

# SECURITIES AND EXCHANGE COMMISSION

## FORM 8-K

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### FILER

#### **ASTRATA GROUP INC**

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#### Mailing Address

940 SOUTH COAST DRIVE,  
SUITE 215  
COSTA MESA, CA 92626-7843

#### Business Address

940 SOUTH COAST DRIVE,  
SUITE 215  
COSTA MESA, CA 92626-7843  
(714) 641-1512

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K  
CURRENT REPORT**  
**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): May 26, 2009

**ASTRATA GROUP INCORPORATED**  
(Exact Name of Registrant as Specified in Charter)

**Nevada**

(State or other jurisdiction of  
incorporation or organization)

**000-32475**

(Commission File Number)

**84-1408762**

(IRS Employee Identification No.)

**14027 Memorial Drive, Suite 355  
Houston, TX**

(Address of principal executive offices)

**77079-6826**

(Zip Code)

Registrant's telephone number, including area code: **(714) 641-1512**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **ITEM 1.01. Entry into a Material Definitive Agreement**

On May 26, 2009 Astrata (Asia Pacific) PTE LTD (“Astrata Asia”) a wholly owned subsidiary of Astrata Group Incorporated (the “Company”), entered into a Facility Agreement (the “Agreement”) with Fame Trading LTD (“Lender”). In connection with the Agreement the Company entered into a Pledge Agreement (the “Pledge”) and a Continuing Guarantee (the “Guarantee”) with the Lender. In addition, Astrata Asia and Astrata (Singapore) PTE LTD (“Astrata Singapore”) each entered into a debenture (the “Debenture”) with the Lender.

Under the terms of the Agreement the Lender has agreed to loan Astrata Asia a principal sum of up to \$8,500,000 (the “Facility”) with an interest rate equal to the annual London Interbank Offered Rate (“LIBOR”) plus five (5%) percent, for a period of 90 days from the date that any portion of the Facility is disbursed to Astrata Asia. The Lender has agreed to disburse the Facility upon request by Astrata Asia five business days prior to the date the Facility is to be disbursed. At the time the Facility is requested, Astrata Asia is required to provide a budget of the income and capital expenditure that has been or is to be incurred and paid by Astrata Asia in the month immediately following the month in which the request is made supported by invoices or other evidence demonstrating that such expenditure is payable in the relevant month and shall additionally include a requisition for a portion of the Facility representing a sum equal to five (5%) percent of the relevant Facility disbursement. The Lender can in its absolute discretion, determine whether or not any item of expenditure shall be excluded from the Facility disbursement to Astrata Asia.

In connection with the Agreement, the Company executed the Pledge and the Guarantee. The Company pursuant to the Pledge has agreed to pledge 100% of its ownership stock of Astrata Asia to secure the satisfaction and performance of all Astrata Pacific obligations under the Agreement. The Company pursuant to the Guarantee has agreed to guarantee Astrata Asia’s obligations to the Lender and to indemnify the Lender. Further, the Company guarantees and promises to pay the Lender on demand any and all of Astrata Asia’s in the event of default of the Agreement.

Additionally Astrata Asia has entered into a Debenture with the lender. Pursuant to the Debenture, the property of Astrata Asia will be security for the repayment of the Facility by Astrata Asia. Additionally, Astrata Singapore as a 3rd party beneficiary of the Facility has agreed to enter into a Debenture with the Lender. Astrata Singapore has agreed to grant a security interest for the repayment of the Facility by Astrata Asia with its property.

## **ITEM 9.01. Exhibits**

<u>NUMBER</u>	<u>EXHIBIT</u>
10.1	Facility Agreement
10.2	Continuing Guarantee
10.3	Pledge Agreement
10.4	Astrata (Asia Pacific) PTE LTD Debenture
10.5	Astrata (Singapore) PTE LTD Debenture

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### ASTRATA GROUP INCORPORATED

Date: June 22, 2009

By: /s/ ANTHONY J. HARRISON

Anthony J. Harrison  
Chief Executive Officer

**Dated this 18th day of May 2009**

**Between  
Fame Trading Ltd.  
as Lender**

**And**

**Astrata (Asia Pacific) Pte. Ltd.**

**as Borrower**

**Facility Agreement**

**ABRAHAM  
Advocates and Solicitors  
19, Keppel Road  
#09-05, Jit Poh Building  
Singapore 089058**

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This Facility Agreement ("**Agreement**") is made the 18th day of May, 2009 **BETWEEN**:-

- (1) FAME TRADING LTD., a company incorporated in British Virgin Islands and having its registered office at Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands ("**Lender**"); and
- (2) ASTRATA (ASIA PACIFIC) PTE LTD (Co. Reg No. 200309962E), a company incorporated in the Republic of Singapore and having its registered office at 135 Joo Seng Road, #02-01, Singapore 368363 ("**Borrower**").

**RECITAL:-**

- (A) The Lender has, at the request of the Borrower, agreed to make available to the Borrower, the Facility (as hereinafter defined) on the terms and conditions contained in the Transaction Documents (as hereinafter defined).
- (B) The Borrower is a subsidiary of the Holding Company (as hereinafter defined), which has a number of subsidiaries and associate companies as diagrammatically illustrated in Schedule 1.

IT IS HEREBY AGREED as follows:

**1. Definitions and Interpretation**

1.1 In this Agreement, unless the context otherwise admits, all words and expressions shall have the following meanings respectively:-

"Business Day" means a day on which the banks are open for business in United States of America and Singapore except Saturday, Sunday and public holidays in the said countries;

"Connected Person" means –

- (a) in relation to an individual:

(i) the individual's spouse, son, adopted son, step-son, daughter, adopted daughter, step-daughter, father, step-father, mother, stepmother, brother, step-brother, sister or step-sister; and

(ii) a firm, a limited liability partnership or a corporation in which the individual or any of the persons mentioned in subparagraph (i) has control of not less than 20 per cent of the voting power in the firm, limited liability partnership or corporation, whether such control is exercised individually or jointly

(b) in relation to a firm, limited liability partnership or a corporation: another firm, limited liability partnership or corporation in which the first-mentioned firm, limited liability partnership or corporation has control of not less than 20 per cent of the voting power;

"Debentures" means:

(i) the debenture executed or to be executed between the Lender and the Borrower; and

(ii) the debenture executed or to be executed between the Lender and the Second Chargor,

"Disbursement" has the meaning ascribed to it in Clause 4.1;

"Encumbrance" means any claim, charge, mortgage, security, lien, option, equity, power of sale, hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or security interest of any kind;

"Events of Default" means the events of default as provided in the Debentures;

"Facility" means the principal sum of US\$8,500,000 (or such lesser sum as the case maybe) that shall be advanced by the Lender to the Borrower pursuant and subject to this Agreement;

"Facility Fee" has the meaning ascribed to it in Clause 7;

"Facility Repayment Date" means the date immediately following the day on which the period of 90 days expires from the date the Facility (or the first portion of the Facility, as the case maybe) is disbursed by the Lender to the Borrower;

"Holding Company" means Astrata Group Inc. (Co. Reg No. C55761996), a company incorporated in the State of Nevada, United States of America, and having its registered office at 1000 East William Street, Suite 204, Carson City, NV 89701, United States of America, which is the holding company of the Borrower;

"Interest Rate" means the rate equivalent to LIBOR plus 5 per cent per annum;

"LIBOR" means the daily reference rate based on the London Interbank Offer Rate;

"Parties" mean the parties to this Agreement:

"Second Chargor" means Astrata (Singapore) Pte Ltd (Co. Reg. No. 200309965W), a company incorporated in the Republic of Singapore and having its registered office at 135 Joo Seng Road #02-01, Singapore 368363.

"Senior Employee" means an employee of the Borrower whose monthly remuneration exceeds US\$ 10,000.00;

"Total Indebtedness" means collectively the principal sum of US\$8.500.000 (or such lesser sum that have been disbursed by the Lender to the Borrower) and all interest, fees, costs, and other moneys whatsoever, whether actually or contingently, which are expressed to be payable (whether at maturity or otherwise) by the Borrower under or in connection with or which the Borrower has covenanted to pay or discharge under the Transaction Documents;

"Transaction Documents" means collectively this Agreement and the following documents:-

- (i) the Debenture executed or to be executed between the Lender and the Borrower;
- (ii) the Debenture executed or to be executed between the Lender and the Second Chargor;
- (iii) the Pledge Agreement executed or to be executed between the Lender and the Holding Company; and
- (iv) the Continuing Guarantee executed or to be executed between the Lender and the Holding Company.

any other facility or security document or other document that may hereafter and from time to time be executed in connection with the Facility including any amendments, variations, supplements or modifications thereto and Transaction Document means each and any one of them.

"US\$" means the lawful currency of United States of America.

## 1.2 Construction

- (a) The headings in this Agreement are inserted for convenience only and shall not affect the construction of this Agreement;
- (b) Any reference in this Agreement to "this Agreement" includes all amendments, additions, and variations thereto agreed between the parties hereto;
- (c) Unless the context otherwise requires, words importing the singular shall include the plural and vice versa; words importing a specific gender shall include the other genders (male, female or neuter), and "person" shall include an individual, corporation, company, partnership, firm, trustee,

trust, executor, administrator or other legal personal representative, unincorporated association, joint venture, syndicate or other business enterprise, any governmental, administrative or regulatory authority or agency (notwithstanding that "person" may be sometimes used herein in conjunction with some of such words), and their respective successors, legal personal representatives and assigns, as the case may be, and pronouns shall have a similarly extended meaning;

(d) A reference to a "month" is a reference to a period starting on one day in a calendar month and ending on the day immediately preceding the numerically corresponding day in the next succeeding calendar month; and

(e) The words "written" and "in writing" include any means of visible reproduction. References to "Recitals", "Clauses", and "Schedules." are to the recitals, clauses of, and the schedules to. this Agreement (unless the context otherwise requires). Any reference to a "paragraph" is to a reference to a paragraph of the Clause in which such reference appears. The Schedules forms part of this Agreement and have the same force and effect as if expressly set out in the body of this Agreement.

## **2. Facility**

Subject to the provisions of the Transaction Documents, the Lender hereby agrees to make available to the Borrower the Facility at the time and in the manner herein provided.

## **3. Conditions Precedent and Availability**

3.1 The Facility shall be made available to the Borrower subject to the fulfilment of the following conditions precedent, that is to say:-

(a) the Lender shall have received in form and substance satisfactory to it the following:-

(i) the Transaction Documents (other than this Agreement) duly executed by the Borrower; and

(ii) any other document which the Lender may reasonably require.

(b) all representations, warranties and statements contained herein and in the Transaction Documents or otherwise made in writing in connection herewith or in any certificate or statement or document furnished pursuant to any provisions hereof shall be true and correct with the same effect as though made on the date on which the Facility or any portion thereof is made available by the Lender to the Borrower; and

(c) there shall not exist any Event of Default at or prior to the Disbursement of the Facility or any portion thereof by the Lender to the Borrower.

#### **4. Disbursement of Facility**

4.1 The Lender hereby agrees to disburse the Facility or any portion thereof as and when the Borrower requisitions for it.

4.2 The Borrower shall produce to the Lender a requisition for Disbursement in writing no later than 5 Business Days before the date such Disbursement is to be effected.

4.3 The aforesaid requisition for Disbursement shall be accompanied by a budget of income and capital expenditure that has been or is to be incurred and paid by the Borrower in the month immediately following the month in which the requisition is made supported by invoices or any other evidence demonstrating that such expenditure is payable in the relevant month and shall additionally include a requisition for a portion of the Facility Fee representing a sum equal to 5 per cent of the relevant Disbursement.

4.4 The Lender shall at its absolute discretion, determine whether or not any item of expenditure shall be excluded from the relevant budget or the payment of which shall be deferred to a later date and may accordingly exclude such item of expenditure from any Disbursement that it may make to the Borrower.

4.5 Where a notice has been issued by the Lender to the Borrower pursuant to Clause 6.2 of this Agreement, the Lender shall no longer be obliged thenceforth to make any further Disbursement (if any portion of the Facility is not disbursed as of the date of the notice).

## **5. Interest on Facility**

5.1 The Borrower shall pay to the Lender interest on the Facility at the Interest Rate for the period commencing from the date the Facility or any portion thereof is made available by the Lender to the Borrower to the Facility Repayment Date.

5.2 In the Event of Default by the Borrower in the payment of any sum due on the Facility Repayment Date, the Borrower shall (in addition to the interest payable under clause 5.1 above) pay an additional 5 per cent interest by way of default interest on the Total Indebtedness for the period from the Facility Repayment Date until the date the Total Indebtedness is received.

5.3 All interest payable pursuant to this Agreement shall accrue from day to day and shall be calculated on the basis of a year of 365 days.

## **6. Repayment of Facility**

6.1 Subject to Clause 7 in the Debentures, the Borrower shall repay the Facility on the Facility Repayment Date, provided that the Borrower may in its discretion, repay the Facility or any portion thereof at any date earlier than the Facility Repayment Date, without any penalty or fee.

6.2 Notwithstanding anything herein contained, the Facility is repayable on demand by the Lender at any time, by the Lender sending a written notice to the Borrower to repay the Facility within 7 Business Days from the date of the notice.

**7. Facility Fee**

The Borrower hereby acknowledge that Jaker Investments Limited ("Jaker"), a company duly incorporated in Hong Kong and having its registered office at Suite 2302-3, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong had introduced the Borrower to the Lender and had negotiated the terms of the Facility with the Borrower and the Lender. In consideration therefor the Borrower shall pay to Jaker by way of a Facility Fee, a sum equal to 10 per cent of the Facility; 5 per cent of which shall be payable as and when the Disbursements are made, and the remaining 5 per cent shall be payable on or before the expiry of 180 days from the date hereof.

**8. Representations, Warranties and Covenants**

The Borrower's representations, warranties and covenants are as set out in Schedule 2.

**9. Securities**

The Borrower hereby agrees and declares that the Debentures, the Pledge Agreement and the Continuing Guarantee shall be and remain as continuing securities for the payment of the Total Indebtedness.

**10. Designated Bank Accounts**

10.1 Whether or not an Event of Default shall have occurred, the Borrower shall at the written request of the Lender forthwith cause a bank account to be opened in its name and shall forthwith cause the Second Chargor to open a bank account in its name (collectively known as the "Designated Bank Accounts", and to do all things, acts and deeds as shall be necessary for the said accounts to be operated jointly by a director of the Borrower or of the Second Chargor (as the case may be) and a person nominated by the Lender (Signatories"). The Borrower undertakes to keep its Designated Bank Account opened and operated and cause the Second Chargor to keep its Designated Bank Account opened and operated by the Signatories, and to deposit and procure that the Second Chargor deposits and/or pay into the respective Designated Bank Accounts all monies that the Borrower and the Second Chargor shall receive from time to time from their respective debtors or otherwise, and continue to make such deposits or payments into the said accounts until such time as the Borrower shall receive a notice in writing from the Lender notifying the Borrower and the Second Chargor to do otherwise.

10.2 All monies deposited into the Designated Bank Accounts shall be appropriated, disbursed or otherwise dealt with in such manner as the Signatories to the respective Designated Bank Accounts shall from time to time determine.

**11. Set-off and Withholdings**

All sums payable by the Borrower to the Lender pursuant to the Transaction Documents, whether principal, interest or otherwise, shall be paid in full, free of any restriction or condition, without set-off or counter-claim and without any deduction or withholding for or on account of any taxes. All such taxes shall be borne and paid by the Borrower.

**12. Notices**

12.1 Any notice or other communication given under this Agreement shall be in writing and shall be served by delivering it personally or sending it by registered post or by registered airmail (if posted to a country other than where the serving Party is located) or courier or facsimile transmission to the address or electronic transmission to the answerback address and for the attention of the relevant Party. Any such notice shall be deemed to have been received:

- a) if delivered personally, at the time of delivery;
- b) in the case of registered post or by courier, 48 hours from the date of posting or dispatch ;
- c) in the case of registered airmail, 5 days from the date of posting; and
- d) in the case of facsimile or electronic transmission, at the time of transmission

Provided that if deemed receipt occurs before 9 am on a Business Day the notice shall be deemed to have been received at 9 am on that day, and if receipt occurs after 5 pm on a Business Day, or on a day which is not a Business Day, the notice shall be deemed to have been received at 9 am on the next Business Day.

12.2 Addresses and fax numbers of the Parties are:

- a) In the case of the Lender:
  - i) Attn: Mohan Raj Abraham  
Address: 19, Keppel Road #09-05, Jit Poh Building  
Singapore 089058  
Fax: +65 6323 0291  
Email: mohan@abrahamlawoffice.com
- and
- ii) Attn: Janet Cowgill  
Address: Wind Fields  
39850 Snickersville Turnpike  
Middleburg VA 20117  
Fax: 703 940 4282  
Email: jancowoillaol.com

b) In the case of the Borrower:

Attn: Anthony Harisson  
Address: 135 Joo Seng Road #02-01, Singapore 368363  
Fax: +65 6338 5373  
Email: aharrison@astratagroup\_com

or such other address or facsimile number as may be notified in writing from time to time by the relevant Party to the other Party.

12.3 Each Party may change its address from time to time, provided notice of such change of address is provided to the other Party in accordance with this Clause.

### **13. Assignment**

13.1 This Agreement shall benefit and be binding on the Parties, their permitted assignees and their respective successors.

13.2 The Borrower may not assign or transfer any of its rights or obligations under the Transaction Documents.

13.3 The Lender may assign all or part of its rights or transfer all or part of its obligations under the Transaction Documents without the consent of the Borrower. The assignee or transferee shall be and be treated as a party for all purposes of the Transaction Documents and be entitled to the full benefit of the Transaction Documents as if it were an original party in respect of the rights and obligations assigned or transferred to it.

#### **14. Partial Invalidity**

If at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor of such provisions under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

#### **15. Miscellaneous**

##### 15.1 Law

This Agreement shall be governed by and construed in accordance with the laws of Singapore.

##### 15.2 Jurisdiction

In relation to any legal action or proceedings arising out of or in connection with this Agreement ("Proceedings"), each Party hereby irrevocably submits to the exclusive jurisdiction of the courts of Singapore and waives any objection to Proceedings on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

##### 15.3 Costs

All costs and charges (including legal expenses) of the Lender incurred in connection with this Agreement and the Transaction Documents and all administration costs and charges of the Lender shall be on the account of and paid by the Borrower.

##### 15.4 Time is of Essence

Time is of the essence of this Agreement but no failure to exercise and no delay in exercising, on the part of the Lender, any right, power, or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other power of right. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

##### 15.5 Counterparts

This Agreement may be signed in any number of counterparts, all of which taken together when delivered to the Lender shall constitute one and the same instrument. Any party may enter into this Agreement by signing any such counterpart.

(This space is intentionally left blank)

**Schedule 1**

**Corporate Structure of Astrata Group Inc.**

Astrata Group Inc.

