



**Arasor**  
INTERNATIONAL LIMITED

**ACN 119 999 441**

**NOTICE OF EXTRAORDINARY GENERAL  
MEETING OF SHAREHOLDERS AND  
EXPLANATORY STATEMENT**

**For an Extraordinary General Meeting of Shareholders to be held on**

**Tuesday, 26 November 2013 at 11.00am (AEDT) at  
Nicols and Brien, Level 2, 350 Kent Street, Sydney, New South Wales, Australia**

## LETTER TO SHAREHOLDERS

Dear Shareholder

23 October 2013

As you may be aware, on 26<sup>th</sup> February 2009, the shares of Arasor International Limited (the "**Company**") were suspended from trading on the official list of the Australian Securities Exchange ("**ASX**").

On 17 May 2011, Stephen Robert Dixon and Laurence Andrew Fitzgerald were appointed Joint and Several administrators of the Company. The original proposal for the recapitalisation of the company was put forward by RAK Capital on 21 July 2011.

The Company entered into a deed of company arrangement on 17 August 2011 ("**DOCA**"). Pursuant to the terms of the DOCA, Stephen Robert Dixon and Laurence Andrew Fitzgerald became deed administrators of the Company ("**Deed Administrators**").

The company subsequently entered into an amended Deed of Company Arrangement and a Creditors Trust on 9 September 2011 ("Creditors Trust"). Pursuant to the terms of the Creditors Trust, Stephen Robert Dixon and Laurence Andrew Fitzgerald became Joint and Several Trustees of the Creditors Trust ("Trustees"). The company was released from DOCA on 9 September 2011.

On 12 April 2013, the Trustees notified the Australian Securities Exchange that the Original Proposal was not able to be completed by the proponent.

A new proposal from a different investment group, represented by Benelong Capital Partners Pty Ltd ("**Benelong**"), for the restructure and recapitalisation of the Company was submitted to the Company on or about 30 April 2013 ("**Recapitalisation Proposal**").

The beneficiaries of the Creditors Trust are required to agree to the amendment of the terms of the Creditors Trust in line with the submitted Recapitalisation Proposal put forward by Benelong. The Creditors Trust will be amended shortly in order to effect the terms of the Recapitalisation Proposal ("Creditors Trust").

The Benelong Recapitalisation Proposal requires, and is subject to, various approvals being obtained from the shareholders of the Company ("**Shareholders**") (such approvals being the "**Resolutions**"). A summary of the Resolutions being put forward at the meeting of Shareholders are as follows:

- (1) The Company to allot and issue to overseas, sophisticated, professional and exempt investors nominated by Benelong 237 million shares at an issue price of \$0.00187324894 per share to raise a total of \$443,960; and a further allotment of 154 million performance based options to raise \$1,540.00 ;
- (2) A new constitution be approved;
- (3) New directors be appointed to the Company, and existing directors resigning;
- (4) Change of company name ; and
- (5) Consolidation of the existing shares of the Company, immediately prior to the proposed issue in Resolution 2, on the basis of one share for each ten shares held.

Accordingly, we have called an Extraordinary General Meeting of the Company to consider the Resolutions ("**Meeting**"). The Meeting will be held at 11am (Sydney Time) at the premises of Nicols and Brien, Level 2, 350 Kent Street, Sydney NSW on 26 November 2013.

Enclosed with this letter are the Notice of Extraordinary General Meeting ("**Notice**"), the Explanatory Statement and an Independent Expert's Report prepared by Stantons International Securities ("**Report**").

The Recapitalisation Proposal is also subject to the following conditions ("**Conditions**"), summarised as follows:

---

- (a) the Resolutions being approved without amendment;
- (b) the Trustees amending the Creditors Trust (as defined in the Recapitalisation Proposal and effectuating the Creditors Trust in accordance with the terms of the Creditors Trust), and the company having no further obligations or commitments to the Creditors Trust;
- (c) Benelong paying the Promoter Contribution (as defined in the amended Creditors Trust) to the Trustees; and
- (d) the Trustees taking steps to procure that any creditors with a security interest with respect to the Company registered on the personal property securities register established by the *Personal Property Securities Act 2009* (Cth) ("**PPSR**") removes the registration of such security interest from the PPSR; and
- (e) the Creditors Trust remaining in operation until completion of all the Conditions.

If the Conditions are not met or if it is determined by the Trustee of the Creditors Trust and Benelong that the conditions cannot be fulfilled then the Trustees may take steps to place the Company into liquidation.

In considering the Resolutions, Shareholders should bear in mind the Company's current financial circumstances. As mentioned above, the Company's Shares have been suspended from trading on the ASX since 26 February 2009 and the Company requires recapitalisation in order to continue its operations and to seek reinstatement of its Shares to official quotation on the ASX.

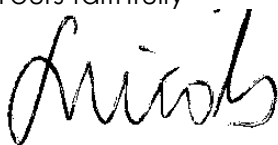
Ultimately, if the Resolutions are approved and implemented, the Company will be debt free, and in a position to seek opportunities to create Shareholder wealth.

Based on the information available and having regard to the Report, it would appear that the Recapitalisation Proposal is in the best interests of the Shareholders. On that basis, we consider that the Recapitalisation Proposal should be accepted by the Shareholders. We recommend the Resolutions be approved.

However, we make no representation or warranty whatsoever that the Recapitalisation Proposal will actually enhance Shareholder value. We have not considered the situation of any particular Shareholder. Each and every Shareholder should make their own enquiries to satisfy themselves on all aspects of the Recapitalisation Proposal. Details contained in this letter, the Notice, Explanatory Statement or Independent Experts Report do not constitute any representation by us.

Before voting on the Resolutions, Shareholders should consider the appropriateness of the Recapitalisation Proposal having regard to their own objectives, financial situation and needs including any taxation consequences, and carefully read the Independent Experts Report.

Yours faithfully



**The Board of Directors**  
**Arasor International Limited (ACN 119 999 441)**

23 October 2013

---

**ARASOR INTERNATIONAL LIMITED**  
**ACN 119 999 441**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

Notice is given that an Extraordinary General Meeting of Shareholders of Arasor International Limited (**Company**) will be held at Nicols and Brien, Level 2, 350 Kent Street, Sydney, New South Wales at 11.00 a.m. (AEDT or Sydney Time) on 26 November 2013 (**Meeting**).

