

技术许可协议

(Agreement No.TS-152)

TECHNOLOGY LICENCE AGREEMENT

This Agreement (hereinafter "**this Agreement**") is made and entered into by and between **TSUGAMI CORPORATION** (株式会社ツガミ) (for itself and on behalf of its subsidiaries and their respective branches (if any) other than Party B) (hereinafter "**Party A**") and **PRECISION TSUGAMI (CHINA) CORPORATION LIMITED** (津上精密机床(中国)有限公司) (for itself and on behalf of its subsidiaries and their respective branches) (hereinafter "**Party B**", together with Party A, the "**Parties**") regarding Party A's (i) licensing to Party B the technology necessary to manufacture the CNC high precision machine tools, (ii) provision of aftersales services in connection with such CNC high precision machine tools, and (iii) licensing to Party B the trademarks set out in Appendix 2 (the "**Trademarks**") for Party B to use in the scope as set out in Article 1 of this Agreement.

Article 1 Licence of Technology and Trademarks and Provision of Aftersales Services

- (1) Party A shall irrevocably grant to Party B an exclusive license to use technical information and intellectual property rights therein (the "**Technology**") necessary for Party B to manufacture certain CNC high precision machine tools, including, CNC lathe, CNC precision automatic lathe, precision turning center, precision machining center, precision grinding machine, precision turret machine, precision thread and form rolling machines, the model numbers of which as referred to in Appendix 1 (as maybe revised and amended from time to time) pursuant to this Agreement (hereinafter referred to as the "**Products**") and to provide aftersales services in connection with the Products.
- (2) Party A shall irrevocably grant to Party B (a) as sole licensee, the right to use the Trademarks in the People's Republic of China ("**PRC**"), Hong Kong and Taiwan, and (b) a non-exclusive license to use the Trademarks in any regions (excluding the PRC, Hong Kong and Taiwan), during the term of this Agreement, if and to the extent the sale of the Products and the use of the Trademarks for manufacturing is not illegal under applicable laws, and that those Products conform to the specifications and the qualities reasonably designated by Party A. Party A shall not grant to any third party a licence to use the Trademarks in the PRC, Hong Kong and Taiwan without the prior written consent of Party B and Party B shall not transfer the licence to use the Trademarks to any third party without the prior written consent of Party A. Party B shall forfeit this right of using the Trademarks regarding the specific Products in the event that the Products with the Trademarks being sold or manufactured by Party B do not conform to such specifications or qualities, and Party B fails to remedy such non-conformity within 30 days from the date of receiving the written notice from Party A. For the avoidance of doubt, Party B is also allowed to use the Trademarks in, inter alia, its operation, any marketing or disclosure materials in relation to the Products and aftersales services and any documents issued by Party B, including the prospectus to be issued by Party B in connection with its proposed listing on The Stock Exchange of Hong Kong Limited and any other materials to be issued and used in relation to such proposed listing and any other documents or materials Party B deems necessary, appropriate or desirable for its ordinary course of business operation.
- (3) Upon the reasonable request from Party A, Party B shall provide to Party A information relating to Party B's sales of products, unless such disclosure by Party B would result in breach or violation of any contracts, laws and regulations, judgment, order, or decree of governmental authorities, or any rules or regulations of any stock exchange or regulatory body applicable to Party B.

Article 2 Disclosure of Technical Information

- (1) For the purposes of this Agreement, technical information refers to components lists, assembly drawings, component drawings, jig and tools drawings, work procedures, inspection procedures, various manuals (user instructions), parts lists and all other information of the Products necessary or appropriate for Party B to manufacture the Products and provide aftersales services.
- (2) Party A shall disclose the Technology to Party B within a scope and by a method deemed appropriate by the Parties, in accordance with Article 1 of this Agreement.
- (3) Party B shall not use the licensed Technology for any purpose other than the purpose in relation to Party B's manufacturing and selling of the Products, which includes performing related legal duties necessary for the manufacturing or selling of the Products or research and development in relation to the Products and aftersales services, and for the provision of aftersales services. If Party B is compelled to use the licensed Technology for any other purpose, Party B shall, to the extent permitted by laws or regulations or rules of any stock exchange or regulatory body applicable to it, notify Party A of such usage and obtain Party A's written authorisation in advance, which shall not be unreasonably delayed or withheld.