Astrata (Europe) Ltd 100%	Astrata (Asia Pacific) Pte Ltd 100%	Passtime Telematics Inc. 51%
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Astrata (Singapore) Pte Ltd 100%	Astrata (Malaysia) Sdn Bhd 100%	Astrata (Brunei) Sdn Bhd 70%	Astrata (New Zealand) Ltd 49%	Astrata (Middle East) LLC 49%
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**Schedule 2**  
**Representations, Warranties and Covenants**

**1. Borrower's Representations, Warranties & Covenants**

The Borrower hereby represents, warrants and covenants the following to the Lender:

**1.1 Capital Expenditure:**

that save with the written consent of the Lender, the Borrower will not enter into any agreement or incur any commitment involving any capital expenditure in excess of US\$250,000.00 in the aggregate;

**1.2 Contracts & Commitments:**

that save with the written consent of the Lender, the Borrower will not enter into or amend any contract or incur any commitment which is not capable of being terminated without compensation at any time with three months' notice or less and which is not in the ordinary and usual course of business and which involves or may involve total annual expenditure in excess of US\$250,000.00 in each case:

**1.3 Borrowings:**

that save with the written consent of the Lender, the Borrower will not incur any borrowings or any other indebtedness in excess of US\$250,000.00 in the aggregate;

**1.4 Senior Employees:**

that the Borrower will not, save as required by law or with the written consent of the lender, make any amendment to the terms and conditions of employment (including, without limitation, remuneration, pension entitlements and other benefits) of Senior Employees, or provide or agree to provide any gratuitous payment or benefit to any such person or any of their dependants, or dismiss any such employee or engage or appoint any additional Senior Employees;

**1.5 Increase, Decrease or Repurchase of Capital:**

that the Borrower will not allot, issue, redeem or repurchase any share or loan capital (or grant options to subscribe for the same);

**1.6 Disclosure of Information:**

that the information contained in this Agreement and all other information which has been or will be given in writing by the Borrower to the Lender, to the best of the knowledge, information and belief of the Borrower was and will be when given, (and remains if given prior to the date of this Agreement), true, complete and accurate in all respects and not misleading and the Borrower is not aware of any fact or matter or circumstances not disclosed in writing to the Lender which renders any such information untrue, inaccurate or misleading or the disclosure of which might reasonably affect the willingness of the Lender to grant the Facility to the Borrower or impair the Facility;

**1.7 Accounts:**

that copies of the audited and management accounts of the Borrower and the constitutional documents of the Borrower that have been/are to be delivered or made available to the Lender under this Agreement are/shall be complete and are/shall be accurate in all respects and in the case of the constitutional documents contain full details of the rights and restrictions attached to the share capital of the Borrower;

**1.8 Shareholders Agreements:**

that there is no shareholders' agreement or other agreement executed by the Borrower, the terms of which supersede or prevail over the provisions of the constitutional documents of the Borrower:

**1.9 Power of Attorney:**

that the Borrower has not given any power of attorney or any other authority (express, implied or ostensible) which is still outstanding or effective, to any person to enter into any contract or commitment or do anything on its behalf and shall not hereafter give any such power of attorney or such authority;

**1.10 Granting of Securities, etc:**

that there shall be no indebtedness (actual or contingent) or any indemnity, guarantee or security arrangement between the Borrower and any current or former employee, current or former director or any current or former consultant of the Borrower or any Connected Person of any of such persons as of this date;

**1.11 Contracts to Connected Person:**

that save as disclosed in the audited and management accounts, the Borrower has not been a party to any contract, arrangement or understanding (i) with any current or former employee, any current or former director or any current or former consultant of the Borrower or any Connected Person of any such person, or (ii) in which any current or former employee, any current or former director or any current or former consultant of the Borrower or any Connected Person of any of such persons is interested (whether directly or indirectly);

### **1.12 Extraordinary Contracts & Commitments:**

that the Borrower has not been a party to any contract, commitment, arrangement, transaction, understanding, obligation or liability which:

- (i) is outside the ordinary and usual course of business;
- (ii) is not wholly on an arm's length basis;
- (iii) save in the ordinary course of business is of a long-term nature (that is, unlikely to have been fully performed in accordance with its terms more than six months after the date it was entered into or undertaken or incapable of termination on six months' notice or less);
- (iv) cannot readily be fulfilled or performed on time without undue or unusual expenditure of money or effort; or
- (v) involves, or is likely to involve, obligations or liabilities which by reason of their nature or magnitude, ought reasonably to be made known to the Lender.

### **1.13 Restrictive Agreements or Joint Ventures**

that save as disclosed to the Lender, the Borrower:

- (i) is not or has not been a party to any agreement or arrangement which restricts its freedom to carry on its business in any part of the world;
- (ii) is not, or has not agreed to become, a member of any joint venture, consortium, partnership or other unincorporated association; or
- (iii) is not, or has not agreed to become, a party to any agreement or arrangement for participating with others in any business sharing commissions or other income.

#### **1.14 Assets**

that all assets (other than the Intellectual Property) of the Borrower, including all debts due to the Borrower which are included in the audited and management accounts or have otherwise been represented as being the property of or due to the Debtors or at the balance sheet date used or held for the purposes of its business, were at the balance sheet date the absolute property of the Borrower and (save for those subsequently disposed of or realized in the ordinary and usual course of business) all such assets and all assets and debts which have subsequently been acquired or arisen are the absolute property of the Borrower and none is the subject of any assignment or Encumbrance (excepting only liens arising by operation of law in the normal course of trading) or the subject of any factoring arrangement, hire purchase, conditional sale or credit sale agreement to which the Borrower is a party;

#### **1.15 Stocks**

that the stock (if any) currently held is not excessive but is adequate in relation to the current trading requirements of the Borrower, is in good, undamaged and merchantable condition, is not obsolete, slow-moving or inappropriate and is capable of being sold in the ordinary and usual course of business in accordance with its current price list, without rebate or allowance to a purchaser (or to the extent that this is not the case, adequate provision or reserve has been made therefor in the audited and management accounts of the Borrower);

#### **1.16 Plant & Machinery:**

that the plant, machinery, vehicles and all other equipment owned or used in connection with the business of the Borrower.

(i) are (subject to normal wear and tear) in good repair and condition and reasonable working order having regard to their age and use:

- (ii) have been regularly and properly maintained where such maintenance is usually required;
- (iii) are not dangerous, obsolete, inefficient or surplus to requirements and are in the possession and control the Borrower and are not expected to require replacements or additions at a cost in excess of US\$100,000.00 within 12 months after the date of this Agreement; and
- (iv) are capable and will (subject to normal wear and tear) remain capable throughout the respective periods of time during which they are written down to a nil value in the accounts of the Borrower of doing the work for which it was designed or purchased.

**1.17 Maintenance Contracts**

that the maintenance contracts are in full force and effect in respect of all assets of the Borrower which are normal or prudent to have maintained by independent or specialist contractors and in respect of all assets which the Borrower is obliged to maintain or repair under any agreement; and all such assets have been maintained regularly to a good technical standard and in accordance with safety regulations usually observed in relation thereto and in accordance with the terms of any leasing or other agreement; and

**1.18 Proprietary information:**

that the following proprietary information are true and accurate at the date of this Agreement:

- (i) Definitions

For the purposes of this paragraph 1.18:

**"Business Information"** means all information, Know-how and records (whether or not confidential and in whatever form held) including, without limitation, all formulae, designs, specifications, drawings, data, manuals and instructions and all client lists, sales information business plans and forecasts, and all technical or other expertise and all computer software and all accounting and tax records, correspondence, orders and inquiries;

**"Business IP"** means all rights and interest owned by the Borrower (whether as owner, licensee or otherwise) in Intellectual Property which is at or immediately before the date hereof used or is capable of being used in or in connection with the business of the Borrower including but not limited to the rights of the software and hardware more particularly described in Schedule 3;

**"Confidential Business Information"** means Business Information which is confidential and which is not accessible to or within the domain of the public at large;

**"Intellectual Property"** means trade marks, service marks, trade names, domain names, logos, get-up, patents, inventions, registered and unregistered design rights, copyrights, semi-conductor topography rights, database rights and all other similar rights in any part of the world (including Know-how) where such rights are obtained or enhanced by registration, any registration of such rights and applications and rights to apply for such registrations; and

**"Know-how"** means confidential and proprietary industrial and commercial information and techniques in any form including, without limitation, drawings, formulae, test results, reports, project reports and testing procedures, instruction and training manuals, tables of operating conditions, market forecasts, and lists and particulars of customers and suppliers.

**(ii) Ownership etc.**

All Intellectual Property (whether registered or not) and all pending applications therefor which have been, are, or are capable of being used in or in relation to or which are necessary for the business of the Borrower is (or, where appropriate in the case of pending applications, will be):

- (a) legally and beneficially owned by the Borrower or lawfully used with the consent of the owner under a licence;

- (b) valid and enforceable:
- (c) not being infringed or attacked or opposed by any person:
- (d) not subject to any Encumbrance or any licence or authority save as disclosed in the audited and management account or as disclosed in writing to the Lender;
- (e) in the case of rights in such Intellectual Property as are registered or the subject of applications for registration, and all renewal fees which are due and steps which are required for their maintenance and protection have been paid and taken; and
- (f) in the case of unregistered trademarks which are likely to be material to the Borrower, and no claims have been made and no applications are pending, which if pursued or granted might be material to the truth and accuracy of any of the above.

**(iii) Intellectual Property**

- (a) All rights in all Intellectual Property and Business Information owned, used by or otherwise required for the business of the Borrower are vested in or validly granted to the Borrower and are not subject to any limit as to time or any other limitation, right of termination or restriction and all renewal fees and steps required for their maintenance or protection have been paid and taken.
- (b) All rights in the Intellectual Property and all Business Information owned, used by or otherwise required for the business of the Borrower is in the possession of the Borrower and the Borrower is not a party to any confidentiality or other agreement or subject to any duty which restricts the free use or disclosure of any of such Business Information.
- (c) The Borrower has not granted or is obliged to grant any licence, sub-licence or assignment in respect of any Intellectual Property owned, used by or otherwise required for the business of the Borrower or has disclosed or is obliged to disclose any Confidential Business Information required for the business of the Borrower to any person, other than its employees or those of the Borrower for the purposes of carrying on its business.

(d) The Borrower nor any party with which the Borrower has contracted with is not in breach of any licence, sub-licence or assignment granted to or by it in respect of any Intellectual Property owned, used by or otherwise required for the business of the Borrower or of any agreement under which any Business Information was, or is to be made available to it.

(e) There is no, nor has there been at any time any, unauthorized use or infringement by any person of any of the Intellectual Property or Confidential Business Information owned, used by or otherwise required for the business of the Borrower.

**(iv) Processes etc.**

The processes employed, the businesses conducted by the Borrower and the products and services dealt in by the Borrower both now and at any time within the last six years do and did not use, embody or infringe any rights or interests of third parties in Intellectual Property (other than those belonging to or licensed to the) and no claims of infringement of any such rights or interests have been made by any third party.

**(v) Licences**

Where there are licences secured by the Borrower from third parties, such licences are in full force and effect, no notice having been given on either side to terminate them; the obligations of all parties have been fully complied with; no disputes have arisen or are foreseeable in respect thereof: and where such licences are of such a nature that they could be registered with the appropriate authorities and where such registration would have the effect of strengthening the Borrower's rights they have been so registered.

**(vi) Know-how**

There is and has been no misuse of Know-how by the Borrower and the Borrower has made no disclosure of Know-how to any person except properly and in the ordinary and usual course of business and on the basis that such disclosure is to be treated as being of a confidential character.

**(vii) No Assertion of Moral Rights**

No moral rights have been asserted or are likely to be asserted which would affect the use of any of the Intellectual Property in the business of the Borrower.

**(viii) Patents**

All patentable inventions made by employees of the Borrower and used or intended to be used in the business of the Borrower were made in the normal course of the duties of the employees concerned and there are no outstanding or potential claims against the Borrower under any contract or law providing for employee compensation or ownership in respect of any rights or interests in Intellectual Property.

**(ix) Sufficiency of Business IP**

The Business IP comprises all the rights and interests in Intellectual Property necessary or convenient for the carrying on of the business of the Borrower in and to the extent which it is presently conducted.

**2. Subsidiaries**

The Borrower hereby represents, warrants and covenants to cause its subsidiaries to comply with and observe the representations, warranties and covenants in this Schedule 2.

(This space is intentionally left blank)

### Schedule 3

#### Borrower's Intellectual Property Rights

##### A. Software & Firmware IP

1. Scalable high capacity system architecture.
2. Fault tolerant system redundancy mechanisms for enhanced reliability.
3. Backend scalable Zone management element/mechanism.
4. Intelligent reverse-geo coding processing for enhanced scalability and data flow.
5. Selectable immobilization methods (instant, gradual, deferred).
6. Over the air upgradability for firmware. settings and hardware.
7. Flexible Zone event management means (device & backend, backend only, device only).
8. Accelerometer self calibration algorithm for improved accuracy and installation flexibility. Settable via PDA or OTA.
9. Adaptive 3-axis accelerometer incline detection and recalibration for improved accuracy.
10. Speed limiter algorithm using loosely coupled inertial navigation system with adaptive speed limiting settings.
11. RFID based Mesh Network system using Neural Network Concepts.
12. E-Clamp mechanism for public traffic enforcement.
13. RFID based Public Access Control system.
14. RF Collision avoidance system using RFID Beacon, GPS and estimation algorithms for enhanced vehicle escort and VIP protection.
15. Comprehensive device configuration and registration via Bluetooth or RS485 and PDA means.

16. Battery level monitoring for internal and vehicle batteries with backend communication reporting (levels, duration estimates, fault events).
17. Enhanced battery management means.
18. Enhanced theft and fault recognition. Reporting to backend with autonomous vehicle immobilization option.
19. Audio interface means using RS232 or RS485.
20. Driver performance data/ management system for improved fleet resource and asset management.

**B. Hardware/Device IP**

1. Input/Output device with onboard immobilization and speed limiter.
2. 433MHz RF Beacon device for collision avoidance.
3. E-Frame license plate mechanism for holding track and trace devices.
4. IP67 compliant Advanced Track 8 Trace device with 3-axis accelerometer. RS232/485, 96OVdc, external i/o module, internal battery modular GPS. GSM and RFID transceivers.
5. Motion detector with deep sleep state for enhanced battery life.
6. Inertial Navigation System with Trailer ID.
7. Tamper detection module for improved cable interconnect security.
8. Remotely Deployable Unit system for as-required track and trace applications.
9. Container tracking and management system for land transportation applications.
10. Tag based Driver ID system for authentication and driver management.

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

**The Lender**

Signed by Mohan Raj Abraham )  
Director, for and on behalf of ) /s/ Mohan Raj Abraham  
FAME TRADING LTD. )  
in the presence of:

/s/ Signature

Tamul Selvi Krishnaray  
Abraham Advocates/  
Solicitors

**The Borrower**

Signed by )  
for and on behalf of ) /s/ A. J. Harrison  
ASTRATA (ASIA PACIFIC) )  
PTE, LTD. )  
in the presence of:

/s/ Choo Bee Eng

## CONTINUING GUARANTEE

This Continuing Guarantee ("Guarantee") is made as of May 18th, 2009, by ASTRATA GROUP, INC., a Nevada corporation ("Guarantor"), in favor of Fame Trading Ltd., a British Virgin Islands company ("Lender").

### RECITALS

A. The Guarantor is the owner of 100% of the equity interests of Astrata (Asia Pacific) Pte Ltd ("Borrower"). Concurrently herewith, Borrower has executed a Loan Letter, a Debenture and Facility Agreement ("Loan"), dated May 15, 2009, in favor of the Lender for the principal sum of \$8,500,000.

B. In order to induce Lender to enter into the Loan and make the loans provided for thereunder, and for other valuable consideration, receipt of which is hereby acknowledged, Guarantor has agreed to guarantee Borrower's obligations to Lender under the Loan and to indemnify Lender as set forth in this Guarantee.

### GUARANTEE

1. Guarantee of Obligations. For valuable consideration, receipt of which is hereby acknowledged, and subject to the provisions of this Guarantee, Guarantor hereby irrevocably and unconditionally guarantees and promises to pay to Lender, or order, on demand in lawful money of the United States of America, any and all of Borrower's Obligations (as defined below) to Lender arising from or in connection with the Loan in the event of Borrower's default under the Loan. The word "Obligations" means (a) any and all existing and future obligations of Borrower to Lender under the Loan and any and all other existing and future obligations and liabilities of Borrower made, incurred or created in connection with the Loan whether such obligations are absolute or contingent, voluntary or involuntary, liquidated or unliquidated, determined or undetermined, whether Borrower may be liable individually or jointly with others, whether recovery upon such indebtedness may be or hereafter become barred by any statute of limitations, or whether such indebtedness may be or hereafter become invalid or otherwise unenforceable; (b) any and all amendments, modifications, renewals and/or extensions of any of the foregoing, including, without limitation, amendments, modifications, renewals or extensions which are evidenced by a new or additional instrument, document or agreement or which change the rate of interest on any such indebtedness; and (c) any and all interest that accrues on all or any part of such indebtedness after the filing of any petition or pleading against Borrower or any other person for a proceeding under any chapter or provision of any present or future federal bankruptcy legislation or amendments thereto.

2. Independent Obligations. The Guarantor's obligations hereunder are independent of the obligations of Borrower, any other guarantor or any other person, and upon the occurrence of a default under the Loan, Lender may enforce any of its rights hereunder independently of any other right or remedy that Lender may at any time hold with respect to the Obligations or any security or other guarantee therefor. Without limiting the generality of the foregoing, Lender may bring a separate action against Guarantor without first proceeding against Borrower, any other guarantor or any other person, or any security held by Lender, and regardless of whether Borrower or any other guarantor or any other person is joined in any such action. Guarantor's liability hereunder shall at all times remain effective with respect to the full amount of the Obligations notwithstanding any limitations on the liability of Borrower to Lender contained in the Loan or elsewhere. Lender's rights hereunder shall not be exhausted by any action taken by Lender until all Obligations have been fully paid and performed. The liability of Guarantor hereunder shall be reinstated and revived, and the rights of Lender shall continue, with respect to any amount at any time paid on account of the Obligations which shall thereafter be required to be restored or returned by Lender upon the bankruptcy, insolvency or reorganization of Borrower, any other guarantor or any other person, or otherwise, all as though such amount had not been paid.

This is an irrevocable and unconditional Guarantee of payment and performance.

3. Authority to Modify Obligations. Guarantor authorizes Lender, at any time and from time to time without notice to Guarantor and without affecting the liability of Guarantor hereunder, to: (a) alter the terms of all or any part of the Obligations and any security and Guarantee therefor, including, without limitation, modification of times for payment and rates of interest; (b) accept new or additional instruments, documents, agreements, security or guaranties in connection with all or any part of the Obligations; (c) waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, liquidate and enforce all or any part of the Obligations and any security or guaranties therefor, and apply any such security and direct the order or manner of sale thereof (and bid and purchase at any such sale), as Lender in its discretion may determine; (d) release Borrower, any guarantor or any other person from any personal liability with respect to all or any part of the Obligations; and (e) assign this Guarantee in whole or in part.

4. Waivers. Guarantor hereby waives each of the following, to the fullest extent allowed by law:

(a) all statutes of limitations as a defense to any action brought against Guarantor;

(b) any defense based upon:

(i) the unenforceability or invalidity of all or any part of the Obligations or any security or other guarantee for the Obligations or the lack of perfection or failure of priority of any security for the Obligations; or

(ii) any act or omission of Lender or any other person that directly or indirectly results in the discharge or release of Borrower or any other person with respect to any of the Obligations or any security therefor; or

(iii) any disability or any other defense of Borrower or any other person with respect to the Obligations, whether consensual or arising by operation of law or any bankruptcy, insolvency or debtor-relief proceeding, or from any other cause;

(c) any right (whether now or hereafter existing) to require Lender, as a condition to the enforcement of this Guarantee, to:

(i) accelerate the Obligations; or

(ii) give notice to Guarantor of the terms, time and place of any public or private sale of any security for the Obligations; or

(iii) proceed against Borrower, any other guarantor or any other person, or proceed against or exhaust any security for the Obligations.

