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Company update – China

Arasor International Limited (ASX: ARR) wishes to advise that it has reached a resolution with the Company's Joint Venture partner, Guangzhou Nan Sha Assets Operation Co., Ltd ("NGAO"), that has resulted in the payment of all outstanding vendor payments due by the Company (with the exception of approximately 850K RMB, or ~ 125K USD sundry vendor creditors) and, importantly, the secured term loan in place with the Agriculture Bank of China, totaling approximately 116 Million RMB including outstanding interest. The transaction will involve the NGAO taking full ownership of the land and buildings presently owned by Arasor and NGAO pay the funds owed to the Agricultural Bank of China in full. To ensure the Company can still operate effectively to service Arasor GuangZhou's existing client base, the Company will also lease the facility back from NGAO. Simon Cao, the Company's CEO and Chairman, said "This resolution to the secured debt owed in China places Arasor in a significantly better financial position and contributes to the groups restructure".

About Arasor International Limited

Arasor International Limited develops and markets telecommunications and consumer optoelectronic solutions. Arasor aims to establish itself as leading Solutions Company serving global systems vendors in the network transport and the emerging laser-based display industries. Arasor's worldwide headquarters are located in Guangzhou China with operations in Tianjin, China and Yokohama, Japan

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