

NOVARISE RENEWABLE RESOURCES INTERNATIONAL LTD

Australian Securities Exchange Announcement

28 May 2013

The Manager
Company Announcement Officer
Australian Securities Exchange
Electronic Lodgement

2013 AGM Chairman's Report & Power Point Presentation attached

Ladies and Gentlemen,

On behalf of the Directors of Novarise Renewable Resources International Ltd, it gives me great pleasure to welcome you all to our Third Annual General Meeting.

I would like to first welcome all my fellow directors who are here today. They have been very supportive of the company through the past three years of developments and achievements.

I especially would like to welcome all shareholders and visitors who are here today. I want to acknowledge that our success and future success is the result of the support and trust of the shareholders.

As a public company and a growing international business, Novarise sees maximising shareholders interests as an important corporate value. I hope at the conclusion of today's meeting, everyone will have a better understanding of the company, its performance and where it is heading in the future.

The Company continuously quickened its steps in the improvement of the existing technology and the construction of new factory during 2012. All together eight new production lines will be put into full production this year. Due to the effort required in the plant relocation and commission, we forecast that the 2013 financial performance of the company will be slightly reduced. We forecast strong growth in our revenues and profits in 2014.

With the continued recovery in the global economy and growing market demand for green products, Novarise will continue to be presented with great opportunities for development. In our 2012 Financial Year, the Company achieved AUD 16.72 million of net profit after tax. These strong achievements are due to the continued growth in our performance, reductions of cost and control over operating costs

As a newly listed company, the Board has resolved to strengthen the Company's risk management and overall operating strategies by improving corporate governance and better communication with shareholders.

We look forward to further development and expansion during the 2013 financial year, and to the continued growth of Novarise.

