation, claims for loss of profits, loss of data or losses due to business disruption and the OEM Products that are subject to this Agreement, whether the action is in contract or in tort or otherwise and whether or not damages are foreseeable.

**11. CONFIDENTIAL INFORMATION**

The Parties agree that all matters of confidentiality and Confidential Information will be governed and controlled by the provisions of their executed Nondisclosure Agreement dated \_\_\_\_\_ the provisions of which will survive the expiration of that Agreement and which are hereby incorporated herein by reference.

**12. MISCELLANEOUS.**

Conflicting Terms. If any terms specified in Section 1 through 6 above come into dispute between the Parties for a specific Order, AOI agrees to review the terms provided to AOI by its customer regarding the above conflicting terms and replace the terms of the Order with the terms of the customer.

Compliance with Laws. Parties shall, and shall cause their subcontractors to, at all times comply with all Laws applicable to this Agreement, to each Party's operation of its business, and to the exercise of its rights and performance of its obligations hereunder. Without limitation of the foregoing, SUPPLIERS shall ensure the Products and any related packaging conform fully to any applicable Law. Upon AOI's request, SUPPLIERS shall provide AOI with (a) written certification of SUPPLIERS' compliance with applicable Laws; (b) written certification of the origin of any components or materials in the Products; and (c) any additional information regarding the Products requested by AOI such that AOI may comply in a timely manner with its obligations under Law.

Permits, Licenses and Authorizations. SUPPLIERS shall obtain and maintain all Permits necessary for the exercise of its rights and performance of AOI's obligations under this Agreement, including any permits required for the import of Products or any raw materials and other manufacturing parts used in the production and manufacture of the Products, and the shipment of hazardous materials, as applicable.

Export Control. The rights and obligations of the Parties under this Agreement shall be subject in all respects to United States laws and regulations as shall from time to time govern the license and delivery of technology and products abroad, including the United States Foreign Assets Control Regulations, Transaction Control Regulations and Export Control Regulations, as amended, and any successor legislation issued by the Department of Commerce, International Trade Administration, or Office of Export Licensing. Without in any way limiting the provisions of this Agreement, each Party agrees that, unless prior authorization is obtained from the Office of Export Licensing, it will not export, re-export, or transship, directly or indirectly, to any country, any of the technical data disclosed to it by the other Party hereto if such export would violate the laws of the United States or the regulations of any department or agency of the United States Government. Furthermore, failure to export or deliver any product or technology contemplated by this Agreement due to government regulations prohibiting such export or delivery shall not be held as a material breach of this Agreement.

Hazardous Material. SUPPLIERS are required to follow all AOI's Safety, Health, and Environmental procedures as well as all applicable local, state and federal environmental health and safety regulatory requirements. For each shipment of Products, SUPPLIERS shall provide AOI, appropriate labels on Products, containers and packing, including material safety data sheets, sufficient advance warning and notice of any hazardous or restricted material that is an ingredient or a part of the shipment, together with such special handling instructions as may be necessary to advise logistics providers, handlers of the goods and personnel of how to exercise measures of care and precaution that will comply with any applicable laws and prevent bodily injury or property damage in the handling, transportation, processing, use, or disposal of the Suppliers. All tasks should be completed in an environmentally friendly manner; to reduce pollution wherever possible; and minimize the use of natural resources as much as possible.

Entire Agreement/Amendments. This Agreement, together with its exhibits, schedules and attachments, and together with open purchase orders and previously executed confidentiality or non-disclosure agreements, constitutes the complete agreement between the Parties concerning the subject matter set forth herein and supersedes all prior negotiations, agreements or representations between the Parties, whether oral or written, in respect thereof. This Agreement may not be amended, modified or supplemented except in writing signed by a duly authorized representative of each Party, and no other act, document, usage or custom shall be deemed to amend, modify or supplement this Agreement.

Assignment & Successors. Neither Party may transfer or assign this Agreement, or any rights granted hereunder, in whole or in part to any third party without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing the rights and benefits of the parties under this Agreement shall accrue to, and run in favor of, each party's successors and assigns. The rights and obligations of the parties under this Agreement shall be binding upon their respective successors and assigns.

Waiver. Any provision of this Agreement may be waived by the Party entitled to the benefit thereof. Neither Party shall be deemed by any act or omission to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the waiving Party, and only to the extent specifically set forth in said writing. A waiver, failure or delay in exercising any right, power or privilege, or any single or partial exercise of any right, power or privilege, will not act to preclude any subsequent or further exercise of that or any other right, power or privilege.

