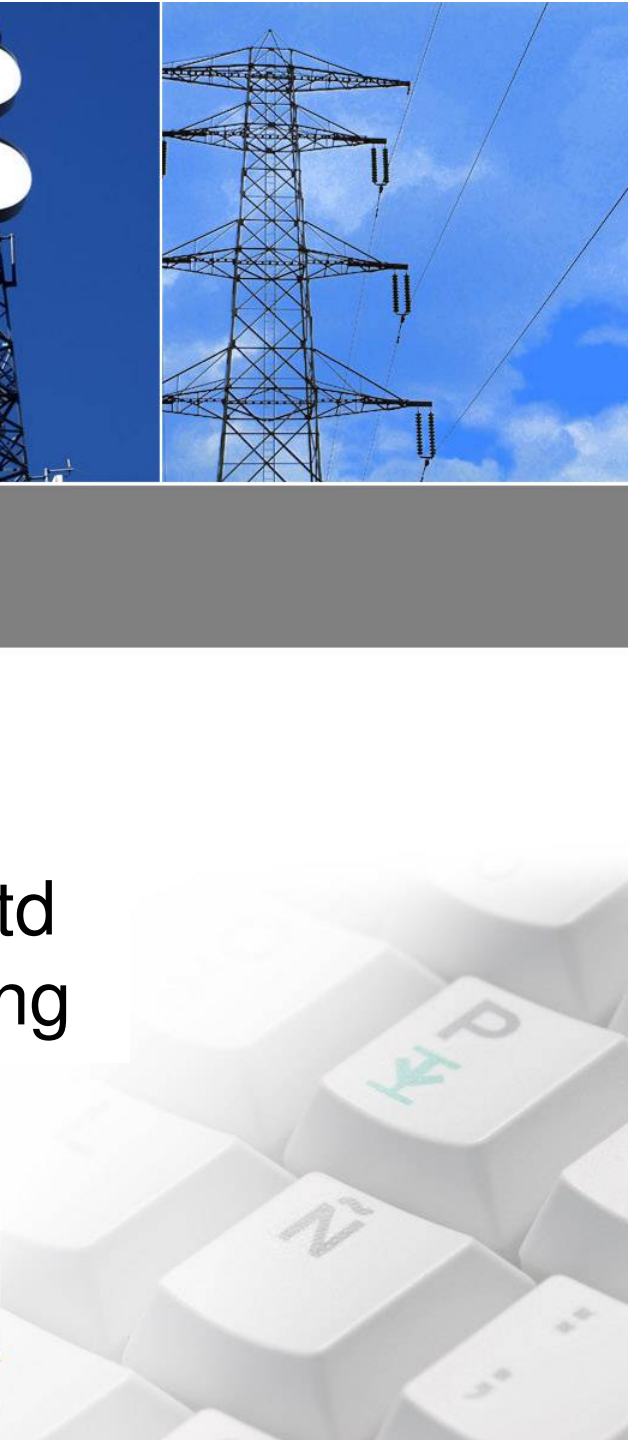


2009 AGM

February 25, 2011
Arasor International Ltd
Annual General Meeting



ARASOR



Agenda – 2009 AGM



- History
 - Status of the company going into the 2007 AGM
 - A reminder of stock price and trading volume