Qingyue Su

Chairman

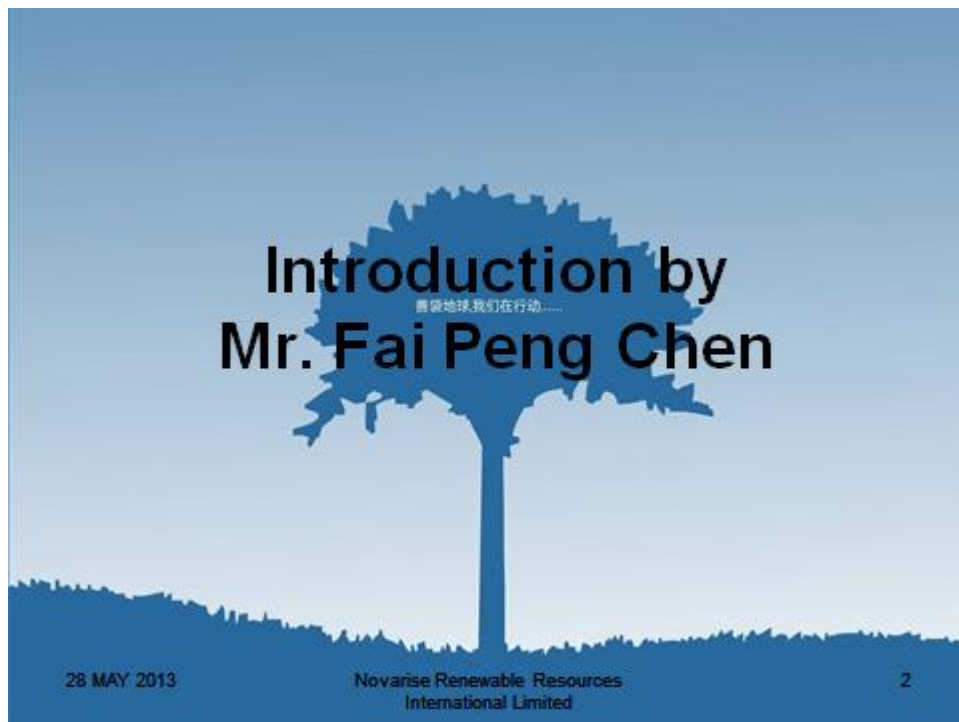
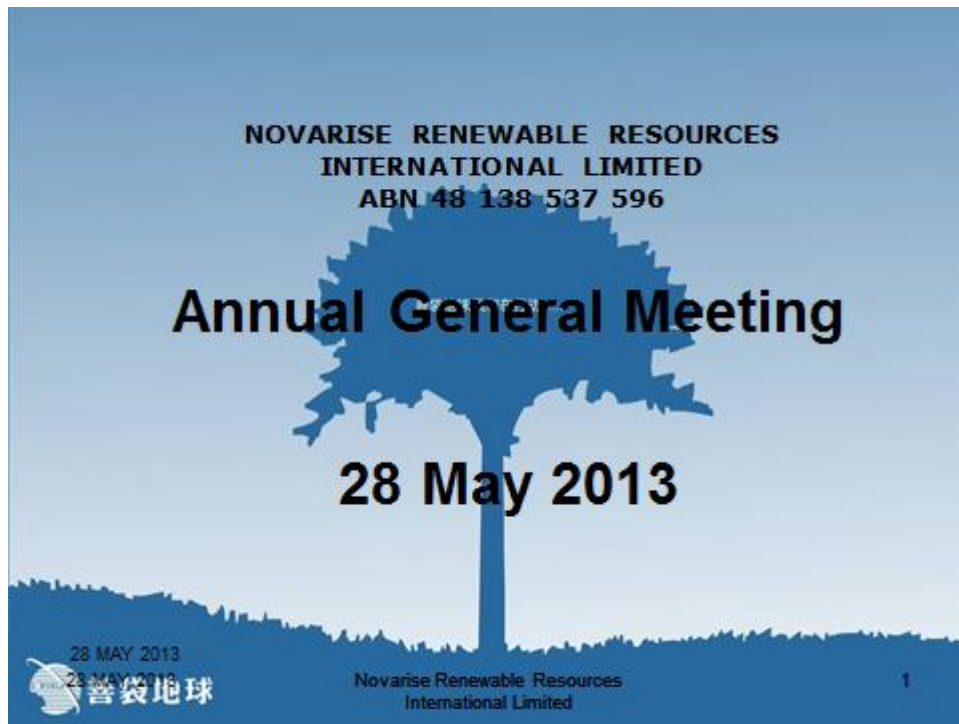
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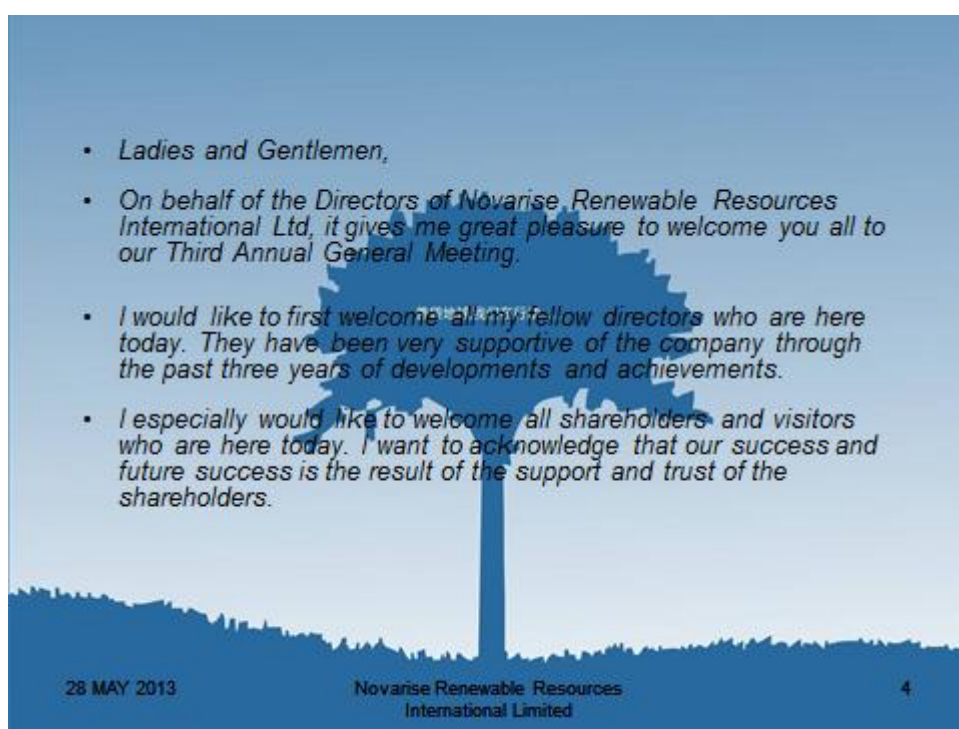
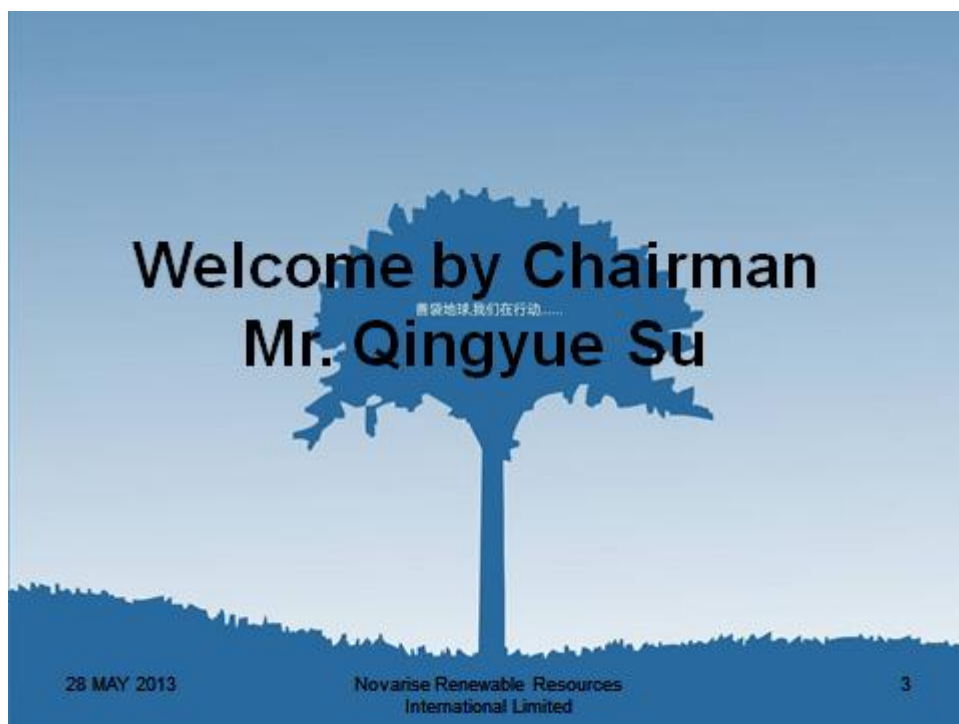
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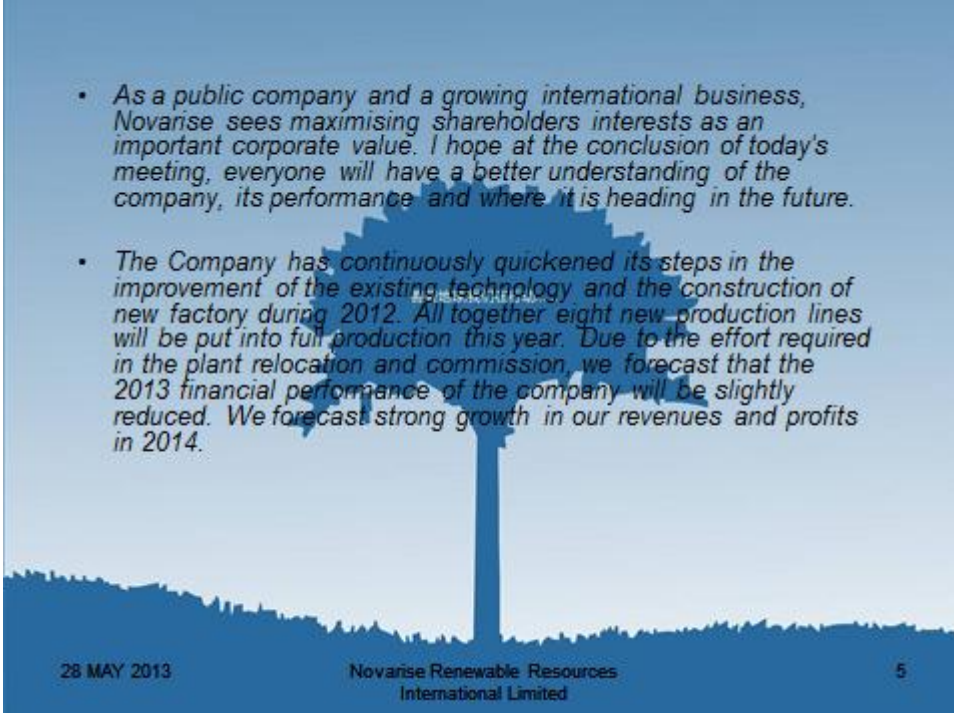
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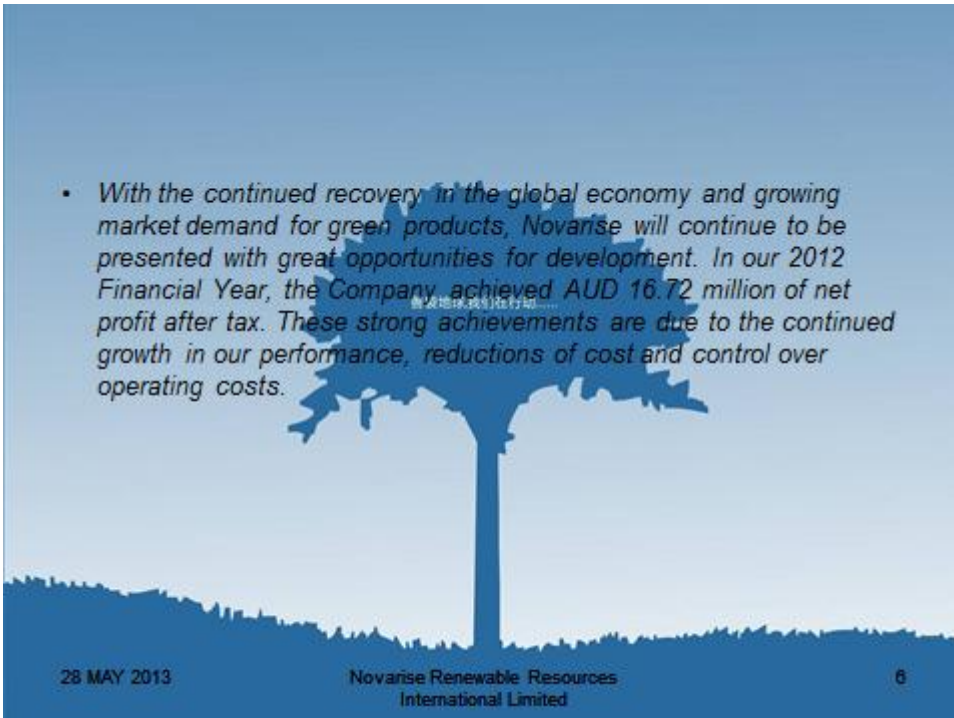
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- *As a public company and a growing international business, Novarise sees maximising shareholders interests as an important corporate value. I hope at the conclusion of today's meeting, everyone will have a better understanding of the company, its performance and where it is heading in the future.*
- *The Company has continuously quickened its steps in the improvement of the existing technology and the construction of new factory during 2012. All together eight new production lines will be put into full production this year. Due to the effort required in the plant relocation and commission, we forecast that the 2013 financial performance of the company will be slightly reduced. We forecast strong growth in our revenues and profits in 2014.*