(d) until all Obligations are paid in full, (i) all rights of subrogation, (ii) all rights to enforce any remedy that Lender now or hereafter has against Borrower or any other person, and (iii) any benefit of, and right to participate in, any security now or hereafter held by Lender with respect to the Obligations;

(e) presentment, demand, protest and notice of any kind, including, without limitation, notices of default and notice of acceptance of this Guarantee;

(f) all suretyship defenses of every nature otherwise available under California law and the laws of any other state, including, without limitation, all defenses arising under Sections 2787 through 2855 of the California Civil Code and any successor provisions to these Sections, and any and all benefits which might otherwise be available under California Civil Code Sections 2809, 2810, 2819, 2845, 2847, 2848, 2850, 2899 and 3433, or under California Code of Civil Procedure Sections 580(a), 580(b), 580(d) and 726 and any successor provisions to these Sections;

(g) any duty of Lender to disclose to Guarantor any facts that they presently have knowledge of or may hereafter acquire knowledge of regardless of whether Lender has reason to believe that had Guarantor known of such facts they would have affected Guarantor's decision to enter into this Guarantee ; and

(h) all other rights and defenses the assertion or exercise of which would in any way diminish the liability of Guarantor hereunder, except as otherwise specifically provided in this Guarantee.

(i) an rights and remedies accorded by applicable law to guarantors (and Guarantor agrees not to assert or take advantage of any such rights or remedies) to require Lender to proceed against Borrower or any other person or to proceed against or exhaust any security held by Lender at any time or to pursue any other remedy in Lender's power before proceeding against Guarantor, any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other person or persons or the failure of Lender to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other person or persons; demand, protest and notice of any kind, including, without limitation, notice of the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of Borrower, Lender, any endorser or creditor of Borrower or Guarantor or on the part of any other person whomsoever under this or any other instrument in connection with any obligation or evidence of indebtedness held by Lender or in connection with any Obligations hereby guaranteed; all rights and defenses arising out of an election of remedies by Lender, even though that election of remedies has destroyed the Guarantor's rights of subrogation and reimbursement against the principal by operation of applicable law; and any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal.

5. Relationship of Parties. Guarantor represents and warrants to Lender that: (a) Guarantor has received a copy of the Loan and is familiar with and fully understands all of their terms and conditions; (b) Lender has not made any representation or warranty to Guarantor regarding the creditworthiness of Borrower or the prospects of repayment from sources other than Borrower; (c) this Guarantee is executed at the request of Borrower; (d) Guarantor has established adequate means of obtaining from Borrower on a continuing basis financial and other information pertaining to the business of Borrower; and (e) Guarantor assumes full responsibility for keeping fully informed with respect to the business, operation, condition and assets of Borrower. Guarantor hereby agrees that Lender shall have no duty to disclose or report to Guarantor any information now or hereafter known to Lender relating to the business, operation, condition or assets of Borrower. Lender shall have no duty to inquire into the authority or powers of Borrower or any officer, employee or agent of Borrower with regard to any Obligations, and all Obligations made or created in good faith reliance upon the professed exercise of any such authority or powers shall be guaranteed hereunder.

6. Subordination. Until all of the Obligations have been paid in full, Guarantor agrees that all existing and future debts, obligations and liabilities of the Borrower to Guarantor (hereinafter collectively referred to as "Subordinated Debt") shall be and hereby are expressly subordinated to the Obligations, and the payment thereof are expressly deferred in right of payment to the prior payment in full of the Obligations. For purposes of this Section 6, the Obligations shall not be deemed paid in full unless and until they have been paid in full in cash.

(a) Upon any distribution of assets of Borrower, upon any dissolution, winding up, liquidation or reorganization of Borrower, whether in bankruptcy, insolvency, reorganization or receivership proceedings, or upon an assignment for the benefit of creditors or any other marshalling of the assets or liabilities of Borrower, or otherwise:

(i) the holders of the Obligations shall be entitled to receive payment in full of the Obligations before Guarantor is entitled to receive any payment on account of the Subordinated Debt;

(ii) any payment by or distribution of assets of Borrower of any kind or character, whether in cash, property or securities, to which Guarantor would be entitled except for this subordination shall be paid or delivered by the person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee, or otherwise, directly to the holder of the Obligations to be held as additional security for the Obligations in an interest bearing account until the Obligations have been paid in full; and

(iii) if, notwithstanding the foregoing, any payment by, or distribution of assets of, Borrower of any kind or character, whether in cash, property or securities, in respect of any Subordinated Debt shall be received by Guarantor before the Obligations are paid in full, such payment or distribution shall be held in trust and immediately paid over in kind to the holders of the Obligations in an interest bearing account until the Obligations have been paid in full.

(b) Guarantor authorizes and directs Borrower to take such action as may be necessary or appropriate to effectuate and maintain the subordination provided herein.

(c) No rights of any holder of the Obligations to enforce the subordination herein shall at any time or in any way be prejudiced or impaired by any act or failure to act on the part of Borrower, Lender or any other person or by any noncompliance by the Borrower, Lender or any other person with the terms, provisions and covenants hereof or the Loan regardless of any knowledge thereof that any such holder of the Obligations may have or be otherwise charged with.

(d) Nothing express or implied herein shall give any person other than Borrower, Lender and Guarantor any benefit or any legal or equitable right, remedy or claim hereunder.

(e) If Guarantor shall institute or participate in any suit, action or proceeding against Borrower in violation of the terms hereof, Borrower may interpose this Guarantee as a complete defense and the Borrower and the holder of the Obligations are irrevocably authorized to intervene and to interpose such defense or pleading in their name or in Borrowers name.

7. Representations and Warranties. Guarantor represents and warrants to Lender that:

7.1 Execution, Delivery and Performance of Guarantee. Guarantor has all requisite power and authority to execute, deliver, and perform all of its obligations under this Guarantee. The execution, delivery, and performance by Guarantor of all of its obligations under this Guarantee do not and will not:

(a) result in or require the creation nor imposition of any lien, right of others, or other encumbrance of any nature (other than under this Guarantee and any related security documents) upon or with respect to any property now owned or leased or hereafter acquired by Guarantor,

(b) violate any provision of any law, regulation, judgment, decree or award presently in effect having applicability to this Guarantee; or

(c) result in a breach of, constitute a default under, cause or permit the acceleration of any obligation owed under, any loan agreement, lease, or any other agreement or instrument, to which Guarantor is a party or by which Guarantor or any of its property is bound or affected.

7.3 Enforceability. This Guarantee, when executed and delivered, shall constitute the valid and binding obligation of Guarantor, enforceable in accordance with its terms.

7.4 Compliance With Agreements. Guarantor has complied in all material respects with all loan agreements and all instruments to which Guarantor is a party or by which Guarantor or any of its property is bound or affected.

7.5 Litigation. There are no material actions, suits or proceedings pending or threatened against or affecting Guarantor or any property of Guarantor before any court or governmental department, public body or authority.

8. Notice of Certain Events. Guarantor shall give notice to Lender promptly (in any event within five (5) days after Guarantor learns of same) of the institution of any litigation or legal or administrative proceeding or investigation pending against and materially affecting Guarantor, or any of Guarantor's properties.

9. Security Agreement. This Guarantee is secured by a pledge of all of Guarantor's stock in the Borrower, as evidenced by that certain "Pledge Agreement" dated as of the date hereof.

10. Reasonableness and Effect of Waivers. Guarantor warrants and agrees that each of the waivers set forth in this Guarantee is made with full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any of such waivers are determined to be contrary to any applicable law or public policy, such waivers shall be effective only to the maximum extent permitted by law.

11. Exercise of Remedies; Cumulative Remedies; No Waiver. The rights, powers and remedies of Lender hereunder are cumulative and not exclusive of any other right, power or remedy which Lender would otherwise have. No failure or delay on the part of Lender in exercising any such right, power or remedy may be, or may be deemed to be, a waiver thereof; nor may any single or partial exercise of any such right, power or remedy preclude any other right, power or remedy hereunder or related documents.

12. Costs and Expenses of Enforcement. Guarantor agrees to pay to Lender, on demand, all costs and expenses, including reasonable attorneys' fees, incurred by Lender in exercising any right, power or remedy conferred by this Guarantee, or in the enforcement of this Guarantee, whether or not any action is filed in connection therewith. Until paid to Lender, such amounts shall bear interest, commencing with Lender's demand therefor, at the default rate of interest set forth in the Note or if there is no such default rate, at the rate of interest set forth in the Note.

13. Binding, Agreement, Assignment, Amendment. This Guarantee and the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of Guarantor, Lender and their respective successors and assigns, except that Guarantor shall not be permitted to transfer, convey or assign this Guarantee or any right or obligation hereunder without the prior written consent of Lender (and any attempt to do so shall be void). Lender may assign its interest hereunder in whole or in part. Neither this Guarantee nor any provision hereof may be amended, modified, waived, discharged or terminated except by an instrument in writing duly signed by or on behalf of Lender.

14. Severability. In the event that any right or remedy of Lender hereunder is held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other right or remedy granted hereunder.

15. Governing Law. This Guarantee shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

16. Meaning of Terms; Interpretations. Unless otherwise defined herein, capitalized terms used in this Guarantee have the meaning given to them in the Loan. Whenever the context requires, all terms used herein in the singular shall be construed in the plural and vice versa, and each gender shall include each other gender. The term "Borrower" shall mean the named Borrower and any other person or entity at any time and from time to time assuming or otherwise becoming primarily liable on all or any part of the Obligations. Section headings in this Guarantee are included for convenience of reference only and are not a part of this Guarantee for any other purpose.

IN WITNESS WHEREOF, Guarantor has caused this Guarantee to be duly executed as of the date first written above.

**"GUARANTOR"**

ASTRATA GROUP, INC.  
A Nevada corporation

By: /s/ signature  
Its: Chairman & CEO

## PLEDGE AGREEMENT

This Pledge Agreement (the "Agreement") dated as of May 18th, 2009 is made by and between Astrata Group, Inc., a Nevada corporation (the "Guarantor"), and Fame Trading Ltd. (the "Lender") with respect to the following:

A. Guarantor owns all of the issued and outstanding stock in Astrata (Asia Pacific) Pte Ltd ("Borrower") which is indebted to Lender pursuant to the terms of that certain Loan Letter and Facility Agreement dated May 15, 2009 (the "Loan"). The obligations under the Loan are secured by that certain Debenture, dated as of the date hereof, between the Borrower and Lender (the "Loan Agreement").

B. It is a condition to the making of the loans reflected in the Loan that the Guarantor provides a guarantee, as evidenced by that certain "Continuing Guarantee" dated May 15, 2009, and secure the guarantee with, among other things, a pledge of all of Guarantor's stock in the Borrower.

C. Guarantor has agreed to pledge all of Guarantor's stock in the Borrower as security for the performance of all of Guarantor's agreements, promises and obligations under the guarantee.

NOW, THEREFORE, in consideration of the premises and in order to induce the Lender to extend credit to the Borrower, and in consideration of other obligations hereinafter incurred, Guarantor hereby agrees as follows:

### ARTICLE I

#### PLEDGE OF STOCK

SECTION 1.1 Pledge of Stock. Guarantor hereby pledges all of Guarantor's stock in the Borrower, together with any and all rights, dividends, new securities or other property to which Guarantor is or may hereafter become entitled to receive on account of such property (the "Stock") to secure the satisfaction and performance of all of Guarantor's agreements, promises and obligations under the Continuing Guarantee and this Agreement. If Guarantor receives or if the Borrower issues to Guarantor or any other party any such property, Guarantor will immediately and physically deliver it to Lender or, if appropriate, take such other actions as may be necessary to create a security interest in such property in favor of the Lender, to be held subject to this Agreement as if the same were the Stock.

SECTION 1.2 Establishment of Pledge. Guarantor, concurrently with his execution of this Agreement, shall deliver to Lender all of the certificates or other documents evidencing the Stock, accompanied by duly executed Stock Assignment Separate From Certificate transferring in blank to the Lender the stock evidenced by said certificates (if necessary).

SECTION 1.3 Lender's Authority. Guarantor hereby authorizes Lender to keep and preserve the certificates or other documents evidencing the Stock in Lender's possession, pending full satisfaction and performance by Guarantor of all agreements, promises and obligations provided hereunder.

SECTION 1.4 Shares Transferable. Guarantor may transfer the Stock to a transferee who agrees in writing to take such Stock subject to this Agreement and to be bound by the terms and conditions of this Agreement. References herein to Guarantor include any such transferee.

SECTION 1.5 Guarantor's Rights. Except as herein provided and provided that Borrower is not in default under the provisions of the Loan, the Debenture or any agreement related thereto, and Guarantor is not in default under the provisions of the Continuing Guarantee, the Debenture, or any agreements related thereto, Guarantor shall be entitled to receive and collect any and all cash dividends accruing with respect to the Stock held under this Agreement and shall have and retain all voting rights in connection therewith; provided, however, no dividends, salary or bonuses or any other amounts of any type or nature shall be paid, regardless of past practices, if the amount would materially threaten to impair Borrower's solvency or ability to meet all of its material obligations in the ordinary course of business.

SECTION 1.6 Additional Shares. Unless otherwise agreed to in writing by the Lender, the Borrower shall not issue, nor shall Guarantor cause the Borrower to issue, any equity securities to any person without first obtaining the prior written consent thereto of the Lender, which consent the Lender may grant or withhold in their sole and absolute discretion. If any such additional shares are issued, all of such additional shares shall be subject to this Agreement.

SECTION 1.7 Protection of Lender.

(a) The parties hereto shall execute such agreements as Lender shall reasonably request for the protection of Lender. As between Lender and any other party hereto, such agreements shall control. As between the parties hereto other than Lender, this Agreement shall control.

(b) Lender shall not be liable to Guarantor for any act (including, without limitation, any act of active negligence) or omission by Lender unless Lender's conduct constitutes willful misconduct or gross negligence.

(c) Guarantor hereby agree to indemnify and to hold Lender harmless from and against all losses, liabilities, claims, damages, costs and expenses (including actual attorneys' fees and disbursements) with respect to (i) any action (including, without limitation, any act of active negligence) taken or any omission by Lender with respect to this Agreement, provided that Lender's conduct does not constitute willful misconduct or gross negligence, and (ii) any claims arising out of Guarantor's ownership of the Stock or the Lender's security interest therein.

(e) Lender shall have no liability or responsibility for the legality, genuineness or sufficiency of the certificates or any other documents representing the Stock or of the assignments thereof, or of any other documents deposited with Lender.



(a) Guarantor agrees to pay to Lender the amount of any and all expenses, including the fees and expenses of counsel and of any experts and agents, which Lender may incur (if any) in connection with (a) the administration of this Agreement. (b) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Stock, (c) the exercise or enforcement of any of the rights of the Lender hereunder, and (d) the failure by the Lender to perform or observe any of the provisions hereof.

#### SECTION 1.8 Default.

(a) Whenever Guarantor is in default hereunder or any of the agreements and instruments related thereto or hereto, Lender shall immediately be authorized, without prior notice to Guarantor, to cause the Stock to be sold.

(b) The proceeds of any such sale shall be first applied to the payment of all costs and expenses of every kind for sale and delivery, including, without limitation, Lender's expenses (as defined in the last sentence of Section 1.7 hereof) and, after deducting such costs and expenses, Lender shall apply the net proceeds therefrom toward the satisfaction of all amounts owed to the Lender under the Loan in accordance with the provisions of the Loan and applicable California law. Lender shall remit any remaining amounts to Guarantor.

(c) Once Lender transfers or sells the Stock, and applies the proceeds from any such transfer or sale pursuant to the provisions hereof, the Lender shall be fully discharged thereafter from all liability and responsibility with respect to the Stock so transferred or sold.

SECTION 1.9 Release from Pledge. When Lender determines, in its sole discretion, that the entire principal balance of the Loan, together with all accrued interest and all other amounts due thereunder have been unconditionally paid and performed in full, Lender shall deliver to Guarantor the Stock remaining in Lender's possession, and all obligations among the Lender, on the one hand, and the Guarantor, on the other hand, shall thereupon cease. If at any time any payment of the principal of, or interest on the Loan or any other amount payable by the Borrower under the Loan, the Debenture or other loan documents is rescinded or must be otherwise restored or returned, the Guarantor shall immediately deliver to the Lender the Stock.

#### ARTICLE II MISCELLANEOUS

SECTION 2.1 Notices. Unless otherwise specified herein, all notices, requests and other communications to any party hereunder shall be in writing (including bank wire, telex, facsimile transmission or similar writing).

SECTION 2.2 No Waiver. No failure or delay by the Lender in exercising any right, power or privilege under the Loan, the Debenture or other loan documents shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 2.3 Amendments and Waivers. Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and is signed by the Guarantor and is consented to in writing by the Lender.

SECTION 2.4 Successors and Assign. This Agreement is for the benefit of the Lender. All of the provisions of this Agreement shall be binding upon the parties hereto and their respective successors and assigns except that the Guarantor may not assign or transfer any of his rights or obligations under this Agreement.

SECTION 2.5 Integration. This Agreement integrates all the terms and conditions mentioned herein or incidental hereto, and supersedes all oral negotiations and prior writings with respect to the subject matter hereof.

SECTION 2.6 Attorneys' Fees. If any party hereto, including the Lender, shall bring an action against the other by reason of any alleged breach of any covenant, provision or condition or otherwise arising out of this Agreement, the unsuccessful party shall pay to the prevailing party all attorneys' fees and costs actually incurred by the prevailing party, in addition to any other relief to which it may be entitled. As used in this Section, "actual attorneys' fees" or "attorneys' fees actually incurred" means the full and actual cost of any legal services actually performed in connection with the matter for which such fees are sought calculated on the basis of the usual fees charged by the attorneys performing such services, and shall not be limited to "reasonable attorneys' fees" as that term may be defined in statutory or decisional authority. Lender shall be entitled to reimbursement of Lender's attorneys' fees and costs from the non-prevailing party in any event.

SECTION 2.7 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

SECTION 2.8 Representation by Counsel. Lender and Guarantor hereby acknowledge that they have been represented by counsel in connection with the negotiation, preparation and execution of this Agreement. Each party represents and warrants to the other that it has read this Agreement, has had an opportunity to carefully consider its provisions, has negotiated over its terms and conditions, and completely understands its content and legal effect.

SECTION 2.9 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA. THE GUARANTOR HEREBY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE COURTS IN LOS ANGELES, CALIFORNIA FOR THE PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE GUARANTOR IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH HE MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

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

**Guarantor:**

**ASTRATA GROUP, INC**  
**A Nevada corporation**

By: /s/ signature \_\_\_\_\_  
Its" Chairman & CEO

**Borrower:**

**ASTRATA (ASIA PACIFIC) PTE LTD**

By: /s/ signature \_\_\_\_\_  
Its: Director

**Lender:**

**FAME TRADING LTD.**

By: /s/ signature \_\_\_\_\_  
Its: Director

The 28<sup>th</sup> of May 2009

BETWEEN

ASTRATA (ASIA PACIFIC) PTE LTD

as Chargor

And

FAME TRADING LTD

as Lender

**DEBENTURE**

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THIS DEBENTURE is made the 18th day of May 2009/

**BETWEEN**

- A. **ASTRATA (ASIA PACIFIC) PTE LTD** (the "**Chargor**", which expression shall unless the context otherwise requires, include its successors and permitted assigns), a company incorporated in the Republic of Singapore and having its registered office at 135 Jon Seng Road #02-0 I, Singapore 368363.