Choice of Laws; Arbitration. This Agreement shall be governed by, and its terms shall be construed in accordance with, the laws of the State of Texas without regard to its principles for conflict of laws. All disputes arising out of or in connection with this Agreement shall be finally settled through a binding arbitration in Houston, Texas, administered by the American Arbitration Association in accordance with its rules. Each Party shall be responsible for its own attorneys' fees. The expenses of the arbitrator(s) shall be borne equally by the Parties. AOI reserves the right to abandon arbitration and pursue all available legal and equitable remedies in the event SUPPLIERS do not comply with a demand for arbitration within 30 days of notice.

Force Majeure. No party (a "Frustrated Party") shall be liable to any other Party (a "Non-Frustrated Party") for any failure to perform or delay in performance of its obligations under this Agreement caused by (a) act of God; (b) outbreak of hostilities, riot, civil disobedience, act of terrorism, or plague; (c) the act of any governmental authority including revocation of any license or consent; (d) fire, explosion, lightning strike, storm (including but not limited to hurricanes and tornadoes) or flood; (e) theft, malicious damage, strike, lockout or industrial action of any kind (provided that the strike, lockout or industrial action was outside the reasonable control of the Frustrated Party); or (f) any causes or circumstances beyond the Frustrated Party's reasonable control (collectively, a "Force Majeure Event"). The Frustrated Party shall promptly notify the Non-Frustrated Party of the nature and extent of the circumstances of the Force Majeure Event once known. In the event of a Force Majeure Event, the Frustrated Party shall forthwith establish and implement a plan that minimizes the disruption to the Non-Frustrated Party and shall use its commercially reasonable efforts to remedy the situation and remove the causes of its inability to perform as soon as possible. The Frustrated Party shall give the Non-Frustrated Party prompt notice of the cessation of the Force Majeure Event. The Frustrated Party and the Non-Frustrated Party shall negotiate in good faith adjustments to the terms and conditions of this Agreement that are equitable taking into account the nature and extent of the circumstances of the Force Majeure Event as they develop and become known, including equitable reductions in the obligations of the Non-Frustrated Party.

IN WITNESS WHEREOF, the Parties by their duly authorized representatives have caused this Agreement to be executed as of the date first written above.

**AOI**

**APPLIED OPTOELECTRONICS, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Global Technology Co., Ltd. (宁波环球广电科技有限公司)**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Yuhan Optoelectronic Technology (Shanghai) Co., Ltd. (裕汉光电子科技(上海)有限公司)**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**Applied Optoelectronics Announces Definitive Agreement to Sell its Chinese Manufacturing Facilities and Certain Assets Related to its Transceiver Business for \$150 Million**

*Positions the Company to Focus on Higher Margin and Higher Growth Opportunities*

*Transaction is Expected to Close in 2023*

*Company to Host Conference Call and Webcast at 5 p.m. ET Today*

**Sugar Land, TX, September 15, 2022 – Applied Optoelectronics, Inc. (NASDAQ: AAOI) (the “Company” or “AOI” or the “Seller”),** a leading provider of fiber-optic access network products for the internet datacenter, cable television (CATV) broadband, telecom, and fiber-to-the-home (FTTH) markets, announced today that it has entered into a definitive agreement (the “Agreement”) with Yuhan Optoelectronic Technology (Shanghai) Co., Ltd. (the “Purchaser”) for the sale of its manufacturing facilities located in the People’s Republic of China and certain assets related to its transceiver business and multi-channel optical sub-assembly products for the internet datacenter, telecom, and FTTH markets for a purchase price of \$150 million, less a holdback amount. The Company anticipates that the transaction will be completed in 2023 and is subject to customary closing conditions and regulatory approvals.

“The significant proceeds from this transaction will enable us to make strategic investments in higher margin and higher growth opportunities,” said Dr. Thompson Lin, Applied Optoelectronics Inc. Founder, President and Chief Executive Officer. “After careful consideration, we concluded that it is in the best interest of the company and our shareholders for AOI to exit the transceiver market and focus our resources on our CATV business and manufacturing lasers and laser components for the datacenter, CATV, telecom, and FTTH markets. Further, we believe that this transaction opens up new opportunities for customer expansion with our existing datacenter laser business, which has a large addressable market.”

“I want to thank our team in China for their hard work and contributions over the years. We are proud of the transceiver business that we have built, and we look forward to its growth under Yuhan Optoelectronic Technology’s ownership,” said Lin.

“This transaction is part of our plan to accelerate our path to profitability,” said Dr. Stefan Murry, Applied Optoelectronics Inc. Chief Financial Officer and Chief Strategy Officer. “We intend to use the majority of the proceeds from the sale for increased investments in the business, particularly in our fast-growing CATV business and some of our newer laser-related products. In addition to the sale, we look forward to a new collaboration with Yuhan Optoelectronic Technology through a contract manufacturing agreement for the production of certain AOI CATV products, and look forward to continuing to supply datacenter lasers for the production of Yuhan’s datacenter transceivers.”

