

**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): May 24, 2024

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, Texas 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 (see General Instruction A.2. below):

- 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:

Title of each class	Trading Symbol(s)	Trading Name of each exchange on which registered
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.

Item 1.01 Entry into a Material Definitive Agreement.

On May 24, 2024, Global Technology, Inc. (“Global Technology”), a wholly owned subsidiary of Applied Optoelectronics, Inc., entered into a five-year revolving credit line agreement, totaling 170,000,000 RMB (the “Credit Line”) and a mortgage contract security agreement (the “Security Agreement”), with Shanghai Pudong Development Bank Co., Ltd., in Ningbo City, China (the “Bank”). Borrowing under the Credit Line will be used for general corporate and capital investment purposes.

Global Technology may draw upon the Credit Line on an as-needed basis between May 24, 2024 and May 24, 2029. However, the Bank has the right to unilaterally revoke the Credit Line, at any time, without prior notice, based on changes in law, regulations, policies, or restrictions imposed by the government; or market conditions, including the Bank's own business needs, or changes in Global Technology’s credit status or financial and operational condition. Interest on each draw will be negotiated by the Bank and Global Technology, and stated in the specific loan documents executed at the time of each draw.

Global Technology’s obligations under the Credit Line will be secured by real property owned by Global Technology and mortgaged to the Bank under the terms of the Security Agreement. The Credit Line and Security Agreement also contain rights and obligations, representations and warranties, and events of default applicable to Global Technology that are customary for agreements of this type.

The foregoing description of the Credit Line and Security Agreement do not purport to be a complete statement of the parties’ rights and obligations under the agreements and is qualified in its entirety by reference to the full text of the Financing Credit Line Agreement and Maximum Mortgage Contract (Security Agreement), English translations of which are attached as Exhibit 10.1 and 10.2 to this Current Report on Form 8-K and are incorporated by reference herein.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information as set forth in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into Item 2.03.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	<u>Translation of the Financing Credit Line Agreement, dated May 24, 2024, between Global Technology, Inc. and Shanghai Pudong Development Bank Co., Ltd.</u>
10.2	<u>Translation of the Maximum Mortgage Contract (Security Agreement), dated May 24, 2024, between Global Technology, Inc. and Shanghai Pudong Development Bank Co., Ltd.</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

Date: May 30, 2024

APPLIED OPTOELECTRONICS, INC.

By: /s/ DAVID C. KUO

Name DAVID C. KUO

Title: Senior Vice President and Chief Legal Officer



Financing Credit Line Agreement

Contract Version No.: SPDB202401

Financing Credit Line Agreement

Company: Global Technology, Inc. (hereinafter referred to as "the Client")

Principal Business Address: No.88,Qiushi Rd., Wangchun Industrial Park, Ningbo, China

Contact Person: Haiying Lee

Tel.: 13755236244

Fax:/

Email:/

Bank: Shanghai Pudong Development Bank Co., Ltd. Ningbo Branch (hereinafter referred to as "the Financing Bank")

Principal Business Address: No.21,Jiangxia Rd, Haishu ,Ningbo, China

Contact Person: Yihong Xu

Tel.: 86886053

Based on the principles of equality, mutual benefit, and voluntariness, the parties hereto have entered into the following agreement ("this Agreement") through friendly consultation in accordance with the relevant laws and regulations.

Part 1 General Terms and Conditions

1. **Agreement** Any documents signed by and between the Client and the Financing Bank within the use period of the credit line, including the Credit Line Change Agreement (in the form of Annex 1) and accompanying financing documents, shall be an integral part of this Agreement and shall be read in conjunction with this Agreement.

In case of any inconsistency between this Agreement (including the supplementary agreement hereto) and any accompanying financing documents, the latter shall prevail.

2. **Credit Line** For the purposes of this Agreement, "use period of the credit line" refers to the valid period for use of the credit line that the Financing Bank issues to the Client in accordance with Part 2 Commercial Terms (Financing Credit Line Form) of this Agreement or any credit line change agreement entered into by the parties, which is a period for use of the credit line applied for by the Client rather than a period for performance of debts. The period for performance of debts of each business hereunder shall be determined by the parties in the applicable accompanying financing document or the commitment document issued. The use period of the credit line specified in the Financing Credit Line Form (Part 2 of this Agreement) or the use period of the credit line specified in any valid credit line change agreement entered into by the Client and the Financing Bank, whichever is signed later, shall prevail. The Client shall apply to the Financing Bank for use of the financing credit line within the use period. If the Client submits an application beyond the agreed use period, the Financing Bank may reject it regardless of whether the financing credit line has been used up.

3. **Credit Line Change** If the terms and conditions herein are inconsistent with the Financing Credit Line Form, the Financing Credit Line Form (including the changes to the Form made by the Client and the Financing Bank from time to time based on the Credit Line Change Agreement) shall prevail. If any accompanying financing documents signed by and between the Client and the Financing Bank within the use period of the credit line are inconsistent with the provisions of this Agreement, the business involved in the accompanying financing documents shall be subject to the provisions of such documents.

Notwithstanding the foregoing, the Financing Bank is still entitled to notify the Client that the financing under any accompanying financing document has become due in advance when it deems necessary, so as to guarantee its creditor's rights. In such case, the Client shall immediately repay the financing amount and increase the margin ratio for the letter of credit (LC), letter of guarantee (LG)/standby LC, or bank acceptance bill issued by the Financing Bank in accordance with the Client's application or other business determined by the Financing Bank to 100%.

4. **Financing** In accordance with the provisions of this Agreement and any accompanying financing documents, the Client may apply to the Financing Bank for credit financing (collectively referred to as "financing" in this Agreement) as agreed within the financing credit line and the use period of the credit line. The specific applicable financing products shall be subject to the provisions of the Financing Credit Line Form. The Financing Bank's commitments on the financing credit line hereunder are commitments that can be revoked unconditionally at any time, i.e., the loan commitments that the Financing Bank has the right to unilaterally revoke at any time without prior notice, based on changes in laws, regulations, or policies, or restrictions imposed by the government's macro-monetary policy or financial regulatory policy, or market conditions, fund positions, and financial costs, the Financing Bank's own business needs, or deterioration of the Client's credit status. The Financing Bank may cancel, freeze, or adjust the financing credit line at any time.
5. **Accompanying Financing Documents** For the purposes of this Agreement, accompanying financing documents refer to documents that have been signed by the Client, which include but are not limited to:
- (1) In terms of loans, such documents refer to the current fund loan contract, fixed asset loan contract, and any other loan documents that may have been signed by the Client.
 - (2) In terms of bill discounting, such documents refer to the bill discounting agreement and any other documents that may have been signed by the Client.
 - (3) In terms of commercial acceptance bill discounting, such documents refer to the commercial acceptance bill discounting agreement and any other documents that may have been signed by the Client.
 - (4) In terms of factoring financing, such documents refer to the factoring financing agreement and any other documents that may have been signed by the Client.
 - (5) In terms of export bill advance under LC (including domestic LC) and advance against documentary collection, such documents refer to the export bill advance under LC agreement, the advance against documentary collection agreement, and any other documents that may have been signed by the Client.
 - (6) In terms of import bill advance under LC, such documents refer to the import bill advance under LC agreement and any other documents that may have been signed by the Client.
 - (7) In terms of packing loans, such documents refer to the packing loan agreement and any other documents that may have been signed by the Client.
 - (8) In terms of the opening of an LC, such documents refer to the LC opening agreement and any other documents that may have been signed by the Client.
 - (9) In terms of opening an LG/standby LC, such documents refer to the LG opening or standby LC agreement.
 - (10) In terms of the opening of a bank acceptance bill, such documents refer to the bank acceptance bill agreement and any other documents that may have been signed by the Client.
 - (11) Other financing documents signed by and between the Client and the Financing Bank.

As for the Client's application for use of the relevant financing credit line, the Financing Bank will issue financing funds to the Client and/or issue a commitment according to the Client's requirements in accordance with the provisions of this Agreement and the accompanying financing documents provided that requirements of this Agreement and the Financing Bank are met. However, the Client shall not cancel or change the financing application/agreement that has been signed or submitted; otherwise, the Client shall compensate for the Financing Bank's costs, expenses, and losses resulting from its cancellation or change of the application/agreement.

6. **Submission of Documents** The Client hereby undertakes that it will submit the following documents or meet the corresponding conditions before the signing of this Agreement or as required by the Financing Bank:

- (1) Copies of the Client's latest Articles of Association and business license;
- (2) The board resolution that authorizes the Client to sign this Agreement and related accompanying financing documents;
- (3) The Client's letter of authorization to the authorized representative and the specimen signature of the authorized agent;
- (4) All accompanying financing documents that have been legally signed by the Client in accordance with the requirements of the Financing Bank;
- (5) Other documents and/or conditions required by the Financing Bank.

7. **Preconditions for Use of the Credit Line**

The Client shall meet the following conditions before using the credit line:

- (1) The Client carries out normal production and business activities, has sound financial conditions, and has no serious deterioration of operations in the past three years.
- (2) The Client has not been engaged in any event of default as stated in the financing credit line agreement.
- (3) If the business hereunder is guaranteed, the Client has signed the corresponding guarantee document, had the document come into effect, gone through the necessary mortgage/pledge registration formalities, and had the guaranty rights established before the Financing Bank conducts the specific business.
- (4) The Client proposes a clear plan for the use of credit line and the elements and conditions of a specific business application are in line with the relevant rules and regulations of the Financing Bank, the requirements for credit line approval, and the conditions for handling the specific financing business.
- (5) The Client has provided documents on its production, operation, financial activities, and financial statements, and promised to provide and accept the supervision and inspection for and of the Financing Bank on time within the validity period of this Agreement.
- (6) The proposed financing amount does not exceed the remaining credit balance.
- (7) The Client's specific business application is filed within the use period of the credit line, and the designated date of loan, the date of requiring the Financing Bank to open the LC, LG/standby LC, or bank acceptance bill, and other business performance dates fall on the Financing Bank's business days.
- (8) Other prerequisites proposed by the Financing Bank (if any, see "Other Agreed Matters" in Part 2 for details).

8. **Occupied Financing Credit Line** It refers to the sum of the financing principal that has been issued by the Financing Bank to the Client in accordance with this Agreement and the accompanying financing documents but has not been repaid by the Client, the financing principal that has been committed to the Client (including the commitment under a specific financing agreement already signed by the Client and the Financing Bank) but has not been drawn by the Client, and the amount involved in guarantee commitments made at the Client's request (including but not limited to the L/C and L/G/standby L/C), less the margins, deposit certificates, government bonds, bank acceptance bills, and other financing amounts that the Client or the Client's guarantor has provided for guarantee purposes in compliance with the Financing Bank's management regulations, except as otherwise agreed upon by the parties.