**AND**

- B. **FAME TRADING LTD** (the "**Lender**", which expression shall unless the context otherwise requires, include its successors and permitted assigns), a company incorporated in British Virgin Islands and having its registered office at Akara Building, 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands.

**WHEREAS**

- (1) The Lender has, at the request of the Chargor, agreed to make available to the Chargor, inter alia, the Facility (as hereinafter defined) on the terms and conditions contained in the Transaction Documents (as hereinafter defined)
- (2) As a condition precedent to and security for the grant of the Facility, the Chargor has agreed, inter alia, to execute a floating charge over the Charged Property (as hereinafter defined) in favour of the Lender, as security, for the payment and repayment by the Chargor of the Total Indebtedness (as hereinafter defined).

**NOW THIS DEBENTURE WITNESSETH** as follows:

1. **DEFINITIONS**

- (A) Interpretation: In this Debenture, except to the extent that the context otherwise requires all words and expressions as defined in the Facility Agreement shall have the same meanings when used or referred to herein and in addition, the following words or expressions shall have the following meanings respectively:

"Business Day" means a day on which the banks are open for business in United States of America and Singapore except Saturdays, Sundays and public holidays in the said countries;

"Charged Property" means the property and assets of the Chargor charged pursuant to Clause 3 hereof:

"Event of Default" means any one of the events mentioned in Clause 7 or any event or circumstance which, with the giving of any notice. And for the lapse of any period of time, and/or the fulfilment of any other requirement could become in the view of the Lender one of the events mentioned in that Clause;

"Facility Agreement" means the facility agreement to be executed by the Lender and the Borrower contemporaneously with the execution of this Debenture:

"Lien" means any mortgage, deed of trust, charge, pledge, lien, attachment, encumbrance or other security interest or any segregation of assets or revenues or other preferential arrangement) whether or not constituting a security interest and whether or not enforceable in law) with respect to any present or future assets, revenues or rights to the receipt of income of the party referred to in the context in which the term is used:

"Receivables" means all rights now owned or hereafter acquired or created, to payment under any contract not yet earned by performance, all book debts, invoice debts, contract rights, accounts, notes, bills, acceptances and other forms of obligation owed by or owing to the Chargor (including all rights to receive payments under presently existing or hereafter acquired or created letters of credit) or by virtue of goods sold or leased, services rendered whether or not evidenced by any writing, and all extensions and renewals of any of the above:

"Total Indebtedness" has the meaning ascribed to it in the Facility Agreement;

"Facility" has the meaning ascribed to it in the Facility Agreement; and

"Transaction Documents" has the meaning ascribed to it in the Facility Agreement.

(B) Miscellaneous :

- (i) References to the "Debenture" include references to any deed or other document executed in order to perfect the security hereby constituted or in pursuance of any of the provisions contained or incorporated herein.
- (ii) Any reference to a "Receiver" includes a reference to a "Receiver and Manager" or "Manager";
- (iii) Words importing the singular number include the plural number and vice versa, and words importing a particular gender include any other gender.
- (iv) The words "hereof" "hereon" and "hereunder" and words of similar import refer to this Debenture as a whole and not to any particular provision of this Debenture;
- (v) The headings to the Clauses hereof shall not be deemed to be a part thereof or be taken in consideration in the interpretation or construction thereof or of this Debenture;
- (vi) References herein to Clauses, Schedules and Appendices are references to Clauses, Schedules and Appendices of this Debenture;
- (vii) References to documents include amendments, modification, variations, replacements and supplements thereto;
- (viii) References to statutes and other legislation include re-enactments and amendments thereof and include any subordinate legislation made under any such statute;
- (ix) References to a party include its permitted assigns and transferees and its successors in title; and
- (x) References to a "person" includes any individual, company, corporation, firm partnership, joint venture, association, organization, trust, state or agency of a state (in each case, whether or not having separate legal personality).

2. FACILITY

- (A) Subject to the provisions of the Transaction Documents, the Lender hereby agrees to make available the Chargor the Facility in accordance with the terms of the Facility Agreement.
- (B) The Chargor hereby covenants and undertakes that it will duly pay to the Lender the Total Indebtedness.

3. CHARGE

- Floating Charge : The Chargor as beneficial owner, and as a continuing security for the payment and discharge of the Total Indebtedness and for the observance and performance by the Chargor of all its obligations to the Lender under or in connection with the Facility, hereby charges and agrees to charge in favour of the Lender by way of FIRST FLOATING CHARGE the whole of the Chargor's undertaking and all its property and assets whatsoever and wheresoever present and future including all its present and future estate, right, title and interest in and to all benefits accrued and to accrue to the Chargor in relation to its
- (A) Receivables and cash at bank and all other book and other debts and monetary claims now or at any time hereafter due or owing (including without limitation, things in action which may give rise to any debt, revenue or claim) to the Chargor in connection with or in relation to its Receivables together with the full benefit of all guarantees and securities therefor and indemnities in respect thereof and all Liens, reservations of title, rights of tracing and other rights and remedies enabling the Chargor to enforce or obtain the Receivables or such cash at bank or any such debts or claims, or any crystallization of the floating charge hereby create whatsoever and wheresoever present (the undertaking, property, assets and rights comprised within the floating charge created by this clause hereinafter called the "Charged Property").

PROVIDED ALWAYS THAT from the date hereof the Chargor is not to be at liberty to and shall not create any assignment, mortgage or charge upon and so that no Lien shall in any case or in any manner arise on or affect any part of the Charged Property either in priority to or part *pari passu* or ranking after the charges hereby created and further that the Chargor shall have no power without the prior consent of the Lender (such consent not to be unreasonably withheld) in writing to:

- (a) (save in favour of the Lender) create, extend or permit to subsist any mortgage or other fixed security, floating charge, pledge, hypothecation or Lien (other than a lien, arising in the ordinary course of business by operation of law) or other security interest of any kind, whether in any such case ranking in priority to *or pari passu* with or after the floating charge created by the Chargor under the preceding provisions of this Clause 3(A). and/or
- (b) (save in the ordinary course of business) sell, transfer, assign or part with in any way or otherwise dispose of, whether by means of one or a number of transactions refuted or not and whether at one time or over a period of time, the whole or any part of the Charged Property, or enter into an agreement (other than an agreement conditional upon such consent or agreement of the Lender being obtained) for any such sale, transfer, assignment or other disposal.
- (B) Continuing Obligations: Notwithstanding anything in this Debenture to the contrary, all obligations of the Chargor in respect of the Charged Property shall continue to be the obligations of and shall be promptly and duly performed and complied with by the Chargor.

- (C) Rights and Privileges : The Charged Property shall be charged in favour of the Lender together with all rights and privileges connected therewith.

4. POSITION OF OTHER SECURITY

Debenture Not to Prejudice other Securities: This Debenture is in addition and without prejudice to nor shall it affect any other charge, mortgage, lien, collateral, security or other instruments or letters of set-off which the Lender may now or hereafter hold from limit to time from or on account of the Chargor nor shall such collateral or other security or any Lien to which the Lender may otherwise be entitled (including any security, charge or Lien prior to the date of this Debenture) or the liability of any person or persons not parties hereto for all or any part of the Total Indebtedness be in any way prejudiced or affected by this Debenture. The Lender shall have full powers and absolute discretion to deal with, exchange, release, omit, modify, omit, neglect or abstain from perfecting or enforcing any such collateral or other securities or other guarantees or rights which the Lender may now or hereunder have from or against such person or persons or to give time for payment or any indulgence to any such other person or persons without discharging or in any way affecting the Chargor's liabilities or the Total Indebtedness or the security created hereunder. All moneys received by the Lender from the Charger or any person or persons liable to pay the same may be applied by the Lender to any account or item of account or any transactions to which the same may be applicable.

- (A)
- (B) Other Securities not to Prejudice Debenture : Nothing contained in any other charge, mortgage, lien or security which the Lender holds or may at any time hold from the Chargor alone or jointly with any other person on any account whatsoever anywhere whether in or outside Singapore shall prejudice or affect this Debenture.

5. CONTINUING SECURITY

- (A) No Discharge by Part Payment : This security shall not be considered as satisfied by any intermediate payment or satisfaction of the whole or any part of the Total Indebtedness but shall constitute and be a continuing security to the Lender and extend to cover all or any of the Total Indebtedness.

- (B) Avoidance of Security : No assurance, security or payment which may be avoided under the Companies Act, Chapter 50 Singapore or under any other provision or enactment of any jurisdiction relating to bankruptcy, winding up, insolvency or any analogous proceedings and no release, settlement, discharge or arrangement which may have been given or made on the faith of any such assurance, security or payment shall prejudice or affect the right of the Lender to enforce the security provided hereunder to the full extent or to recover from the Chargor to the full extent as provides, for hereunder as if such payment, release, settlement, discharge or arrangement (as the case may be had never been granted, given or made: and any such release, settlement, discharge or arrangement shall (as between the Lender and the Chargor) be deemed to have been granted, given or made upon the express condition that it shall be wholly void and of no effect if the pay merit on the faith of which it was granted, given or made shall at any time thereafter be void under any such provision as referred to above so that thereafter the Lender shall be entitled to exercise all their rights hereunder against the Charger as if such release, settlement, discharge or arrangement had never been granted, given or made. If in the Lender's reasonable opinion there is a possibility that any such payment, release, settlement, discharge or arrangement may be void or avoided, the Lender shall be at liberty at its absolute discretion to retain the security so created as security for the Total Indebtedness for a period of six months after the Total Indebtedness have been paid in

- (C) Security to Continue to be Valid and Binding : This security shall continue to be valid and binding for all purposes notwithstanding:
- (i) any change by amalgamation, consolidation, reconstruction, merger, reorganisation or otherwise which may be made in the constitution of the company by which the business of the Lender may for the time being be carried on and shall be available to the company carrying on the business of the Lender for the time being; or

- (ii) the insolvency, liquidation or winding-up of the Chargor (as the case may be) or any commencement of any of the foregoing; or
- (iii) any change in constitution, amalgamation, consolidation, reconstruction, merger or reorganisation or or affecting the Chargor (as the case may be): or
- (iv) the illegality, invalidity or unenforceability of or any defect in any provision of any of the Transaction Documents, the Facility or any other security, guarantee or indemnity or any of the obligations of any of the parties thereunder: or
- (v) any other matter or thing whatsoever.

## 6. COVENANTS AND UNDERTAKINGS

(A) Affirmative Undertakings: The Chargor hereby covenants and undertakes with the Lender that at all times during the continuance of the Transition Documents and until the full and final discharge of all the Total Indebtedness, the Chargor shall:

- (i) Punctual Payment punctually pay all amounts due owing or remaining unpaid under the Transaction Documents on the due dates thereof and in accordance. With the provisions of the Transaction Documents: and the Chargor shall also duly observe, perform and comply with all the terms, conditions, obligations, undertakings, stipulations and covenants to be observed and performed and complied with by it in accordance with the Transaction Document or any other documents called for by the terms of the Transaction Documents:

- (ii) Payments: duly and punctually pay and discharge all rents rates assessments taxes and governmental charges and all outgoings and all charges payable in respect of its assets as soon as the same become due and in any event prior to the date on which penalties become attached thereto, unless and to the extent only that the same shall be contested in good faith and by appropriate proceedings and will produce to the Lender on demand all receipts for such payments and in default of payment or production as aforesaid it shall be lawful (but not obligatory) for the Lender to pay all or any of such rents rates assessments taxes and other outgoings and charges on behalf of the Chargor and thereupon the sums so paid by the Lender shall on demand be repaid to the Lender, and the Chargor will also make timely filings of all tax returns and got governmental reports required to be filed or submitted under any applicable laws or regulations:

- (iii) Authorisations: maintain in full force and effect all governmental consents, licences, authorizations, approvals, declarations, filings and registrations obtained or made in connection with the Transaction Documents and every document the execution and delivery of which is contemplated hereby (including without limitation foreign exchange and transfer permits regarding amounts due hereunder and thereunder) and take all such additional action as may be proper or advisable in connection therewith, and obtain or effect any new or additional governmental consents, licences, authorizations, approvals, declarations, filings or registrations as may become necessary for the performance of any of the terms and conditions of the Transaction Documents:

- (iv) Adverse Change: promptly notify the Lender of any material adverse event or material change in its condition (financial or otherwise) and of any litigation, arbitration or administrative proceedings being threatened or initiated against it which is likely to affect materially and adversely its operations or financial condition, all such notification to be given to the Lender promptly upon the Chargor becoming aware of the said change or of the said litigation, arbitration or proceedings or threat thereof and the amount of contingent liability, if such amount is ascertainable:

(v) Notification: promptly inform the Lender of any Event of Default or any event or the receipt of any notice which may affect the the fulfilment by the Chargor of any of its covenants or obligations hereunder, or may affect its ability to carry on its businesses or any application made or an order for the Chargor to be placed under judicial management or for the appointment of a judicial manager upon occurrence thereof;

(vi) Subordination: ensure that all shareholders' and/or directors' loans or advances save and except for bonds issued by the Chargor to their shareholders (including interest payment relating thereto). whether now or hereafter owing from time to time by the Chargor to any shareholder or director including all such shareholders' and/or directors' loans or advances owing prior to the date of this Debenture shall henceforth at all times be subordinated to the Facility hereof and will procure all of its shareholders and/or directors which have granted such loans or advances to the Chargor to agree to subordinate their loans to the Facility hereof and to execute such deed of subordination in form and substance satisfactory to the Lender in favour of the Lender if the Lender so requires.

(vii) Insurance: at its own expense, effect and maintain or cause to be effected and maintained insurance over all its assets and property charged or to be charged to the Lender in connection with the Facility with reputable insurer(s). All policies and all endorsements, supplements or amendments thereto shall at the Lender's request be delivered to the Lender with the receipt for every premium payable in respect thereof seven (7) days prior to the expiry of such policies and in default of such delivery or production it shall be lawful (but not obligatory) for the Lender to renew and or effect the insurance aforesaid in such sum as the Lender shall think fit at the Chargors expense:

(viii) Further Acts: from time to time on reasonable request by the Lender do or procure the doing of all such acts and will execute or procure the execution of all such documents as the Lender may consider necessary or desirable for giving full effect to this Debenture and/or secure to the Lender the full benefits of all rights, powers and remedies conferred upon the Lender by this Debenture.

(B) Negative Undertakings: The Chargor undertakes that at all times during the continuance of the Transaction Documents and until the full and final discharge of all the Total Indebtedness it shall not, save and except with the prior given consent of the Lender, such consent not to be unreasonably withheld:

- (i) undertake or permit or effect any re-organisation, amalgamation, reconstruction, or any other schemes of compromise or arrangement or otherwise affecting its present constitution:
  - create or permit to arise or subsist or have outstanding any mortgage, charge (whether fixed or floating), pledge, hypothecation, lien (other than a lien arising by operation of law) or any other encumbrance or security whatsoever on or over the whole or any part of its properties or assets, both present and future whatsoever and wheresoever situate (including without limitation any factoring of the Charger's Receivables);
- (ii) permit or suffer any substantial change in the shareholding of the Chargor:

- (iv) lease, let out, sublet or otherwise part with possession of any of the properties charged to the Lender under the Transaction Documents;
- (v) make substantial alteration to the nature of its business or effect any alteration of the Chargor's Memorandum and Articles of Association relating to its borrowing powers or principal business;
- (vi) declare make or pay any dividend or other distribution (in cash or in kind) in respect of any of its share capital in, or in respect of, any financial year or period; and
- (vii) place the Lender in a less favourable position in relation to other lenders, whether banks or other financial institutions, in terms of security or support.

## 7. EVENTS OF DEFAULT

The Total Indebtedness (whether subject to any specific agreement or otherwise) shall at the option of the Lender (without giving prior notice) become immediately due and payable upon the occurrence or declaration by the Lender of any of the following events:

- (i) Non-payment: the Chargor fails to punctually pay the Total Indebtedness at such time and date as provided in the Transaction Documents: or
- (ii) Breach of warranty: any representation, warranty, covenant or statement made by the Chargor in any Transaction Document or in any document delivered under it now or at any later date is not complied with or is incorrect, misleading or untrue or ceases to be correct, accurate or true in any material respect; or
- (iii) Breach of obligation or undertaking: the Chargor commits or threatens to commit any breach of or fails to observe any of the obligations accepted or undertakings given by its execution and delivery of the Transaction Documents to which it is a party or any other document called for by the terms of the Transaction Documents or commits any breach of or fails to observe any of its obligations or undertakings under the Transaction Documents to which it is a party or in the reasonable judgment of the Lender threatens or is likely to commit any breach of or threatens or is likely not to observe any of the obligations or undertakings of the Chargor under the Transaction Documents and in the case of such breach or failure which in the reasonable opinion of the Lender is capable of being remedied, the Chargor fails to remedy such breach or failure to the satisfaction of the Lender within 30 days of its occurrence; or
- (iv) Insolvency: the Chargor becomes insolvent, is unable to pay its debts as they fall due, stops, suspends or in the reasonable judgment of the Lender, threatens to stop or suspend its business or payment of its debts, begins negotiations or takes any proceedings or other step with a view to re-adjustment, rescheduling or deferral of its indebtedness or proposes or makes a general assignment or any statutory or other arrangement or composition with or for the benefit of its creditors or a moratorium is agreed or declared in respect of or affecting the indebtedness of the Chargor, or
- (v) Enforcement proceedings: a distress, writ of seizure and sale, attachment, encumbrance, execution or other legal process is levied, enforced or sued over on or against the assets of the Chargor: or
- (vi) Security enforceable: any present or future security on or over the assets of the Chargor becomes enforceable and any step (including the taking of possession or the appointment of a Receiver or similar officer) is taken to enforce that security; or

- (vii) Dissolution : any step is taken by any person for the dissolution (including judicial management) of the Chargor (including if a petition is presented, an order is made or a notice is given for the passing of a resolution for such dissolution (including judicial management), except for the purpose of and followed by a reconstruction, amalgamation or reorganisation on terms approved by the Lender before that step is taken); or for the appointment of a liquidator (including a provisional liquidator), Receiver, judicial manager, trustee, assignee, administrator, agent or similar officer of the Chargor over any part of the assets of the Chargor: or
- (viii) Change in ownership: any change occurs in the management, ownership or control of the Charger or a significant portion of its assets, which in the reasonable opinion of the Lender constitutes a material adverse change affecting the financial condition or operations of the Chargor: or
- (ix) Authorisation and consents: any governmental registration, consent, licence, authorisation, approval, act, condition or thing required in connection with the Transaction Documents (including without limitation required to ensure that the Transaction Document: are legal, valid and binding on the Charger and any other party thereto, and admissible in evidence in the courts of Singapore), or any other document, the execution and delivery of which is contemplated therein, expires, is not done, complied with or obtained or is terminated, revoked, modified or restricted in any way unacceptable to the Lender, or any certificate or opinion furnished under any Transaction Document is shown to have been false or misleading as of its date in any material respect; or
- (x) Illegality: it is or will become unlawful for the Chargor or any party to the Transaction Documents to perform or comply with any one or more of its respective obligations under the Transaction Documents: or
- (xi) Accounts: the audited accounts of the Chargor delivered to the Lender under paragraph 1.7 of Schedule 2 to the Facility Agreement are qualified in a manner or to an extent unacceptable to the Lender; or
- (xii) Transaction Decrement: any Transaction Document is not in full force and effect: or
- (xiii) Legal Proceedings: any suit or action of any kind whatsoever (whether criminal or civil) shall be instituted or threatened against the Chargor which may have a material adverse effect on the financial condition or business of the Chargor, or
- (xiv) Analogous events: any event occurs which under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in this Clause 7; or
- (xv) Compulsatory Acquisition: any notice or proposal for compulsory acquisition of any property or assets issued or made which in the reasonable opinion of the Lender has or may have a material adverse effect on the Chargor, or
- (xvi) Material adverse change: any event occurs or circumstance arises which, in the reasonable opinion of the Lender, gives grounds for believing that the Chargor or any party to the Transaction Documents will or may not for may be unable to perform or comply with any one or more of their respective obligations under the Transaction Documents or any other documents called for by the Transaction Documents or is otherwise in jeopardy and notice thereof is given to the Chargor.

