

# NEWS RELEASE

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16 March 2010

## **CHINESE GREEN ENTERPRISE NOVARISE SET TO LIST ON THE ASX**

- ***Launches IPO to raise up to A\$32 million***
- ***IPO briefing in Sydney on 14 March 2010 attracts turnout of more than 200 potential investors***

One of China's leading green manufacturers, Novarise Renewable Resources International Ltd ("Novarise", together with its subsidiaries, the "Group"), is pleased to announce its IPO briefing held on Sunday, 14 March 2010, at the Star City Casino in Sydney, attracted a turnout of more than 200 potential investors.

Novarise, a leading integrated manufacturer of recycled polypropylene ("PP") fibre-based products, lodged its prospectus with the Australian Securities and Investments Commission ("ASIC") on 4 February 2010 (as modified by the supplementary prospectus lodged with ASIC on 22 February 2010) for an IPO of 128 million shares at 25 cents per share (subject to a minimum subscription of A\$25 million) ("Offer"), which opened on 22 February 2010. The Offer is due to close on 26 March 2010 and Novarise plans to list on the Australian Securities Exchange ("ASX") in April 2010.

As disclosed in its supplementary prospectus dated 22 February 2010, Novarise has signed a Letter of Agreement with Central Securities Pty Ltd ("Central Securities"), in which Central Securities has agreed to seek a placement of up to A\$20 million of the New Shares in Novarise's Initial Public Offer ("IPO"). Central Securities is not an underwriter to the Offer.

Novarise's Chairman and Managing Director, Mr Qingyue Su, said, "As a producer of green products, we pride ourselves on our ability to contribute to the environment, and be a profitable green enterprise. Novarise's proposed listing on the ASX offers Australian investors an opportunity to invest directly in a profitable Chinese green enterprise."

"Going forward, we plan to further strengthen our leading industry position by leveraging on our proprietary technology for the recycling of PP waste materials. Besides expanding our production capacity, we have established an operating entity in Australia which is intended to source PP waste materials, and to market our proposed new products such as the new fully recyclable eco-friendly shopping bags.

"We are optimistic about Novarise's development and expansion of its 'green' business, particularly due to rising consumer awareness of environmentally-friendly products, and governmental policy in China and internationally which encourages the use of 'green' products."

Novarise believes it is the only company in China currently recycling PP waste materials to produce fibre-grade recycled PP pellets. The Group is also China's largest PP filament yarn producer by capacity in 2008\*. In 2008, Novarise had an annual capacity of 23.7 thousand tonnes for PP filament yarn, which accounted for 10.3% of the total PP filament yarn capacity in China\*.

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Committed to being a recycler and a 'green' producer, Novarise recycles PP waste materials, such as used CD cases, agricultural twine, safety nets, fishing nets, PP yarn and straps, to manufacture a range of PP fibre-based products including pellets, filament yarn, consumer webbing products and agricultural twine. Its PP yarn, straps and consumer webbing products are used to produce bags for global premium brands, including Dell, IBM, Samsonite, Columbia, Nintendo, Disney, Apple, Fila, Umbro and Sony.

The majority of funds raised from the IPO will be used to expand and upgrade the Group's production capacity and facilities, as well as enhance the Group's research and development capabilities.

The Group will also continue to develop and improve on its proprietary technology to recycle PP waste materials and to create new PP fibre-based products, particularly for agricultural, industrial and construction applications.

The Group's proposed listing in Australia is set to strengthen the Group's international profile and advance its growth strategy.

"We look forward to our Official Listing on the ASX and are confident of our ability to deliver value to our shareholders," Mr Su said.

The proposed ASX symbol for Novarise is NOE.

Daiwa Capital Markets Singapore Limited is the Financial Adviser and Lead Placement Agent for the IPO.

*\* Source: Frost & Sullivan's industry report dated 21 January 2010.*

## **About Novarise**

Based in Quanzhou City, Fujian Province, China, the Group is a leading integrated manufacturer of recycled polypropylene ("PP") fibre-based products. The Group uses proprietary patent-pending technology to process 18 different types of PP waste materials, such as CD cases, agricultural twine, safety nets, fishing nets, PP yarn and straps, into fibre-grade PP pellets. The recycled PP pellets are then used to produce PP filament yarn, PP consumer webbing products and agricultural twine.

The Group utilises up to 100 per cent of recycled PP waste materials to produce PP filament yarn and other products. The cost of processing PP waste materials into recycled fibre-grade PP pellets is estimated to be 20% lower than the cost of purchasing virgin (non-recycled) PP pellets.

In addition, the Group's recyclable PP fibre-based products reduces the amount of PP waste materials to be disposed of in landfills, or requiring incineration.

The Group's PP fibre-based products have also recently received the China Environmental Labeling Product Certificate from the Ministry of Environment Protection of the PRC, certifying its compliance with the technical requirements for environmental labeling. Products with this certification are recognised in China for being environmentally-friendly and for promoting the development of a green economy.

Novarise has appointed an Australian 'clean technology' industry veteran Mr John O'Brien as a Non-Executive Director.

Mr O'Brien is the founder and managing director of Australian CleanTech and sits on the board of a number of unlisted clean technology companies. He is also a member of the South Australian Premier's Climate Change Council, the Australian Water Association and the Responsible Investment Association of Australasia.

For the financial year ended 31 December 2009, the Group has forecast a 53% increase in revenue to A\$60.756 million (2008: A\$39.796 million). The Group's FY2009 net profit after tax ("NPAT") is expected to increase by 93% to A\$12.112 million (2008: A\$6.286 million).

For FY2010, the Group has forecast a 22% growth in revenue to A\$73.863 million, compared to A\$60.756 million forecast for FY2009. The Group's FY2010 NPAT is expected to increase 14% to A\$13.845 million.

### **To obtain a prospectus & supplementary prospectus**

The offer of New Shares in Novarise is made in the prospectus dated 4 February 2010 as modified by the supplementary prospectus dated 22 February 2010.

A copy of the prospectus, supplementary prospectus and the accompanying application form may be obtained by phoning + 61 8 8233 5424, and is also available in electronic form at [www.novarise.com.au](http://www.novarise.com.au).

A person should consider the prospectus (as modified by the supplementary prospectus) in deciding whether to acquire New Shares in Novarise. Anyone who wants to acquire New Shares in Novarise will need to complete the application form that is attached to the supplementary prospectus.

### **MEDIA CONTACTS:**

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