9. **Revolving** As for the revolving financing credit line, after the Client has fulfilled its obligations under this Agreement and the accompanying financing documents (including repaying the relevant financing funds or the funds paid by the Financing Bank on behalf of the Client, relieving the Financing Bank from its responsibility under the guarantee commitments due to the fulfillment of obligations under the basic contract, increasing the margin to 100%, and relieving the Financing Bank from its payment responsibility), the credit line occupied by the amount involved in the fulfilled obligations shall be restored, and the Client may continue to apply to the Financing Bank for use of the financing credit line within its use period in accordance with the provisions of this Agreement. Once the non-revolving financing credit line is occupied, it cannot be restored for use after the Client performs the repayment and other obligations, unless the Financing Bank agrees to it. Except as otherwise provided in this Agreement, during the use period of the credit line, the Financing Bank is entitled to review the conditions of the Client and the collateral on a yearly basis. If the conditions of the Client and the collateral pass the Financing Bank's review, the Client may continue to use the financing credit line in the next year. If the conditions of the Client and the collateral fail the Financing Bank's review, the Financing Bank is entitled to cancel the financing credit line at the beginning of the next year. Except for the accompanying financing documents that are still in force, the unused and to-be-prepaid financing credit line shall no longer be used.
10. **Guarantee** If the financing credit line hereunder is guaranteed, the additional prerequisite for the Client's application for financing in accordance with the provisions of this Agreement is that the guarantee document has been signed and become effective and remains effective; or if the guarantee contract is a mortgage or pledge contract, the security interests under the contract have been established and remain effective. If the Financing Credit Line Form contains any requirements for the margin ratio of the opened LC, LG/standby LC, or bank acceptance bill, the precondition for the Client to apply for the opening of the LC, LG/standby LC, or bank acceptance bill is that the relevant proportion of the deposit has been paid in full. If the Client applies for a change of the financing credit line and as a result the financing credit line is increased, the Client shall, at the request of the Financing Bank, provide additional collateral or urge the guarantor to confirm the change and provide additional collateral. If the Client can continue to use the financial credit line in the next year upon the Financing Bank's review, it shall ensure that the relevant guarantee will continue to be effective according to the requirements of the Financing Bank.
11. **Tax** Unless the law requires the Client to pay the relevant tax when repaying the financing fund, the Client's repayment hereunder shall be made in full without any deduction. If the Client must pay the relevant tax in accordance with the law, it shall issue a tax payment certificate to the Financing Bank within fifteen (15) days after the relevant deduction is made, and shall pay additional amount to the Financing Bank to make the total amount equivalent to that the Financing Bank should have received without any deduction.
12. **Representations and Warranties** The Client hereby makes the following representations and warranties, and such representations and warranties shall be deemed to be made by the Client repeatedly and shall remain effective each time the Financing Bank provides a financing fund to the Client in accordance with this Agreement and the accompanying financing documents.
- (1) The Client is an enterprise (public institution) legal person or other economic organization with independent legal personality, well-established financial system, and sound solvency that is incorporated in accordance with the applicable laws. It is entitled to enter into and execute this Agreement according to law, is entitled to sign this Agreement and any related documents, and it has taken any necessary corporate actions to make this Agreement and any related documents legitimate, valid, and enforceable.
 - (2) The Client's signing of this Agreement and fulfilling of its obligations hereunder shall not and will not violate any other contracts or documents that it has signed, the Articles of Association, any applicable laws, regulations, or administrative orders, and relevant documents, judgments, and rulings of the competent authority, and will not conflict with any other obligations or arrangements of the Client.
 - (3) The Client and any of its shareholders and affiliated companies are not involved in any liquidation, bankruptcy, reorganization, acquisition, merger, spin-off, restructuring, dissolution, closure, shut-down, or similar legal proceedings, and have not encountered any circumstances that may lead to such legal proceedings.
 - (4) The Client is not involved in any economic, civil, criminal, or administrative litigation proceedings or similar arbitration proceedings that may have a material adverse effect on it, and it has not encountered any circumstances that may lead to such legal proceedings or similar arbitration proceedings.
 - (5) The Client's legal representative, directors, supervisors, or other senior management and any important assets of the Client are not involved in any enforcement, seizure, detention, freezing, lien, or regulatory measures, and have not encountered any circumstances that may lead to such measures.

- (6) The Client undertakes that all financial statements (if any) it issues are in compliance with applicable laws and that the statements can reflect its financial status in a truthful, complete, and impartial manner. All materials, documents, and information regarding the Client and its guarantor that the Client provides to the Financing Bank in the process of signing and performing this Agreement are truthful, valid, accurate, and complete without any concealment or omission.
 - (7) The Client strictly abides by the applicable laws and regulations in its business activities, conducts its business in strict accordance with the business scope as stipulated in its business license or according to law, and goes through the annual inspection procedures on time.
 - (8) The Client has disclosed to the Financing Bank the facts and circumstances (including but not limited to the operating status, financial status, and external guarantees) that it knows or should know, which are important for the Financing Bank to decide whether to grant the credit line hereunder.
 - (9) The Client's internal management documents related to environmental and social risks are in compliance with laws and regulations and they have been effectively implemented.
 - (10) The Client undertakes that it is not involved in other circumstances or events that have or may have a material adverse effect on its contractual capacity.
13. **Promises** The Client hereby makes the following promises, and such promises shall be deemed to be made by the Client repeatedly and shall remain effective each time the Financing Bank provides a financing fund to the Client in accordance with this Agreement and the accompanying financing documents.
- (1) The Client shall strictly abide by and perform the obligations under this Agreement and the accompanying financing agreements.
 - (2) Except as otherwise provided in this Agreement or the accompanying financing agreements, the Client shall, in accordance with the provisions of this Agreement and the accompanying financing documents, repay the financing fund or the advance payment on time or increase the margin to 100% according to the Financing Bank's requirements. The Client shall handle and obtain all required approvals, authorizations, registrations, and permits, and maintain their effectiveness in accordance with the applicable laws and regulations, so as to enable itself to legitimately sign this Agreement and any related documents and perform its obligations thereunder. The Client shall immediately present relevant certificates upon the Financing Bank's request.
 - (3) The Client shall, within five (5) of the Financing Bank's business days from the date when it is informed of its involvement in any economic, civil, criminal, administrative litigation proceedings, or similar arbitration proceedings that may have a material adverse effect on it, or within five (5) of the Financing Bank's business days from the date upon learning of any of its material assets involving any enforcement, seizure, detention, freezing, lien, or regulatory measures, notify the Financing Bank in writing and specify the impact in details and the remedial measures that have been taken or that are planned to be taken.
 - (4) Without the written consent of the Financing Bank, the Client shall not provide any third party with a guarantee that has a material adverse effect on the Client's financial condition or its ability to perform its obligations hereunder.
 - (5) Without the written consent of the Financing Bank, the Client shall not settle other long-term debts in advance and such settlement may have a material adverse effect on the Client's ability to perform its obligations hereunder.
 - (6) From the date of signing this Agreement, the Client will not do the following without the written consent of the Financing Bank before all the debts under this Agreement and the accompanying financing documents have been settled:
 - (i) Be involved in major external investments, equity transfer, change of the actual controller or major shareholder, substantial increase in debt financing, liquidation, reorganization, bankruptcy, acquisition, merger, spin-off, transfer of property rights, capital decrease, restructuring, dissolution, closure, shut-down, or similar legal proceedings, or other acts that may affect the Client's ability to repay the loan;
 - (ii) Sell, lease, give, pay debts with, exchange, transfer, assign, mortgage, pledge, or otherwise dispose of all or a substantial part of its major assets, except for daily business operation needs;
 - (iii) Provide any guarantee that is enough to cause a material adverse effect on its financial condition or its ability to perform the obligations hereunder for any third party; or incur any new major debt or pay off other long-term debts in advance, which may have a material adverse effect on its ability to perform its obligations hereunder; or
 - (iv) Sign contracts/agreements that have a material adverse effect on the Client's ability to perform its obligations hereunder or undertake related obligations that have such adverse effect.

- (7) If the guarantee hereunder is involved in specific circumstances or changes, the Client shall provide another guarantee approved by the Financing Bank in a timely manner according to the Financing Bank's requirements. Such specific circumstances or changes include but are not limited to the guarantor's shut-down, closure, dissolution, or suspension of business, the guarantor's business license revoked or canceled or application for or being applied for reorganization or bankruptcy, the guarantor's significant changes in its business or financial conditions, the guarantor's involvement in major litigation or arbitration cases, legal representative/responsible person litigation, arbitration, or other enforcement measures, decrease or possible decrease in the value of the guarantor's collateral, the guarantor's being closed down or being subject to other property preservation measures, or the guarantor's violation of the guarantee contract or requirement to terminate the guarantee contract.
- (8) Upon request by the Financing Bank, the Client shall also handle the enforceable notarization with the notary office approved by the Financing Bank, and the Client voluntarily accepts the enforcement.
- (9) The Client shall inform the Financing Bank at any time of any event that may affect its ability to perform the obligations under this Agreement and any related documents.
- (10) Special provisions on group clients (applicable to group clients).

If the Client hereunder is a group client, it hereby promises that:

- (i) The Client shall report details about the related transactions accounting for more than 10% of the actual credit grantor's net assets, including: a. the relationship between the parties to the transaction; b. the items and nature of the transaction; c. the amount of the transaction or the corresponding proportion; d. the pricing policy (including transactions with no amount or only a token amount).
 - (ii) The Client shall be deemed to have violated this Agreement and the Financing Bank is entitled to unilaterally decide to cancel the Client's unused credit line, recover part or all of the used credit line, or require the Client to increase the margin to 100% if the actual credit grantor: a. provides false materials or conceals important business or financial facts; b. changes the original purpose of the credit line, uses the credit line for other purposes, use the credit line to engage in illegal or rule-breaking transactions without the consent of the Financing Bank; c. uses notes receivable, accounts receivable, or other creditor's rights in contracts with related parties that don't actually exist to illegally obtain capital or credit line from the bank by discounting or pledge; d. refuses to accept the Financing Bank's supervision and inspection over its use of the credit funds and the relevant financial activities; e. is involved in a merger, acquisition, or reorganization that the Financing Bank believes may affect the credit line security; f. or intentionally evades repayment of the bank loans through related transactions.
- (11) Special warranties, covenants, and agreements on green credit (applicable to clients running nuclear power plants, large hydropower stations, water conservancy projects, resource extraction projects, etc. whose construction, production, and operation activities may seriously change the environment and whose adverse environmental and social consequences are difficult to be eliminated, and clients running petroleum processing, coking and nuclear fuel processing, chemical raw materials and chemical products manufacturing, etc. whose construction, production, and operation activities will bring about adverse environmental and social consequences but such consequences are easy to be eliminated through slow-release measures):
- (i) The Client hereby promises to submit environmental, social, and governance (ESG) risk reports to the Financing Bank, and represents and warrants that it will strengthen the management of ESG risks, including: a. ensuring that its internal management documents related to ESG risks are in compliance with laws and regulations and they have been effectively implemented; and b. ensuring that it is not involved in any major litigation case related to ESG risks.