For the purpose of regulation 7.11.37 of the Corporations Regulations 2001, the directors have determined that the shareholding of each Shareholder for the purposes of ascertaining their voting entitlements for the Meeting will be as it appears on the Company's share register at 7.00pm (Sydney Time) on 24 November 2013 (**the Entitlement Time**). Accordingly, only those persons registered as holders of Shares at the Entitlement Time will be entitled to attend and vote at the Meeting. Transactions registered after that time will be disregarded in determining Shareholders entitled to attend and vote at the Meeting.

The Explanatory Statement that accompanies and forms part of this Notice of Extraordinary General Meeting (**the Notice**) describes in more detail the matters to be considered at the Meeting (**Explanatory Statement**). In addition, the Explanatory Statement should be read in conjunction with the Independent Expert's Report prepared by Stantons International Securities that is contained in Annexure A to the Explanatory Statement.

Unless otherwise stated, all references to sums of money, '\$' and 'dollars' are references to Australian currency. Please refer to the glossary at the end of the Explanatory Statement accompanying this Notice for a glossary of terms and abbreviations used in this Notice.

**AGENDA**

**Resolution 1 – Consolidation**

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That subject to passing of Resolution 2, for the purposes of Section 254H of the Corporations Act and Listing Rule 7.20 and for all other purposes, approval is given for the Company's existing ordinary shares be consolidated on a one for ten basis, ("**Consolidation**"), with any fractions rounded up".

**Resolution 2 – Allotment and Issue of Shares and Options**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolution 1, 3, 4, 5, 6 and 7 for the purposes of Item 7 of Section 611 of the Corporations Act and for all other purposes, approval is given to the Company to allot and issue to:*

- (a) *Mr Choon Keng Kho and/or nominees 106 million fully paid ordinary shares in the capital (post Consolidation) of the Company at an issue price of \$0.00187324894 to raise \$198,564; and*
  - (b) *Mr Patrick Kho Chuan Thye, and/or nominees 106 million fully paid ordinary shares in the capital (post Consolidation) of the*
-

Company at an issue price of \$0.00187324894 to raise \$198,564;  
and

- (c) to Mr Choon Keng Kho, or nominees 77 million performance based options, (post consolidation) at an issue price of \$0.00001 to raise a total amount of \$770.00.
- (d) To Mr Patrick Kho Chuan Thye or nominees 77 million performance based options, (post consolidation) at an issue price of \$0.00001 to raise a total amount of \$770.00.

and otherwise on the terms set out in the Explanatory Statement accompanying this Notice."

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder if the resolution is passed, and any associates of those persons

### **Resolution 3 – Allotment and Issue of Shares**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolutions 1, 2, 4, 5, 6 and 7 for the purposes of Listing Rule 7.1 of the Listing Rules of the ASX, and for all other purposes, approval is given to the Company to allot and issue 7,706,055 fully paid ordinary shares in the capital (post consolidation) of the Company to the Trustee of the Creditors Trust for nil consideration".*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder if the resolution is passed, and any associates of those persons

### **Resolution 4 – Allotment and Issue of Shares**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolution 1, 2, 3, 5, 6 and 7, for the purposes of Listing Rule 7.1 of the Listing Rules of the ASX, and for all other purposes, approval is given to the Company to allot and issue to sophisticated, professional or other exempt investors, 25 million fully paid ordinary shares in the capital (post Consolidation) of the Company at an issue price of \$0.00187324894 to raise a total amount of \$46,832.00";*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder if the resolution is passed, and any associates of those persons

### **Resolution 5 - Election of Ms (Jamie) Khoo Gee Choo**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolutions 1, 2 3, 4, 6 and 7 , Ms Khoo Gee Choo, being eligible and having consented to act, be appointed as a director, effective immediately."*

---

#### **Resolution 6 – Election of Mr Chan Kum Leong**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolutions 1 to 5 (inclusive) and 7, Mr Chan Kum Leong being eligible and having consented to act, be appointed as a director of the Company, effective immediately."*

#### **Resolution 7 – Election of Ms Lee Kwee Jee**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolutions 1 to 6 (inclusive), Ms Lee Kwee Jee, being eligible and having consented to act, be appointed as a director of the Company, effective immediately."*

#### **Resolution 8 – Approval for a new Company Constitution**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*"That for the purposes of Section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chairman of the meeting for identification purposes".*

#### **Resolution 9 – Change of Name**

"To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*"That for the purpose of Section 157(1) of the Corporations Act and for all other purposes, the name of the company be changed to "LionHub Group Limited" and the Constitution is amended accordingly".*

**Dated 23 October 2013**



**Board of Directors  
Arasor International Ltd**

## NOTES:

1. A Shareholder of the Company who is entitled to attend and vote at an extraordinary general meeting of Shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. For the purposes of Regulation 7.11.37 of the Corporations Act, the Deed Administrators have determined that the shareholding of each Shareholder for the purposes of ascertaining their voting entitlements for the Meeting will be as it appears on the Company's share register at 7.00pm (AEDT) on 24<sup>th</sup> November 2013 (**the Entitlement Time**). Accordingly, only those persons registered as holders of Shares at the Entitlement Time will be entitled to attend and vote at the Meeting. Transactions registered after that time will be disregarded in determining Shareholders entitled to attend and vote at the Meeting.

.

## EXPLANATORY STATEMENT

### 1. GENERAL INFORMATION

This Explanatory Statement has been prepared for the Shareholders of Arasor International Limited (**Company**) in connection with the Resolutions 1-8 (inclusive) to be considered at the Extraordinary General Meeting of the Company's Shareholders to be held Nicols and Brien, Level 2, 350 Kent Street, Sydney, New South Wales at 11.00 a.m. (AEDT) on 26 November 2013 ("**Meeting**").

The purpose of this Explanatory Statement is to provide information to Shareholders which is considered to be material to them in deciding whether or not to pass the Resolutions in the Notice of Extraordinary General Meeting of the Company ("**Notice**").

