

*BenQ(Shanghai) Co. Ltd. Beijing Branch
Juergen Bonfert*

No. 9, Wangjing Zhonghuan Nanlu

*100102 Beijing
P.R. CHINA*

*P.O.B. 8206
100102 Beijing*

Name	Liu Yu hong/Alfred Mayr
Department	PSE CN D
Address	Siemens PSE Co. Ltd. 3F Dong Heng Intl. Building, 1700 Shuang Long Avenue, Jiangning Development Zone, Nanjing, 211100 P.R. China
Telephone	+86 25 52129888 8300
Telefax	+86 25 52129051
E-Mail	liu.yuhong@siemens.com alfred.mayr@siemens.com
Our ref.	PSE CN D 0506 A 001.1
Date	February 06, 2006
File name	0506CND A001.1 Jerry_Development

Project: Jerry Development

Tender No.: PSE CN D 0506 A 001.1

Dear Mr. Bonfert,

We are pleased to be able to present you with the offer shown below.

1 Object of the tender

1.1 Goal

The offer shown below is based upon a telephone conference between Mr. Bonfert, on the client's side and Mr. Mayr on the contractor's side on January 25th, 2006 and emails between them since then.

We are pleased to offer you the following services:

- Support of 11 employees for the Jerry development on-site in NanJing, including working time and travel to Beijing.
- The whole team will have one sub-PL (could be taken by an architect partially), 3 architects and 7 experienced developers. The 3 architects and the project leader will go to BeiJing on February 8th until March 3rd to have a fast start-up in the project.
- The objective of the work is the implementation of Jerry in CoApi, MMS and MM (multimedia) components, new features and new CRs, fixing expected bugs and maintenance.
- Implementation of the work packages will be assigned by the customer' representative Mr. Yang Yong qiang.
- Unit test, component test or system test if necessary
- General training and know how transfer if needed

All resources required to complete the order (HW + SW + maintenance) must be provided by the client free of charge.

The client shall also have to obtain whatever approvals and licenses may be required from (foreign) authorities or third parties. Upon written request of the client the contractor shall provide any documents in his possession necessary for this.

1.2 Inputs and tasks required of the client

The client must provide all documentations which are not already available at PSE, the preliminary results as mentioned in clause 1.1, test hardware and test software required to complete the order free of charge. Additionally, the client must support the contractor in setting up the working environment and perform a proper delivery of inputs.

Since the task descriptions can be fixed and set out in writing only incompletely, the client must provide the contractor a continual feedback on the ongoing work.

1.3 Other requirements for delivering the work/services

Change requests: The submission, acceptance and rejection of change request shall be made in informal writing or email. The communication concerning change requests has to take place between the contractors listed in section 1.4.

Minutes: The contractor (or alternatively the client) shall keep minutes of each project meeting. Unless the client objects in writing, stating reasons, within 2 weeks after receiving the minutes, the contents of the minutes will be deemed accepted.

1.4 Contact persons

The client shall name an overall project manager plus substitute who will act as the main contact person for the contractor, and who is competent to make any necessary decisions him/herself and, as required, push these through the client's organization.

The contractor's contact person for the client shall be:

Ms. Liu Yu hong, PSE CN D, Siemens PSE Co. Ltd., Nanjing

Tel. +86 25 52129888 (8300), liu.yuhong@siemens.com

And the substitutes shall be:

Mr. Alfred Mayr, PSE CN D, Siemens PSE Co. Ltd., Nanjing

Tel. +86 25 52129888 (8000), alfred.mayr@siemens.com

The client's contact person for the contractor shall be:

Mr. Yang Yong qiang, BenQ(ShangHai) Co,Ltd. BeiJing Branch

Tel. +86 10 64748800 (8285), yongqiang.yang@BenQ.com

And the substitutes shall be:

Mr. Bonfert Juergen, BenQ(ShangHai) Co,Ltd. BeiJing Branch

Tel. +86 10 64748800 (8284), juergen.bonfert@benq.com

1.5 Deadlines

Key project deadlines as far as known at the time the offer is submitted:

Start of work related to this offer	February 6th, 2006
End of work related to this offer	October 31st, 2006

Detailed dates (milestones) shall be agreed by all the parties during the duration of the contract.