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## **Transaction Rationale**

- The transaction generates significant proceeds, which will enable AOI to make strategic investments in higher margin and higher growth opportunities.
- Following the transaction, AOI will have a focused portfolio composed of lasers. Additionally, the Company will retain its manufacturing facilities in Taiwan and Sugar Land, Texas.
- The transaction opens up new opportunities for customer expansion with AOI's existing datacenter laser business.

The Transaction has been unanimously approved by the Board of Directors of the Company.

## **Product Supply Agreement & Contract Manufacturing Agreement**

As part of the Agreement, Yuhan Optoelectronic Technology (Shanghai) Co., Ltd. expects to utilize AOI's lasers in the production of their datacenter transceiver products. Additionally, AOI expects to continue to use the manufacturing facilities in China on a contract basis to produce certain CATV products.

## **Use of Proceeds**

Prior to the closing of this transaction, AOI anticipates investing an amount equal to between 4% and 10% of the estimated proceeds from the transaction in exchange for a 10% equity interest in the Purchaser. Additional details regarding such investment are subject to further negotiation between the parties.

AOI currently intends that the remainder of the net proceeds from the transaction would be used for general working capital purposes.

## **Conference Call Information**

Management will host a conference call today at 5:00 p.m. Eastern time / 4:00 p.m. Central time, Thursday, September 15 to discuss the transaction. The call can be accessed by dialing 844-890-1794 (domestic) or 412-717-9586 (international). A live audio webcast of the conference call along with presentation materials will also be accessible on the company's website at [investors.ao-inc.com](http://investors.ao-inc.com). Following the webcast, an archived version will be available on the website for one year. A telephonic replay of the call will be available one hour after the call and will be available until September 22, 2022, at 11:59 p.m. Eastern Time / 10:59 p.m. Central Time and may be accessed by dialing 877-344-7529 (domestic) or 412-317-0088 (international) and entering passcode 1628423.

## **Financial Advisor**

China International Capital Corporation Limited acted as AOI's exclusive financial advisor on this transaction.

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## Forward-Looking Information

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terminology such as "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "could," "would," "target," "seek," "aim," "predicts," "think," "objectives," "optimistic," "new," "goal," "strategy," "potential," "is likely," "will," "expect," "plan" "project," "permit" or by other similar expressions that convey uncertainty of future events or outcomes. These statements include management's beliefs and expectations regarding the time to close the transaction with Yuhon Optoelectronic Technology (Shanghai) Co., Ltd. These forward-looking statements involve risks and uncertainties, as well as assumptions and current expectations, which could cause the company's actual results to differ materially from those anticipated in such forward-looking statements. These risks and uncertainties include but are not limited to: the process and timing associated with seeking and obtaining regulatory approvals for the transaction with Yuhon Optoelectronic Technology (Shanghai) Co., Ltd.; timing related to the satisfaction of conditions to close such transaction; the impact of the COVID-19 pandemic on our business and financial results; reduction in the size or quantity of customer orders; change in demand for the company's products due to industry conditions; changes in manufacturing operations; fluctuations in the inter-company payables between AOI's subsidiary in China and AOI and its other affiliated entities; volatility in manufacturing costs; delays in shipments of products; disruptions in the supply chain; change in the rate of design wins or the rate of customer acceptance of new products; the company's reliance on a small number of customers for a substantial portion of its revenues; potential pricing pressure; a decline in demand for our customers' products or their rate of deployment of their products; general conditions in the internet datacenter, cable television (CATV) broadband, telecom, or fiber-to-the-home (FTTH) markets; changes in the world economy (particularly in the United States and China); changes in the regulation and taxation of international trade, including the imposition of tariffs; changes in currency exchange rates; the negative effects of seasonality; and other risks and uncertainties described more fully in the company's documents filed with or furnished to the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2021. More information about these and other risks that may impact the company's business are set forth in the "Risk Factors" section of the company's quarterly and annual reports on file with the Securities and Exchange Commission. You should not rely on forward-looking statements as predictions of future events. All forward-looking statements in this press release are based upon information available to us as of the date hereof, and qualified in their entirety by this cautionary statement. Except as required by law, we assume no obligation to update forward-looking statements for any reason after the date of this press release to conform these statements to actual results or to changes in the company's expectations.

## About Applied Optoelectronics:

Applied Optoelectronics Inc. (AOI) is a leading developer and manufacturer of advanced optical products, including components, modules and equipment. AOI's products are the building blocks for broadband fiber access networks around the world, where they are used in the internet datacenter, CATV broadband, telecom and FTTH markets. AOI supplies optical networking lasers, components and equipment to tier-1 customers in all four of these markets. In addition to its corporate headquarters, wafer fab and advanced engineering and production facilities in Sugar Land, TX, AOI has engineering and manufacturing facilities in Taipei, Taiwan and Ningbo, China. For additional information, visit [www.ao-inc.com](http://www.ao-inc.com).

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