- 2009
 - Achievements
 - Summary

- Where are we now

- Future Actions

- Formal portion of the meeting

Status of the company going into the 2007 AGM



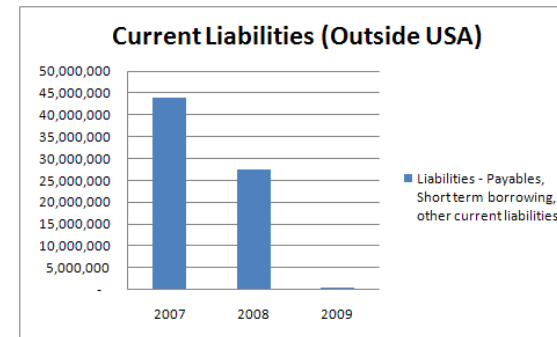
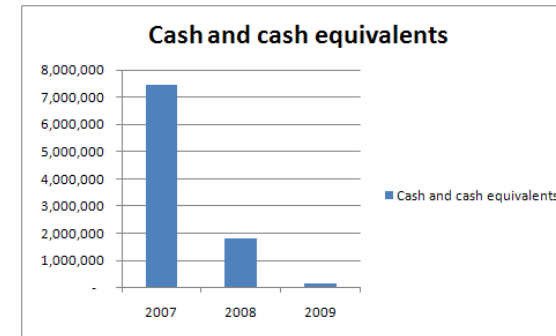
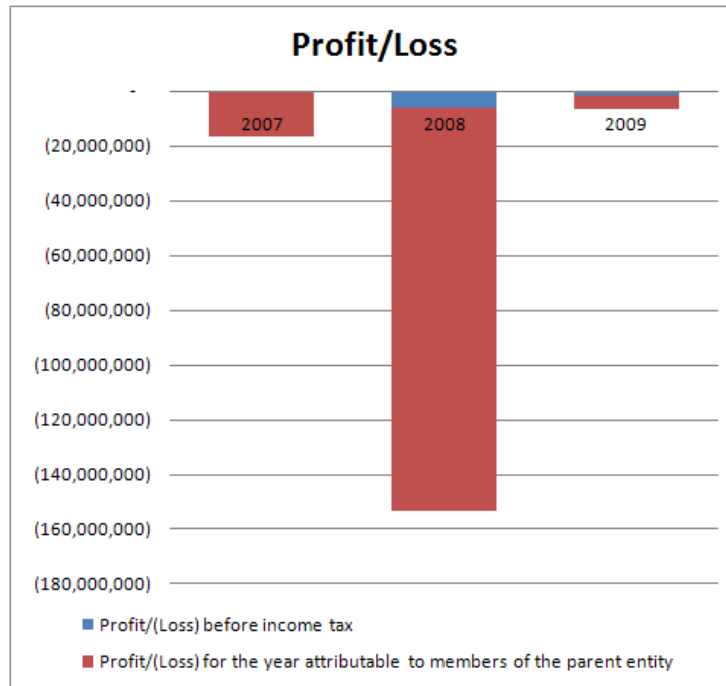
- Financial (4C) - March 31, 2008
 - Cash \$4.088m
 - **Decrease** in cash in March 2008 quarter - \$3.163m
 - Implies only a few MONTHS left of life
 - Secured debt of AUD\$24.5m
 - US and China
 - Wireless receivables in doubt
 - Small percentage collected in previous 12 months



AGM - May 15, 2008

- Raising Capital – Dilutions
 - Constant dilutions raising money from the market, buying companies with stock...AOFR, Novalux...
 - No appetite from shareholders to buy more
- Stock price
 - Fallen by 5X in previous 5 months and 17X in previous 15 months
 - Over a years worth of shares traded after the 4C came out before the AGM
- Every business unit losing money
 - Wireless, Consumer Optics, Optical Communications

Achievements (from annual reports)



- Significantly reduced massive loss
- Liabilities (Outside USA) taken down massively to approx. US\$500k
 - Outside of discontinued operations
- Over \$20M of secured debt paid off
- Only entity with debt is the USA
 - Working with the secured creditor



■ Principle Activities

- During the year the Group continued to pursue the possibility of making its joint venture with ZTE International (ZAT) in Tianjin in China operational
- Collection from outstanding Indian receivables and funding these principal pursuits by the sale of non-core assets.

■ Disposal of its loss making subsidiaries

- AOFR Pty Ltd
- Bandwidth Foundry Pty Ltd
- Disposal of the Group's remaining subsidiary in Japan
 - New owner failed to reach a conclusion with Arasor Guangzhou
- Arasor Guangzhou Joint Venture
 - Arasor Guangzhou and the and the Board decided in August 2010 to abandon its Guangzhou plant



- Arasor Guangzhou joint venture
 - Payment of the secured term loan in place in China with the Agricultural Bank of China
 - Resolution of the loan involved the payment of \$18 Million (RMB 116 Million) to the bank
 - NGAO has assumed ownership of the Company's land and buildings in Nansha