Shareholders should read this Explanatory Statement in full because individual sections do not give a comprehensive review of the Resolutions. In addition, this Explanatory Statement should be read in conjunction with the accompanying Notice and the Independent Expert's Report prepared by Stantons International Securities, a copy of which is attached to Annexure A of the Explanatory Statement ("**IER**").

In considering the Resolutions, Shareholders must bear in mind the current financial circumstances of the Company. In this regard, Shareholders should note that reports have been made by the Company and its appointed Administrators in accordance with the Corporations Act. The reports set out in detail the financial position of the Company, and the reasons for the current status of the Company.

If all of the Resolutions are passed and the Recapitalisation Proposal proposed by Benelong is completed, the Company will be in a position to seek opportunities to enable the reinstatement of its securities to official quotation on ASX. This reinstatement is, of course, subject to the discretion of ASX. The ASX may impose further conditions; for example compliance with Chapters 1 & 2 of the Listing Rules. No assurances are made as to whether or in what time frame this may occur.

If Shareholders do not approve the Resolutions and consequently the Recapitalisation Proposal is rejected, the Company will likely go into liquidation, and it is likely that there will be no return to Shareholders.

#### 1.1 Overview

##### 1.1.1 Background

A general background in respect of the company is set out in the letter by the Directors to Shareholders dated 19 September 2013 accompanying the Notice ("**Letter**") and in the IER.

The company was placed into voluntary administration on 17 May 2011, and Messrs Dixon and Fitzgerald were appointed joint and several administrators. Messrs Dixon and Fitzgerald conducted a nationwide campaign seeking expressions of interest in recapitalising the public company. They selected the original proponents, RAK Capital and subsequently executed a Deed of Company Arrangement with a Creditors Trust document as well. Creditors resolved to effectuate the Deed of Company Arrangement. Accordingly the company came out of insolvency administration on 9 September 2011.

---



### **1.1.2 Past and future business of the Company**

#### ***Past Business***

The Company was incorporated on 1 June 2006, and was admitted to the Official List of the ASX on 25 October 2006. The Company's business was involved in the development of integrated optoelectronic and wireless solutions.

The Company had a history of significant operating losses which led to the previous Board of Directors appointing Administrators on 17 May 2011.

#### ***Future Business***

The proposed new Directors will undertake a thorough assessment of the Company's business still remaining, if any, to ascertain if a viable business exists. If not, the new Directors will seek out opportunities in other industries with a view to enhancing Shareholder value, in particular, projects with a focus on real estate developments, hotel operations, and land acquisition. Any significant change in the nature of Company's activities may require Shareholder approval under Listing Rule 11.

### **1.1.3 Purpose of funds to be raised under the Recapitalisation Proposal**

The Recapitalisation Proposal seeks to raise the sum of \$443,960 through issues of Shares to overseas and sophisticated, professional or other exempt investors who do not require a disclosure document under section 708 of the Corporations Act. The purpose of these capital raisings are to:

- (a) Make payment to the Creditors Trust ("Creditors Trust") so as to remove the Company from any Creditors Trust obligations and commitments and to extinguish all liabilities;
- (b) provide funds for the assessment of the Company's optoelectronic and wireless business;
- (c) provide funds for the assessment of additional opportunities, as identified by the Company;
- (d) meet the working capital costs of the Company.

Costs, expenses paid to third parties incurred by Benelong Capital Partners Pty Ltd and Nicols + Brien will be reimbursed at normal commercial rates by the company if the recapitalisation proposal is consummated. In particular, the expected budgeted costs are as follows, (totalling \$373,960, which leaves \$70,000 cash as noted on the pro-forma statement of financial position on page 20), \$110,000 for the Creditors Trust; \$20,000 for the yearly ASX listing fees; \$7,000 for the IER; \$17,100 for printing and postage of 4,200 packages; \$44,500 for corporate advisory and structuring advice payable to unrelated third parties; \$8,800 for company secretarial and legal; \$143,460 for Nicols + Brien's work over the last 2.5 years; and \$23,100 to the Australian Taxation Office for GST. Of the remaining \$70,000 we expect to expend \$8,000 on assessment of current business and additional opportunities, and \$62,000 for working capital.

---

### ***Proposed Capital Structure***

<b>Whom</b>	<b>Shares</b>	<b>Percentage (Approx)</b>
Current Shareholders & Creditors Trust (After one for ten Consolidation)	20,561,982	8%
Issue to sophisticated, professional and other exempt Investors, under Section 708 of Corporations Act 2001	25,000,000	10%
Issue to overseas exempt investors	212,000,000	82%
<b>TOTAL</b>	<b>257,561,982</b>	<b>100%</b>

#### **1.1.4 Investment Group**

The Investment Group is made up of the parties set out in section 1.2.1 below and is represented by Benelong Capital Partners Pty Ltd ("**Benelong**").

Members of the Investment Group have experience in the management and recapitalisation of public companies.

#### **1.2.0 Financial terms of the Recapitalisation Proposal**

The essential terms of the Recapitalisation Proposal are as follows:

- (a) Proposed Consolidation of existing Company Shares, on a one for ten basis leaving existing Shareholders and the creditors trust with approximately 8% of the share capital;
- (b) Overseas and Sophisticated, professional and other exempt investors, as selected by Benelong Capital Partners Pty Ltd will subscribe for 237 million shares at an issue price of \$0.00187324894 each to raise \$443,960. Benelong and Nicols + Brien is entitled to be reimbursed from the company if the recapitalisation proposal is consummated, for any direct costs at normal commercial rates, and expenses, such as ASX Listing fees, etc., paid.
- (c) Performance options are proposed to be granted to Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye, of 77 million options each for consideration of \$770.00 each, converting to 77 million ordinary shares each, if they successfully introduce a project to the company by 31 December 2014, that leads to the company signing a Heads of Agreement adopting such a project.

#### **1.2.1 Details of Recapitalisation Proposal**

New Directors will be appointed together with a change of company name of the Company, and change of company constitution.

The Recapitalisation Proposal was submitted to the Trustees by Benelong on 30 April 2013. The amendment of the Creditors Trust incorporating the Recapitalisation Proposal will be signed shortly. The Resolutions put forward in the Shareholders Meeting are for the purposes of implementing the Benelong Recapitalisation Proposal.