- (ii) The Client hereby promises that it will accept the Financing Bank's supervision and will strengthen the management of ESG risks, including: a. ensuring the compliance of all behaviors and performances related to ESG risks; b. establishing a sound internal management system for ESG risks, which specifies responsibilities, obligations, and penalties for the Client's relevant responsible personnel; c. establishing sound emergency response mechanisms and measures for ESG risks; d. setting up a dedicated department and/or assigning dedicated personnel to handle ESG risks; e. cooperating with the Financing Bank or its approved third party to assess the Client's ESG risks; f. giving appropriate responses to or taking other necessary actions for the public's or other stakeholders' doubts on the Client's management of ESG risks; g. urging the Client's important related parties to strengthen the management of ESG risks, so as to prevent their ESG risks from affecting the Client; and h. performing other actions that the Financing Bank believes are related to the management of ESG risks.
- (iii) The Client hereby promises that it will promptly and fully inform the Financing Bank of: a. various types of permissions, examinations, and approval related to ESG risks during the commencement, construction, operation, and shutdown process; b. assessments or inspections over ESG risks performed by the ESG risk regulatory institution or its accredited institutions; c. the supporting construction and operation of environmental facilities; d. the emission and compliance of pollutants; e. the safety and health conditions of employees; f. major complaints and protests against the Client from neighboring communities; g. significant environmental and social claims; and h. other major circumstances that the Financing Bank believes are related to ESG risks.
- (iv) If the Client and the actual credit grantor have the following circumstances, it is deemed that the Client has violated this Agreement: a. the Client's representations, warranties, and commitments regarding the management of ESG risks are not earnestly fulfilled; b. the Client is punished by the relevant government department due to poor management of ESG risks; c. the Client is strongly questioned by the public and/or the media due to poor management of ESG risks; and d. other default events related to the management of ESG risks agreed by the Financing Bank and the Client, including the events of cross-default.

If the Client has the aforesaid default behaviors, the Financing Bank is entitled to unilaterally decide to: a. cancel the credit granting commitment already made; b. suspend the disbursement of the loan until the Client has taken satisfactory remedial measures; c. recover the loan already disbursed in advance; d. exercise the relevant rights to mortgage and pledge in advance when the loan cannot be repaid; and e. take other penalties agreed by the Financing Bank and the Client.

- (12) The Client promises not to illegally increase the implicit debts of the local government. Otherwise, the Financing Bank has the right to immediately suspend/terminate the Client's financing or drawdown, cancel the financing credit line, and declare the accelerated maturity of part or all of the financing issued. In addition, the Financing Bank has the right to report the relevant situation to the competent regulatory authority.
- (13) Anti-money Laundering The Client acknowledges and agrees that the Financing Bank has the right to assess the money laundering risk of the transaction contemplated hereunder in accordance with applicable anti-money laundering laws and regulations and its internal management requirements. If the Client violates the lender's anti-money laundering management regulations or if the Financing Bank has reasonable reason to suspect that the Client and/or the transaction contemplated hereunder are involved in money laundering, sanctions, financing of terrorism, proliferation financing of weapons of mass destruction, export controls, tax evasion, or other violations of laws and regulations as defined by the United Nations Security Council, the Financial Action Task Force, China, the United States, the European Union, the United Kingdom, Singapore, or other international organizations or countries, the Financing Bank shall have the right to take necessary control measures in accordance with the anti-money laundering regulations of the People's Bank of China and its internal management regulations. In addition, the Financing Bank has the right to directly restrict or suspend all or part of the business hereunder, declare the accelerated maturity of the loan, and terminate this Agreement without notice to the Client, and to require the Client to assume all losses thereby caused to the Financing Bank.

- (14) **The Client/guarantor agrees and irrevocably authorizes that the Financing Bank shall, in accordance with the Regulation on the Administration of Credit Investigation Industry and other credit-related laws and regulations and regulatory requirements, as well as the information collection requirements of the Basic Financial Credit Information Database established by the state, provide all contracts/agreements/commitments signed by and between the Client/guarantor and the Financing Bank, including information on compliance with all of the above contracts/agreements/commitments and basic corporate and other information provided by the Client/guarantor, to the Basic Financial Credit Information Database for query and use by qualified organizations;At the same time, the Financing Bank is also entitled to query and use the credit information related to the Client/guarantor that already exists in the state financial credit information basic database. This authorization covers all aspects of the Financing Bank's management over the business hereunder before and after the signing of this Agreement, and it shall expire when this Agreement is actually terminated.**
- (15) The Client hereby confirms that it fully understands and is aware of the fact that the Financing Bank prohibits its employees from taking advantage of their positions to seek any form of interest, and it hereby promises to avoid providing any form of improper benefits such as rebates, gifts, securities, valuables, various incentives, private expense compensation, private travel, or expensive entertainment to the Financing Bank's employees without permission on the principle of honesty and fairness.
14. **Fees and Expenses** The Client shall assume the relevant fees and taxes in accordance with the provisions of laws and regulations and this Agreement.
15. **Penalty Interest** The overdue penalty interest and misappropriation penalty interest for the financing hereunder and their calculation and collection rules shall be agreed upon in the Financing Credit Line Form or the accompanying financing documents by the parties through negotiation.
16. **Conversion of Exchange Rate** If the financing currency is inconsistent with the currency of the financing credit line when calculating the occupancy of any credit line, the Financing Bank is entitled to make the conversion based on the relevant exchange rate that it determines. If at any time the total occupied financing credit line hereunder exceeds the foregoing maximum financing credit line due to exchange rate changes, the Financing Bank is entitled to require the Client to immediately repay the excess part. If the Client's repayment (including authorized repayment) currency is inconsistent with the financing currency, the Financing Bank is entitled to purchase foreign currency at the relevant exchange rate that it determines, and the exchange rate risk shall be borne by the Client.
17. **Authorized Repayment and Offsetting** When the Client has any outstanding debt due to the Financing Bank, the Client hereby authorizes the Financing Bank to use any fund (regardless of the currency) under any of the Client's account with Shanghai Pudong Development Bank to directly repay the debt on behalf of the Client regardless of whether the debt is incurred under this Agreement or the accompanying financing documents. The authorization is irrevocable. If exchange rate conversion is involved, the Financing Bank shall make the conversion based on the relevant exchange rate that it determines and the exchange rate risk shall be borne by the Client.
18. **Proof of Debt** The Financing Bank will maintain accounting records and vouchers in its accounting books relating to the business activities involved in this Agreement and all accompanying financing documents in accordance with its usual business practices, to prove the financing amount, interest, expenses, etc. of the Financing Bank. Except for obvious errors, the Client hereby acknowledges that the relevant accounting records, vouchers, or other valid supporting materials issued or recorded by the Financing Bank in accordance with its business regulations are valid evidence for the Client's financing debts hereunder.
19. **Transfer** The Client shall not transfer any rights or obligations hereunder. The Financing Bank may at anytime transfer its rights or obligations hereunder to any third party and may disclose to the third party any information relating to this Agreement, including any information the Client and the Client's guarantor provide for the Financing Bank for the purposes of this Agreement.
20. **Information Disclosure** The Client hereby agrees that, except for the disclosures permitted by Article 19 hereunder, the Financing Bank may disclose to any of its headquarters, branches, affiliates, and personnel engaged by such institutions any information relating to this Agreement. In addition, the Financing Bank's disclosures in accordance with any laws and regulations or the requirements of regulatory authorities, government agencies, or judiciary organs are also permitted disclosures.

21. Default

- (1) Event of Default If the Client falls under any of the following circumstances, it shall constitute an event of default by the Client under this Agreement and the accompanying financial documents:
 - (i) The Client breaches any representations or warranties hereunder, or such representations or warranties are proved to be incorrect, untrue, incomplete, or misleading, or have been breached.
 - (ii) The Client fails to repay the financing principal and interest under the specific business application on time and in full, or breaches or fails to perform any commitments hereunder and/or breaches any provisions of this Agreement or the specific financing documents.
 - (iii) The Client commits any major event of cross-default, including but not limited to the default of any other financing contract signed by the Client; or default in repayment of any outstanding debts matured under any other financing contract or agreement signed by the Client.
 - (iv) The guarantor that provides guarantee for the Client has lost or will lose the ability to provide the guarantee commensurate to the financing, or violates the provisions of any guarantee document, or the value of the collateral is or may be decreased or the collateral is seized or subject to other property preservation measures, or there is any other change that is unfavorable to the Financing Bank.
 - (v) The Client is suspected of being involved in illegal activities such as money laundering, sanctions, financing of terrorism, proliferation financing of weapons of mass destruction, export controls, or tax evasion.
 - (vi) The Client illegally increases implicit debts of the local government.
 - (vii) The Client falls under any other circumstance that may affect the assets safety of the Financing Bank.
- (2) Treatment of Default If the Client commits any of the aforementioned events of default, in addition to claiming a compensation from the Client for all the losses including the attorney fees, the Financing Bank has the right, but no obligation, to take the following measures separately or simultaneously:
 - (i) Adjust or cancel the financing credit line hereunder.
 - (ii) Collect liquidated damages from the Client as agreed, declare that all or part of the debts under any accompanying financing documents of this Agreement become due in advance, and/or terminate this Agreement and all or part of the accompanying financing documents, and require the Client to immediately repay all or part of the financing principal and interest; and also require the Client to provide an additional margin for bills of exchange that are already accepted or LCs, LGs, or standby LCs that are already issued by the Financing Bank during the use period of the credit line, or transfer the deposit under the Client's deposit or settlement account to its margin account for external payment or as a margin for possible future advances for the Client. If the Financing Bank has paid any advances for the Client, the Financing Bank is entitled to require the Client to repay the advances immediately.
 - (iii) Calculate and collect compound interest for the accrued interest in accordance with the penalty interest rate stipulated in this Agreement or the accompanying financing documents.
 - (iv) Deduct the amount in any of the Client's accounts opened with Shanghai Pudong Development Bank in accordance with Article 17 of this Agreement.
 - (v) Require the Client to provide other guarantees recognized by the Financing Bank.
 - (vi) Take other remedies permitted by law.