## 8. POWERS OF THE LENDER ON DEFAULT RV THE CHARGOR

- (A) Powers : Subject to the proviso in 8031 below, if any Event of Default shall have occurred or is declared, the Lender shall be entitled to, inter alia, exercise all or any of the following powers, that is to say:

(i) Payment of Total Indebtedness: the Lender may by prior written notice of 5 Business Days to the Chargor declare the Total Indebtedness hereunder to be immediately due and payable, whereupon the same shall, notwithstanding any other provision of this Debenture, become so payable together with accrued interest thereon (including without limitation any default interest) and any other sums then owed by the Chargor or hereunder without further demand, presentment, protest or other notice whatsoever, and without the consent, decree or authorisation of any court, all of which are hereby expressly waived by the Chargor.

(ii) Cancellation of undisbursed Facility: the Lender may by written notice to the Chargor, declare that any undisbursed portion of the Facility shall be cancelled, whereupon the same shall be cancelled notwithstanding any subsequent action by the Chargor to remedy any of the Events of Default, and, or

(iii) Give notice and sue for recovery: the Lender may from time to time at its discretion be at liberty to give any notice which may be deemed necessary by the Lender to any person or persons owing moneys to the Chargor that all such moneys be paid to the Lender and the Chargor hereby irrevocably appoints the Lender to be its attorney in fact to demand sue for recover and take all appropriate legal proceedings to recover such moneys and to give a good receipt for the same and to give such notices to the debtors of the Chargor and to take all necessary steps to complete the assignment of such moneys to the Lender.

(B) Provided that no Event of Default under Clause 7 will occur if the failure to comply or breach is capable of remedy and is remedied within five (5) Business Days of the Lender giving notice to the Chargor of the failure to comply or breach. Such notice shall include reasonable details of the non compliance or breach.

(C) Exercisable at Lenders Discretion: All or any of the rights, powers or remedies conferred by this Debenture shall be exercisable by the Lender at its discretion, or at any time and from time to time and in any order as may be determined by the Lender.

#### u REPRESENTATIONS AND WARRANTIES

The Chargor hereby represents and warrants to the Lender as follows:

(i) Status: the Chargor is a company with limited liability and was duly incorporated in the Republic of Singapore and is validly existing under the laws of the Republic of Singapore with the power and authority to own assets and to conduct the business which it conducts and/or purports to conduct;

(ii) Powers and authorisation: the Chargor has full power and authority to carry on the business currently carried on by it, to borrow monies and to enter into, exercise its rights and perform its obligations under the Transaction Documents;

(iii) Valid and binding obligations: the Transaction Documents have been validly authorised by the appropriate corporate actions of the Chargor and when executed and delivered will constitute legal valid and binding obligations of the Chargor and are enforceable against the Chargor in accordance with their respective terms;

(iv) Requirements fulfilled: all actions, conditions and things required to be taken, fulfilled and done (including without limitation the obtaining of any necessary consents and the like except for stamp duty on the Transaction Documents (where applicable and any filings in relation thereto which will be done within the time agreed between the Lender and the Chargor and in accordance with the requirements of the law in order (i) to enable the Chargor lawfully to enter into, exercise its rights and perform and comply with its obligations under the Transaction Documents, (ii) to ensure that the said obligations are legally binding and enforceable, and (iii) to make the Transaction Documents admissible as evidence in the courts of Singapore have been taken, fulfilled and done;

(v) No material adverse effect: the Chargor has not committed, under any agreement to which it is a party or by which it is bound, a default which might have a material adverse effect on the business, assets or financial condition of the Chargor:

- (vi) No litigation: save as disclosed by the Chargor to the Lender prior to the execution of this Debenture, there are no litigation, arbitration or administrative proceedings current or pending before any court or to the knowledge; of the Chargor threatened against or affecting the Charger and no proceedings are before any court, tribunal, government agency or administrative body pending or to the knowledge of the Chargor threatened against it which if adversely determined would materially and adversely affect the financial condition or operations of the Charter or impair the rights of the Chargor to carry on its business substantially as now conducted or the ability of the Chargor to observe and perform its obligations under the Transaction Documents, and to the best of the knowledge and belief of the Chargor, the Chargor has complied with all applicable laws statutes and regulations and with the requirements of all government authorities having jurisdiction over the Chargor;
- (vii) No dissolution: no legal procedure has been started nor have any legal proceedings been initiated or, to the best of the Chargor's knowledge and belief, threatened, for the dissolution, winding-up or reorganisation of, or for the appointment of a receiver, manager (including a judicial manager appointed under Part VIIIA of the Companies Act), trustee or similar officer of the Chargor or of any or all of its assets;
- (viii) Taxes: the Chargor has filed all tax returns which it is required by law to file and has paid and discharged all taxes, assessments, fees and other governmental charges (other than payroll taxes in the aggregate sum of \$113,353.00) assessed against it or upon any of its assets or adequate reserves have been established for the payment thereof Provided that this sub-Clause shall apply only to tax returns or payments (described as aforesaid) where the failure in file such tax returns and/or make such payments might, in the reasonable opinion of the Lender, have a material and adverse effect on the business or financial condition of the Charger:
- (ix) No Default: the Chargor is not in default in the payment or performance of any of its obligations for borrowed money and no Event of Default has occurred or is continuing or is anticipated;
- (x) Compliance: neither the execution and delivery of the Transaction Documents nor the performance of any of the terms thereof will:
- (a) contravene or constitute a default under any provision contained in any agreement. Instrument, law, judgment, order, licence, permit or consent by which the Chargor is bound or affected: or
  - (b) cause any limitation on the Chargor or the powers of its directors, whether imposed by or contained in its Memorandum and Articles of Association or by-laws or in any law, judgment, agreement, instrument or otherwise, to be exceeded:
- (xi) No security: saw as otherwise disclosed in the Accounting and Corporate Regulatory Authority and except for any security granted in favour of the Lender in relation to this Debenture, no security exists on or over the assets of the Chargor other than any lien arising by operation of law:

- (xii) Repetition: each of the above representations and warranties will be correct and complied with in all respects so long as any sum remains to be lent or remains payable under this Debenture as if repeated then by reference to the then existing circumstances.

## 10. APPOINTMENT OF RECEIVER

- (A) Appointment : At any time after (i) any of the Total Indebtedness shall have become payable under Clause 7 hereof or (ii) the Chargor shall have requested the Lender to appoint a Receiver hereunder, the Lender may appoint one or more persons to be a Receiver of the Charged Property.

- (B) Removal : The Lender may (i) remove any Receiver previously appointed hereunder and (ii) appoint another person or other persons as Receiver or Receivers, either in the place of a Receiver so removed or who has otherwise ceased to act or to act jointly with a Receiver or Receivers previously appointed hereunder. If at any time and by virtue of any such appointments) any two or more persons shall hold office as Receivers of the same assets, each one of such Receivers shall be entitled (unless the contrary shall be stated in any of the deeds or other instruments) appointing them to exercise all the powers and discretion hereby conferred an Receivers individually and to the exclusion of the other or others of them.

- (C) By Deed or in Writing : Every such appointment or removal, and every delegation, appointment or removal by the Lender in the exercise of any right to delegate powers or to remove delegates herein contained, may be made either by deed or by instrument in writing under the hand of any officer of the Lender or by any person authorized in writing in that behalf by any such officer.

## 11. RECEIVER

- (A) Powers of Receiver : A Receiver so appointed shall be the agent of the Chargor and the Chargor shall be solely responsible for his acts and defaults and remuneration. Such Receiver shall have power:

- (i) Entry onto land : to enter into and take possession of or control any land or premises of the Chargor or any part thereof or collect and get in any Charged Property and for that purpose to take any proceedings in the name of the Chargor or otherwise as may seem expedient:

- (ii) Carry on business : to carry on, manage or concur in carrying on and managing the business of the Chargor or any part thereof including the power where the Chargor has one or more subsidiaries of supervising, controlling and financing such subsidiary or subsidiaries and its or their business or businesses and the conduct thereof and for any of those purposes to raise or borrow any money from the Lender or any other person to rank for payment in priority to the security constituted by or pursuant to this Debenture and with or without a mortgage or charge that may be required upon the security of the whole or any part of the Charged Property;

- (iii) Call on Shares : where any capital in respect of any such capital or shares of the Chargor is outstanding and uncalled to require the directors of the Chargor forthwith to call up all or so much of such uncalled capital of the Chargor and to enforce payment of calls so made and any previous unpaid calls by taking proceedings in the name of the Chargor or his own name or otherwise as may seem expedient and as may be sufficient to pay to the Lender all moneys then due and owing hereunder,

Sell or Lease Property : forthwith and without restriction to sell, lease, surrender or otherwise dispose of or agree in selling, leasing, accepting surrenders or otherwise disposing (obtaining only when and where necessary the leave of the Court) of the whole or any part of the Charged Property and for this purpose. (0 sever. if necessary, plant, machinery and other fixtures from

(iv) the land) by public auction or by private contract on such term and conditions as he may think fit, with power to vary any contract for sale and to resell without being answerable for any loss occasioned thereby; any such sale may be for cash, shares or stocks, debenture stock or other valuable consideration to be paid or satisfied at such time or times as the Receiver shall think fit;

License Property: to lease, let, hire and license or agree in leasing, letting, hiring and licensing or accept surrenders of leases, tenancies or licences of all or any part of the land and premises of the Charged Property and assets on such terms and for such consideration as he may deem fit;

(v)

(vi) Arrangement or compromise : to make any arrangement or enter into any compromise which he shall think expedient:

Repair property : to repair and keep in repair and make and effect all or any improvements of the Charged Property and assets and for this purpose to apply in the name or the Chargor for such licences or approvals as may be required by any law or regulation and to take out maintain and renew all insurances in respect of the Charged Property and assets against loss or damage by fire or any other risk as he shall think fit:

(vii)

Employ professional advisers : to employ, engage, appoint and terminate the services of such managers and other employees and professional advisors or otherwise on such terms and conditions as to remuneration or otherwise as he shall think fit including without limitation the power to engage his own firm in the conduct of the receivership;

(viii)

Acquire share capital : to promote or otherwise acquire the share capital of any body corporate with a view to such body corporate becoming a subsidiary of the Charger and purchasing, leasing or otherwise acquiring an interest in the whole or any part of the Charged Property or carrying on any business in succession to the Chargor or any subsidiary of the Chargor;

(ix)

Take proceedings : to take or defend proceedings in the name of the Charger including proceedings for the compulsory winding-up of the Charger and to submit to arbitration, negotiate, compromise, abandon and settle any claims and proceedings concerning the Charged Property and to demand, receive, give sales receipt for or discharge the same:

(x)

Incidental acts : to execute and do all such acts, deeds and things as to him or the Lender may appear incidental or conducive to any of the powers vested in him or to be conducive to the realisation of the security constituted by or pursuant to this Debenture and which he lawfully may or can do as agent for the Chargor: and

(xi)

General : generally to do or cause to be done such acts or things which the Charger may have done in the ordinary conduct of its business for the protection as well as for the improvement of the Charged Property;

(xii)

Consideration for Sale or Disposal : In making any sale or other disposal of any of the Charged Property in the exercise of their respective powers (including a disposal by the Receiver to any such subsidiary as is referred to in sub-Clause (A) above, the Receiver or the Lender may accept, as and by way of consideration, or such sale or other disposal, cash, shares, loan capital or other obligations, including without limitation consideration fluctuating according to or depend upon profit or turnover and consideration the amount whereof is to be determined by a third party. Any such consideration may be receivable in a lump sum or by instalments and upon receipt by the Receiver shall ipso facto be and become charged with the payment of the Total Indebtedness. Any contract for any such sale or other disposal may contain conditions excluding or restricting the personal liability of the Receiver or the Lender. Plant machinery and other fixtures may be severed and sold in the exercise of their respective powers by the Receiver or the Lender separately from the premises to which they are attached without any consent being obtained from the Chargor.

(B)

12. POWER OF ATTORNEY

(A) Appointment : The Chargor hereby irrevocably appoints any and every Receiver appointed as aforesaid and his substitute or substitutes the attorney or attorneys in fact of the Chargor where more than one jointly and severally and on its behalf and as its acts and deeds to execute, sign, seal and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which may be required or may be deemed proper for any of the purposes set out in the preceding Clause 11 hereof and with power for such attorney or attorneys to appoint or remove any substitute or substitutes.

(B) Ratification : The Chargor hereby declares that such power of attorney has been given for valuable consideration and shall be and remain irrevocable for as long as any part of the Total Indebtedness remains unpaid or outstanding. The Chargor hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney appointed pursuant to paragraph (A) above shall do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in paragraph (A) above.

13. APPLICATION OF MONIES BY RECEIVER

(A) Order of Application : All monies received by any Receiver appointed under this Debenture shall (subject to the rights and claims of any person having a security ranking in priority to the security constituted by or pursuant to this Debenture) be applied in the following order:

- (i) in the payment of the costs, charges and expenses of and incidental to the Receiver's appointment and the payment of his remuneration;
- (ii) in the payment and discharge of any liabilities incurred by the Receiver on the Chargor's behalf in the exercise of any of the powers of the Receiver;
- (iii) in or towards payment of any debt or claim which are by statute payable in preference to the Total Indebtedness but only to the extent to which such debt or claim have such preference;
- (iv) in or towards the satisfaction of all interest remaining unpaid on the Total Indebtedness owing to the Lender,
- (v) in or towards the satisfaction of all Total Indebtedness owing to the Lender, and
- (vi) any other fees or expenses accruing hereunder, and any surplus shall be Paid to the Chargor or other person entitled thereto.

(B) Remuneration : Every Receiver so appointed shall be entitled to reasonable remuneration for his services at a rate to be fixed by agreement between him and the Lender (or, failing such agreement, to be fixed by the Lender) appropriate to the work and responsibilities involved upon the basis of charging from time to time adopted in accordance with his current practice or the current practice of his firm.

(C) Application : Only monies actually paid by the Receiver to the Lender in satisfaction or discharge of the Total Indebtedness shall be capable of being applied in satisfaction thereof.

(D) No Liability : Save as aforesaid the Lender shall be under no liability whatsoever to the Receiver for his Remuneration, costs, charges, expenses or otherwise.

(E) Exclusions : The provisions of Sections 29(6) and (8) of the Conveying Law of Property Act, Chapter 61. 1994 Revised Edition Singapore shall not apply to this Debenture.

14. APPOINTMENT OF RECEIVER NOT AFFECTING OTHER POWERS

The powers of appointment of a Receiver hereunder shall be in addition to and not to the prejudice of any statutory and other powers (whether of sale, receiving rents, distraining for rents or otherwise) of the Lender or otherwise and so that such powers shall be and remain exercisable by the Lender in respect of any of the Charged Property and of which no appointment of a Receiver by the Lender shall from time to time be subsisting and that notwithstanding that an appointment under the provisions hereof shall have subsisted and been withdrawn in respect of that property or assets or shall be subsisting in respect of any other Charged Property.

15. APPOINTMENT OF LENDER AS ATTORNEY IN FACT

(A) Appointment : The Charger hereby irrevocably appoints the Lender and any attorney in fact for the time being of the Lender its attorney in fact and in its name and on its behalf and as its acts and deeds or otherwise to sign, seal, deliver and otherwise perfect any such legal or other mortgages, charges, assignments, transfers or agreements as aforesaid or without executing any such mortgage) any deed, assurance, instrument or act which may be required or may be deemed proper or expedient for the full exercise of all of any of the powers hereby conferred on the Lender or the Receiver for the purposes of enforcing or realising this security.

(B) Ratification : The Charger hereby declares that such power of attorney has been given for valuable consideration and shall be and remain irrevocable for as long as any part of the Total Indebtedness remains unpaid or outstanding. The Charger hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney appointed pursuant to paragraph (A) above shall do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in paragraph (A) above.

16. NO ENQUIRY THIRD PARTY

Any person dealing with the Lender or any of its delegates or the Receiver appointed hereunder shall not be bound to see or enquire whether any event has happened upon which any of the powers contained in this Debenture are or may be exercisable by the Lender or the Receiver or otherwise as to the propriety or regularity of any exercise thereof or any act purporting or intended to be an exercise thereof or whether any money remains owing upon this security or be concerned to see whether any such delegation shall have lapsed for any reason or been revoked.

17. WAIVER NOT TO PREJUDICE, RIGHTS OF THE LENDER

The Lender may from time to time and at any time waive either unconditionally or on such terms and conditions as it may deem fit any breach by the Chargor of the covenants, undertakings, stipulations, terms and conditions contained in the Transaction Documents and any modification thereof but without prejudice to any power, right and remedy for enforcement thereof, provided that:



- (i) no neglect or forbearance of the Lender to require and enforce payment of any money under any Transaction Document or the performance and observance of any covenant, undertaking, stipulation, term and condition contained in any Transaction Document, nor any time which may be given to the Chargor or any person shall in any way prejudice or affect any of the rights, powers or remedies of the Lender at any time afterwards to act strictly in accordance with the provisions hereof: and no such waiver of or any breach as aforesaid shall prejudice the rights of the Lender in respect of any other or subsequent breach of any of the covenants, undertakings, stipulations, terms or conditions aforesaid.

## 18. INDULGENCE

- (A) Time: The liability of the Chargor hereunder shall not be impaired or discharged by reason of any time or other indulgence being granted by or with the consent of the Lender to any person who or by which may be in any way liable to pay any of the Total Indebtedness or by reason of any arrangement being entered into or composition accepted by the Lender modifying the operation of law or otherwise its rights and remedies under the provisions of any Transaction Document.
- (B) Abstention : The Lender may at any time or times without discharging or in any way affecting the security created by or pursuant to this Debenture or any remedy in respect of such security grant to the Chargor time or indulgence or abstain from asserting, calling, exercising or enforcing any remedy, security, guarantee or other rights which it may now or hereafter have from or against the Chargor.

