

# **NOVARISE RENEWABLE RESOURCES INTERNATIONAL LTD**

## **Australian Securities Exchange Announcement**

**The Manager  
Companies Announcements Officer  
Australian Securities Exchange Limited  
PO Box H224  
Australia Square  
Sydney NSW 1215**

**6 July 2016**

### **ASX Announcement – Update of funding for Selective Capital Reduction (CR)**

#### **Background**

On 9 November 2015, Novarise Renewable Resources International Ltd (the Company) announced that it has entered into an implementation and funding agreement (Agreement) with its controlling shareholders, Great Rises International Investment Ltd, Great Rises New Resources Technology Co., Ltd and Great Rises International Group Investment Ltd (together, GRII) in relation to the proposed privatisation of Novarise (Capital Reduction).

Pursuant to the Agreement, Novarise will be privatised by way of a selective reduction of capital involving the cancellation of all shares in Novarise other than those held as at the relevant record date by GRII and its associates (Exiting Shareholders).

In accordance with the Agreement and subject to the requisite approvals, the Exiting Shareholders will receive \$0.16 cash per share for the cancellation of their shares in Novarise. It was also proposed by GRII that Novarise will be delisted from ASX if the Capital Reduction is implemented successfully.

Other salient terms and conditions of the Agreement were released by the Company on 9 November 2015 via its ASX Announcement.

#### **Update of funding for GRII**

GRII advised the Company that it has received preliminary non-binding letter of loan offer from an international Hong Kong Bank to enable GRII to fund and complete the Capital Reduction.

GRII, through its controlling shareholder provided an indicative Terms Sheet (Term Sheet) from the Hong Kong Bank to the board on 27 June. The board of the Company has, on 30 June reverted to GRII setting out its considerations on the Term Sheet. Mr Qingyue Su indicated that GRII will take on board the considerations raised by the board in its ongoing negotiations with the Hong Kong Bank.

Mr Qingyue Su, on behalf of GRII has also advised the board that GRII is confident of securing the loan from the Hong Kong Bank for the Capital Reduction.

**NOVARISE RENEWABLE RESOURCES INTERNATIONAL LTD** ACN 138 537 596

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## **Notices of meetings**

In accordance with the terms and conditions of the Agreement and when the loan to GRII is formally finalised, it is anticipated that Novarise will prepare notices of meeting documentation for the purpose of calling and arranging to hold shareholder meetings at which shareholders will be asked to consider and, if thought fit, approve the Capital Reduction.

Details of the two necessary special resolutions (to be passed at two separate general meetings, the second commencing immediately after the conclusion or adjournment of the first) will be set out in the notice of meetings documentation to be sent to shareholders. The report of the independent expert (to be appointed shortly) will be included in the documentation.

Given the delay by GRII in securing the loan from the Hong Kong Bank for the purpose of Capital Reduction and the further extension the Company is currently considering to enable GRII to meet its obligations under the Agreement, the Company is unable to provide any indicative timetables in regards to the proposed despatch of the notices of meeting and independent expert's report and the shareholder meetings.

## **Ongoing financial support**

The Company is also advised that its majority shareholder and CEO, Mr Qingyue Su, has reassured and reiterated his assurances of ongoing support to the Company so as to ensure that the Company continues to trade in accordance with the normal course of its business.

The Company will continue to keep the market updated.

Dated: 6 July 2016

Signed: \_\_\_\_\_

Name: Winnie Chen

Company Secretary  
For and on behalf of Novarise