22. **Applicable Laws and Judicial Jurisdiction** This Agreement shall be governed by and construed in accordance with the laws of the People's Republic of China (for the purposes of this Agreement, the laws of the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and Taiwan are excluded here). Any disputes relating to this Agreement shall be settled through friendly negotiation. If no agreement is reached through the negotiation, the disputes shall be brought to the People's Court of the place where the Financing Bank is located. In the course of dispute settlement, the parties shall continue to perform this Agreement except for matters in dispute.

23. **Agreed Address for Service** The Financing Bank acknowledges that the address first set forth above is its valid address for service, and any notice to be served by the Client on the Financing Bank hereunder directly or by mail shall be sent to the Financing Bank's address first set forth above, until the Financing Bank announces the change of such address. The Client agrees that all notices that it sends to the Financing Bank shall be deemed to have been served at the time when they are actually received by the Financing Bank.

The Client acknowledges that the address, fax, email address, and other service information first set forth above shall be its valid mailing or electronic address for service. Non-litigation notices and documents hereunder, and letters, court summons, notices, or other legal documents sent to the Client in the process of any litigation arising out of this Agreement (including the first instance, second instance, retrial, or any other litigation proceedings and enforcement proceedings) shall be deemed to have been served on the Client after they are sent, by mail, fax, email, or otherwise, to the Client's mailing or electronic address for service first set forth above, with the specific date of service being subject to relevant provisions of the Civil Procedure Law of the People's Republic of China. Any change of the above mailing or electronic address for service shall have no legal effect, and the address for service confirmed hereunder shall still be deemed as the valid address for service, unless such change has been notified to the Financing Bank in advance.

24. **Business Day** For the purposes of this Agreement, "business day" refers to any day on which the Financing Bank is normally open for corporate business, excluding any statutory holidays.
25. **Severability of Terms** The invalidity, illegitimacy, or unenforceability of any provisions of this Agreement or any accompanying financing documents shall not affect the validity, legitimacy, or enforceability of other provisions of this Agreement or any accompanying financing documents.
26. **Grace** Within the validity period of this Agreement, the Financing Bank's grace to or delayed action against the Client's any default or other behaviors shall not impair, affect, or limit all creditor's rights or interests to which the Financing Bank is entitled in accordance with the law or this Agreement, and such grace or delayed action shall not be deemed as the Financing Bank's recognition of the Client's default of this Agreement, or the Financing Bank's waiver of the right to take any action against the Client's existing or future defaults.
27. **Prior Credit Granting and Its Relationship with This Agreement** Unless otherwise agreed by the parties, provided that the Client signed a credit granting agreement with the Financing Bank previously, the unliquidated balance of a specific business activity under the credit granting agreement shall be automatically included hereunder and shall directly occupy the credit line hereunder from the effective date of this Agreement. The Client hereby undertakes that it will obtain the confirmation of the guarantor under the original credit granting agreement for continued guarantee of debts hereunder, as required by the Financing Bank.
28. **Commencement and Modification** This Agreement takes effect when it is signed (or stamped) by the Client's legal representative or authorized agent and stamped with the official seal, and signed (or stamped) by the Financing Bank's legal representative/person in charge or authorized agent and stamped with the official seal (or contract seal). This Agreement shall remain valid unless the Financing Bank cancels the entire financing credit line and the Client no longer has any financing or debt balance owed to the Financing Bank under this Agreement and all accompanying financing documents.

(End of Part 1)

Part 2 Commercial Terms (Financing Credit Line Form)

Client's name: Global Technology, Inc.				
Description of financing credit line				
Amount of financing credit line (currency)	RMB 170,000,000	Credit Period (mm/dd/yyyy)	From 2024/5/24 To 2029/5/24	
Revolving type of the credit line	<input checked="" type="checkbox"/> Revolving <input checked="" type="checkbox"/> Non-revolving <input checked="" type="checkbox"/> Other			
Credit line type	Commitment that can be revoked unconditionally at any time			
The guarantors and guarantee contracts that provide guarantee for the debts hereunder include but are not limited to:				
Guarantor	Global Technology, Inc.	Guarantee mode	<input checked="" type="checkbox"/> Mortgage <input checked="" type="checkbox"/> Pledge <input checked="" type="checkbox"/> Warranty	
Guarantor		Guarantee mode	<input checked="" type="checkbox"/> Mortgage <input checked="" type="checkbox"/> Pledge <input checked="" type="checkbox"/> Warranty	
Guarantor		Guarantee mode	<input checked="" type="checkbox"/> Mortgage <input checked="" type="checkbox"/> Pledge <input checked="" type="checkbox"/> Warranty	
Margin ratios of different services	<input checked="" type="checkbox"/> Discounting % <input checked="" type="checkbox"/> Establishment of LC 0-100% <input checked="" type="checkbox"/> Issuance of bank acceptance bills 0-100% <input checked="" type="checkbox"/> Issuance of LG/standby LC 0-100% <input checked="" type="checkbox"/> Other / _____			
Applicable financing products and credit line requirements				
(please tick (√) the applicable financing product and cross (×) non-applicable ones)				
	Applicable financing products	Credit line (amount, currency)	Maximum duration for a single deal	Remarks
<input type="checkbox"/>	Loan			
	<input checked="" type="checkbox"/> Current fund loan			
	<input checked="" type="checkbox"/> Fixed asset loan			
	<input checked="" type="checkbox"/> M&A loan			
<input type="checkbox"/>	Trade financing			
	<input checked="" type="checkbox"/> Opening of bank acceptance bills			
	<input checked="" type="checkbox"/> Commercial acceptance bill discounting (including the agreed interest payment method)			
	<input checked="" type="checkbox"/> Bank acceptance bill discounting			
	<input checked="" type="checkbox"/> Guaranteed commercial acceptance bill discounting (with the Client as the acceptor)			
	<input checked="" type="checkbox"/> Factoring financing			
	<input checked="" type="checkbox"/> Establishment of LC (including usance LC payable at sight)			
	<input checked="" type="checkbox"/> Import bill advance (under LC/inward collection)			
	<input checked="" type="checkbox"/> Export bill advance under LC			
	<input checked="" type="checkbox"/> Advance against documentary collection			
	<input checked="" type="checkbox"/> Packing loan			
	<input checked="" type="checkbox"/> Issuance of LG/standby LC			

<input checked="checked" type="checkbox"/>	Import refinance			
<input checked="checked" type="checkbox"/>	Outward remittance financing			
<input checked="checked" type="checkbox"/>	Guaranteed import payment			
<input checked="checked" type="checkbox"/>	Domestic LC for buyer financing			
<input checked="checked" type="checkbox"/>	Other			

Other agreed matters:

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Notes:

(1) The sum of actually occupied financing credit lines for all applicable financing products shall not exceed the maximum financing credit line anytime. If the Client wishes to separately define the financing credit line for a certain financing product, the credit line for that applicable financing product shall be separately indicated.

(2) If the mortgagor or pledger is the Client, "Client" or the name of the Client shall be filled in the "Guarantor" column.

(3) The RMB interest rate is the annual interest rate. If a floating rate is adopted, the floating period shall be specified. In the "Rate" column, the amount or ratio for a single deal shall be filled. The loan interest under this Agreement shall be calculated by the simple interest method, unless otherwise agreed upon by the parties. For the interest rate calculation method, please refer to the website of the People's Bank of China.

This Agreement is made in one copies, with the Client holding / copy/copies, the Financing Bank holding ___/___ copy/copies, and Registration center holding one copy/copies. Each copy has the same legal effect.

(The remainder of this page is intentionally left blank.)

(This page is intentionally left blank, only for signature)

This Agreement is entered into by the following two parties on May 24, 2024. The Client hereby acknowledges that at the time of signing this Agreement, both parties have explained and discussed all terms in detail. The parties have no doubts on all terms of this Agreement, and have accurate and correct understanding of the legal implications of the parties' rights and obligations and limitation or exemption terms.

Client (official seal)

Financing bank (official seal or contract seal)

Global Technology, Inc

Shanghai Pudong Development Bank Co., Ltd. Ningbo Branch

Legal representative or authorized agent

Legal Representative/Person in charge or authorized agent

Chih-Hsiang Lin

Xiaopeng Zhu

(signature or seal)

(signature or seal)

Annex 1:

Credit Line Change Agreement (Format)

No.:

Client		Financing Bank	Shanghai Pudong Development Bank Co., Ltd. Branch	
In accordance with the Financing Credit Line Agreement (No. _____) entered into by and between the Client and the Financing Bank, the parties agree to make changes to matters regarding the financing credit line that the Financing Bank has issued to the Client through negotiation. The parties acknowledge that this Credit Line Change Agreement (this "Agreement") is an integral part of the Financing Credit Line Agreement. Except as set forth in this Agreement, the terms of the Financing Credit Line Agreement shall remain unchanged and in full force and effect.				
Main Changes	<input type="checkbox"/> Amount of financing credit line <input type="checkbox"/> Credit period <input type="checkbox"/> Financing product <input type="checkbox"/> Guarantee mode <input type="checkbox"/> Other _____			
The Client and the Financing Bank acknowledge that the changed financing credit line form is as follows:				
Amount of financing credit line (currency)		Expiration date of the credit period (mm/dd/yyyy)		
Revolving type of the credit line	<input type="checkbox"/> Revolving; <input type="checkbox"/> Non-revolving <input type="checkbox"/> Other _____			
Credit line type	Commitment that can be revoked unconditionally at any time			
The guarantors and guarantee contracts that provide guarantee for the debts hereunder include but are not limited to:				
Guarantor		Guarantee mode	<input type="checkbox"/> Mortgage; <input type="checkbox"/> Pledge; <input type="checkbox"/> Warranty	
Guarantor		Guarantee mode	<input type="checkbox"/> Mortgage; <input type="checkbox"/> Pledge; <input type="checkbox"/> Warranty	
Guarantor		Guarantee mode	<input type="checkbox"/> Mortgage; <input type="checkbox"/> Pledge; <input type="checkbox"/> Warranty	
Margin ratios of different services	<input type="checkbox"/> Discounting _____%; <input type="checkbox"/> Establishment of LC _____%; <input type="checkbox"/> Issuance of bank acceptance bills _____%; <input type="checkbox"/> Issuance of LG/standby LC _____%; <input type="checkbox"/> Other _____			
Applicable financing products and credit line requirements (please tick (✓) the applicable financing products and cross (×) non-applicable ones)				
	Applicable financing products	Credit line (amount, currency)	Maximum duration for a single deal	Remarks
<input type="checkbox"/>	Loan			
	<input type="checkbox"/> Current fund loan			
	<input type="checkbox"/> Fixed asset loan			
	<input type="checkbox"/> M&A loan			
<input type="checkbox"/>	Trade financing			
	<input type="checkbox"/> Issuance of bank acceptance bills			
	<input type="checkbox"/> Commercial acceptance bill discounting (including the agreed interest payment method)			
	<input type="checkbox"/> Bank acceptance bill discounting			
	<input type="checkbox"/> Guaranteed commercial acceptance			

	bill discounting (with the Client as the acceptor)			
	<input type="checkbox"/> Factoring financing			
	<input type="checkbox"/> Establishment of LC (including usance LC payable at sight)			
	<input type="checkbox"/> Import bill advance (under LC/inward collection)			
	<input type="checkbox"/> Export bill advance under LC			
	<input type="checkbox"/> Advance against documentary collection			
	<input type="checkbox"/> Packing loan			
	<input type="checkbox"/> Issuance of LG/standby LC			
	<input type="checkbox"/> Import refinance			
	<input type="checkbox"/> Outward remittance financing			
	<input type="checkbox"/> Guaranteed import payment			
	<input type="checkbox"/> Domestic LC for buyer financing			
	<input type="checkbox"/> Other			
Other agreed matters: _____				