## 19. RIGHTS OF THE LENDER

- (A) Set-Off : The Chargor authorises the Lender (who shall not be obliged) to apply at any time and without prior notice to the Charge, any credit balance (whether or not then due) to which the Chargor is at any time beneficially entitled to any account of the Chargor at any office of the Lender (whether in Singapore or elsewhere) in or towards the immediate satisfaction of any plan of the Total Indebtedness whether matured or otherwise, whether contingent, unliquidated or joint and whether expressed in a currency different from the currency on the account of the Chargor, and unpaid. For that purpose, the Lender is authorised to (i) withhold payment of all or any part of such credit balance and/or (ii) use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application. The Lender's rights under this Clause, which shall be without prejudice and in addition to any right of set-off combination of accounts, Lien or other right to which it is at any time otherwise omitted (whether by operation of law contract or otherwise).
- (B) Right to Debit : If any of the Total Indebtedness shall not be paid on the due date thereof the Lender shall be at liberty forthwith or any time thereafter to debit the same to any account of the Chargor then current without prejudice to the rights and remedies of the Lender against the Chargor and any other party liable to the Lender for the same and also without prejudice to any right of the Lender under this Debenture.
- (C) Right of Consolidation :
- (i) The provisions of Section 21(1) of the Conveyancing and Law of Property Act, Chapter 61, 199-1 Revised Edition, (restricting the right of consolidation) shall not apply to this Debenture.
- (ii) Without prejudice to any equitable right of consolidation it is hereby declared that no property of the Chargor which at the date hereof is or which at any time hereafter shall become subject to a mortgage or charge in favour of or vested in the Lender shall be redeemed except on payment not only of all moneys secured thereby but also of all Total Indebtedness.

20. **PAYMENT**

(A) Manner of Payment: Unless otherwise provided in this Debenture or otherwise specified by the Lender, payments to be made by the Chargor to the Lender under this Debenture, including all repayments of principal and payments of interest and any other sums due from the Chargor, shall be made by wire transfer in USD to the Lender at [please provide account details for wire transfer] or to such account or at such other address as the Lender may designate from time to time.

(B) Non-Business Day: Any payment to be made by the Chargor on a day which would otherwise be due on a non-Business Day shall instead be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day or there is none), and all calculations of interest shall be adjusted accordingly.

(C) Free and Clear Payments: Clause 10 of the Facility Agreement shall apply.

(D) Payments to be in Gross: All moneys received by the Lender from the Chargor or from any other person or state or party capable of being applied in reduction of the Total Indebtedness shall be regarded for all purposes as payments in gross and if the Chargor or any person or party shall become bankrupt or insolvent or be wound up (either by order of court or by an effective resolution for winding up) the Lender may prove against the Chargor or any such other person or party for the whole of the moneys then owing and no money received under such proof shall be considered as received in respect of this Debenture but the full amount of the Total Indebtedness shall be payable until the Lender have received from all sources one hundred cents in the dollar and if the amount ultimately received by the Lender shall exceed the amount of the ultimate balance owing to the Lender the excess only over such ultimate balance shall be repaid to the person or party on whose account the same shall have been received by the Lender.

21. **REMEDIES AND WAIVERS**

Neither the failure to exercise nor any delay in exercising on the part of the Lender any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy.

22. **INDEMNITY**

(A) Indemnity : The Chargor acknowledges that the Facility is granted and extended by the Lender on the terms and conditions of the Transaction Documents and the security created therein. In connection therewith and without prejudice to any of the provisions herein, the Chargor shall keep the Lender fully and effectively indemnified from and against all actions, losses, claims, proceedings, costs, demands or liabilities which may be suffered or incurred by the Lender under or by virtue of the Charged Property, this Debenture and/or by virtue of the lender granting to the Chargor any part of the Facility.

(13) Tax indemnity : Without prejudice to the provisions of any Transaction Document, if the Lender is required by law to make any payment, whether on account of tax (not being a payment of tax of tax on its overall net income) or otherwise, on or calculated by reference to any sum received or receivable by it under any Transaction Document or any liability in respect of any such payment is asserted imposed, levied or assessed against the Lender as a consequence of any credit deduction or refund obtained by the Lender in respect of interest paid under any Transaction Document being disallowed, the Chargor will on demand pay to that Lender free and clear of all withholdings and deductions an amount sufficient to indemnify it against such payment or liability, together with any interest penalty and expense payable or incurred in connection therewith.

(C) Currency Indemnity : In respect of any sum payable by the Chargor under or in connection with any Transaction Instrument and any damages in relation thereto. USD (the "Currency of Account") shall be the sole currency of account and payment.

Any amount received or recovered in a currency other than the Currency of Account (whether as a result of, or of the enforcement of a judgment or order of court of any jurisdiction, in the dissolution of the Chargor or otherwise) by the Lender in respect of any sum expressed to be due to it from the Chargor under any Transaction Document shall only constitute a discharge to the Chargor to the extent of the amount of the Currency of Account which the recipient is able, in accordance with its usual practice, to purchase with the amount so received or recovered in that currency on the date of that receipt or recovery, or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that amount in the Currency of Account is less than the amount of the Currency of Account expressed to be due to the recipient under any Transaction Document, the Chargor shall indemnify it against any loss sustained by it as a result. In any event, the Chargor shall indemnify the recipient against the cost of making any such purchase.

(D) Indemnities Separate and Independent : Each of the indemnities in this Debenture constitutes a separate and independent obligation from the other obligations in this Debenture, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Lender and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Debenture or any judgment or order. No proof or evidence of any actual loss may be required.

## 23. CALCULATIONS

(A) Basis of Calculation: All interest and fees shall accrue from day to day and shall be calculated on the basis of a year of 365 days and the actual number of days elapsed.

## 24. ASSIGNMENT

(A) Benefit and Burden of this Debenture: This Debenture shall benefit and be binding on the parties, their respective successors and any permitted assignee or transferee of some or all of a party's rights or obligations under this Debenture. Any references in this Debenture to any party shall be construed accordingly.

(B) Chargor: The Chargor may not assign or transfer all or any part of its rights or obligations under this Debenture.

(C) Lender:

(i) The Lender may assign or transfer all or any part of its rights and/or obligations under this Debenture without the consent of the Chargor. Any such assignment or transfer shall be notified in writing by the Lender to the Chargor.

- (ii) Any such assignee or transferee shall be and be treated as a Lender for all purposes of each Transaction Document and shall be entitled to the full benefit of each Transaction Document to the same extent as if it were an original party in respect of the rights and obligations assigned or transferred to it.

25. NOTICES AND DISCLOSURE

(A) Any notice or other communication given under this Debenture shall be in writing and shall be served by delivering it personally or sending it by registered post or by registered air mail (if posted to a country other than where the serving Party is located) or courier or facsimile transmission to the address or electronic transmission to the answerback address and for the attention of the relevant party. Any such notice shall be deemed to have been received.

- a) if delivered personally, at the time of delivery;
- b) in the case of registered post or by courier. 48 hours from the date of posting or dispatch ;
- c) in the case of registered airmail, 5 days from the date of posting; and
- d) in the case of facsimile or electronic transmission; at the time of transmission

Provided that if deemed receipt occurs before 9 am on a Business Day the notice shall be deemed to have been received at 9 am on that day, and if receipt occurs after 5 pm on a Business Day, or on a day which is not a Business Day, the notice shall be deemed to have been received at 9 am on the non Business Day.

(B) Addresses and fax numbers of the parties are:

(a) In the case of the Lender:

Attn: Mohan Raj Abraham  
Address: 19. Koppel Road #09-05, Jit Poh Building  
(i) Singapore 089058  
Fax: +65 6323 0291  
Email: [mohanZabraliamlaweffiee.com](mailto:mohanZabraliamlaweffiee.com)  
and

Attn: Janet Cowgill  
Address: Wind Fields  
(ii) 39850 Sniekersville Turnpike  
Middleburg VA 20117  
Fax: 703 940 4282  
Email. [janncowgill@aol.com](mailto:janncowgill@aol.com)

b) In the case of the Chargor:

Attn: Anthony Harisson  
Address: 135 Joo Seng Road #2-01,  
(i) Singapore 368363  
Fax: +65 6338 5373  
Email: [aharrison@astratagroup.com](mailto:aharrison@astratagroup.com)

or such other address or facsimile number as may be notified in writing from time to time by the relevant party to the other party.



(C) Each party may change its address from time to time, provided notice of such change of address is provided to the other party in accordance with this Clause.

(D) Certification: Any document to be delivered to the Lender under the Transaction Documents shall be signed or certified by a director or authorised signatory) of the Chargor.

26. PARTIAL INVALIDITY

The illegality, invalidity or unenforceability of any provision of this Debenture under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

27. COUNTERPARTS

This Debenture may be signed in any number of counterparts, all of which taken together when delivered to the Lender shall constitute one and the same instrument. Any party may enter into this Debenture by signing any such counterpart.

28. GOVERNING LAW AND JURISDICTION

(A) Governing Law : This Debenture shall be governed by and construed in accordance with the laws of Singapore.

(B) Jurisdiction :

- (i) The courts in Singapore have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture including disputes regarding the existence, validity or termination of this Debenture, (“Dispute”);
- (ii) The parties agree that the courts of Singapore are the most appropriate and convenient courts to settle any Disputes and accordingly no party will argue to the contrary.

(This space is intentionally left blank)

IN WITNESS WHEREOF the Chargor has caused its Common Seal to be hereunto affixed and the authorised representative of the Lender has set his hand, the day and year first above written.

THE CHARGOR

the Common Seal of  
ASTRATA (ASIA PACIFIC) PTE LTD  
was hereunto affixed in  
the presence of:

\_\_\_\_\_ DIRECTOR

\_\_\_\_\_ SECRETARY

THE LENDER

Signed by MOHAN R. ABRAHAM, Director  
for and on behalf of  
FAME TRADING LTD. the presence of:

Tavil Selvi Kvishnaroy  
Abraham Advocates and Solicitors

ASTRATA (SINGAPORE) PTE LTD

as Chargor

And

FAME TRADING LTD.

as Lender

DEBENTURE

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### Execution Copy

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THIS DEBENTURE is made the 18th day of May 2009

**BETWEEN**

A. **ASTRATA (SINGAPORE) PTE LTD** (the "**Chargor**", which expression shall unless the context otherwise requires, include its successors and permitted assigns), a company incorporated in the Republic of Singapore and having its registered office at 135 Joo Seng Road #02-01, Singapore 368363.

**AND**

B. **FAME TRADING LTD** (the "**Lender**", which expression shall unless the context otherwise requires, include its successors and permitted assigns, a company incorporated in British Virgin Islands and having its registered office at Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.

**WHEREAS**

- (1) The Lender has, at the request of the Chargor, agreed to make available to the Chargor, inter alia, the Facility (as hereinafter defined) on the terms and conditions contained in the Transaction Documents (as hereinafter defined).
- (2) As a condition precedent to and security for the grant of the Facility. the Charger has agreed, inter alia, to execute a floating charge over the Charged Property (as hereinafter defined) in favour of the Lender, as security for the payment and repayment by the Charger of the Total Indebtedness (as hereinafter defined).

NOW THIS DEBENTURE WITNESSETH as follows:

1. **DEFINITIONS**

(A) **Interpretation** : In this Debenture, except to the extent that the context otherwise requires all words and expressions as defined in the Facility Agreement shall have the same meanings when used or referred to herein and in addition. the following words or expressions shall have the following meanings respectively.

"**Business Day**" means a day on which the banks are open for business in United States of America and Singapore except Saturdays, Sundays and public holidays in the said countries;

"**Charged Property**" means the property and assets of the Chargor charged pursuant to Clause 3 hereof:

"**Event of Default**" means any one of the events mentioned in Clause 7 or any event or circumstance which, with the giving of any notice, and/or the lapse of any period of time, and/or the fulfilment of any other requirement could become in the view of the lender one of the events mentioned in that Clause;

"**Facility Agreement**" means the facility agreement to be executed by the Lender and the Borrower contemporaneously with the execution of this Debenture;

"**Lien**" means any mortgage, deed of trust, charge, pledge, lien, attachment, encumbrance or other security interest or any segregation of assets or revenues or other preferential arrangement (whether or not constituting a security interest and whether or not enforceable in law) with respect to any present or future assets. revenues or rights to the receipt of income of the party referred to in the context in which the term is used;

"Receivables" means all rights now owned or hereafter acquired or created, to payment under any contract not yet earned by performance, all book debts, invoice debts, contract rights, accounts, notes, bills, acceptances and other forms of obligation raised by or owing to the Chargor (including all rights to receive pay-merits under presently existing or hereafter acquired or created letters of credit) or by virtue of goods sold or leased, services rendered whether or not evidenced by any writing, and all extensions and renewals of any of the above;

"Total Indebtedness" has the meaning ascribed to it in the Facility Agreement;

"Facility" has the meaning ascribed to it in the Facility Agreement; and

"Transaction Documents" has the meaning ascribed to it in the Facility Agreement.

(B) Miscellaneous :

- (i) References to the "Debenture" include references to any deed or other document executed in order to perfect the security hereby constituted or in pursuance of any of the provisions contained or incorporated herein;
- (ii) Any reference to a "Receiver" includes a reference to a "Receiver and Manager" or "Manager";
- (iii) Words importing the singular number include the plural number and vice versa, and words importing a particular gender include any other gender;
- (iv) The words "hereof", "hereon" and "hereunder" and words of similar import refer to this Debenture as a whole and not to any particular provision of this Debenture;
- (v) The headings to the Clauses hereof shall not be deemed to be a part thereof or be taken in consideration in the interpretation or construction thereof or of this Debenture;
- (vi) References herein to Clauses, Schedules and Appendices are references to Clauses, Schedules and Appendices of this Debenture;
- (vii) References to documents include amendments, modification, variations, replacements and supplements thereto;
- (viii) References to statutes and other legislation include re-enactments and amendments thereof and include any subordinate legislation made under any such statute;
- (ix) References to a party include its permitted assigns and transferees and its successors in title; and
- (x) References to a "person" includes any individual, company, corporation, firm partnership, joint venture, association, organisation, trust, state or agency of a state (in each case, whether or not having separate legal personality).

2. **FACILITY**

- (A) Subject to the provisions of the Transaction Documents, the Lender hereby agrees to make available to the Chargor the Facility in accordance with the terms of the Facility Agreement.
- (B) The Charger hereby covenants and undertakes that it will duly pay to the Lender the Total Indebtedness.

3. **CHARGE**

- (A) Floating Charge : The Chargor as beneficial owner, and as a continuing security for the payment and discharge of the Total Indebtedness and for the observance and performance by the Chargor of all its obligations to the Lender under or in connection with the Facility, hereby charges and agrees to charge in favour of the Lender by way of FIRST FLOATING CHARGE the whole of the Chargor's undertaking and all its property and assets whatsoever and wheresoever present and future including all its present and future state, right, title and interest in and to all benefits accrued and to accrue to the Chargor in relation to its Receivables and cash at bank and all other book and other debts and monetary claims now or at any time hereafter due or owing (including without limitation, things in action which may give rise to any debt, revenue or claim) to the Charger in connection with or in relation to its Receivables together with the full benefit of all guarantees and securities therefor and indemnities in respect thereof and all Liens, reservations, rights of tracing and other rights and remedies enabling the Charger to enforce or obtain the Receivables or such cash at bank or any such debts or claims, or any crystallization of the floating charge hereby created, whatsoever and wheresoever present the undertaking, property, assets and rights comprised within the floating charge created by this clause hereinafter called the "**Charged Property**").

PROVIDED ALWAYS THAT from the date hereof the Charger is not to be at liberty to and shall not create any assignment, mortgage or charge upon and so that no Lien shall in any case or in any manner arise on or affect any part of the Charged Property either in priority to or *pari passu* with or ranking after the charges hereby created and further that the Chargor shall have no power without the prior consent of the Lender such consent not to be unreasonably withheld) in writing to:-

- (a) (save in favour of the Lender) create, extend or permit to subsist any mortgage or other fixed security, floating charge, pledge, hypothecation or Lien (other than a Lien arising in the ordinary course of business by operation of law) or other security interest of any kind, whether in any such case ranking in priority to or *pari passu* with or after the floating charge created by the Charger under the preceding provisions of this Clause 3(A); and/or

- (b) (save in the ordinary course of business) sell, transfer, assign or part with in any way or otherwise dispose of, whether by means of one or a number of transactions related or not and whether at one time or over a period of time, the whole or any part of the Charged Property, or enter into an agreement (other than an agreement conditional upon such consent or agreement of the Lender being obtained) for any such sale, transfer, assignment or other disposal.

- (B) Continuing Obligations: Notwithstanding anything in this Debenture to the contrary, all obligations of the Chargor in respect of the Charged Property shall continue to be the obligations of and shall be promptly and duly performed and complied with by the Chargor.

- (C) Rights and Privileges : The Charged Property shall be charged in favour of the Lender together with all rights and privileges connected therewith.

4. **POSITION OF OTHER SECURITY**

- (A) Debenture Not to Prejudice other Securities : This Debenture is in addition and without prejudice to nor shall it affect any other charge, mortgage, Lien, collateral, security or other instruments or letters of set-off which the Lender may now or hereafter hold from time to time from or on account of the Chargor nor shall such collateral or other security or any Lien to which the Lender may otherwise be entitled (including any security, charge or Lien prior to the date of this Debenture) or the liability of any person or persons not parties hereto for all or any part of the Total Indebtedness be in any way prejudiced or affected by this Debenture. The Lender shall have full powers and absolute discretion to deal with, exchange, release, vary, modify, omit, neglect or abstain from perfecting or enforcing any such collateral or other securities or other guarantees or rights which the Lender may now or hereafter have from or against such person or persons or to give time for payment or any indulgence to any such other person or persons without discharging or in any way affecting the Charger's liabilities or the Total Indebtedness or the security created hereunder. All moneys received by the Lender from the Chargor or any person or persons liable to pay the same may be applied by the Lender to any account or item of account or any transactions to which the same may be applicable.

- (B) Other Securities not to Prejudice Debenture : Nothing contained in any other charge, mortgage, Lien or security which the Lender holds or may at any time hold from the Chargor alone or jointly with any other person on any account whatsoever anywhere whether in or outside Singapore shall prejudice or affect this Debenture.

5. **CONTINUING SECURITY**

- (A) No Discharge by Part Payment : This security shall not be considered as satisfied by any intermediate payment or satisfaction of the whole or any part of the Total Indebtedness but shall constitute and be a continuing security to the Lender and extend to cover all or any of the Total Indebtedness.

- (B) Avoidance of Security : No assurance, security or payment which may be avoided under the Companies Act, Chapter 50 Singapore or under any other provision or enactment of any jurisdiction relating to bankruptcy, winding up, insolvency or any analogous proceedings and no release, settlement, discharge or arrangement which may have been given or made on the faith of any such assurance, security or payment shall prejudice or affect the right of the Lender to enforce the security provided hereunder to the full extent or to recover from the Charger to the full extent as provided for hereunder as if such payment, release, settlement, discharge or arrangement (as the case may be) had never been granted, given or made; and any such release, settlement, discharge or arrangement shall (as between the Lender and the Chargor be deemed to have been granted, given or made upon the express condition that it shall be wholly void and of no effect if the payment on the faith of which it was granted, given or made shall at any time thereafter be void under any such provision as referred to above so that thereafter the Lender shall be entitled to exercise all their rights hereunder against the Charger as if such release, settlement, discharge or arrangement had never been granted, given or made, if in the Lender's reasonable opinion there is a possibility that any such payment, release, settlement, discharge or arrangement may be void or avoided, the Lender shall be at liberty at its absolute discretion to retain the security so created as security for the Total Indebtedness for a period of six months after the Total indebtedness have been paid in full.