---

## **Investment Group**

By way of background, the Investment Group comprises Benelong Capital Partners Pty Ltd (ACN 145 496 233) ("**Benelong**"), Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye.

### *Benelong Capital Partners Pty Ltd*

Benelong is a Sydney based firm specialising in recapitalising ASX listed, and suspended, companies. Its managing director, Steve Nicols, has assisted in the capitalisation of 13 companies in the last 7 years.

Mr Choon Keng Kho, B.Science (Hons) University of London

Mr Choon Keng Kho is Group Executive Chairman of a large privately owned Singapore based hotel property and development group with operations in Singapore, China and Australia. Mr Choon Keng Kho is a Council Member of Singapore Chinese Chamber of Commerce & Industry.

Mr Patrick Kho Chuan Thye, Master of Arts (Engineering Trips) University of Cambridge, and Chartered Financial Analyst.

Mr Patrick Kho Chuan Thye is Group Managing Director of the same large privately owned Singapore based hotel property and development group with operations in Singapore, China and Australia.

Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye are brothers.

## **1.2.2 ASX Listing**

The Company is admitted to the Official List of ASX however, trading in the Company's Shares was suspended on 26 February 2009. Trading in the Shares will probably not recommence until the Company complies with Chapters 1 and 2 of the Listing Rules, or until ASX advises otherwise.

The intention of the Investment Group with regard to the business of the Company is to use the working capital to be injected into the Company via the Recapitalisation Proposal for the purposes described in Section 1.1.3 of this Statement. The New Directors' plan is to seek out opportunities that might enable the Company's Shares to be reinstated to quotation on the ASX. There is no certain timeframe given by the Investment Group as to when this may occur. The Investment Group has no present intention to inject further capital into the Company apart from that already stated in the Recapitalisation Proposal.

## **1.2.3 Amended Creditors Trust**

The creditors trust involving the RAK proposal will be amended to reflect the Benelong proposal.

The Recapitalisation Proposal of Benelong involves the completion or "effectuation" of the amended Creditors Trust. The company will also be released from all Creditors and beneficiaries Claims and will have nil liabilities once completion occurs. The amended Creditors Trust Deed will be signed shortly, and is awaiting receipt of funds and shares from the Recapitalisation Proposal if shareholders approve all resolutions.

## **1.2.4 Conclusion**

The Resolutions set out in the Notice are important and affect the future of the Company. All of the Resolutions need to be approved in order to implement the Recapitalisation Proposal. Shareholders are therefore urged to give careful consideration to the Notice, the contents of this Statement, and the IER.

---

## **2. THE RESOLUTIONS**

### **2.1 Resolution 1– Consolidation of existing Shares**

#### **Background**

Section 254(H) of the Corporations Act states that a company may convert all or any of its shares into a larger or smaller number by resolution passed at a general meeting. The conversion takes effect on the day the resolution is passed or a later date specified in the resolution.

The Company presently has 128,559,267 of Shares on issue ("**Existing Shares**").

The Investment Group requires that the Existing Shares be consolidated one for ten ("**Consolidation**"). The Consolidation will not change the rights and obligations of existing Shareholders. The Consolidation is part of the Recapitalisation Proposal.

The purpose of the Consolidation is to provide the Company with a more appropriate capital structure for a company of its size and nature. It is also desired to facilitate the implementation of the Recapitalisation Proposal

Immediately upon Consolidation the number of Existing Shares shall be reduced to 12,855,927.

#### **Fractional Entitlements**

The Consolidation may result in Shareholders receiving a fraction of a Share. These fractional entitlements will be rounded up as part of the Consolidation, so that the consolidated holding will be rounded up to the nearest whole number.

#### **Taxation**

It is not considered that any taxation consequences will exist for Shareholders arising from the Consolidation. However, Shareholders are advised to seek individual tax advice on the effect of the Consolidation. The Company, Investment Group or the Trustees do not accept any responsibility for the individual taxation consequences arising from the Consolidation.

#### **Holding Statements**

From the date of the Consolidation, all holding statements for Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-Consolidation basis. After the Consolidation becomes effective, the New Directors will arrange for new holding statements to be issued to Shareholders. It is the responsibility of each Shareholder to check the number of Shares held prior to any sale or transaction.

#### **Timetable**

The Consolidation will take effect on the day the resolution is passed. In accordance with section 254H (4) of the Corporations Act, a copy of this Resolution, if passed by this Meeting, will be lodged with ASIC within one month.

---

<b>Description</b>	<b>Date</b>
Date of dispatch of Notice of Meeting	28 October 2013
Shareholder Meeting	26 November 2013
Company announces the capital consolidation by way of consolidating one (1) for ten (10) shares and fractions of securities will be rounded up	26 November 2013
Last day for entity to register transfers on a pre-organisation basis	4 December 2013
Registration Date Registration of securities on a post-consolidation basis	5 December 2013
Despatch Date	11 December 2013

**Please Note - The Company's Securities will remain suspended during the Consolidation process.**

## **2.2 Resolution 2 Allotment and Issue of new Shares and Options Post Consolidation**

This Resolution is required to be approved by Shareholders in accordance with Item 7 of section 611 of the Corporations Act. We note Listing Rule approval is not required due to exception 16 in Listing Rule 7.2.

### ***Section 611 of the Corporations Act***

Shareholder approval of Resolution 2 is also required under Item 7 of section 611 of the Corporations Act given Resolution 2 involves the issue of more than 20% of all Shares then on issue.

Pursuant to Section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point above 20% and below 90%.

The voting power of a person in a body corporate is determined in accordance with Section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

The "associate" reference includes a reference to a person in concert with whom a primary person is acting or proposes to act.

A person has a relevant interest in securities if they:

- (a) are the holder of the securities;
  - (b) have the power to exercise, or control the exercise of, a right to vote attached to securities; or
  - (c) have power to dispose of, or control the exercise of a power to dispose of, the securities.
-

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

The following information is required to be provided under the Corporations Act and ASIC Regulatory Guide 74 when seeking Shareholder approval under Item 7 of section 611 of the Corporations Act.