Article 3 Payment of Royalties and Service Fees and Annual Caps

- (1) Party B shall pay to Party A, as consideration for granting the exclusive licence of the Technology under Article 1 (1), and the granting of non-exclusive license to use the Trademarks under Article 1 (2), Party B shall pay a sum (hereinafter referred to as the "**Royalties**") based on the sales of the Products as set forth in the Appendix 1 hereto subject to other provisions in this Article.
- (2) Party B shall calculate the Royalties based on the sales of the Products during January 1 to March 31, April 1 to June 30, July 1 to September 30, and October 1 to December 31 each year (hereinafter each term referred to as "**Subject Period**") within one month after the end of each Subject Period.

Party B subsequently shall pay the calculated Royalties after withholding the taxes and all applicable public duties/costs under the laws of PRC (hereinafter referred to as the "**Withholding Tax**"). The payment shall be made by electronic transfer to the bank account designated in writing by Party B (such designated account shall be notified to Party B) no later than the final day of the month immediately following the last month of each Subject Period.

- (3) Party B shall submit to Party A a report stating the number of sales, unit price of the Products sold to its customers (excluding Party B and its subsidiaries or affiliates), the amount of the Royalties and other matters reasonably requested by Party A, to the extent permitted by laws or regulations or rules of any stock exchange or regulatory body applicable to it, no later than the tenth day of the month immediately following the Subject Period.
- (4) Party B shall pay to Party A the consideration for provision of the aftersales services which will be determined based on the daily rate of approximately JPY46,000 multiplied by the total number of working days of the staff of Tsugami Japan.
- (5) The payment shall be made in Reminbi (or in Japanese Yen, at the option of Party B) to be calculated based on the exchange rate published by State Administration of Foreign Exchange of the People's Republic of China prevailing on the payment date.
- (6) Upon the occurrence of adverse economic situation or if the competitiveness of the Products declines significantly, one of the parties may propose to adjust the amount of the

Royalties. In this case, the adjusted amount of the Royalties shall be determined upon consultation between Party A and Party B and based on written agreement between the two parties.

- (7) The payment of Royalties shall commence on the 1st business day of the quarter that starts immediately after the date of signing of this Agreement.
- (8) Party B shall, upon Party A's request, submit to Party A payment notification and receipt of the Withholding Tax, and all other materials reasonably necessary for Party A's tax declaration in accordance with applicable laws and regulations.

Article 4 Management

- (1) Upon the reasonable request from Party A, Party B shall report in writing on Party B's status of management and protection regarding the Technology and the manufacture and sales of the Products without delay to the extent permitted by laws or regulations or rules of any stock exchange or regulatory body applicable to Party B.
- (2) Upon the reasonable request from a party (the "**Requesting Party**"), the other Party shall have a discussion with the Requesting Party without delay in regard of possible alternative measures to manage the Technology, and carry out necessary investigation to ascertain the status of Technology management.
- (3) Party A and Party B shall manage the items and technical support, etc. which are licensed to Party B by Party A in accordance with the provisions of this Agreement, by preparing a "License Management List" and "Support Management List" (collectively, the "**Management List**"), and Party A and Party B shall confirm with each other that there are no discrepancies in the Management List on an annual basis.

Article 5 Tax

- (1) Party B shall bear all applicable duties and tax imposed by the PRC government with regard to the Technology, technical services, components, etc. which are licensed to Party B in accordance with this Agreement.

Article 6 Improvement and Development

- (1) All intellectual property rights or invention arising from the improvement or development of the Technology made by a party shall vest in such party.
- (2) All intellectual property rights or invention arising from the improvement or development of the Technology made jointly by the Parties shall vest in both Parties, with each Party shall have an undivided one-half interest in such intellectual property rights or invention.

Article 7 Intellectual Property Rights

- (1) Party A represents and warrants that (i) it is the sole legal and beneficial owner of the Trademarks and the Technology; (ii) there is no infringement or encumbrances regarding the Trademarks and the Technology; and (iii) there is no claim, demand, notice or order which may adversely affect its right to own or licence the Trademarks and the Technology to Party B.
- (2) Party A shall remain during the entire term of this Agreement the sole legal and beneficial owner of the Trademarks and the Technology.

