

Product Co-Development Agreement

This Product Development Contract (the "Contract") , effective as of the day upon which all parties to this Agreement have fully executed it (the "Effective Date"), is made by and between DCSTAR Inc. ("Party A") and Ligui He ("Party B").

WHEREAS, Party A and Party B wish to collaborate on the development of a product (hereinafter referred to as the "Co-Developed Product"), with Party A providing market insight and positioning, and Party B providing technical implementation and manufacturing capabilities;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

1. Project Overview

Project Name: Co-Development of Removal Device for Removing Obstruction in Respiration

Project Development Duration: From June 10, 2020 to January 31, 2021

2. Roles and Responsibilities

2.1 Party A Responsibilities

Provide market vision and positioning for the Co-Developed Product.

Assist Party B in understanding market demands and technical requirements.

Be responsible for marketing and sales of the Co-Developed Product in the territories outside

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of China.

Provide market research and user feedback information.

2.2 Party B Responsibilities

Be responsible for the technical development and implementation of the Co-Developed Product.

Provide necessary technical support and development resources.

Be responsible for the manufacturing and mass production of the Co-Developed Product, ensuring product quality meets the agreed standards.

Be responsible for marketing and sales of the Co-Developed Product in China.

Ensure that the Co-Developed Product complies with Chinese market regulations and technical standards.

4. Payment Terms

3. Intellectual Property Rights

3.1 Intellectual Property Rights Outside China

Party A shall hold all intellectual property rights in all territories outside of China, including but not limited to patents, trademarks, copyrights, and trade secrets related to the Co-Developed Product.

Party B hereby assigns to Party A all rights, title, and interest in and to any intellectual property rights developed in connection with the Co-Developed Product in all territories outside of China.

3.2 Intellectual Property Rights in China

Party B shall hold all intellectual property rights in China, including but not limited to patents, trademarks, copyrights, and trade secrets related to the Co-Developed Product.

Party A hereby assigns to Party B all rights, title, and interest in and to any intellectual property rights developed in connection with the Co-Developed Product in China.

3.3 Jointly Developed Intellectual Property

For any intellectual property rights jointly developed by both parties, the ownership shall be determined by mutual agreement based on each party's contribution to the development.

Both parties agree to cooperate in the application and maintenance of such jointly developed intellectual property rights and to share the benefits according to their respective ownership shares.

4. Payment Terms

4.1 Total Development Fees

The total development fees for the Co-Developed Product shall be RMB 60,888, to be paid by Party A to Party B.

4.2 Payment Schedule

First Installment: Party A shall pay RMB 10,000 within 5 business days after the signing of this Agreement for project initiation.

Second Installment: Party A shall pay RMB 10,000 within 5 business days after Party B delivers the preliminary design.

Third Installment: Party A shall pay RMB 30,000 within 5 business days after Party A

approves the preliminary design to initiate the detailed design and development phase.

Fourth Installment: Party A shall pay RMB 10,888 within 7 business days after the project is completed and passes Party A's acceptance.

5. Technical Implementation and Manufacturing

5.1 Technical Development

Party B shall utilize its technical expertise and resources to ensure the technical implementation and commercialization of the Co-Developed Product in China.

Party B shall regularly report to Party A on the progress of technical development and provide necessary technical documentation and test reports.

Party A shall provide necessary support and resources to ensure the smooth progress of technical development.

5.2 Manufacturing and Mass Production

Party B shall be responsible for the manufacturing and mass production of the Co-Developed Product, ensuring product quality meets the agreed standards.

Party B shall provide detailed production plans and progress reports to ensure the smooth progress of mass production.

Party A shall have the right to inspect the production process of the Co-Developed Product, and Party B shall cooperate fully.

6. Quality Control

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6.1 Quality Standards

Both parties shall jointly establish quality standards for the Co-Developed Product to ensure it meets market demands and regulatory requirements.

Party B shall strictly follow the quality standards in production to ensure product quality.

6.2 Quality Inspection

Party A shall have the right to inspect the quality of the Co-Developed Product manufactured by Party B, and Party B shall provide necessary cooperation.

If quality issues are found, Party B shall rectify them within 15 business days and resubmit for inspection.

7. Confidentiality

Both parties agree to keep confidential all commercial secrets and technical information obtained during the cooperation and not to disclose them to any third party without the written consent of the other party.

8. Breach of Contract

If a breach by one party causes loss to the other party, the breaching party shall also bear the corresponding liability for compensation.

9. Miscellaneous

9.1 Unforeseen Matters

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Any matters not covered in this Agreement may be negotiated and supplemented by both parties in a supplementary agreement, which shall have the same legal effect as this Agreement.

9.2 Copies and Effectiveness

This Agreement is made in two copies, with each party holding one copy, both having the same legal effect.

IN WITNESS WHEREOF, the Parties have duly executed this Product Co-Development Agreement with full authority to do so as of the day and year written below.

PARTY A

PARTY B

DCSTAR Inc.

Ligui HE

Signed: Danhuo

Signed: Ligui HE

Dated: 2020.6.10

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