### **General**

Pursuant to the terms of the Recapitalisation Proposal, the Company proposes to allot and issue a total of 237 million Shares and 154 million performance options to overseas and exempt professional investors who do not require a disclosure document under section 708 of the Corporations Act. That is, 106 million shares and 77 million options to Mr Choon Keng Kho and 106 million shares and 77 million options to Mr Patrick Kho Chuan Thye and 25 million shares to unrelated sophisticated and exempt investors.

The voting power of Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye in the Company shall increase from 0% to 88.9322% if they also exercise their options. This is represented in the table below, which shows that Mr Choon Keng Kho will have 44.4661% and Mr Patrick Kho Chuan Thye will have 44.4661% if they are allotted the proposed shares and exercise the proposed options.

As at the date of this Notice, neither Benelong, Steve Nicols, Nicols and Brien, the Creditors Trust Trustee, Mr Choon Keng Kho, nor Mr Patrick Kho Chuan Thye has a relevant interest in any Shares.

The calculation in Table 1 assumes that the total number of post consolidation Shares on issue is 257,561,982 after all Resolutions are passed.

**Table 1 – Maximum number of Shares which the relevant allottees will hold after the allotment.**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>
<b>Name of allottee</b>	<b>Maximum number of Shares to be issued under Resolution 2 to each allottee</b>	<b>Maximum Voting power of the relevant allottee in the Company</b>	<b>Maximum Voting power if the options are also exercised</b>
Mr Choon Keng Kho	106 million	41.1572%	44.4661%
Mr Patrick Kho Chuan Thye	106 million	41.1572%	44.4661%
Sophisticated, Professional, other exempt investors	25 million	9.7068%	6.0778%
<b>TOTAL</b>	<b>237 million</b>	<b>92.0212%</b>	<b>95.01%</b>

Note: If Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye achieve the performance options hurdles, their percentages will increase from 41.1572% to 44.4661% each, or 88.9322% collectively.

The maximum voting power of the entire transaction which the company is seeking shareholder approval is potentially 95.01%. This is represented by the following three (3) transactions:

1. The issue of 212 million Shares (in total) to Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye, (the subject of Resolution 2);
2. The issue of 154 million Performance Options (in total) to Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye, (the subject of Resolution 2); and
3. The issue of 25 million Shares to unrelated sophisticated and exempt parties, (the subject of Resolution 4).

The 95.01% voting power will be spread across – Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye and the unrelated, sophisticated and exempt investors.

The performance options material conditions are:-

- (ii) Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye must pay \$770.00 each to obtain the right to the performance options;
- (iii) The options are exercisable at any time prior to 5.00 p.m., 31 December 2014 (expiry date), provided Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye successfully introduce a project to the company that leads to the company signing a Heads of Agreement adopting such a project;
- (iv) The exercise price of each option is \$0.00002;
- (v) The options may be exercised by completing an application form for shares, (Notice of Exercise), delivered to the company's Share Registry, before the expiry date;
- (vi) Upon the exercise of an option, and receipt of funds applicable, Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye will be allotted and issued ordinary shares in the company ranking pari passu with the then issued shares;
- (vii) The unexercised options will not be entitled to any bonus issue of shares, nor any rights entitlements, if any, are issued prior to exercise.
- (viii) The options have been valued at \$1,540 as the shares have no market value and it is uncertain if the performance hurdle will be achieved.

Information required by Item 7 of the Section 611 of the Corporations Act

Also set out below are the matters required to be disclosed in accordance with Item 7(b) of Section 611 of the Corporations Act and Regulatory Guide 74 being:

- (a) *the identity of the person proposing to make the acquisition and their associates:*

It is proposed that 106 million Shares and 77 million options be issued to Mr Choon Keng Kho and a further 106 million shares and 77 million options be issued to Mr Patrick Kho Chuan Thye as per Resolution 2. None of their associates have relevant interests in any Shares existing as at the date of this

---

Notice. The identity of the remaining allottees (**Remaining Allottees**) is unknown, but they will not be Mr Choon Keng Kho or Mr Patrick Kho Chuan Thye.

Information in respect to the identity of Mr Choon Keng Koh and Mr Patrick Kho Chuan Thye is contained in paragraph 1.2.1 above.

- (b) *the maximum extent of the increase in that person's the voting power in the company that would result from the acquisition:*

If Resolution 2 is passed Mr Choon Keng Kho's voting power in the Company will increase from 0% to 41.1572% and likewise Mr Patrick Kho Chuan Thye's voting power in the Company will increase from 0% to 41.1572%. Note, if Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye achieve the performance options hurdles, their percentage will increase from 41.1572% to 44.4661% each.

Please also refer to Table 1 and points (i) to (vii) on the preceding page.

- (c) *the voting power that the relevant allottees would have as a result of the acquisition:*

If Resolution 2 is passed Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye's combined voting power in the Company will be 82.3144% and the Remaining Allottees will have 9.7068% voting power in the Company. Note, if Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye achieve the performance options hurdles, their percentage will increase from 41.1572% to 44.4661% each.

Please also refer to Table 1 and points (i) to (vii) on the preceding page.

- (d) *the maximum extent of the increase in the voting power of each of the allottee's associates that would result from the acquisition.* As Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye have no associates holding any relevant interest in existing Shares there is no increase in its voting power in the Company as a result of the acquisition.

Please also refer to Table 1 and points (i) to (vii) on the preceding page.

- (e) *the voting power that each of the allottee's associates would have as a result of the acquisition.* As Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye have no associates holding any relevant interest in existing Shares there is no increase in its voting power in the Company as a result of the acquisition:

Nil

- (f) **the identity of persons intending to become a director.** It is intended that the new directors will be Ms (Jamie) Khoo Gee Cho, Mr Chan Kum Leong, and Ms Lee Kwee Jee. Information in respect to these 3 proposed directors is contained in paragraph 2.5 in this explanatory memorandum.
-



## **Other Required Information - ASIC regulatory Guide 74**

The following further information is disclosed:

The reason for the proposed acquisition is to recapitalise the company and enable it to extinguish all debts. It can then seek out opportunities to add shareholder wealth.

