

**GENUS, Inc.**  
**MUTUAL NON-DISCLOSURE AGREEMENT**

THIS MUTUAL NONDISCLOSURE AGREEMENT is made and entered into as of the ~~Nineteenth~~ Day of June, 2003 between Genus, Incorporated and IPS Ltd.

1. Purpose. The parties wish to explore a business opportunity of mutual interest and in connection with this opportunity, each party may disclose to the other certain confidential technical and business information which the disclosing party desires the receiving party to treat as confidential.

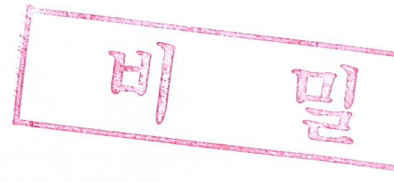
2. "Confidential Information" means any information disclosed by either party to the other party, either directly or indirectly, in writing, orally or by inspection of tangible objects (including without limitation documents, prototypes, samples, plant and equipment), which is designated as "Confidential," "Proprietary" or some similar designation. **[Confidential Information shall include without limitation the items set forth in the Appendix attached hereto, whether or not so designated upon disclosure]**

Agree:                Disagree:          

Information communicated orally shall be considered Confidential Information if such information is confirmed in writing as being Confidential Information within a reasonable time after the initial disclosure. Confidential Information may also include information disclosed to a disclosing party by third parties. Confidential Information shall not, however, include any information which (i) was publicly known or made generally available in the public domain prior to the time of disclosure by the disclosing party; (ii) becomes publicly known or made generally available after disclosure by the disclosing party to the receiving party through no action or inaction of the receiving party; (iii) is already in the possession of the receiving party at the time of disclosure by the disclosing party, as shown by the receiving party's documents, prototypes, samples, plant, equipment and other competent evidence; (iv) is obtained by the receiving party from a third party without a breach of such third party's obligations of confidentiality; (v) is independently developed by the receiving party without use of or reference to the disclosing party's Confidential Information, as shown by documents and other competent evidence in the receiving party's possession. In the event that an order or requirement of a court, administrative agency, or other governmental body requires Confidential Information of the Disclosing Party be disclosed, the Receiving Party shall provide prompt advance notice thereof to the Disclosing Party reasonably sufficient to enable the Disclosing Party to seek a protective order and otherwise prevent public disclosure of such information.

3. Non-use and Non-disclosure. Each party agrees not to use any Confidential Information of the other party for any purpose except to evaluate and engage in discussions concerning a potential business relationship between the parties. Each party agrees not to disclose any Confidential Information of the other party to third parties or to such party's employees, except to those employees of the receiving party who are required to have the information in order to evaluate or engage in discussions concerning the contemplated business relationship. Neither party shall reverse engineer, disassemble or decompile any prototypes, software or other tangible objects which embody the other party's Confidential Information and which are provided to the party hereunder.





4. Maintenance of Confidentiality. Each party agrees that it shall take reasonable measures to protect the secrecy of and avoid disclosure and unauthorized use of the Confidential Information of the other party. Without limiting the foregoing, each party shall take at least those measures that it takes to protect its own confidential information and shall ensure that its employees who have access to Confidential Information of the other party have signed a non-use and non-disclosure agreement in content similar to the provisions hereof, prior to any disclosure of Confidential Information of the other party unless employees. Neither party shall make any copies of the Confidential Information of the other party unless the same are previously approved in writing by the other party. Each party shall reproduce the other party's proprietary rights notices on any such approved copies, in the same manner in which such notices were set forth in or on the original.

5. No Obligation. Nothing herein shall obligate either party to proceed with any transaction between them, and each party reserves the right, in its sole discretion, to terminate the discussions contemplated by this Agreement concerning the business opportunity.

6. No Warranty. ALL CONFIDENTIAL INFORMATION IS PROVIDED "AS IS". EACH PARTY MAKES NO WARRANTIES, EXPRESS, IMPLIED OR OTHERWISE, REGARDING ITS ACCURACY, COMPLETENESS OR PERFORMANCE.

7. Return of Materials. All documents and other tangible objects containing or representing Confidential Information which have been disclosed by either party to the other party, and all copies thereof which are in the possession of the other party, shall be and remain the property of the disclosing party and shall be promptly returned to the disclosing party upon the disclosing party's written request.

8. No License. Nothing in this Agreement is intended to grant any rights to either party under any patent, mask work right or copyright of the other party, nor shall this Agreement grant any party any rights in or to the Confidential Information of the other party except as expressly set forth herein.

9. Term. The obligations of each receiving party hereunder shall remain in full force and effect for a period of [3] years from the last disclosure of Confidential Information from one party to the other party, Unless the disclosing party expressly agrees in writing to release all or part of its Confidential Information from the restrictions imposed by this Agreement before such period has elapsed.

10. Remedies. Each party agrees that any violation or threatened violation of this Agreement may cause irreparable injury to the other party, entitling the other party to seek injunctive relief in addition to all legal remedies.

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11. Miscellaneous. This Agreement shall bind and inure to the benefit of the parties hereto and their successors and assigns. This Agreement shall be governed by the laws of the State of California, without reference to conflict of laws principles. Any dispute concerning this Agreement in particular as to its existence, validity, interpretation, performance or non-performance, whether arising before or after the expiration of this Agreement, shall be settled by arbitration, before [three] arbitrators, administered by the International Chamber of Commerce under its rules of arbitration. The arbitration proceedings

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shall be held in [Hong Kong] and shall be conducted in English language. This document contains the entire agreement between the parties with respect to the subject matter hereof, and neither party shall have any obligation, express or implied by law, with respect to trade secret or proprietary information of the other party except as set forth herein. Any failure to enforce any provision of this Agreement shall not constitute a waiver thereof or of any other provision. This Agreement may not be amended, nor any obligation waived, except by a writing signed by both parties hereto.

GENUS, Inc.

By: William R Elder  
Name: WILLIAM R ELDER  
Title: CHAIRMAN & CEO.  
Date: JUNE 19th, 2003

IPS Ltd.

By: H.S. CHANG  
Name: HO SEUNG CHANG  
Title: CEO & PRESIDENT  
Date: JUN, 13 2003

NOTE: Items in "**bold**" are optional and the individual parties may choose to agree or decline those items by initials, counter-initialed by GENUS signatory