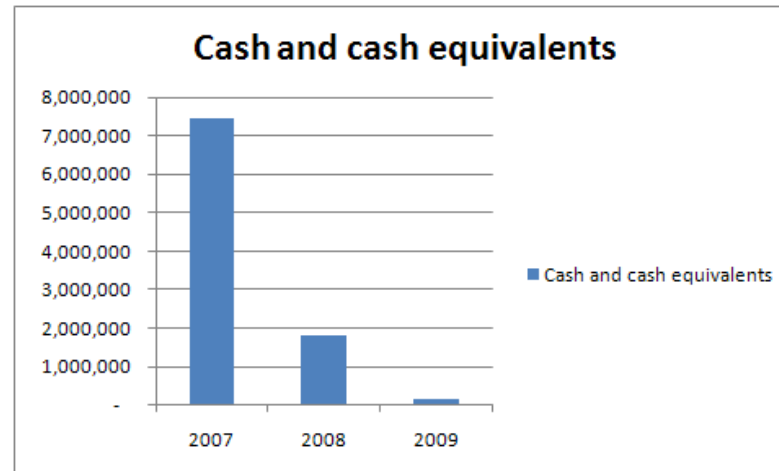
- Japan optical wafer production fabrication facility
 - Sold its Japan optical wafer production fabrication facility and assets to a US based multinational Company

GOING CONCERN



- The annual report for the Parent Entity and Consolidated Entity has been prepared on a going concern basis.
 - Notwithstanding this method of preparation, it is noted that the parent and group incurred a net loss of \$2,368,809 and \$5,385,783 respectively during the year ended 31 December 2009, and, as of that date, the parent and group's current liabilities exceeded its current assets by \$398,234 and \$26,992,608 respectively.
- The directors believe that the group continues to be a going concern, noting the following key issues:
 - The directors intend to place the Company's beneficially owned US subsidiary, Arasor Corporation Inc., into administration when sufficient working capital is available. Arasor Corporation is the only entity within the group at the date of signing this report that no longer trades as a going concern and is largely the reason for the group's net asset deficiency.
 - Dr. Simon Cao, ex-chairman of the Consolidated Entity had provided a personal guarantee in favor of Arasor Corporation Inc. to the remaining value of USD \$12 Million. The Consolidated Entity has commenced proceedings to call on the balance of this guarantee.
 - The Consolidated Entity is in an advanced stage of legal action in India to recover trade receivables of Arasor Corporation Inc. and other Indian receivables in excess of USD\$20M which were fully provided for as doubtful debts in the financial statements for the year ended 30 December 2008.
 - The debt holders in the US ('Sand Hill Capital') continues to work with the Company in relation to its secured debt. Whilst Sand Hill Capital's secured claim is limited to the assets of Arasor Corporation Inc., it has the ability to become an unsecured creditor in Arasor International Ltd.
 - As announced on 5 February 2010, the term loan in place with the Agricultural Bank of China has been settled by way of an asset swap

Where are we now?



- The Board recognizes that the company's cash position is low and has taken all commercially reasonable actions to reduce expenses
- The board will continue to monitor the situation of collecting monies
 - Dr. Cao. (guarantee) - We are continuing to pursue and in contact with Australian lawyer
 - Indian receivables – Continuing to use lawyers in India and use the legal process
- If at any time the board determines that the Company's cash position falls to a level where the Company can no longer operate, then the Company will seek the services of a liquidator and voluntarily liquidate the Company.

Future Actions



- Company will not have sufficient cash to continue in the near future
 - Choices are voluntary liquidation (very soon) or
 - Trying to negotiate a recapitalization and allow another company to do a “back door listing” (BDL)

- We believe that a recapitalization followed by a “BDL” will maximize the value for shareholders, however, this requires
 - Agreement with secured creditor and others
 - Significant work by the board

- The company will complete the negotiations/investigation and determine if this is possible

- Everyone will be kept informed via the ASX web site



Over to the formal Portion of the Meeting

Proxy details



- Resolution 1 - To adopt the remuneration report
 - Votes for 7,962,293
 - Votes against 2,948,557
 - Votes with chairman 653,584

- Resolution 2 – Ratification of a previous issue of options
 - Votes for 7,701,456
 - Votes against 3,434,218
 - Votes with chairman 664,084

- Resolution 3 – To delist the Company has been removed from today's agenda