- (a) The Company will review its current business activities and any remaining business. As part of this process, it is proposed that New Directors will be appointed to the Board. These appointments form the subject of separate Resolutions. The existing Directors will resign. This is all planned to take place on the day of the shareholders meeting.
- (b) The material terms of the acquisition are set out in paragraphs 1.1.3, 1.2.0, and 1.2.1 above. In accordance with the Recapitalisation Proposal, the Company intends to raise capital to:
  - (i) make payment to the Creditors Trust so as to remove the company from any Creditors Trust obligations and commitments and to extinguish all liabilities of the Company;
  - (ii) provide funds for the assessment of the Company's optoelectrical and wireless business;
  - (iii) provide funds for the assessment of additional opportunities, as identified by the Company; and
  - (iv) meet the working capital costs of the Company.

The Company will have sufficient funds if all Resolutions are passed and share capital raised in order to meet the aims of the Recapitalisation Proposal;

The acquirer intends to change the company's business if it is discovered that the company's optoelectronic and wireless business is not viable. Further injection of capital is intended as it is an ASX requirement before requotation of shares. The company will not have any employees in the foreseeable future.

- (c) There is no current intention to acquire or transfers or redeploy any other fixed assets of the Company or to change the Company's existing policies in relation to financial matters or dividends. At present, the Company does not pay a dividend. The dividend policy of the Company will be assessed in accordance with the future profitability of the Company's business. The current director, Steven Nicols, has an interest in the acquisition due to his related parties Benelong Capital Partners Pty Ltd and Nicols + Brien, being reimbursed costs and expenses noted above.

The new directors details are noted in paragraph 2.5 below; and

### **Independent Expert's Report or IER**

The Corporations Act provides that an independent expert's report on the transaction (as contemplated by Resolution 2) must be provided to Shareholders.

The IER is enclosed with the Notice and is attached to Annexure A.

The expert has concluded that the acquisition of the voting power by Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye as contemplated by Resolution 2 ("**Acquisition**") is fair and reasonable to the Shareholders of the Company.

---

The advantages and dis-advantages of the Acquisition are outlined in the IER and are provided to enable non-associated Shareholders of the Company to determine whether they are better off if the Acquisition proceeds than if not.

Shareholders are urged to carefully read the IER in deciding how to vote on the Resolutions, particularly Resolution 2.

### ***Directors' Recommendations***

The existing Directors of the Company make positive recommendation in respect of the Recapitalisation proposal and proposed acquisition to non-associated members for the reasons set out in this Explanatory Statement and Independent Experts Report. Shareholders should read this Statement in full, including the Letter, and the IER, to form an opinion on the merits of the Recapitalisation Proposal.

### ***Pro forma Consolidated Balance Sheet***

Set out below is a statement of financial position of the Company based on the Trustees records as at August 2013, together with the pro forma balance sheet as at November 2013 date if all Resolutions are passed. The absence of recent accounts was an issue inherited by the current board. The current board has appointed Chartered Accountants to prepare all outstanding financial statements and this is currently being attended to. The current board believes the lack of recent accounts was due to a lack of funds in the company and the appointment of a Voluntary Administrator. Therefore, the financial position below is based upon the Voluntary Administrators records and the Creditors Trustees records, plus the 2009 audited records with respect to brought forward losses, historical issued capital and reserves.

Following the completion of the Recapitalisation Proposal and assuming all Resolutions are implemented, the unaudited pro-forma Statement of Financial Position is expected to disclose:

	Unaudited	Pro-forma
	Estimated Statement of Financial Position As at August 2013	Statement of Financial Position after resolutions passed in November
2013	\$	\$
<b>Current Assets</b>		
Cash assets	0	*See Note 1 70,000
<b>Non Current Assets</b>		
Interests in Subsidiaries	0	0
Intellectual Property – Website	0	0
Total Assets	0	70,000
<b>Liabilities</b>		
Trade creditors and Accruals	0	Nil
Total Current Liabilities	0	Nil
Net Deficiency/Surplus	0	70,000
<b>Equity</b>		
Issued Capital	157,066,028	**See Note 2 157,134,488
Reserves	5,160,475	**See Note 3 5,162,015
Accumulated Losses	(162,226,503 )	**See Note 4 (162,226,503)
Total Equity	0	70,000.00
	=====	=====

#### Note 1

The movement in the cash assets is reconciled as follows:

Cash assets:	\$
Opening Balance	0
New Placement of shares	443,960
Issue of Options	1,540
	-----
Creditors Trust, listing fees, expenses	(375,500)
	-----
Closing balance (estimated)	70,000

#### Note 2

The movement in the issued capital reconciled as follows:

Issued Capital:	\$
Opening Balance	157,066,028
New Placement of shares	443,960
Creditors Trust, listing fees, expenses	(375,500)
	-----
Closing balance (estimated)	157,134,488

#### Note 3

The movement in reserves is increased by \$1,540

#### Note 4

Creditor's claims reduced via DOCA settlement.

## **2.3 Resolution 3 Allotment and Issue of Shares**

This resolution is part of the consideration to be given to the Creditors Trust. It is proposed to give 7,706,055 Shares each at nil cost to the Creditors Trust. The trust will also receive monies from the capital raised if the recapitalisation proposal is accepted by Shareholders.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions (which are not applicable in this case) issue during any 12 month period any equity securities or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of Shareholders in general meeting.

The Company is seeking approval under Listing Rule 7.1 for the proposed issue of up to a maximum of 7,706,055 fully paid Ordinary Shares to allow this number of Shares not to be included in the Company's 15% annual placement capacity calculation. This will enable the Company to have the flexibility to issue securities in the future up to the 15% threshold without having to obtain prior Shareholder approval.

### **Technical Information Required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to this Share issue:

- (a) the maximum number of Shares to be issued is 7,706,055;
- (b) the Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price of the Shares will be Nil;
- (d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Shares will be issued to Mr Stephen Robert Dixon and Mr Laurence Andrew Fitzgerald as Trustees for the Arasor International Limited Creditors Trust which was established under the terms and conditions of the executed Deed of Company Arrangement. Mr Dixon and Mr Fitzgerald are not related parties of the Company;
- (f) no funds will be raised from this issue as the Shares as being issued to the Arasor International Limited Creditors Trust pursuant to the executed Deed of Company Arrangement.

