

THE STRATECH GROUP LIMITED (IN LIQUIDATION)

(Incorporated in Singapore)

Company Registration No. 201430212R

SALE OF EXCLUSIVE RIGHTS IN SOURCE CODE FOR THE UNITED ARAB EMIRATES AND STORAGE DEVICE

(A) INTRODUCTION

1. Messrs Leow Quek Shiong and Gary Loh Weng Fatt, care of Messrs BDO LLP, the appointed Liquidators (the “**Liquidators**”) of The Stratch Group Limited (In Liquidation) (the “**Company**”), wish to announce that its indirect subsidiary, Stratch Systems Limited (In Liquidation) (“**SSL**”) has, on 14 October 2019, entered into a sale and purchase agreement (the “**S&P Agreement**”) with Bayanat Airports Engineering and Supplies LLC (“**Bayanat**”):
 - a) To assign to Bayanat in perpetuity, royalty-free, paid-up, all of its exclusive rights in the United Arab Emirates (“**UAE**”) in all its intellectual property rights relating to the source code of the iFerret, the intelligent Vision-based Runway Surveillance and Foreign Object & Debris (FOD) Detection System (“**iFerret System**”), that has been customized to the requirement of the Dubai International Airport located in the UAE, including but not limited to use, repair, maintain, refurbish, reproduce, transfer, modify, adapt, integrate, develop, make backup copies and to do anything necessary or incidental for these purposes, for airports in UAE; and
 - b) To sell to Bayanat a copy of what was represented to the Liquidators to be the most updated version of the said source code in the UAE (the “**Copy of the Source Code for UAE**”) permanently, which will be provided to Bayanat in a storage device (“**Storage Device**”).

(collectively referred to as the “**Sale**”)

2. SSL is the owner of the copyright in the literary work in the said Source Code for UAE.

(B) INFORMATION ON BAYANAT

3. Bayanat is a company incorporated in Abu Dhabi UAE and has entered into a subcontract dated 29 December 2013 with SSL to supply the iFerret System for Dubai International Airport.
4. To the best of the Liquidators’ knowledge, Bayanat is not in any way related to the Company and its subsidiaries.

(C) CONSIDERATION

5. The consideration for the Sale is US\$200,000 (excluding prevailing goods and services tax of 7%, if applicable), which was approved by SSL’s Committee of Inspection that was formed at the creditors’ meeting of SSL held on 11 October 2018.

(D) OTHER SALIENT TERMS OF THE S&P AGREEMENT

6. The other salient terms of the S&P Agreement are as follows:

- a) It is a condition precedent to the Sale that SSL will allow Bayanat's authorised representative(s) access to review the contents of the Storage Device at SSL's premises for the purpose of ascertaining the completeness of the contents of the Storage Device (the "**Review**").

Bayanat will not be allowed to make copies of the contents of the Storage Device during the Review, and both parties will hand over the Storage Device upon completion of review to a mutually appointed third party Escrow Agent.

If Bayanat is not satisfied with the outcome of the Review, Bayanat will inform SSL in writing within 7 days of the last day of the Review with detailed reasons of the same ("**Notice**"). On such Notice being served on SSL, the S&P Agreement will immediately be terminated and both parties will be released from any and all obligations contained in the S&P Agreement.

If no Notice is received from Bayanat within 7 days of the last day of the Review, Bayanat will be deemed satisfied with the Review and SSL and Bayanat will continue to be bound by the terms of the S&P Agreement;

- b) Upon receipt of the full consideration for the Sale, SSL will instruct the Escrow Agent to release the Storage Device to Bayanat; and
- c) The Copy of the Source Code for UAE is sold to Bayanat on an "as is where is" basis

(E) UPDATES

7. The Company will make further announcements as and when there are material developments in due course.

For and On Behalf of the Company

Leow Quek Shiong
Gary Loh Weng Fatt
Liquidators
c/o BDO LLP

15 October 2019