- (3) Party A shall maintain, renew and protect the Trademarks and the Technology in compliance with the applicable laws and regulations (as the case may be).
- (4) Party A undertakes to Party B that it will enforce infringement of the Trademarks and the Technology by third parties or authorise Party B to enforce on its behalf at Party A's cost.
- (5) If Party B receives notification of a potential claim or legal action concerning infringement of intellectual property rights by a third party in connection with the Trademarks and the Technology, the Products manufactured by Party B, Party B shall notify Party A as soon as practicable without delay and shall cooperate with Party A with regard to measures in response.
- (6) In the case of Article 7(3), Party A shall indemnify Party B against all intellectual property infringement claims and all losses, liabilities, damages, costs, charges and expenses made against Party B, arising from and/or in connection with the infringement of the intellectual property rights in the use of the Trademarks and the Technology by Party B and the Products manufactured by Party B.

Article 8 Confidentiality

- (1) For the duration of this Agreement, Party B shall keep the Technology in the strictest confidence and shall not disclose it to any third party without first obtaining Party A's prior written consent.

The obligation of Party B above shall not apply to the following information:

- (a) information that has already been in the public domain at the time of disclosure by Party A;
 - (b) information that Party B can prove has already been in Party B's possession at the time of disclosure by Party A;
 - (c) information that entered into the public domain by means other than disclosure prohibited under this Article;
 - (d) information that Party B is required to disclose by laws, rules, regulations or otherwise required by government authorities or regulatory bodies, or is required to disclose in defence of any proceedings or claims made against it; and
 - (e) information that is lawfully obtained by Party B from a third party without an obligation of confidentiality.
- (2) If Party B is required to make a disclosure under Article 8(1)(d), to the extent permitted by laws or regulations or rules of any stock exchange or regulatory body applicable to Party B, Party B will notify Party A immediately if it anticipates that it may be required to disclose any of the confidential information relating to the Technology.

Article 9 Cancellation and Termination of the Agreement

- (1) In the event that either party materially breaches any provision of this Agreement, the other party has the right to terminate this Agreement upon giving fourteen (14) days' prior notice in writing.
- (2) If the Event of Force Majeure (as defined hereafter in Article 11) makes it impossible for either Party to perform the obligations of this Agreement within a reasonable time, this

Agreement may immediately be terminated at the option of Party B by giving written notice thereof to the other party.

- (3) If this Agreement is terminated for whatever reason, Party B shall be allowed to continue to use the Technology and/or any technical information passed under this Agreement to Party B for its ordinary course of business, and it shall be allowed to retain all documents, technical information and know-how relating to or in connection with the Technology.

Article 10 Force Majeure

- (1) If the performance of obligations under this Agreement by either party is prevented or significantly delayed by an event that is beyond the reasonable control of the parties (hereinafter referred to as "**Event of Force Majeure**"), such non-performance or delay shall not be regarded as a breach of this Agreement and, accordingly, the affected party shall not be liable for such non-performance or delay.
- (2) If an Event of Force Majeure occurs, the party affected by the Event of Force Majeure shall immediately notify the other party of such Event of Force Majeure in as much detail as possible, and shall also update the other party for any subsequent development.
- (3) Events of Force Majeure include, but are not limited, to the following.
 - (a) Observance of new laws and regulations, government regulation, order or request enacted and/or put into force subsequent to the date of this Agreement ;
 - (b) Fire, typhoon, flood or earthquake;
 - (c) War, rebellion, revolution, riot;
 - (d) Strike or factory closure.

Article 11 Agreement Term

- (1) This Agreement shall take effect on the date of the listing of the shares of Party B on the Main Board of The Stock Exchange of Hong Kong Limited, which is expected to be on or about 25 September 2017 (the "**Effective Date**"). This Agreement shall commence on the Effective Date, and remain legally binding enforceable up to and including 31 March 2020 ("**Initial Term**"), upon expiration of the Initial Term or subsequent renewal term, this Agreement will be, subject to compliance with the then relevant requirements of the rules of any stock exchange to which any of the Parties is subject to, including, but not limited to, the Listing Rules or, alternatively, any waivers obtained from strict compliance with such requirements, automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules or any laws and rules applicable to each Party) unless notified by Party B to Party A by written notice of not less than 30 days before the expiry of the Initial Term or any subsequent successive periods or otherwise terminated earlier in accordance with this Agreement.
- (2) Notwithstanding the Articles 9 and 11 of this Agreement, it is hereby agreed by the Parties that Party A shall not terminate this Agreement unless Party B or its subsidiaries has committed a material breach of this Agreement which is not remedied within 30 days upon written notification by Party A to Party B. This Agreement may be terminated in writing by the Parties.