## **2.4 Resolution 4 Allotment and Issue of Shares**

This resolution is required to be approved by shareholders in accordance with Listing Rule 7.1 of the Listing Rules of the ASX, and for all other purposes. The proposed share issue is to sophisticated, professional or other exempt investors. The proposed share issue seeks to raise \$46,832.00 by way of issuing 25 million shares at a fixed issue price of \$0.00187324894. The identity of the allottees for the 25 million shares is unknown, but will not be associated to Mr Choon Keng Kho, nor to Mr Patrick Kho Chuan Thye. In seeking

---

shareholder approval, this will allow the company flexibility to use the 15% rule should the need arise. The date the securities will be issued will be three months or earlier, from the date of shareholder approval. The intended use of the funds raised is set out in paragraph 1.1.3 above.

### **ASX Listing Rules**

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issuer has the prior approval of Shareholders in general meeting.

The issue of new Shares and options contemplated by Resolution 4 will exceed the 15% threshold in respect of the Shares presently on issue. The following information is provided to Shareholders in accordance with Listing Rule 7.3 for the purposes of obtaining Shareholder approval under Listing Rule 7.1 for Resolution 4:

- (a) The maximum number of Shares to be issued by the Company to sophisticated, professional or other exempt investors who do not require a disclosure document under section 708 of the Corporations Act, is 25 million Shares at an issue price of \$0.00187324894 each, to raise \$46,832.00 ("**New Shares**").
- (b) It is anticipated that the issue of the New Shares will occur on one date and will not be later than 3 months after the date of the Meeting;
- (c) It is proposed that 25 million New Shares be issued. The names of the allottees of the New Shares, i.e. 25 million, are not currently known, but the basis upon which allottees will be identified or selected will be done by the New Directors at their discretion however no shares will be issued to associated parties.
- (d) The New Shares will rank equally with the Existing Shares.
- (e) The funds raised from the issue of the New Shares will be used in accordance with the Recapitalisation Proposal and for the purposes set out in Section 1.1.3 of this Statement;
- (f) The date of allotment of the New Shares will be all done on the same day;

## **2.5 Resolutions 5, 6 & 7 Election of New Directors**

The Recapitalisation Proposal provides for the resignation of the current board, appointment of a new Board consisting of Ms (Jamie) Khoo Gee Choo, Mr Chan Kum Leong and Ms Lee Kwee Jee. Resolutions 5, 6 & 7 seek to achieve this.

The curriculum vitae of each New Director are provided below.

---

**Ms (Jamie) Khoo Gee Choo, MBS, University Hull, U.K., Institute of Singapore Chartered Accountants**

Ms Khoo has over 20 years experience in accounting and corporate finance, and extensive experience in company funding, investment evaluation, due diligence, and structuring. Ms Khoo was until recently an executive director of SGX listed Adventus Holdings Ltd, and is a current director of ASX listed Refresh Group Ltd and MDS Financial Group Ltd. Ms Khoo is not associated with any businesses of Mr Choon Keng Kho and Mr Patrick Khoo Chuan Thye.

**Mr Chan Kum Leong, Associate Member Institute of Chartered Accountants of England and Wales**

Mr Leong has more than 20 years of experience in the finance sector. He is a current director of SGX listed Nobel Design Holdings Ltd. Previous roles have been as financial controller for American and Japanese multinationals. He is currently the Group Financial Controller of a large privately owned Singapore based hotel, property and development group. He is associated with Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye's businesses. In terms of Section 228 of the Corporations Act, Mr Chan Kum Leong will not receive any related party financial benefit.

**Ms Lee Kwee Jee, B.Science (Honours) (Masters) University of Singapore**

Ms Jee spent 20 years in the Singaporean public sector formulating and overseeing policies in the Ministries of Finance, Defence, Environment, and Government. Ms Jee has additionally spent 20 years working for large multinationals such as GE and ST Aerospace, focusing on building strategic relationships for business expansion. Ms Jee is not associated with any businesses of Mr Choon Keng Kho and Mr Patrick Kho Chuan Thye.

The Investment Group believes the New Directors are best placed to maximise opportunities for the Company.

## **2.6 Resolution 7 – Approval for a New Company Constitution**

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 7 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (Proposed Constitution) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2006.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) updating the name of the Company to that adopted in Resolution 7;
  - (b) updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASIC Settlement Rules and ASIC Transfer); and
-

- (c) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Memorandum however a summary of the proposed material changes is set out below:

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website, [www.arasor.com.au](http://www.arasor.com.au) and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9367 8133). Shareholders are invited to contact the Company if they have any queries or concerns.

#### Summary of material proposed changes

##### Minimum Shareholding (clause 3)

Clause 14 of the Constitution outlined how the company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than \$500 based on the closing price of the company's shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the company elects to undertake a sale of unmarketable parcels, the company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the company must follow for dealing with unmarketable parcels.

##### **Fee for registration of off market transfers (clause 8.4(c))**

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

##### **Dividends (clause 21)**

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

---

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing constitution reflects the former profits test and restricts the dividends to be paid only out of the profit of the company. The proposed constitution is updated to reflect the new requirements of the Corporations Act. The directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the company be in a position to pay dividends.

### **Partial (proportional) takeover provisions (new clause 35)**

A proportional takeover bid where the offer made to each shareholder is only for a proportion of that shareholder shares.

Pursuant to Section 648G of the Corporations Act, the company has included in the proposed constitution a provision whereby a proportional takeover bid for shares may only proceed after the bid has been approved by a meeting of shareholders held in accordance with the terms set out in the Corporations Act.

#### Information required by Section 648G of the Corporations Act

##### *Effect of proposed proportional takeover provisions*

Where offers have been made under a proportional off-market bid in respect of class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

##### *Reasons for proportional takeover provisions*

A proportional takeover bid may result in control of the company changing without shareholders having the opportunity to dispose of their shares. By making a partial bid, a bidder can obtain practical control of the company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the company and the risk of the bidder being able to acquire control of the company without payment of an adequate control premium. These amended provisions allow shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

##### *Knowledge of any acquisition proposals*

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the company.

##### *Potential advantages and disadvantages of proportional takeover provisions*

The directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

---



*The potential advantages of the proportional takeover provisions for Shareholders include:*

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

*The potential disadvantages of the proportional takeover provisions for shareholders include:*

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

#### Recommendation of the Board

The directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provisions in the Proposed Constitution is in the interests of shareholders and unanimously recommend that Shareholders vote in favour of Resolution 7.