This Agreement is made in _____ copies, with the Client holding _____ copy/copies, the Financing Bank holding _____ copy/copies, and guarantor (if any) _____ holding _____ copy/copies. Each copy has the same legal effect.				
Signature Column for the Client		Signature Column for the Guarantor		
Client (official seal): Legal Representative or Authorized Agent (signature or seal): MM DD, YYYY		The Guarantor hereby acknowledges that the Guarantor has known the aforesaid changes and from the effective date of this Agreement, the guarantor will continue to assume guarantee liabilities with respect to the principal creditor's rights after the change. Guarantor (official seal): Legal Representative or Authorized Agent (signature or seal): MM DD, YYYY		
Signature Column for the Financing Bank				
Financing Bank (official seal or contract seal): Legal Representative/Principal or Authorized Agent (signature or seal): Date: MM DD, YYYY				



Maximum Mortgage Contract

Contract Version No.: SPDB202112

Maximum Mortgage Contract

Mortgagee: Shanghai Pudong Development Bank Co., Ltd. Ningbo Branch

Mortgagor: Global Technology, Inc.

WHEREAS,

In order to ensure the debtor's full and timely performance of its obligations under the Principal Contract, and guarantee the realization of the creditor's rights of the creditor ("Mortgagee" hereto), the Mortgagor voluntarily assumes the guarantee liabilities under this Contract. NOW, THEREFORE, the Mortgagee and the Mortgagor agree as follows.

Article 1 Mortgage Guarantee

1.1 Mortgaged properties

- (1) The Mortgagor irrevocably agrees to provide the mortgage guarantee for the debtor to pay off all the debts owed by the debtor to the Mortgagee under the Principal Contract against the mortgaged properties specified in Article 9 of this Contract.
- (2) Apart from the mortgaged properties, the effect of the mortgage rights under this Contract shall also extend to the appurtenance, accessory rights, fructus, and subrogation of the mortgaged properties.

1.2 Guarantee type

The Mortgagor acknowledges that the Mortgagee shall have the first priority of claims for the mortgaged properties unless otherwise agreed in this Contract. Where the debtor fails to fulfill its debts in accordance with the Principal Contract, irrespective of whether the Mortgagee has other guarantee rights (including but not limited to the guarantee by way of warranty, mortgage, and pledge) over the creditor's rights under the Principal Contract, the Mortgagee shall have the right to first require the Mortgagor to fulfill the guarantee liabilities within the scope of guarantee as agreed in this Contract without first requiring other guarantors to fulfill their guarantee liabilities.

1.3 Scope of guarantee

In addition to the principal creditor's rights as specified in this Contract, the scope of guarantee under this Contract also covers the interest accrued thereon (for the purpose of this Contract, the interest shall include the interest, penalty interest, and compound interest), liquidated damages, compensation for damages, handling charges, other expenses incurred from the conclusion or performance of this Contract, as well as the expenses incurred by the Mortgagee from realizing its guarantee rights and creditor's rights (including but not limited to legal costs, attorney fees, and travel expenses).

1.4 Changes to the Principal Contract

The Mortgagor hereby acknowledges that, if any extension granted by the Mortgagee to the debtor or the amendments or changes made by the Mortgagee and the debtor to any provisions of the Principal Contract do not increase the responsibilities of the Mortgagor, the rights and interests of the Mortgagee under this Contract shall not be affected by such changes, and the guarantee liabilities of the Mortgagor shall not be reduced or exempted because of such changes.

Notwithstanding the foregoing, if the Mortgagee has issued a letter of credit (LC), a letter of guarantee (LG), or a standby LC to the debtor, the Mortgagee and the debtor may make any amendments to the Principal Contract (including the LC, LG, or standby LC issued thereunder) without consent from or further notice to the Mortgagor. In such case, prior consent shall be deemed to have been obtained from the Mortgagor with respect to such amendments, and the guarantee liabilities of the Mortgagor shall not be reduced or exempted because of such changes.

Article 2 Mortgage Registration

2.1 Registration

- (1) Upon conclusion of this Contract, the Mortgagor shall, at the request of the Mortgagee, promptly sign the relevant mortgage registration documents (if necessary) and work with the Mortgagee to complete the mortgage registration procedures for the mortgaged properties hereunder with the mortgage registration authority. Any mortgage registration certificate (if any) and the ownership certificate of the mortgaged properties (if required) shall be delivered to the Mortgagee for custody.
- (2) If the mortgaged properties under this Contract are subject to the approval of a relevant authority before they are mortgaged, the Mortgagor shall also complete the approval procedures with the relevant authority prior to the mortgage registration.
- (3) If, in accordance with applicable laws, regulations, or policies, the Mortgagee is required to handle the mortgage registration online through the system or platform designated by the mortgage registration authority, the Mortgagor hereby authorizes the Mortgagee to handle the mortgage registration (including but not limited to mortgage registration, change registration, and renewal registration) online through the designated system or platform, and the Mortgagor undertakes to handle the relevant procedures as required by the Mortgagee.
- (4) In addition, the Mortgagor shall, at the request of the Mortgagee, complete any other procedures that may be required by the mortgage registration authority or other competent authority in accordance with the then applicable laws and regulations.
- (5) Before all the debts of the debtor under the Principal Contract are paid off in full, the Mortgagor undertakes to comply with the rules of the mortgage registration authority and is obliged to ensure the mortgage registration is free from defects and remains valid in all aspects, including but not limited to completing the procedures for renewal or extension of the registration prior to the expiration of the registered mortgage period (if any) and signing any other documents necessary for such renewal or extension.

2.2 Registration of changes

During the existence of the mortgage rights, in the event of any changes to the registered particulars of the mortgage which shall be subject to registration of changes in accordance with the law, the Mortgagor shall cooperate with the Mortgagee to complete the registration procedures of changes with the relevant mortgage registration authority in a timely manner.

2.3 De-registration

After all the debts under the Principal Contract guaranteed by this Contract are paid off in full and acknowledged by the Mortgagee, the Mortgagor shall file an application with the Mortgagee. After examining and approving the application, the Mortgagee shall assist the Mortgagor to handle the procedures for de-registering the mortgage.

Article 3 Insurance for the Mortgaged Properties

3.1 Insurance for the mortgaged properties

The parties shall negotiate to decide whether to purchase insurance for the mortgaged properties under this Contract and how to assume the premiums of the insurance (if any), as shown in Article 9 hereof. If the parties decide to purchase insurance for the mortgaged properties, the parties agree as follows:

- (1) The Mortgagor shall, within five (5) days from the signing date of this Contract (or such other time as may be required by the Mortgagee), purchase and/or assist the Mortgagee to purchase the type of property insurance from an insurer approved by the Mortgagee in sufficient amount for the mortgaged properties, naming the Mortgagee as the first beneficiary or the insured. If it is impossible to purchase the property insurance naming the Mortgagee as the first beneficiary or the insured, the Mortgagor shall complete the procedures for the transfer of or changes to relevant rights and interests in accordance with paragraph 2 of this article after purchasing the insurance.
- (2) If the Mortgagor has purchased corresponding property insurance for the mortgaged properties prior to the conclusion of this Contract, it shall, within five (5) days from the signing date of this Contract, transfer all the rights and interests (including claims of various natures and the payment of insurance benefits) under the insurance contract to the Mortgagee, or complete the procedures for the transfer of or changes to the insurance rights and interests by naming the Mortgagee as the first beneficiary or the insured, cooperate with the Mortgagee to inform the insurer of such transfer, and include a provision or remarks for the above in the insurance policy and insurance contract, until the debtor pays off all the creditor's rights guaranteed by the mortgaged properties to the Mortgagee.
- (3) The amount of the insurance placed on the mortgaged properties shall not be less than the appraised value of the mortgaged properties, and the expiration date of the insurance shall be three (3) months from the due date of the last debt or the expiration date of the period for determination of the creditor's rights under the Principal Contract (whichever is later), unless otherwise consented to by the Mortgagee. Before the creditor's rights under the Principal Contract are paid off in full, if the insurance is about to expire, the Mortgagor shall proactively continue to purchase, or assist the Mortgagee to continue to purchase, the property insurance within one month prior to the expiration of the insurance. Otherwise, the Mortgagee has the right to require the Mortgagor to continue to purchase the insurance in accordance with the requirements of this article. Relevant expenses shall be assumed in the manner specified in Article 9 hereof.
- (4) Upon the occurrence of an insurance accident, the Mortgagor shall notify the Mortgagee on the date of occurrence and make insurance claims, and all the rights and interests under the insurance contract shall be received and allocated by the Mortgagee. The insurance benefits, compensations, etc. shall be deposited into the designated account of the Mortgagee as the mortgaged properties under the Principal Contract to pay off the debts in advance or when due.
- (5) The Mortgagor shall, at the request of the Mortgagee, hand over the original insurance contract and other relevant legal documents and vouchers to the Mortgagee for custody, and abide by all warranties or other requirements with respect to the insurance contract.
- (6) During the mortgage period, without the prior written consent of the Mortgagee, the Mortgagor shall not unilaterally engage in the discussion with the insurer to amend, cancel, or terminate the insurance contract, or waive the claim for insurance benefits or the claim for compensations from third parties, nor shall it violate the obligations specified in the insurance contract.
- (7) During the mortgage period, the Mortgagor shall not suspend or withdraw the insurance for any reason whatsoever. Otherwise, the Mortgagee may purchase insurance on behalf of the Mortgagor to renew the aforesaid insurance, and relevant expenses shall be assumed in the manner specified in Article 9 hereof. For expenses (if any) payable by the Mortgagor as agreed upon by the parties, the Mortgagor shall, within seven (7) days after receiving a payment notice from the Mortgagee, pay such expenses and corresponding interest to the Mortgagee. The Mortgagor agrees that the Mortgagee may deduct such expenses directly from the account opened by the Mortgagor with the Mortgagee.