Article 12 Severability

- (1) If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable under the laws of any jurisdiction, that shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that or other provision of this Agreement.

Article 13 Assignment

- (1) Either Party A or Party B shall not assign all or part of the rights and interests under this Agreement to a third party without first obtaining the written consent of the other party.

Article 14 Governing Law

- (1) This Agreement shall be construed in accordance with the laws of Japan.

Article 15 Jurisdiction

- (1) All disputes, controversies, or differences arising out of or in connection with this Agreement shall be settled by way of arbitration in Tokyo, Japan, in accordance with the Commercial Arbitration Rules of the Japan Commercial Arbitration Association. The award rendered by the arbitrator(s) shall be final and binding upon the parties to this Agreement.

Article 16 Others

- (1) This Agreement will be executed in English version only, and in the event of inconsistency between the English and Japanese versions, the English version of this Agreement shall prevail.
- (2) The Technology License Agreement dated March 16, 2009 entered into between Party A and Party B shall be terminated on the Effective Date as stated in this Agreement.
- (3) The execution and performance of this Agreement is subject to the deed of non-competition entered into between the Company and Tsugami Japan on 4 September 2017.
- (4) The appendices hereto shall form an integral part of this Agreement and shall bear the same legal effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their representatives in duplicate, by affixing their signatures and seals, and each party shall retain one (1) original thereof respectively.

Date: 4 September 2017

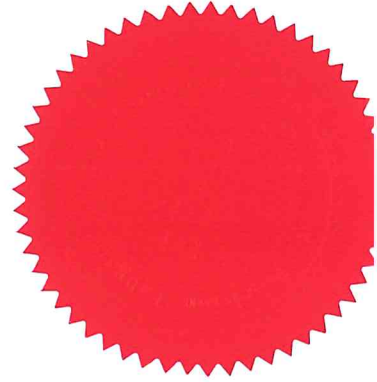
For Party A: Takao Mishijima, Representative Director
TSUGAMI CORPORATION
1-9-10 Horidome-cho, Nihonbashi, Chuo-ku, Tokyo, Japan

西島 尚也



For Party B: Donglei TANG, Chief Executive Officer, Executive Director
PRECISION TSUGAMI (CHINA) CORPORATION LIMITED
PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands

唐东雷



Appendix 1

ROYALTIES

The Royalties set forth in Article 3 of this Agreement shall be calculated as follows:

Royalties = Rates (as described below) multiply by the total sale of each Product*

*The total sales shall be the total unit of sale of the Products by Party B, excluding value added tax and other tax, bar feeder, packaging costs, transportation costs, export charges (in the case of export). The timing of recognizing the total sales shall be upon:

- (1) shipping the Products in the case of the sale to the destinations inside the PRC; or
- (2) the declaration of customs (for sale to overseas outside the PRC).

(1) Models Type 1 (Older models – models of which mass production ceased): Rate 1%