- (C) Security to Continue to be Valid and Binding : This security shall continue to be valid and binding for all purposes notwithstanding:-

- (i) any change by amalgamation, consolidation, reconstruction, merger, reorganisation or otherwise which may be made in the constitution of the company by which the business of the Lender may for the time being be carried on and shall be available to the company carrying on the business of the Lender for the time being; or
- (ii) the insolvency, liquidation or winding-up of the Charger (as the case may be) or any commencement of any of the foregoing; or
- (iii) any change in constitution, amalgamation, consolidation, reconstruction, merger or reorganisation of or affecting the Charger (as the case may be); or
- (iv) the illegality, invalidity or unenforceability of or any defect in any provision of any of the Transaction Documents, the Facility or any other security, guarantee or indemnity or any of the obligations of any of the parties thereunder; or
- (v) any other matter or thing whatsoever.

6. **COVENANTS AND UNDERTAKINGS**

(A) **Affirmative Undertakings:** The Charger hereby covenants and undertakes with the Lender that at all times during the continuance of the Transaction Documents and until the full and final discharge of all the Total Indebtedness, the Charger shall:-

(i) **Punctual Payment:** punctually pay all amounts due owing or remaining unpaid under the Transaction Documents on the due dates thereof and in accordance with the provisions of the Transaction Documents, and the Charger shall also duly observe, perform and comply with all the terms, conditions, obligations, undertakings, stipulations and covenants to be observed and performed and complied with by it in accordance with the Transaction Documents or any other documents called for by the terms of the Transaction Documents;

(ii) **Payments:** duly and punctually pay and discharge all rents rates assessments taxes and governmental charges and all outgoing and all charges payable in respect of its assets as soon as the same become due and in any event prior to the date on which penalties become attached thereto, unless and to the extent only that the same shall be contested in good faith and by appropriate proceedings and will produce to the Lender on demand all receipts for such payments and in default of payment or production as aforesaid it shall be lawful (but not obligatory) for the Lender to pay all or any of such rents rates assessments taxes and other outgoing and charges on behalf of the Charger and thereupon the sums so paid by the Lender shall on demand be repaid to the Lender, and the Charger will also make timely filings of all tax returns and governmental reports required to be filed or submitted under any applicable laws or regulations;

(iii) **Authorisations:** maintain in full force and effect all governmental consents, licences, authorisations, approvals, declarations, filings and registrations obtained or made in connection with the Transaction Documents and every document the execution and delivery of which is contemplated hereby (including without limitation foreign exchange and transfer permits regarding amounts due hereunder and thereunder) and take all such additional action as may be proper or advisable in connection therewith, and obtain or effect any new or additional governmental consents, licences, authorisations, approvals, declarations, filings or registrations as may become necessary for the performance of any of the terms and conditions of the Transaction Documents;

(iv) Adverse Change: promptly notify the Lender of any material adverse event or material change in its condition (financial or otherwise) and of any litigation, arbitration or administrative proceedings being threatened or initiated against it which is likely to affect materially and adversely its operations or financial condition, all such notification to be given to the Lender promptly upon the Chargor becoming aware of the said change or of the said litigation, arbitration or proceedings or threat thereof and the amount of contingent liability, if such amount is ascertainable;

(v) Notification: promptly inform the Lender of any Event of Default or any event or the receipt of any notice which may affect the fulfilment by the Chargor of any of its covenants or obligations hereunder, or may affect its ability to carry on its businesses or any application made or an order for the Chargor to be placed under judicial management or for the appointment of a judicial manager upon occurrence thereof;

(vi) Subordination: ensure that all shareholders' and/or directors' loans or advances save and except for bonds issued by the Chargor to their shareholders (including interest payment relating thereto), whether now or hereafter owing from time to time by the Chargor to any shareholder or director including all such shareholders' and/or directors' loans or advances owing prior to the date of this Debenture shall henceforth at all times be subordinated to the Facility hereof and will procure all of its shareholders enclitic directors which have granted such loans or advances to the Chargor to agree to subordinate their loans to the Facility hereof and to execute such deed of subordination in form and substance satisfactory to the Lender in favour of the Lender if the Lender so requires;

(vii) Insurance: at its own expense, effect and maintain or cause to be effected and maintained insurance over all its assets and property charged or to be charged to the Lender in connection with the Facility with reputable insurer(s), All policies and all endorsements, supplements or amendments thereto shall at the Lender's request be delivered to the Lender with the receipt for every premium payable in respect thereof seven (7) days prior to the expiry of such policies and in default of such delivery or production it shall be lawful (but not obligatory) for the Lender to renew and/or effect the insurance aforesaid in such sum as the Lender shall think fit at the Chargor's expense;

(viii) Further Acts: from time to time on reasonable request by the Lender do or procure the doing of all such acts and will execute or procure the execution of all such documents as the Lender may consider necessary or desirable for giving full effect to this Debenture and/or secure to the Lender the full benefits of all rights, powers and remedies conferred upon the Lender by this Debenture.

(B) Negative Undertakings: The Chargor undertakes that at all times during the continuance of the Transaction Documents and until the full and final discharge of all the Total Indebtedness it shall not, save and except with the prior written consent of the Lender, such consent not to be unreasonably withheld:-

(i) undertake or permit or effect any re-organisation, amalgamation, reconstruction, or any other schemes of compromise or arrangement or otherwise affecting its present constitution;

(ii) create or permit to arise or subsist or have outstanding any mortgage, charge (whether fixed or floating), pledge, hypothecation, lien (other than a lien arising by operation of law) or any other encumbrance or security whatsoever on or over the whole or any part of its properties or assets, both present and future whatsoever and wheresoever situate (including without limitation any factoring of the Chargor's Receivables);

(iii) permit or suffer any substantial change in the shareholding of the Chargor;

- (iv) lease, let out, sublet or otherwise part with possession of any of the properties charged to the Lender under the Transaction Documents;
- (v) make substantial alteration to the nature of its business or effect any alteration of the Chargor's Memorandum and Articles of Association relating to its borrowing powers or principal business;
- (vi) declare make or pay any dividend or other distribution (in cash or in kind, in respect of any of its share capital in, or in respect of, any financial year or period; and
- (viii) place the Lender in a less favourable position in relation to other lenders, whether banks or other financial institutions, in terms of security or support.

## 7. **EVENTS OF DEFAULT**

The Total Indebtedness (whether subject to any specific agreement or otherwise) shall at the option of the Lender (without giving prior notice become immediately due and payable upon the occurrence or declaration by the Lender of any of the following events:-

- (i) Non-payment: the Chargor fails to punctually pay the Total Indebtedness at such time and date as provided in the Transaction Documents; or
- (ii) Breach of warranty: any representation, warranty, covenant or statement made by the Chargor in any Transaction Document or in any document delivered under it now or at any later date is not complied with or is incorrect, misleading or untrue or ceases to be correct, accurate or true in any material respect; or  
Breach of obligation or undertaking: the Chargor commits or threatens to commit any breach of or fails to observe any of the obligations accepted or undertakings given by its execution and delivery of the Transaction Documents to which it is a party or any other document called for by the terms of the Transaction Documents or commits any breach of or fails to observe any of its obligations or undertakings under the Transaction Documents to which it is a part) or in the reasonable judgement of the Lender threatens or is likely to commit any breach of or threatens or is likely not to observe any of the obligations or undertakings of the Chargor under the Transaction Documents and in the case of such breach or failure which in the reasonable opinion of the Lender is capable of being remedied, the Chargor fails to remedy such breach or failure to the satisfaction of the Lender within 30 days of its occurrence; or
- (iv) Insolvency: the Chargor becomes insolvent is unable to pay its debts as they fall due, stops, suspends or in the reasonable judgment of the Lender, threatens to stop or suspend its business or payment of its debts, begins negotiations or takes any proceedings or other step with a view, to re-adjustment, rescheduling or deferral of its indebtedness or proposes or makes a general assignment or any statutory or other arrangement or composition with or for the benefit of its creditors or a moratorium is agreed or declared in respect of or affecting the indebtedness of the Chargor; or
- (v) Enforcement proceedings: a distress, writ of seizure and sale, attachment, encumbrance, execution or other legal process is levied, enforced or sued over on or against the assets of the Chargor; or
- (vi) Security enforceable: any present or future security on or over the assets of the Chargor becomes enforceable and any step (including the taking of possession or the appointment of a Receiver or similar officer) is taken to enforce that security; or
- (vii) Dissolution: any step is taken by any person for the dissolution (including judicial management) of the Chargor (including if a petition is presented, an order is made or a notice is given for the passing of a resolution for such dissolution (including judicial management)) (except for the purpose of and followed by a reconstruction, amalgamation or reorganisation on terms approved by the Lender before that step is taken): or for the appointment of a liquidator (including a provisional liquidator, a Receiver, judicial manager, trustee, assignee, administrator, agent or similar officer of the Chargor over any part of the assets of the Chargor; or



(viii) Change in ownership: any change occurs in the management, ownership or control of the Chargor or a significant portion of its assets, which in the reasonable opinion of the Lender constitutes a material adverse change affecting the financial condition or operations of the Chargor; or

(ix) Authorisation and consents: any governmental registration, consent, licence, authorisation, approval, act, condition or thing required in connection with the Transaction Documents (including without limitation required to ensure that the Transaction Documents are legal, valid and binding on the Chargor and any other party thereto, and admissible in evidence in the courts of Singapore). or any other document, the execution and delivery of which is contemplated therein, expires, is not done, complied with or obtained or is terminated, revoked modified or restricted in any way unacceptable to the Lender. or any certificate or opinion furnished under any Transaction Document is shown to have been false or misleading as of its date in any material impact; or

(x) Illegality: it is or will become unlawful for the Chargor or any party to the Transaction Documents to perform or comply with any one or more of its respective obligations under the Transaction Documents; or

(xi) Accounts: the audited accounts of the Chargor delivered to the Lender under paragraph 1.7 of Schedule 2 to the Facility Agreement are qualified in a manner or to an extent unacceptable to the Lender, or

(xii) Transaction Documents: any Transaction Document is not in full force and effect; or

(xiii) Legal proceedings: any suit or action of any kind whatsoever (whether criminal or civil) shall be instituted or threatened against the Chargor which may have a material adverse effect on the financial condition or business of the Chargor; or

(xiv) Analogous events: an event occurs which under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in this Clause 7; or

(xv) Compulsory Acquisition: any notice or proposal for compulsory acquisition of any property or assets issued or made which in the reasonable opinion of the Lender has or may have a material adverse effect on the Chargor; or

(xvi) Material adverse change: any event occurs or circumstance arises which, in the reasonable opinion of the Lender, gives grounds for believing that the Charger or any party to the Transaction Documents will or may not (or may be unable to) perform Or comply with any one or more of their respective obligations under the Transaction Documents or any other documents called for by the Transaction Documents or is otherwise in jeopardy and notice thereof is given to the Chargor.

## 8. **POWERS OF THE LENDER ON DEFAULT BY THE CHARGOR**

(A) Powers : Subject to the proviso in 8(B) below, if any Event of Default shall have occurred or is declared, the Lender shall be entitled to, inter alia, exercise all or any of the following powers. that is to say:-

(i) Payment of Total Indebtedness : the Lender may by prior written notice of 5 Business Days to the Charger declare the Total Indebtedness hereunder to be immediately due and payable. whereupon the same shall, notwithstanding any other provision of this Debenture, become so payable together with accrued interest thereon (including without limitation any default interest) and any other sums then owed by the Charger or hereunder without further demand, presentment, protest or other notice whatsoever. and without the consent, decree or authorisation of any court, all of which are hereby expressly waived by the Charger.

(ii) Cancellation of undisbursed Facility : the Lender may by written notice to the Charger, declare that any undisbursed portion of the Facility shall be cancelled whereupon the same shall be cancelled notwithstanding any subsequent action by the Charger to remedy any of the Events of Default; and/or

(iii) Give notice and sue for recovery: the Lender may from time to time at its discretion be at liberty to give any notice which may be deemed necessary by the Lender to any person or persons owing moneys to the Charger that all such moneys be paid to the Lender and the Charger hereby irrevocably appoints the Lender to be its attorney in fact to demand sue for recover and take all appropriate legal proceedings to recover such moneys and to give a good receipt for the same and to give such notices to the debtors of the Charger and to take all necessary steps to complete the assignment of such moneys to the Lender.

(B) Provided that no Event of Default under Clause 7 will occur if the failure to comply or breach is capable of remedy and is remedied within five (5) Business Days of the Lender giving notice to the Charger of the failure to comply or breach. Such notice shall include reasonable details of the non compliance or breach.

(C) Exercisable at Lender's Discretion : All or any of the rights, powers or remedies conferred by this Debenture shall be exercisable by the Lender at its discretion, or at any time and from time to time and in any order as may be determined by the Lender.

## 9. REPRESENTATIONS AND WARRANTIES

The Charger hereby represents and warrants to the Lender as follows:-

(i) Status: the Charger is a company with limited liability and was duly incorporated in the Republic of Singapore and is validly existing under the laws of the Republic of Singapore with the power and authority to own assets and to conduct the business which it conducts and/or purports to conduct;

(ii) Powers and authorisation: the Charger has full power and authority to carry on the business currently carried on by it, to borrow monies and to enter into, exercise its rights and perform its obligations under the Transaction Documents;

(iii) Valid and binding obligations: the Transaction Documents have been validly authorised by the appropriate corporate actions of the Charger and when executed and delivered will constitute legal valid and binding obligations of the Charger and are enforceable against the Charger in accordance with their respective terms;

(iv) Requirements fulfilled: all actions, conditions and things required to be taken, fulfilled and done (including without limitation the obtaining of any necessary consents and the like except for stamp duty on the Transaction Documents (where applicable) and any filings in relation thereto which will be done within the time agreed between the Lender and the Charger and in accordance with the requirements of the law) in order (i) to enable the Charger lawfully to enter into, exercise its rights and perform and comply with its obligations under the Transaction Documents, (ii) to ensure that the said obligations are legally binding and enforceable, and (iii) to make the Transaction Documents admissible as evidence in the courts of Singapore have been taken, fulfilled and done:

- (v) No material adverse effect: the Chargor has not committed, under any agreement to which it is a party or by which it is bound a default which might have a material adverse effect on the business, assets or financial condition of the Chargor;

- No litigation: save as disclosed by the Chargor to the Lender prior to the execution of this Debenture, there are no litigation, arbitration or administrative proceedings current or pending before any court or to the knowledge of the Chargor threatened against or affecting the Chargor and no proceedings are before any court, tribunal, government agency or administrative body pending or to the knowledge of the Chargor threatened against it which if adversely determined would materially and adversely affect the financial condition or operations of the Chargor or impair the rights of the Charger to carry on its business substantially as now conducted or the ability of the Chargor to observe and perform its obligations under the Transaction Documents, and to the best of the knowledge and belief of the Chargor, the Chargor has complied with all applicable laws statutes and regulations and with the requirements of all government authorities having jurisdiction over the Chargor;
- (vi)

- No dissolution: no legal procedure has been started nor have any legal proceedings been initiated or, to the best of the Chargor's knowledge and belief, threatened, for the dissolution, winding-up or reorganisation of, or for the appointment of a receiver, manager (including a judicial manager appointed under Part VIIIA of the Companies Act), trustee or similar officer of the Chargor or of any or all of its assets;
- (viii)

- Taxes: the Charger has filed all tax returns which it is required by law to file and has paid and discharged all taxes. assessments, fees and other governmental charges (other than payroll taxes in the aggregate sum of \$113,353.00) assessed against it or upon any of its assets or adequate reserves have been established for the payment thereof Provided that this sub-Clause shall apply only to tax returns or payments (described as aforesaid) where the failure to file such tax returns and/or make such payments might, in the reasonable opinion of the Lender, have a material and adverse effect on the business or financial condition of the Chargor;
- (viii)

- No Default: the Chargor is not in default in the payment or performance of any of its obligations for borrowed money and no Event of Default has occurred or is continuing or is anticipated;
- (ix)

- Compliance: neither the execution and delivery of the Transaction Documents nor the performance of any of the terms thereof will:-
- (x)

- (a) contravene or constitute a default under any provision contained in any agreement, instrument law, judgment, order, licence, permit or consent by which the Charger is bound or affected; or
- cause any limitation on the Chargor or the powers of its directors, whether imposed by or contained in its
- (b) Memorandum and Articles of Association or by-laws or in any law, judgment, agreement, instrument or otherwise, to be exceeded;

- No security : save as otherwise disclosed in the Accounting and Corporate Regulatory Authority and except for any security granted in favour of the Lender in relation to this Debenture, no security exists on or over the assets of the Chargor other than any lien arising by operation of law;
- (xi)

Repetition: each of the above representations and warranties will be correct and complied with in all respects so long as any  
(xii) sum remains to be lent or remains payable under this Debenture as if repealed then by reference to the then existing circumstances.

10. **APPOINTMENT OF RECEIVER**

(A) Appointment : At any time after (i) any of the Total Indebtedness shall have become payable under Clause 7 hereof or (ii) the Chargor shall have requested the Lender to appoint a Receiver hereunder. the Lender may appoint one or more persons to be a Receiver of the Charged Property.

(B) Removal : The Lender may (i) remove any Receiver previously appointed hereunder and (ii) appoint another person or other persons as Receiver or Receivers, either in the place of a Receiver so removed or who has otherwise ceased to act or to act jointly with a Receiver or Receivers previously appointed hereunder. If at any time and by virtue of any such appointment(s) any two or more persons shall hold office as Receivers of the same assets, each one of such Receivers shall be entitled (unless the contrary shall be stated in any of the deed(s) or other instrument(s) appointing them) to exercise all the powers and disc hereby conferred on Receivers individually and to the exclusion of the other or others of them.

(C) By Deed or in Writing : Every such appointment or removal, and every delegation, appointment or removal by the Lender in the exercise of any right to delegate powers or to remove delegates herein contained. may be made either by deed or by instrument in writing under the hand of any officer of the Lender or by any person authorised in writing in that behalf by any such officer.

11. **RECEIVER**

(A) Powers of Receiver : A Receiver so appointed shall be the agent of the Chargor and the Chargor shall be solely responsible for his acts and defaults and remuneration. Such Receiver shall have power:-

(i) Entry onto land: to enter into and take possession of or control any land or premises of the Chargor or any part thereof or collect and get in any Charged Property and for that purpose to take any proceedings in the name of the Chargor or otherwise as may seem expedient;

(ii) Carry on business: to carry on, manage or concur in carrying on and managing the business of the Chargor or any part thereof including the power where the Chargor has one or more subsidiaries of supervising controlling and financing such subsidiary or subsidiaries and its or their business or businesses and the conduct thereof and for any of those purposes to raise or borrow any money from the Lender or any other person to rank for payment in priority to the security constituted by or pursuant to this Debenture and with or without a mortgage or charge that may be required upon the security of the whole or any part of the Charged Property;

(iii) Call on shares : where any capital in respect of any such capital or shares of the Chargor is outstanding and uncalled to require the directors of the Chargor forthwith to call up all or so much of such uncalled capital of the Chargor and to enforce payment of calls so made and any previous unpaid calls by taking proceedings in the name of the Chargor or his own name or otherwise as may seem expedient and as may be sufficient to pay to the Lender all moneys then due and owing hereunder.