Article 4 Realization of Mortgage Rights

4.1 Conditions for disposal of the mortgaged properties

Under any of the following circumstances, the Mortgagee has the right to dispose of the mortgaged properties in accordance with the law to realize the mortgage rights:

- (1) The debtor is in breach of the Principal Contract.
- (2) The Mortgagor is in breach of this Contract.
- (3) Any circumstance where the creditor can realize its creditor's rights in advance under the Principal Contract occurs.
- (4) Other circumstances where the mortgaged properties may be disposed of as agreed upon by the parties occur.

4.2 Realization of mortgage rights

Upon the occurrence of any circumstance where the mortgaged properties are disposed of as agreed herein, the Mortgagee has the right to dispose of any mortgaged properties in any of the following manners:

- (1) The Mortgagee may reach an agreement with the Mortgagor to pay off all the debts with the proceeds from the conversion of the mortgaged properties or the proceeds from the auction or sale thereof. If the parties fail to reach an agreement through negotiation, the Mortgagee may directly request a people's court to auction or sell the mortgaged properties to pay off all the debts.
- (2) After the mortgaged properties are converted into money, auctioned, or sold, the portion of the proceeds in excess of all the creditor's rights guaranteed by the mortgaged properties shall be owned by the Mortgagor, and the insufficient portion, if any, shall be paid by the debtor. The Mortgagee has the right to decide, at its own discretion, the order of priority for payment with the proceeds from the disposal of the mortgaged properties.
- (3) After the Mortgagee disposes of the mortgaged properties, the proceeds from the disposal of the mortgaged properties shall be used to pay off the debts under the Principal Contract that are guaranteed by the mortgaged properties when due or in advance. For Financing businesses other than loans, if the Mortgagee has not made any advance payment, the Mortgagee has the right to deposit and allocate the proceeds from the disposal of the mortgaged properties to the account designated by the Mortgagee or the security deposit account of the debtor in order to make payment externally or as the security deposit for possible advance payments to be made by the Mortgagee, and the parties acknowledge that no security deposit pledge contract will be separately executed.
- (4) The Mortgagee may dispose of the mortgaged properties by other means permitted by the laws or agreed upon by the parties to realize the mortgage rights.

Article 5 Representations and Warranties

5.1 Representations and warranties of the Mortgagor

The Mortgagor represents and warrants to the Mortgagee that:

- (1) It is a civil subject with full capacity for civil rights and civil conducts. It has the right to sign this Contract, and has obtained all necessary authorizations and approvals to sign this Contract and perform its obligations hereunder.
- (2) The conclusion and performance of this Contract does not violate the laws, articles of association, or the relevant documents, judgments, and verdicts of the competent authorities that bind upon the Mortgagor, nor does it violate any contracts or agreements entered into by the Mortgagor or any other obligations binding upon it.
- (3) All the materials and information (including the materials related to the Mortgagor and the mortgaged properties) provided by the Mortgagor comply with all applicable laws, and they are true, valid, accurate, and complete without any concealed information.
- (4) The financial data provided by the Mortgagor have truthfully, completely, and justly reflected the financial condition of the Mortgagor. There is no material adverse change in the Mortgagor's operating condition and financial condition since the issuance of the latest audited financial statements.
- (5) It will complete the recordation, registration, or other procedures required for this Contract.
- (6) **It knows and acknowledges the financing products and purposes under the Principal Contract (The Mortgagor acknowledges that it will actively learn about the content of the Principal Contract through the debtor or the Mortgagee. If the purpose of financing under the Principal Contract is to pay off an existing loan with a new loan, the Mortgagor acknowledges that the new loan still belongs to the creditor's rights guaranteed by the mortgaged properties hereunder, and no separate consent of the Mortgagor is required when a new loan is issued).**
- (7) There is no other situation or event that causes or may cause any material adverse effect on the Mortgagor's ability to perform this Contract.

Article 6 Covenants

6.1 The Mortgagor's undertakings about the mortgaged properties

With respect to the mortgaged properties under this Contract, the Mortgagor undertakes and acknowledges to the Mortgagee that:

- (1) The Mortgagor has the full and lawful ownership of the mortgaged properties. The mortgaged properties are acquired by lawful means and as of the signing date of this Contract, the mortgaged properties are free from any disputes or defects of right in aspects of the ownership, use rights, or operating and management rights, and also free from any mortgage rights, pledge rights, lien rights, rights of habitation, super priority rights, or other guarantee rights and interests or priority rights (except for those established under this Contract) unknown to the Mortgagee. Except for the mortgage rights established under this Contract, without the written consent of the Mortgagee, the Mortgagor undertakes that it will not establish further mortgage rights, pledge rights, lien rights and/or any other guarantee or priority rights and interests on the mortgaged properties for any third parties other than the Mortgagee by any means, nor will it lease, transfer, give, or sell to, exchange with, or offer for offset purposes to, any third parties the mortgaged properties, or provide the mortgaged properties to third parties for use without compensation, or conceal, remove, dismantle, damage, make illegal additions to, or otherwise dispose of the mortgaged properties.
- (2) The mortgaged properties may be subject to mortgage in accordance with the law without being subject to any restriction. The mortgaged properties have not been seized, detained, supervised, or involved in other administrative or compulsory proceedings in accordance with the law.

- (3) If the mortgaged properties are common properties, the Mortgagor has obtained written consent from the co-owner with respect to the mortgage on the mortgaged properties, and the Mortgagor undertakes that it will procure the co-owner to sign the mortgage contract or other related documents as required by the Mortgagee.
- (4) If the mortgaged properties are construction in progress or real property constructed, the corresponding land use right shall be mortgaged together with such construction in progress or real property, unless otherwise specified.
- (5) If the mortgaged properties are the land use right, the Mortgagor undertakes to bring the land under development in a timely manner, and the land use right will not be taken back due to a delay in development.
- (6) If the mortgaged properties are the land use right or construction in progress, the Mortgagor undertakes that any newly added buildings at subsequent stages, such as construction in progress and completed properties, shall also be included in the mortgaged properties under the Principal Contract, and when the mortgage conditions are met, the Mortgagor will, at the request of the Mortgagee, promptly sign relevant documents and handle relevant mortgage registration procedures at the earliest time permitted by the real property registration authority or other competent authority.
- (7) If the mortgaged properties are the land use right, construction in progress, or real property, the Mortgagor undertakes that all the land costs (including but not limited to land assignment fees) in connection with the mortgaged properties have been paid in accordance with applicable laws and regulations, and there are no situations that may cause adverse effects on the mortgage rights.
- (8) The Mortgagor undertakes not to establish rights of habitation over the mortgaged properties under any circumstances.**
- (9) Without the written consent of the Mortgagee, the Mortgagor shall not assign the mortgaged properties or shall be restricted from assigning the mortgaged properties.**
- (10) The Mortgagor shall strictly abide by various regulations and policies concerning the mortgaged properties under this Contract.

6.2 Further undertakings of the Mortgagor

- (1) The Mortgagor undertakes that it will not take the following acts without the written consent of the Mortgagee:
 - a. Transfer (including by means of sale, gift, debt payment, and exchange), mortgage, pledge, or otherwise dispose of all or part of its major assets.
 - b. Make major changes to the operation system or property organization form, including but not limited to restructuring, equity transfer, turnover of the actual controller or major shareholders, acquisition (or merger), spin-off, and decrease in capital.
 - c. Conduct or apply for bankruptcy, reorganization, dissolution, or closure of business, have its business license revoked by the superior competent authority, or stop business operation abnormally.
 - d. Sign any contract/agreement that has a material adverse effect on the Mortgagor's ability to perform its obligations hereunder, or assume relevant obligations that have such effect.

- (2) The Mortgagor undertakes to immediately notify the Mortgagee within five (5) banking days upon the occurrence of any of the following events:
- a. The representations and warranties made by the Mortgagor hereunder become untrue, inaccurate, incomplete, non-compliant with the laws, or invalid due to occurrence of any relevant event.
 - b. The Mortgagor or its controlling shareholder, actual controller, related person, or legal representative is involved in any lawsuit or arbitration, or its assets are subject to seizure, attachment, freezing, enforcement, or other measures of the same effect.
 - c. There is any change in the Mortgagor's legal representative, authorized agent, responsible person, chief financial officer, mailing address, company name, office address, etc., or the Mortgagor changes his/her domicile, habitual residence, work unit, or name, or leaves the city where he/she lives for a long period of time, or there is any adverse change in his/her income.
 - d. The mortgaged properties are involved in disputes over ownership, or are seized, detained, expropriated, damaged, or lost, or the mortgage rights are subject or may be subject to adverse effects from any third parties.
 - e. The Mortgagor is applied for reorganization or bankruptcy by any other creditor or its business license is revoked by the competent authority.
- (3) The Mortgagor undertakes that, during the conclusion and performance of this Contract, it will cooperate as required by the Mortgagee to provide relevant financial documents.
- (4) The Mortgagor acknowledges that, before all the creditor's rights of the Mortgagee under the Principal Contract are paid off in full, the Mortgagor shall not exercise the right of recourse and other relevant rights (including but not limited to offset of any debts that it owes to the debtor) to which it is entitled as a result of assuming the guarantee liabilities hereunder against the debtor.
- (5) Where the debtor pays off all or part of the debts in advance or the debtor makes individual repayment to the Mortgagee, the Mortgagor shall continue to assume the mortgage guarantee obligations and/or joint and several guarantee obligations with respect to the creditor's rights of the Mortgagee against the Mortgagor after such early repayment or individual repayment is revoked.
- (6) At the request of the Mortgagee, the Mortgagor shall entrust an appraisal institution recognized by the Mortgagee to assess the mortgaged properties.
- (7) At the request of the Mortgagee, the Mortgagor shall also apply to a notary authority recognized by the Mortgagee for notarization with enforceable effects, and the Mortgagor voluntarily accepts such enforcement.
- (8) Where the Mortgagee exercises the mortgage rights in accordance with this Contract, the Mortgagor shall actively cooperate with the Mortgagee to go through relevant procedures, so as to ensure the realization of the Mortgagee's mortgage rights.
- (9) The Mortgagor shall assume the relevant expenses and taxes and dues under this Contract in accordance with applicable laws and regulations, as well as the provisions of this Contract.
- (10) The Mortgagor shall properly keep, maintain, and reasonably use the mortgaged properties, and it shall not commit any acts on the mortgaged properties in a manner prohibited or excluded in insurance clauses to ensure the safety and completeness of the mortgaged properties. The Mortgagor shall accept the inspection performed by the Mortgagee on the mortgaged properties at any time. If the Mortgagor's acts are enough to reduce the value of the mortgaged properties, the Mortgagee has the right to require the Mortgagor to stop its acts.