Provided that the contractor is not responsible for the delay, the deadlines specified in the table will be extended as appropriate if the inputs necessary to execute the contract are not available by the

dates to be agreed upon in detail. The same shall apply if the contractor is prevented from completing the contract correctly due to circumstances for which the contractor is not responsible. Circumstances for which the contractor is not responsible shall include specifically any delays or substandard work/services supplied by the client as part of the agreement.

2 Price

The price for the work/services defined under clause 1.1 shall be charged on a cost-plus basis (according to hours actually worked). The hourly rate for human resources deployment is calculated each year; for the financial year 05/06 it is RMB 250.

For hours and costs estimated from the present point of view, please refer to the table below:

Order item 00010	Human resources	20,000 hours	RMB 5,000,000.00
Order item 00030	Travel expenses		RMB 200,000.00
Order item 00040	Material/other costs		RMB 4,000.00
	Total		RMB 5,204,000.00

The travel expenses shall be calculated at the contractor's standard internal rates and invoiced through to the client.

Business tax shall be invoiced separately at the valid rates and will be billed together with the other expenses in one invoice of a month.

Invoicing shall be done in RMB at the end of each accounting month depending on hours actually worked.

The client shall pay the invoice 30 days after receiving.

3 Additional expenses

Functions and services not included under clause 1.1 shall be checked for viability and be subjected to the change request procedures specified under 1.3. If requests for changes are made, the respective price shall be calculated according to the hours worked or at a fixed price in accordance with contractor's prices at the time the work is done.

4 Handover/acceptance procedures

The software components shall be handed over by filling them in the client's CM system, which is accessible by the contractor. The corresponding documentation shall be handed over in electronic form.

Acceptance is to be confirmed in an acceptance report signed by the client.

Defects shall only be accepted by the contractor if they are reported by the client in an official fault report. The fault report shall refer to test data. The test data itself, a description of the system environment (HW, standard software, ...) and of the operator interactions that led to the fault shall have to be handed over additionally.

The risk of accidental loss, destruction or deterioration shall pass to the client upon handover of the subject matter of the contract. The same shall apply even if the subject matter of the contract is part of a larger, modular system and the total system is handed over at a later date.

If the contractor should incur additional costs during installation or acceptance due to faults in the client's software environment, clause 3 of the contract shall apply.

5 Rights

The Intellectual Property Rights (IPR) of the R&D work result (modules, algorithm, new ideas, tools, etc) belongs to the client. The contractor is entitled only the in-house use of the embodied work results, new ideas, experiences, concepts, tools, program development modules, technologies, expert reports etc. used or created during the provision of service.

6 Proviso clause (Retention clause)

The fulfillment of the agreement on Siemens' part is subject to the proviso that this shall not be prevented by impediments on the grounds of national and/or international legal requirements, in particular export control provisions.

7 Validity of offer

We make this offer valid until February 15th, 2006. Please comply with this time limit.

8 Termination of contract

Should the client prematurely terminate the contract, the client shall be obliged to compensate the contractor for all the work/services delivered so far. The amount of compensation to be paid shall be governed by the prices applicable at the contractor's at the time the work is done.

9 General terms and conditions

- Attached General Terms and Conditions for the Development of Data-Processing Programs by Siemens Aktiengesellschaft Österreich.

shall be applicable.

We are looking forward to receiving your order. Please do not hesitate to contact us should you have any queries.

Yours sincerely,

Liu Yu hong/Alfred Mayr

Siemens PSE (Nanjing) Co. Ltd.

CEO, PSE CN
Mr. Rudolf Siebenhofer

CFO, PSE CN
Mr. Herbert Bock