B0126- II , B0126E- II , B0206 II - , B0206E- II , BM163- II , BM163E- II , BM164- II , BM164E- II


(2) Models Type 2 (Newer models): Rate 5%


B0123-III, B0123E-III, B0203-III, B0203E-III, B0124-III, B0124E-III, B0204-III, B0204E-III, B0125-III, B0125E-III, B0205-III, B0205E-III, B0126-III, B0126E-III, B0206-III, B0206E-III, B0128W, B0128WE, B0128WB, B0128WBE, B0208W, B0208WE, B0208WB, B0208EBE, B0165, B0165E, B0265- II , B0265B- II , B0265BE- II , B0265E- II , B0265K- II , B0265KE- II , B0265BK- II , B0265BKE- II , B0325- II , B0325B- II , B0325BE- II , B0325E- II , B0325K- II , B0325KE- II , B0325BK- II , B0325BKE- II , B0266- II , B0266E- II , B0266K- II , B0266KE- II , B0326- II , B0326E- II , B0326K- II , B0326KE- II , B0385, B0385E, B0385C, B0385CE, B0385L, B0385LE, B038T, B038TE, B038M, B038ME, B073-III, B073E-III, B074-III, B074E-III, B075-III, B075E-III, B020M, B020M- II , B020ME, B020ME- II , C300-IV, C300E-IV, BM163-III, BM163E-III, BM164-III, BM164E-III, BM165-III, BM165E-III, BW12-III, BW12E-III, BW128ZJ, BW128ZJE, BW208ZJ, BW208ZJE, BW209ZJ, BW209ZJE, HS267, HS327, H206E, M06D, M06DE, M06J, M06JC, M06JCE, M06JE, M06SD, M06SDE, M06SY, M06SYE, M08D, M08DE, M08J, M08JE, M08SD, M08SDE, M08SY, M08SYE, M06D- II , M06DE- II , M06J- II , M06JE- II , M06SD- II , M06SDE- II , M06SY- II , M06SYE- II , M06DY- II , M06DYE- II , M08D- II , M08DE- II , M08J- II , M08JE- II , M08SD- II , M08SDE- II , M08SY- II , M08SYE- II , M08DY- II , M08DYE- II , M06JL5- II , M08JL5- II , M06JL5E- II , M08JL5E- II , MB25, MB25E, P013, P013E, P014, P014E, P033, P033E, P034, P034E, S205, S205E, S206, S206E, SS207, SS26, SS267, SS32, SS327, TMA6JC, TMA6JCE, TMA8J, TMA8JE, TMA8JC, TMA8JCE, G18- II AB, G18- II SB, G18E- II AB, G18E- II SB, G300A-300, G300A-500, G300A-1000, G300S-300, G300S-500, G300S-1000, G350A-300, G350A-500, G350A-750, G350A-1000, G350S-300, G350S-500, G350S-750, G350S-1000, UGC, R7NC, R17NC- II , R30NC, VA2, VA2E, VA3, VA3E

Subject to market conditions, the parties may revise and amend the machine tool models in this Appendix 1 from time to time by written agreement between the Parties. If Party B has to use the Technology for any other models that are not included in this Appendix 1, Party B shall obtain Party A's written authorisation in advance which shall not be unreasonably delayed or withheld.

Appendix 2

TRADEMARKS

Jurisdiction of registry	Trademark	Registry Number	Deadline for Renewal	Class	Goods
PRC	TSUGAMI	G907931	8 November 2026	7	Metalworking machines and tools; boring machines (for metalworking); drilling machines (for metalworking); grinding machines (for metalworking); lapping machines (for metalworking); lathes (for metalworking); metalworking machine tools; milling machines (for metalworking); oil hydraulic presses (for metalworking); rolling mills (for metalworking); tool holders for metalworking machines (machine parts)
Hong Kong	津上 津上	303408066	13 May 2025	7	Metalworking machines and tools; boring machines (for metalworking); drilling machines (for metalworking); grinding machines (for metalworking); lapping machines (for metalworking); lathes (for metalworking); metalworking machine tools; milling machines (for metalworking); oil hydraulic presses (for metalworking); rolling mills (for metalworking); tool holders for metalworking machines (machine parts); machining centers (for metalworking); automatic lathes (for metalworking); multitasking machines (for metalworking); tapping machines (for metalworking); rolling machines (for metalworking); turning machines (for metalworking); parts and accessories of the aforementioned goods.
Hong Kong		303408075	13 May 2025	7	Same as the above

Hong Kong	TSUGAMI	303408084	13 May 2025	7	Same as the above
Taiwan		00045530	28 February 2021	180	Metal processing machinery, automatic lathes, thread and rolling machine, grinding machine, automatic bar feeder, rotary cutting machine, grinding machine
Taiwan	TSUGAMI	00987287	28 February 2022	7	Metal processing machinery, automatic lathes, thread and rolling machine, grinding machine, automatic bar feeder, rotary cutting machine, grinding machine