- (11) The Mortgagor shall promptly notify the Mortgagee of any events that may have material adverse effects on the mortgaged properties or the values thereof (including but not limited to a significant decline in the value of the mortgaged properties that may affect the Mortgagee's exercise of its mortgage rights). The parts of the mortgaged properties whose values are not reduced shall remain as the guarantee under this Contract.
- (12) If any third party claims any rights to the mortgaged properties and such claim affects the rights and interests of the Mortgagee under this Contract, the Mortgagor shall take all measures to safeguard the rights and interests of the Mortgagee. In the event of expropriation of the mortgaged properties, the damages or compensations received by the Mortgagor shall, at the request of the Mortgagee, be used to pay off all the creditor's rights guaranteed by the mortgaged properties in advance, or be submitted to the Mortgagee as the deposit for continuously guaranteeing the principal creditor's rights.
- (13) During the term of this Contract, when the lawful successor of the Mortgagor succeeds to the mortgaged properties in accordance with the law, the responsibilities and obligations of the Mortgagor hereunder shall be assumed by such successor. The successor shall be responsible for going through the change procedures for the mortgage registration with the registration authority within fifteen (15) banking days from the succession of the mortgaged properties.
- (14) If the value of the mortgaged properties is obviously reduced due to exchange rate fluctuations or other factors, which may harm the Mortgagee's rights, the Mortgagor shall, at the request of the Mortgagee, provide another guarantee equivalent to the reduced value recognized by the Mortgagee, or take other remedial measures.
- (15) If the mortgaged properties have been leased out prior to the establishment of this Contract, the Mortgagor shall provide the original lease agreement and the rent collection receipts, disclose the mortgage matters to the lessee, and coordinate with the lessee to accept the Mortgagee's verification over relevant lease facts and sign relevant documents. Upon execution of this Contract, without the written consent of the Mortgagee, the Mortgagor shall not renew the lease agreement with the lessee.
- (16) If the mortgaged properties can be sold, leased, or otherwise disposed of with the consent of the Mortgagee, the Mortgagor shall, at the request of the Mortgagee, pledge the receivables from the sales or lease thereof to the Mortgagee, open a special supervision account (to be separately agreed upon by the parties) with the Mortgagee for the sales and lease of the mortgaged properties, remit all the proceeds (including but not limited to sales prices [including down payments] of the mortgaged properties, lease incomes of the mortgaged properties, compensations, and insurance benefits) under the pre-sale/sales contract and lease contract to the supervision account opened by the Mortgagor with the Mortgagee, and authorize the Mortgagee to supervise the aforementioned funds.
- (17) If the mortgaged properties are lost, destroyed or reduced in value, or included in the scope of demolition, or under any circumstance that may affect the guarantee rights and interests of the Mortgagee, the Mortgagor shall notify the Mortgagee and take effective measures to avoid any further loss. If the mortgaged properties are included in the scope of demolition, the Mortgagee has the right to require the Mortgagor to pay off the guaranteed debts, or provide other guarantees recognized by the Mortgagee, including but not limited to, under the mode of property right exchange, re-arranging the mortgage by signing a new mortgage agreement and going through the new mortgage registration, or under the mode of payment of relocation compensation, continuing to use the relocation compensation as the mortgaged properties by opening a special security deposit account or issuing a deposit receipt, etc. The Mortgagor shall ask a guarantor recognized by the Mortgagee to provide guarantee before completing the new mortgage registration and/or providing the security deposit/deposit receipt. The Mortgagor shall, at the request of the Mortgagee, actively cooperate with the Mortgagee to go through the procedures for changing the guarantee.
- (18) If the Mortgagor and the debtor are not the same person, and the Mortgagor is a listed company or a controlled subsidiary of a listed company, or the Mortgagor's stock is traded on any other national stock exchange approved by the State of Council, the Mortgagor undertakes to only publicly disclose the information of the guarantee under this Contract that has been approved by a resolution of its board of directors or general meeting of shareholders.
- (19) The Mortgagor agrees that, even if the Mortgagee waives or changes the mortgage or pledge guarantee provided by the debtor, or changes the order of priority of the mortgage or pledge guarantee provided by the debtor, the guarantee liabilities of the Mortgagor shall be neither exempted nor affected in any manner.
- (20) The Mortgagor undertakes to unconditionally assume joint and several liabilities for the outstanding creditor's rights of the Mortgagee if this Contract fails to come into effect, becomes void, or is canceled or the mortgage rights fail to be validly established or the Mortgagor transfers the mortgaged properties without the written consent of the Mortgagee, for reasons not attributable to the Mortgagee.**

6.3 Provisions on deduction

- (1) When the Mortgagor has any due and payable debts, the Mortgagee has the right to make deduction directly from any account opened by the Mortgagor with Shanghai Pudong Development Bank Co., Ltd. to pay off such debts.
- (2) The Mortgagee has the right to use the money obtained to pay off the principal, interest, or other expenses. In the event of multiple outstanding debts due, the Mortgagee has the right to decide the order of priority for payment.

6.4 Exchange rate conversion

If the conversion of exchange rates is involved under this Contract, the conversion shall be made at the exchange price determined by the Mortgagee, and the relevant exchange rate risks and losses shall be assumed by the Mortgagor.

6.5 Certificate of creditor's rights

The valid certificate of the creditor's rights guaranteed by the Mortgagor shall be subject to the accounting vouchers or other valid supporting materials issued and recorded by the Mortgagee according to its business regulations.

6.6 Authorization for the use and disclosure of information

- (1) **The Mortgagor agrees and irrevocably authorizes that: the Mortgagee shall, in accordance with the Regulation on the Administration of Credit Investigation Industry and other credit-related laws and regulations and regulatory requirements, as well as the information collection requirements of the Basic Financial Credit Information Database established by the state, have the right to provide the information on all contracts/agreements/commitments signed between the Mortgagor and the Mortgagee, including the information on the performance of all such contracts/agreements/commitments and the basic enterprise information and other information provided by the Mortgagor, to the Basic Financial Credit Information Database for inquiry and use by qualified entities; and the Mortgagee shall also have the right to inquire and use the Mortgagor's information that has been included in the Basic Financial Credit Information Database. Such authorization shall cover all aspects of the necessary management conducted by the Mortgagee to the business under this Contract and the Principal Contract before and after the conclusion of this Contract, and shall become null and void upon the actual termination of this Contract.**
- (2) **The Mortgagor agrees and irrevocably authorizes that: 1) if the debtor under the Principal Contract fails to pay off the financing principal and interest on time, the Mortgagee may provide the financing information under the Principal Contract and the guarantee information to any debt collection agency appointed by the Mortgagee for the purpose of collection of debts owed by the debtor; 2) the Mortgagee may assign its rights or obligations under the Principal Contract and this Contract to any third party, and disclose any information under the Principal Contract and this Contract, including any information provided by the debtor and the Mortgagor to the Mortgagee for the purposes of the Principal Contract and this Contract, to any third-party partners such as assignees (including potential assignees), law firms, asset appraisal institutions, and accounting firms; and 3) the Mortgagee may also disclose any guarantee information under this Contract to any of its headquarters, branches, affiliates, and other intermediary institutions, as well as any personnel of these institutions. In addition, the Mortgagee may make disclosures in accordance with any laws and regulations or the requirements of regulatory, governmental, or judicial authorities.**

6.7 Notice and Service

- (1) The Mortgagee acknowledges that the address set forth on the execution page of this Contract is its valid address for service, and any notice to be served by the Mortgagor on the Mortgagee hereunder directly or by mail shall be sent to the Mortgagee's address set forth on the execution page of this Contract, until the Mortgagee announces the change of such address. The Mortgagor agrees that all notices that it sends to the Mortgagee shall be deemed to have been served at the time when they are actually received by the Mortgagee.
- (2) **The Mortgagor acknowledges that the address, fax, email address, and other service information set forth on the execution page of this Contract shall be its valid mailing or electronic address for service. Non-litigation notices and documents hereunder, and letters, court summons, notices, or other legal documents sent to the Mortgagor in the process of any litigation arising out of this Contract (including the first instance, second instance, retrial, or any other litigation proceedings and enforcement proceedings) shall be deemed to have been served on the Mortgagor after they are sent, by mail, fax, email, or otherwise, to the Mortgagor's mailing or electronic address for service set forth on the execution page of this Contract, with the specific date of service being subject to relevant provisions of the Civil Procedure Law of the People's Republic of China. Any change to the above mailing or electronic address for service shall have no legal effect, and the address for service confirmed hereunder shall still be deemed as the valid address for service, unless such change has been notified to the Mortgagee in advance.**

Article 7 Event of Default and Treatment

7.1 Event of default

Any of the following circumstances shall constitute a default on the part of the Mortgagor:

- (1) Any representation or warranty made by the Mortgagor under this Contract is untrue, inaccurate, misleading, invalid, or in violation with the laws.
- (2) The Mortgagor fails to provide complete procedures and true materials for the mortgaged properties as required by the Mortgagee, or conceals the fact that the mortgaged properties are co-owned, are in dispute, or have been seized, detained, supervised, or mortgaged, etc.
- (3) The Mortgagor breaches any provisions as specified in Article 6 hereof or other obligations hereunder.
- (4) The Mortgagor suspends its business, suspends its production, closes its business, or is rectified, restructured, in deadlock, liquidated, placed in receivership or conservatorship, or dissolved, or has its business license revoked or canceled, or goes bankrupt.
- (5) The mortgaged properties are subject to enforcement measures by the national judicial authority or other competent authorities, including but not limited to freezing, seizure, or detention; or without the written consent of the Mortgagee, the Mortgagor disposes of the mortgaged properties by means of gift, exchange, pre-sale, sale, transfer, re-mortgage, re-pledge, establishment of rights of habitation or other rights and interests, etc.; or the mortgaged properties are reduced in value, lost, seriously damaged, or subject to other circumstances.
- (6) The Mortgagor has deteriorated financial condition, or the Mortgagor encounters great difficulties in operations, or an event or situation which has an adverse effect on its normal operations, financial conditions, or solvency occurs.
- (7) The Mortgagor or its controlling shareholder, actual controller or related persons, or legal representative is involved in any major lawsuit or arbitration, or its assets are subject to detention, seizure, freezing, enforcement, or other measures of the same effect, resulting in adverse effects on the solvency of the Mortgagor.
- (8) The Mortgagor, as a natural person, is dead or declared dead.
- (9) Other circumstances which, according to the reasonable judgment of the Mortgagee, may cause or have caused material adverse effects on the Mortgagor's ability to perform this Contract occur.

