

# **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**

**21 April 2017**

### **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 (SCR or Capital Reduction).

Pursuant to the Agreement, Novarise was to 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.

#### **GRII's Capital Reduction Loan**

The Company advised the market on 6 July 2016 (July 2016 Announcement) that GRII, through its controlling shareholder has provided an indicative Terms Sheet (Term Sheet) from an international Hong Kong Bank (HK Bank) to fund the SCR (Loan).

Since the July 2016 Announcement, the board has endeavoured to work with GRII in order to assist, where it can, the final approval of the Loan based on the Term Sheet to be granted to

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GRII to fund the SCR. The board proactively engaged with Mr Qingyue Su on the progress of the Loan from the HK Bank.

The Company has, on the 5<sup>th</sup> October 2016 and 9<sup>th</sup> February 2017, made announcements on the progress of the Loan and the update of the Capital Reduction. As at the date of this announcement, the board has not been provided with a binding offer of the Loan from the HK Bank to GRII.

Mr Qingyue Su and GRII have however maintained and reiterated that GRII is still committed to provide the funding to complete the Capital Reduction. This is in spite of the delay in obtaining the Loan.

### **GRII's Update on the Loan**

Mr Qingyue has on 18 April provided updated information that the Loan to fund the Capital Reduction, including additional information that GRII is required by the HK Bank to fulfil certain conditions before the Loan can be approved and disbursed for the Capital Reduction.

Mr Qingyue Su has also advised the board that he anticipates that the Capital Reduction can be completed in the next four to six months.

The board is cautious with the information it has now received from Mr Qingyue Su and will undertake its due diligence to ascertain the status of the Loan and examine the conditions to ascertain if GRII is in the position to satisfy those conditions. The board was also advised that it is expected provided with the binding letter of the Loan from the HK Bank on or before end of May 2017.

It remains the view of the Company that it is in the best interest of all shareholders and the company to complete the Capital Reduction and privatisation of the Company, the Company has always taken the view that the Loan from the HK Bank was the key to complete the Capital Reduction. It remains the board's view that it should allow GRII to use its endeavour to obtain the Loan from the HK Bank and will assist where it can.

However, the Company has reserved all rights in relation to the Agreement and will review its legal position in regards to the Agreement and the funding for the Capital Reduction from GRII.

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### **Ongoing financial support**

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

Mr Qingyue Su has again on 18 April provided his assurance that he will ensure that adequate funding will be made available immediately to Novarise so that it is able to meet all its outgoings and liabilities in view of the costs for the Capital Reduction, as well as other outgoings incurred.

The Company will continue to keep the market update and anticipates that further announcement in regards to the Capital Reduction and the Loan will be made in May.

Dated: 21 April 2017



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

Name: Qingyue Su  
Chairman and Managing Director  
For and on behalf of Novarise