(iv) Sell or lease property : forthwith and without restriction to sell. lease, surrender or otherwise dispose of or agree in selling, leasing, accepting surrenders or otherwise disposing (obtaining only when and where necessary the leave of the Court) of the whole or any part

of the Charged Property (and for this purpose, to sever, if necessary, plant, machinery and other fixtures from the land) by public auction or by private contract on such terms and conditions as he may think fit, with power to vary any contract for sale and to resell without being answerable for any loss occasioned thereby; any such sale may be for cash, shares or stocks, debenture stock or other valuable consideration to be paid or satisfied at such time or times as the Receiver shall think fit;

(v) License property : to lease, let, hire and license or agree in leasing, letting, hiring and licensing or accept surrenders of leases, tenancies or licences of all or any part of the land and premises of the Charged Property and assets on such terms and for such consideration as he may deem fit;

(vi) Arrangement or compromise: to make any arrangement or enter into any compromise which he shall think expedient;

(vii) Repair property: to repair and keep in repair and make and effect all or any improvements of the Charged Property and assets and for this purpose to apply in the name of the Chargor for such licences or approvals as may be required by any law or regulation and to take out maintain and renew all insurances in respect of the Charged Property and assets against loss or damage by fire or any other risk as he shall think fit;

(viii) Employ professional advisers: to employ, engage, appoint and terminate the services of such managers and other employees and professional advisers or otherwise on such terms and conditions as to remuneration or otherwise as he shall think fit including without limitation the power to engage his own firm in the conduct of the receivership;

(ix) Acquire share capital : to promote or otherwise acquire the share capital of any body corporate with a view to such body corporate becoming a subsidiary of the Chargor and purchasing, leasing or otherwise acquiring an interest in the whole or any part of the Charged Property or carrying on any business in succession to the Chargor or any subsidiary of the Chargor;

(x) Take proceedings: to take or defend proceedings in the name of the Chargor including proceedings for the compulsory winding-up of the Chargor and to submit to arbitration, negotiate, compromise, abandon and settle any claims and proceedings concerning the Charged Property and to demand, receive, give valid receipt for or discharge the same;

(xi) Incidental acts: to execute and do all such acts, deeds and things as to him or the Lender may appear incidental or conducive to any of the powers vested in him or to be conducive to the realisation of the security constituted by or pursuant to this Debenture and which he lawfully may or can do as agent for the Chargor; and

(xii) General: generally to do or cause to be done such acts or things which the Chargor may have done in the ordinary conduct of its business for the protection as well as for the improvement of the Charged Property.

(B) Consideration for Sale or Disposal: In making any sale or other disposal of any of the Charged Property in the exercise of their respective powers (including a disposal by the Receiver to any such subsidiary as is referred to in sub-Clause (A) above) the Receiver or the Lender may accept, as and by way of consideration for such sale or other disposal, cash, shares, loan capital or other obligations, including without limitation consideration fluctuating according to or dependent upon profit or turnover and consideration the amount whereof is to be determined by a third party. Any such consideration may be receivable in a lump sum or by instalments and upon receipt by the Receiver shall ipso facto be and

become charged with the payment of the Total Indebtedness. Any contract for any such sale or other disposal may contain conditions excluding or restricting the personal liability of the Receiver or the Lender. Plant, machinery and other fixtures may be severed and sold in the exercise of their respective powers by the Receiver or the Lender separately from the premises to which they are attached without any consent being obtained from the Charger.

12. **POWER OF ATTORNEY**

(A) **Appointment** : The Chargor hereby irrevocably appoints any and every Receiver appointed as aforesaid and his substitute or substitutes the attorney' or attorneys in fact of the Chargor when more than one jointly and severally and on its behalf and as its acts and deeds to execute, sign, seal and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which may be required or may be deemed proper for any of the purposes set out in the preceding Clause 11 hereof and with power for such attorney or attorneys to appoint or remove any substitute or substitutes.

(B) **Ratification**: The Chargor hereby declares that such power of attorney has been given for valuable consideration and shall be and remain irrevocable for as long as any part of the Total Indebtedness remains unpaid or outstanding. The Charger hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney appointed pursuant to paragraph (A) above shall do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in paragraph (A) above.

13. **APPLICATION OF MONIES BY RECEIVER**

(A) **Order of Application** : All monies received by any Receiver appointed under this Debenture shall (subject to the rights and claims of any person having a security ranking in priority to the security constituted by or pursuant to this Debenture) be applied in the following order:-

- (i) in the payment of the costs, charges and expenses of and incidental to the Receiver's appointment and the payment of his remuneration;
- (ii) in the payment and discharge of any liabilities incurred by the Receiver on the Chargors behalf in the exercise of any of the powers of the Receiver;
- (iii) in or towards payment of any debt or claim which are by statute payable in preference to the Total Indebtedness but only to the extent to which such debt or claim have such preference;
- (iv) in or towards the satisfaction of all interest remaining unpaid on the Total Indebtedness owing to the Lender;
- (v) in or towards the satisfaction of all Total Indebtedness owing to the Lender; and
- (vi) any other fees or expenses accruing hereunder,

and any surplus shall be paid to the Chargor or other person entitled thereto.

(B) **Remuneration**: Every Receiver so appointed shall be entitled to reasonable remuneration for his services at a rate to be fixed by agreement between him and the Lender (or, failing such agreement, to be fixed by the Lender) appropriate to the work and responsibilities involved upon the basis of charging from time to time adopted in accordance with his current practice or the current practice of his firm.

(C) **Application** : Only monies actually paid by the Receiver to the Lender in satisfaction or discharge of the

Total Indebtedness shall be capable of being applied in satisfaction thereof.

(D) No Liability: Save as aforesaid the Lender shall be under no liability whatsoever to the Receiver for his remuneration, costs, charges, expenses or otherwise.

(E) Exclusions : The provisions of Sections 29(6) and (8) of the Conveyancing Law of Property Act, Chapter 61, 1994 Revised Edition Singapore shall not apply to this Debenture.

14. **APPOINTMENT OF RECEIVER NOT AFFECTING OTHER POWERS**

The powers of appointment of a Receiver hereunder shall be in addition to and not to the prejudice of any statutory and other powers (whether of sale, receiving rents, distraining for rents or otherwise) of the Lender or otherwise and so that such powers shall be and remain exercisable by the Lender in respect of any of the Charged Property and of which no appointment of a Receiver by the Lender shall from time to time be subsisting and that notwithstanding that an appointment under the provisions hereof shall have subsisted and been withdrawn in respect of that property or assets or shall be subsisting in respect of any other Charged Property.

15. **APPOINTMENT OF LENDER AS ATTORNEY IN FACT**

(A) Appointment : The Chargor hereby irrevocably appoints the Lender and any attorney in fact for the time being of the Lender its attorney in fact and in its name and on its behalf and as its acts and deeds or otherwise to sign, seal, deliver and otherwise perfect any such legal or other mortgages, charges, assignments, transfers or agreements as aforesaid or (without executing any such mortgage) any deed, assurance, instrument or act which may be required or may be deemed proper or expedient for the full exercise of all or any of the powers hereby conferred on the Lender or the Receiver for the purposes of enforcing or realising this security.

(B) Ratification : The Chargor hereby declares that such power of attorney has been given for valuable consideration and shall be and remain irrevocable for as long as any part of the Total Indebtedness remains unpaid or outstanding. The Charger hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney appointed pursuant to paragraph (A) above shall do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in paragraph (A) above.

16. **NO ENQUIRY BY THIRD PARTY**

Any person dealing with the Lender or any of its delegates or the Receiver appointed hereunder shall not be bound to see or enquire whether any event has happened upon which any of the powers contained in this Debenture are or may be exercisable by the Lender or the Receiver or otherwise as to the propriety or regularity of any exercise thereof or any act purporting or intended to be an exercise thereof or whether any money remains owing upon this security or be concerned to see whether any such delegation shall have lapsed for any reason or been revoked.

17. **WAIVER NOT TO PREJUDICE RIGHTS OF THE LENDER**

The Lender may from time to time and at any time waive either unconditionally or on such terms and conditions as it may deem fit any breach by the Chargor of the covenants, undertaking, stipulations, terms and conditions contained in the Transaction Documents and any modification thereof but without prejudice to any power, right and remedy for enforcement thereof. provided that:-

- (i) no neglect or forbearance of the Lender to require and enforce payment of any money under any Transaction Document or the performance and observance of an covenant, undertaking, stipulation, term and condition contained in any Transaction Document. nor any time which may be given to the Chargor or any person shall in any way prejudice or affect any of the rights, powers or remedies of the Lender at any time afterwards to act strictly in accordance with the provisions hereof; and
- (ii) no such waiver of any breach as aforesaid shall prejudice the rights of the Lender in respect of any other or subsequent breach of any of the covenants, undertakings, stipulations, terms or conditions aforesaid.

18. **INDULGENCE**

(A) Time : The liability of the Chargor hereunder shall not be impaired or discharged by reason of any time or other indulgence being granted by or with the consent of the Lender to any person who or which may be in any way liable to pay any of the Total Indebtedness or by reason of any arrangement being entered into or composition accepted by the Lender modifying the operation of law or otherwise its rights and remedies under the provisions of any Transaction Document.

(B) Abstention : The Lender may at any time or times without discharging or in any way, affecting the security created by or pursuant to this Debenture or any remedy in respect of such security grant to the Chargor time or indulgence or abstain from asserting, culling, exercising or enforcing any remedy, security, guarantee or other rights which it may now or hereafter have from or against the Chargor.

19. **RIGHTS OF THE LENDER**

(A) Set-Off : The Chargor authorises the Lender (who shall not be obliged) to apply at any time and without prior notice to the Chargor, any credit balance (whether or not then due) to which the Chargor is at any time beneficially entitled to any account of the Chargor at any, office of the Lender (whether in Singapore or elsewhere) in or towards the immediate satisfaction of any part of the Total Indebtedness whether matured or otherwise, whether contingent, unliquidated or joint and whether expressed in a currency different from the currency of the account of the Chargor. and unpaid\_ For that purpose, the Lender is authorised to (i) withhold payment of all or an) part of such credit balance and/or (ii) use all or any pan of any such credit balance to buy such other currencies as may be necessary to effect such application. The Lender's rights under this Clause, which shall be without prejudice and in addition to any right of set-off, combination of accounts, Lien or other right to which it is at any time otherwise entitled (whether by operation of law, contract or otherwise).

(B) Right to Debit : If any of the Total Indebtedness shall not be paid on the due date thereof the Lender shall be at liberty forthwith or any time thereafter to debit the same to any account of the Chargor then current without prejudice to the rights and remedies of the Lender against the Chargor and any other party liable to the Lender for the same and also without prejudice to any right of the Lender under this Debenture.

(C) Right of Consolidation :

- (i) The provisions of Section 21(1) of the Conveyancing and Law or Property Act. Chapter 61, 1994 Revised edition. (restricting the right of consolidation) shall not apply to this Debenture.

(ii) Without prejudice to any equitable right of consolidation it is hereby declared that no property of the Charge which at the date hereof is or which at any time hereafter shall become subject to a mortgage or charge in favour of or vested in the Lender shall be redeemed except on payment not only of all moneys secured thereby but also of all the Total Indebtedness.

20. **PAYMENT**

(A) Manner of Payment: Unites otherwise provided in this Debenture or otherwise specified by the Lender, payments to be made by the Charger to the Lender under this Debenture, including all repayments of principal and payments of interest and any other sums due from the Charger, shall be made by wire transfer in USD to the Lender at [please provide account details for wire transfer] or to such account or at such other address as the Lender may designate from time to time.

(B) Non-Business Day: Any payment to be made by the Chargor on a day which would otherwise be due on a non-Business Day shall instead be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is none), and all calculations of interest shall be adjusted accordingly.

(C) Free and Clear Payments: Clause 10 of the Facility Agreement shall apply.

(D) Payments to be in Gross : All moneys received by the Lender from the Chargor or from any other person or estate or parry capable of being applied in reduction of the Total Indebtedness shall be regarded for all purposes as payments in gross and if the Chargor or any person or party shall become bankrupt or insolvent or be wound up (either by order of court or by an effective resolution for winding up) the Lender may prove against the Chargor or any such other person or party for the whole of the moneys then owing and no money received under such proof shall be considered as received in respect of this Debenture but the full amount of the Total Indebtedness shall be payable until the Lender have received from all sources one hundred cents in the dollar and if the amount ultimately. received by the Lender shall exceed the amount of the ultimate balance owing to the Lender the excess only over such ultimate balance shall be repaid to the person or party on whose account the same shall have been received by the Lender.

21. **REMEDIES AND WAIVERS**

Neither the failure to exercise nor any delay in exercising on the part of the Lender any right or remedy her shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy.

22. **INDEMNITY**

(A) Indemnity : The Chargor acknowledges that the Facility is granted and extended by the Lender on the terms and conditions of the Transaction Documents and the security created therein. In connection therewith and without prejudice to any of the provisions herein, the Chargor shall keep the Lender fully and effectively indemnified from and against. all actions, losses, claims, proceedings, costs. demands or liabilities which may be suffered or incurred by the Lender under or by virtue of the Charged Property. this Debenture and/or by virtue of the Lender granting to the Chargor any part of the Facility.

(B) Tax Indemnity : Without prejudice to the provisions of any Transaction Document, if the Lender is required by law to make any payment, whether on account of tax (not being a payment of tax on its overall net income) or otherwise, on or calculated by reference to any sum received or receivable by it under any Transaction Document or any liability in respect of any such payment is asserted imposed, levied or assessed against the Lender as a consequence of any credit, deduction or refund obtained by the

Lender in respect of interest paid under any Transaction Document being disallowed, the Chargor will on demand pay to that Lender free and clear of all withholdings and deductions an amount sufficient to indemnify it against such payment or liability, together with any interest, penalty and expense payable or incurred in connection therewith.

(C) Currency Indemnity :

- (i) In respect of any sum payable by the Chargor under or in connection with any Transaction Document (and any damages in relation thereto). USD (the "Currency of Account") shall be the sole currency of account and payment.

Any amount received or recovered in a currency other than the Currency of Account (whether as a result of, or of the enforcement of, a judgment or order of court of any jurisdiction, in the dissolution of the Chargor or otherwise) by the Lender in respect of any sum expressed to be due to it from the Chargor under any Transaction Document shall only

- (ii) constitute a discharge to the Chargor to the extent of the amount of the Currency of Account which the recipient is able, in accordance with its usual practice, to purchase with the amount so received or recovered in that currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

- (iii) If that amount in the Currency of Account is less than the amount of the Currency of Account expressed to be due to the recipient under any Transaction Document, the Chargor shall indemnify it against any loss sustained by it as a result. In any event, the Chargor shall indemnify the recipient against the cost of making any such purchase.

- (D) Indemnities Separate and Independent: Each of the indemnities in this Debenture constitutes a separate and independent obligation from the other obligations in this Debenture, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Lender and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Debenture or any judgment or order. No proof or evidence of any actual loss may be required.

23. CALCULATIONS

- (A) Basis of Calculation : All interest and fees shall accrue from day to day and shall be calculated on the basis of a year of 365 days and the actual number of days elapsed.

24. ASSIGNMENT

- (A) Benefit and Burden of this Debenture : This Debenture shall benefit and be binding on the parties, their respective successors and any permitted assignee or transferee of some or all of a party's rights or obligations under this Debenture. Any reference in this Debenture to any party shall be construed accordingly.

- (B) Chargor: The Chargor may not assign or transfer all or any part of its rights or obligations under this Debenture.

- (C) Lender :

- (i) The Lender may assign or transfer all or any part of its rights and/or obligations under this Debenture without the consent of the Chargor. Any such assignment or transfer shall after such assignment or transfer be notified in writing by the Lender to the Chargor.

- Any such assignee or transferee shall be and be treated as a Lender for all purposes of each Transaction Document and shall
- (ii) he entitled to the full benefit of each Transaction Document to the same extent as if it were an original party in respect of the rights and obligations assigned or transferred to it.

25. **NOTICES AND DISCLOSURE**

(A) Any notice or other communication given under this Debenture shall be in writing and shall be served by delivering it personally or sending it by registered post or by registered airmail (if posted to a country other than where the serving Party is located) or courier or facsimile transmission to the address or electronic transmission to the answerback address and for the attention of the relevant party. Any such notice shall be deemed to have been received:

- a) if delivered personally, at the time of delivery;
- b) in the case of registered post or by courier, 48 hours from the date of posting or dispatch ;
- c) in the case of registered airmail, 5 days from the date of posting; and
- d) in the case of facsimile or electronic transmission, at the time of transmission

Provided that if deemed receipt occurs before 9 am on a Business Day the notice shall be deemed to have been received at 9 am on that day. and if receipt occurs after 5 pm on a Business Day, or on a day which is not a Business Day, the notice shall be deemed to have been received at 9 am on the next Business Day.

(B) Addresses and fax numbers of the parties are:

a) In the ease of the Lender:  
i) Attn: Mohan Raj Abraham  
Address: 19. Koppel Road #09-05, Jit Poh  
Building  
Singapore 089058  
Fax: +65 6323 0291  
Email: mohan@Abrahamlawoffice.com

and  
ii) Attn: Janet Cowgill  
Address: Wind Fields  
39850 Snickersville Turnpike  
Middleburg VA 20117  
Fax: 703 940 4282  
Email: jancowgill@aol.com

b) In the case of the Chargor:  
Attn: Anthony Harisson  
Address: 135 Joo Seng Road #02-01, Singapore  
368363  
Fax: +65 6338 5373  
Email: aharrison@astratagroup.com

or such other address or facsimile number as may be notified in writing from time to time by the relevant party to the other party.

(C) Each party may change its address from time to time, provided notice of such change of address is provided to the other party in accordance with this Clause.

(D) Certification: Any document to be delivered to the Lender under the Transaction Documents shall be signed or certified by a director or authorised signatory of the Chargor.

26. **PARTIAL INVALIDITY**

The illegality, invalidity or unenforceability of any provision of this Debenture under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

27. **COUNTERPARTS**

This Debenture may be signed in any number of counterparts, all of which taken together when delivered to the Lender shall constitute one and the same instrument. Any party may enter into this Debenture by signing any such counterpart

28. **GOVERNING LAW AND JURISDICTION**

(A) Governing Law: This Debenture shall be governed by and construed in accordance with the laws of Singapore.

(B) Jurisdiction :

(i) The courts in Singapore have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture including disputes regarding the existence, validity or termination of this Debenture ("Dispute");

(ii) The parties agree that the courts of Singapore are the most appropriate and convenient courts to settle any Disputes and accordingly no party will argue to the contrary.

(This space is intentionally left blank)

IN WITNESS WHEREOF the Chargor has caused its Common Seal to be hereunto affixed. and the authorised representative of the Lender has set his hand, the day and year first above written.

**THE CHARGOR**

The Common Seal of )  
**ASTRATA (SINGAPORE)** )  
**PTE LTD**  
was hereunto affixed in )  
the presence of: )

/s/ signature DIRECTOR

/s/ Choo Bee Eng SECRETARY  
Choo Bee Eng

**THE LENDER**

Signed by MOHAN R. ABRAHAM, Director  
for and on behalf of FAME TRADING LTD.  
the presence of:

/s/ Mohan R. Abraham

/s/ Tmyl Selvi Krishnaray

Tamil Selvi Krishnaray  
Abraham Advocdoesh  
Solicitors