7.2 Treatment of default

Upon the occurrence of any of the aforementioned events of default, the Mortgagee has the right to declare the accelerated maturity of the principal creditor's right and/or the period for determination of the creditor's rights, and/or dispose of the mortgaged properties in accordance with Article 4 hereof or require the Mortgagor to provide other guarantees.

Article 8 Other Provisions

8.1 Governing laws

This Contract shall be governed by and construed in accordance with the laws of the People's Republic of China (for the purpose of this Contract, excluding the laws of the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and Taiwan).

8.2 Settlement of disputes

Any and all disputes arising out of or in connection with this Contract shall be settled by the parties through amicable negotiations. If no agreement is reached through negotiations, either party may file a lawsuit with a people's court at the locality of the Mortgagee. In the course of dispute settlement, the parties shall continue to perform this Contract except for matters in dispute.

8.3 Effectiveness, Modification, and Dissolution

- (1) This Contract shall come into effect after it is signed (or stamped) by the Mortgagor's legal representative or authorized agent and affixed with its official seal, and signed (or stamped) by the Mortgagee's legal representative/principal or authorized agent and affixed with its official seal (or contract seal), and be terminated after all the creditor's rights guaranteed hereunder are paid off (if the Mortgagor is a natural person, only the signature is required).
- (2) The invalidity, revocation, or unenforceability of any provision of this Contract shall not affect the validity and enforceability of the remaining provisions hereof.
- (3) Upon execution of this Contract, neither party hereto shall modify or terminate this Contract in advance without the other party's consent. If this Contract needs to be modified or dissolved, the parties shall reach a written agreement through negotiation.

8.4 Miscellaneous

- (1) For the purpose of this Contract, "Laws" refers to laws, regulations, rules, local regulations, judicial interpretations, and any other applicable provisions.
- (2) For the purpose of this Contract, "Contract", "Principal Contract", or other documents as mentioned herein shall include subsequent amendments, changes, or supplements to such documents. The parties as mentioned herein, including but not limited to the Mortgagor, the Mortgagee, and the debtor, shall include such parties and their subsequent lawful successors.
- (3) For the purpose of this Contract, "Financing" refers to fund accommodation or credit support offered by the creditor to the debtor via various banking services, including but not limited to loans, issuance of bank acceptance bills, LGs, LCs, and standby LCs, unless otherwise agreed upon by the parties.
- (4) "Due" or "Expiration" as mentioned herein shall cover the circumstances where the creditor declares the accelerated maturity of the principal creditor's rights. Where the principal creditor's rights that are declared due prior to maturity are all or part of the creditor's rights during the period for determination of the creditor's rights, the accelerated maturity date declared shall be the maturity date of all or part of the creditor's rights, and the period for determination of the creditor's rights shall expire simultaneously.
- (5) Annexes to this Contract (including but not limited to the list of mortgaged properties) shall be an integral part of this Contract and have the same legal effect as this Contract.
- (6) For matters that are not referred to herein, the parties may enter into supplementary provisions in Article 9 hereof, or separately reach a written agreement as an annex hereto.
- (7) Unless otherwise noted herein, the relevant terms and expressions used herein shall have the same meanings ascribed to them in the Principal Contract.

Article 9 Element Clauses of the Contract

9.1 Principal Contract guaranteed by this Contract:

A series of contracts entered into by and between the debtor and the creditor with respect to various financing businesses concluded under Article 9.3 hereof, as well as the _____/_____ (contract name and number) entered into by and between the debtor and creditor

9.2 Debtor under the Principal Contract:

Global Technology, Inc.

9.3 Principal creditor's rights guaranteed:

The principal creditor's rights guaranteed hereunder are the creditor's rights arising from various financing businesses concluded between the creditor and the debtor during the period from 2024/5/24 to 2029/5/24 (the aforementioned period is the period for determination of the maximum creditor's rights guaranteed hereunder, i.e., the "**period for determination of the creditor's rights**"), as well as the prior creditor's rights (if any) as agreed upon by the parties. The balance of the preceding principal creditor's rights shall not exceed RMB (currency) 170,000,000 (in words) in equivalent.

The maximum creditor's rights guaranteed under this Contract include the maximum balance of the principal of the aforesaid principal creditor's rights and the interest accrued on the principal creditor's rights in the scope of guarantee specified in Article 1.3 hereof (for the purposes of this Contract, the interest shall include the interest, penalty interest, and compound interest), liquidated damages, compensation for damages, handling charges, other expenses incurred from the conclusion or performance of this Contract, as well as the expenses incurred by the Mortgagee from realizing its guarantee rights and creditor's rights (including but not limited to legal costs, attorney fees, and travel expenses). **The Mortgagor acknowledges that the Mortgagor's guarantee liability under this Contract shall be subject to the maximum creditor's rights determined in the scope of guarantee hereunder, rather than the maximum balance of the principal of the principal creditor's rights. If the amount of the registered maximum creditor's rights covered by the maximum guarantee is the maximum balance of the principal of the principal creditor's rights for compliance with mortgage registration requirements or other special reasons, the Mortgagor shall not be exempted from the guarantee liability as a result thereof, and the Mortgagor acknowledges that the scope of the Mortgagee's priority of compensation shall still be determined according to the maximum creditor's rights determined in the scope of guarantee hereunder.**

Other provisions on the maximum creditor's rights guaranteed hereunder: The maximum amount of debt is RMB 170,000,000.

9.4 Mortgaged properties:

Please see Annex 1 (List of Mortgaged Properties) for details of the mortgaged properties hereunder.

9.5 Insurance for the mortgaged properties

Under this Contract, the Mortgagor and the Mortgagee agree (please tick (✓) the selected item and cross (x) the unselected item):

to purchase insurance for the mortgaged properties, with the Mortgagor bearing 100 % of the insurance premium and the Mortgagee bearing 0 %.

not to purchase insurance for the mortgaged properties.

9.6 Counterparts

This Contract may be executed in four originals, with the Mortgagee holding two copy(ies), the Mortgagor holding one copy(ies), and Registration center holding one copy(ies), all of which shall be equally authentic.

9.7 Other matters agreed upon by the parties (if any)

Upon mutual agreement by all parties, it is hereby agreed that the bank claims under the existing contracts shall be included within the scope of the maximum mortgage secured claims. The contract numbers are as follows: 94072024280238, 94072024280186, 94072024280177, 94072024280130, 94072024280078, 94072024280062, 94072023280367, 94072023280295, CD94072024800032, CD94072023800128, CD94072023800117.

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This Contract is entered into by and between the following parties. The parties acknowledge that, at the time of signing this Contract, the parties have explained and discussed all terms and conditions contained herein in detail, and the parties have no doubts about all terms and conditions contained herein, and have an accurate understanding of the legal implications of the clauses concerning the parties' rights and obligations and the limitation and exclusion of liability.

Mortgagor (official seal)

Global Technology, Inc.

Legal Representative or Authorized Agent (signature or seal)

Chih-Hsiang Lin

(The above is applicable to legal persons)

Mortgagor (signature)

Valid identity certificate type and number:

(The above is applicable to natural persons)

Domicile: NO,488,Henshan RD,Beilun.

Post Code:315800

Tel.:13777236244

Fax:/

Email:/

Contact Person: Haiying Lee

Signing Date:2024/5/24

Mortgagee (official seal or contract seal)

Shanghai Pudong Development Bank Co., Ltd. Ningbo Branch

Legal Representative/Principal or Authorized Agent (signature or seal)

Xiaopeng Zhu

(The above is applicable to legal persons)

Principal Business Address: No,399,Minshan RD,Beilun.

Post Code:315800

Tel.:86886053

Fax:/

Email:/

Contact Person: Yihong Xu

Signing Date: 2024/5/24

Mortgaged Property List (For Real property)

Mortgage property type: Real property**Mortgagor:** Global Technology, Inc.**Mortgagee:** Shanghai Pudong Development Bank Co., Ltd. Ningbo Branch

Location	No. 88, Qiushi Road, Gulin Town, Yinzhou District, Ningbo city			
Specific location (Optional)	No. 88, Qiushi Road, Gulin Town, Yinzhou District, Ningbo city			
Land ownership	State-owned	Source of Land use rights	<input checked="" type="checkbox"/> Charged transfer <input type="checkbox"/> Allotment <input type="checkbox"/> Re-transfer	
Land use	Industrial applications	Period of land use	December 24, 2013 to October 7, 2054	
Property certificate number	Yong Real property Certificate Yinzhou District No. 201028196; Yong Real property Certificate Yinzhou District No. 201028200; Yong State-owned Land Certificate (2013) No. 18-06785	Property owner	Global Technology, Inc.	
Factory building conditions (such as building number, room number, type, structure, number of floors, housing use, building area, etc.)	floors	construction area (m ²)	Inner building area (m ²)	Other information
	4	9232.22		industry
	3	21486.54		industry
	6	6051.09		industry
	6	6051.09		industry
	land area 28363.90m ²			
Mortgage property value (Optional)	RMB 170,000,000. It shall be subject to the value at the time of the realization of the mortgage rights.			
Prior mortgage information (if any)	First order mortgage to Shanghai Pudong Development Bank Co., Ltd. Ningbo Branch			
The sequence of receiving compensation in respect of mortgage rights	The mortgage hereunder is the <u>Second</u> mortgage			
Remark	/			
The above mortgaged property has been verified by the mortgagee. The mortgagor confirms that, except for the above-mentioned information disclosed to the mortgagee, there is no other priority of compensation in respect of mortgage rights secured by the mortgaged property. This list serves as an Annex 1 to the Maximum Mortgage Contract (No. ZD) between the mortgagor and the mortgagee.				
Mortgagor (official seal) Global Technology, Inc.	Mortgagee (official seal or contract seal) Shanghai Pudong Development Bank Co., Ltd. Ningbo Branch			
Legal Representative or Authorized Agent (signature or seal)	Legal Representative/Principal or Authorized Agent (signature or seal)			
	2024/5/24		2024/5/24	