

COLLABORATIVE DONATION AGREEMENT

Between

NATIONAL YUNLIN UNIVERSITY OF SCIENCE AND TECHNOLOGY, TAIWAN

And

ANCA Pty., Ltd., AUSTRALIA

THIS COLLABORATIVE DONATION AGREEMENT (hereinafter, "Agreement") is entered into on 1st June, 2006 by and between ANCA Pty., Ltd., a corporation duly recognized and established under the laws of Australia, having its registered office at 25 Gatwick Rd, Bayswater North, Victoria (hereinafter, "Company"); and National Yunlin University of Science and Technology, a university established and existing under the laws of Taiwan located in 123 University Rd. Sec. 3, Douliu City, Yunlin County (hereinafter, "University"). Dr. Roy Chih-Lung Ko, a faculty at the Department of Mechanical Engineering, is appointed as the Principle Investigator (hereinafter, "PI").

WHEREAS Company and University wish to engage in the Control System Development for High-Performance Machine Tools (hereinafter, "Project").

NOW THEREOF, in consideration of Company and University cooperating in the Project and the promises and mutual covenants set forth hereinafter, the parties hereby agree as follows:

1. Execution and Representation

This Agreement is executed by the subsidiary of ANCA - ANCA Automation Taiwan Co., Ltd., a corporation duly recognized and established under the laws of Taiwan, having a uniform invoice number of 28020421; and Dr. Roy Chih-Lung Ko, the PI of the Project. The above two parties are responsible for all communication, payment, intellectual property and legal issues relating to this Agreement.

2. Scope of Cooperation

University shall provide facilities, equipment, technology, human resources or any other assistance as agreed upon by the parties to Company to engage in the Project. The funds of donation shall be used as scholarships for participating students, or expenses directly relating to Project.

Company shall allow faculty member(s) and student(s) of University, subject to their executing applicable confidentiality and intellectual property ownership agreement, to participate in the Project as part of the student's curriculum at University. Company shall have the right to determine which faculty member(s) and student(s) shall participate in the Project.

3. Term

This Agreement shall commence on 1st July, 2006 and terminate on (a) 30th June, 2007 (hereinafter, "Termination Date"); or (b) with possible extensions of up to 30th June, 2009 by mutual consent of the parties.

4. Fees and Payment Term

The fees of the Donation is USD\$10,000 (hereinafter, "Fee") per annum.

Within [thirty (30)] calendar days of execution of this Agreement, Company shall pay [fifty (50)] % of Fee to University and University shall issue a uniform invoice receipt to Company within [fifteen (30)] calendar days of receipt of such payment.

Within [six (6)] calendar months of execution of this Agreement, Company shall pay the remaining balance of Fee to University and University shall issue an uniform invoice receipt to Company within [fifteen (30)] calendar days of receipt of such payment.

Payment of Fee shall be made by issuance of a check payable to the order of National Yunlin University of Science and Technology.

5. Project Progress Report

A written progress report (hereinafter, "Progress Report") on the Project shall be submitted to Company every [three (3)] months on 1st October 2006, 1st January 2007, 1st April 2007 and 1st July 2007.

If University is unable to provide Company with the Progress Report on the specific days as set forth above, University shall obtain the consent from Company for a new deadline for submitting the particular Progress Report. In no event shall the newly consented deadline be more than [thirty (30)] calendar days after the original deadline for submitting the Progress Report. Company's consent to University's delay in submitting one Progress Report does not mean the Company consents to the delay in University's submitting all subsequent Progress Report(s).

From time to time, University shall, upon Company's reasonable request, provide oral or written status report of the progress of the Project or answer any query Company has relating to the Project in progress. University shall permit and cooperate with Company for Company's employee(s) to conduct on-site examinations and review of the progress of the Project.

6. Confidentiality

University agrees that commencing from the date hereof and during the term of this Agreement, University and its faculties, students, employees, representatives and contractors shall have, by virtue thereof, access to selected confidential information of Company and its affiliates (hereinafter, "Confidential Information"), whether or not such Confidential Information is owned or developed by Company and whether or not marked "confidential".

University agrees that any Confidential Information of Company shall be disclosed on a need-to-know basis, and shall be limited to technical information of products including ideas, concepts, designs, drawings, packaging, specifications, formulas, procedures, operation methods and materials. University also agrees that none of the above information can be passed onto any third party.

7. Default, Termination, and Force Majeure

This Agreement may be terminated at any time by mutual understanding and consent of the parties. This Agreement may be terminated by one party in case of default by the other party if it is not due to force majeure, provided that the non-defaulting party has provided notice of default to the defaulting party and whereby the defaulting party fails to cure within [thirty (30)] calendar days after receipt of notice of default.

For purpose of this Section, force majeure shall include the following events: fire, floods, storm, mud slide, strikes, riots, non-availability of materials or supplies or any other event outside the control of University.

8. Assignment

This Agreement shall not be assigned by either party without the written consent of the other party.

9. Notice

Any notice required or permitted under this Agreement shall be made in writing and shall be deemed to have been given when faxed, personally delivered by messenger or sent to the party involved by registered mail at the address as the receiving party may provide.

10. Counterparts

Two copies of this Agreement shall be executed and each party shall retain one copy

of the executed Agreement. Each of the executed Agreement shall be deemed an original and both of which, when taken together, shall constitute one and the same instrument.

11. Languages

This Agreement shall be executed in English.

12. Governing Law

This Agreement shall be deemed to be a contract made under the laws of Taiwan and for all purposes shall be interpreted and governed entirely under the Taiwan law. Any dispute arising from this Agreement shall be resolved through litigation in any courts in Taiwan having jurisdiction over the disputes arising under this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

University



President: Tsong-Ming Lin
National Yunlin University of
Science and Technology

Company



Managing Director: Patrick Boland
ANCA Pty., Ltd.

Principle Investigator



Dr. Roy Chih-Lung Ko
Department of Mechanical Engineering
National Yunlin University of Science and Technology