## **2.7 Resolution 8 - Change of Name**

Pursuant to section 157(1) of the Corporations Act, Resolution 8 **is a special resolution** which seeks the approval of Shareholders to change the name of the Company "LionHub Group Limited".

The New Directors believe that this new name is more appropriate for the Company. The change of name will not, in itself, affect the legal status of the Company or any of its assets or liabilities.

To pass a special resolution, 75% of Shareholders attending and entitled to vote at a meeting must approve the resolution. Section 157(1) of the Corporations Act requires, amongst other things, a company to pass a special resolution adopting a new name if it wants to change its name. The Company will apply to ASIC for the change of name which will take effect upon a new certificate of registration being issued.

## **3. ENQUIRIES**

Shareholders are invited to contact Mr Steve Nicols of Nicols and Brien on phone +61 2 9299 2289 if they have any queries in respect of the matters set out in these documents.

---

## **TIME AND PLACE OF MEETING AND HOW TO VOTE**

### **Venue**

An Extraordinary General Meeting of the shareholders of Arasor International Limited will be held at 11am on Tuesday 26 November 2013 at

Nicols and Brien  
Level 2  
350 Kent Street  
SYDNEY NSW 2000  
AUSTRALIA  
Phone +61 2 9299 2289

### **How to Vote**

You may vote by attending the Meeting in person, by proxy or authorised representative.

### **Voting in Person**

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 11.00 a.m.

### **Voting by Proxy**

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Extraordinary General Meeting as soon as possible and either:

- send the proxy by facsimile to the Company on facsimile number (International: + 61 2 9299 2239); or
- scan or email the proxy to the company via email: [mail@nicolsandbrien.com.au](mailto:mail@nicolsandbrien.com.au)
- deliver the proxy to the Company at c/- Nicols and Brien, Level 2, 350 Kent Street, Sydney, New South Wales, Australia.

so that it is received not later than 7pm, (AEDT) on 24 November 2013.

**Your proxy form is enclosed.**

---

## GLOSSARY

**Administrators** mean Stephen Robert Dixon and Laurence Andrew Fitzgerald of Grant Thornton Melbourne (previously BDO NSW-VIC).

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange, operated by ASX Limited, as the context requires

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of ASX.

**Benelong** means Benelong Capital Partners Pty Ltd (ACN 145 496 233)

**Board** means the board of directors of the Company.

**Company** means Arasor International Limited (ACN 119 999 441).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Creditor** means a creditor of the Company as at the date of the Notice.

**Creditor's Trust** means the trust established and amended in accordance with the terms of the Benelong Recapitalisation Proposal and the DOCA for the purpose of satisfying approved Creditor's claims.

**Deed Administrators** means Stephen Robert Dixon and Laurence Andrew Fitzgerald so appointed under the DOCA.

**Deed of Company Arrangement or DOCA** means the Deed of Company Arrangement between Deed Administrators and the Company dated 17 August 2011 and includes any variation, such as the variation on 9 September 2011.

**Director** means a director of the Company.

**Dollar or \$** means Australian dollars.

**Explanatory Statement** or **Statement** means the explanatory statement to the Notice of General Meeting.

**Glossary** means this glossary.

**Independent Expert's Report or IER** means the Independent Expert's Report prepared by Stantons International Securities and contained in Annexure A to the Notice.

**Meeting** means the extraordinary general meeting of the Shareholders convened by the Notice to be held on 20 November 2013.

**New Directors** means the Directors to be appointed under Resolutions 4, 5, and 6.

**Notice** means the notice of extraordinary general meeting of the Shareholders in respect of the Meeting of Shareholders dated 23 October 2013.

**Original Proposal** means the Original Proposal submitted by RAK Capital to the Deed Administrators dated 21 July 2011 relating to the restructure and recapitalisation of the Company.

---

**Recapitalisation Proposal** means the Recapitalisation Proposal submitted by Benelong to the Trustees dated 30 April 2013 relating to the restructure and recapitalisation of the Company.

**Resolutions** means the resolutions described in the Notice.

**Shareholder** means the holder of Shares.

**Shares** means ordinary class shares in the capital of the Company.

**Sydney Time** or AEDT means time in Sydney NSW from time to time.

**Trustees** means Trustee of the Creditors Trust, being Stephen Robert Dixon and Laurence Andrew Fitzgerald

---

**PROXY FORM  
APPOINTMENT OF PROXY  
ARASOR INTERNATIONAL LIMITED  
ACN 119 999 441**

**EXTRAORDINARY GENERAL MEETING**

I/We

being a Member of Arasor International Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Extraordinary General Meeting to be held at Nicols and Brien, Level 2, 350 Kent Street, Sydney, New South Wales on 26 November 2013 and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

**Voting on Business of the Extraordinary General Meeting**

		FOR	AGAINST	ABSTAIN
Resolution 1	Consolidation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Allotment and Issue of Shares & Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Allotment and Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Allotment and Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Appointment of Ms (Jamie) Khoo Gee Choo as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Appointment of Mr Chan Kum Leong as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Appointment of Ms Lee Kwee Jee as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval for New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Change of Name			

**OR**

If you do **not** wish to direct your proxy how to vote, please place a mark in this box

☐

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. The Chairman will vote in favour of all of the resolutions if no directions are given.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013 \_\_\_\_\_ %

Individuals and joint holders      Companies (affix common seal if appropriate)

Signature
-----------

Director
----------

Signature
-----------

Sole Director and Sole Company Secretary
--

### **Instructions for Completing 'Appointment of Proxy' Form**

1. A Shareholder entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company;
  - a director and a company secretary of the company; or
  - For a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. You may fax the Proxy form to: Facsimile No. +61 2 9299 2239 or mail to Nicols and Brien, Level 2, 350 Kent Street, Sydney NSW 2000 or scan the signed form to [mail@nicolsandbrien.com.au](mailto:mail@nicolsandbrien.com.au).
7. Any questions, please call Steve Nicols on phone +61 2 9299 2289.

## **ANNEXURE A**

### **INDEPENDENT EXPERT'S REPORT BY STANTONS INTERNATIONAL SECURITIES**