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- *With the continued recovery in the global economy and growing market demand for green products, Novarise will continue to be presented with great opportunities for development. In our 2012 Financial Year, the Company achieved AUD 16.72 million of net profit after tax. These strong achievements are due to the continued growth in our performance, reductions of cost and control over operating costs.*

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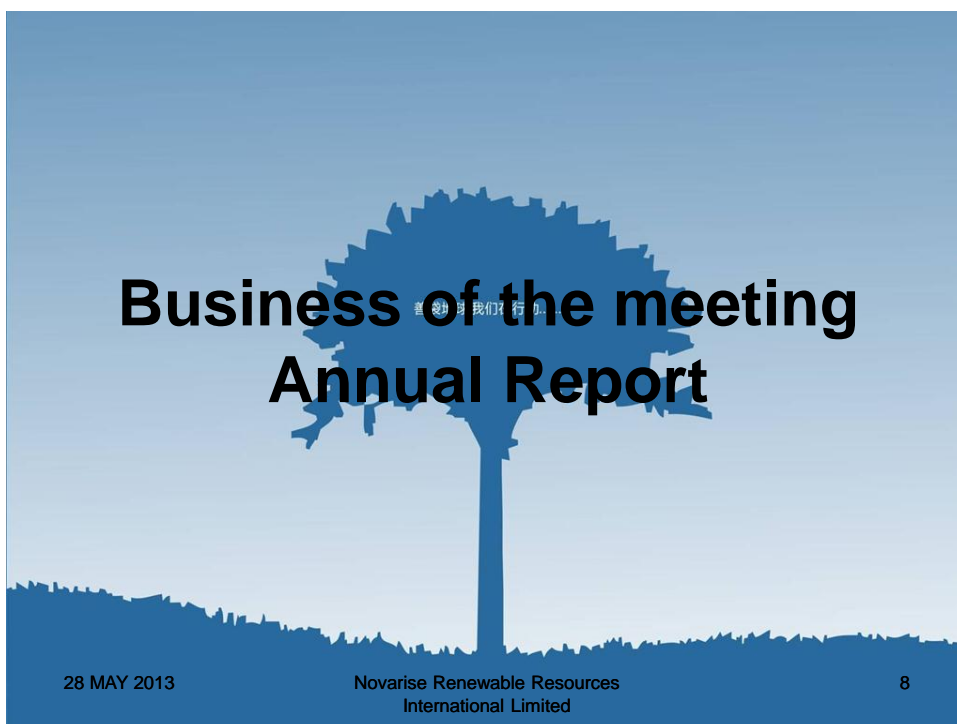


- *As a newly listed company, the Board has resolved to strengthen the Company's risk management and overall operating strategies by improving corporate governance and better communication with shareholders.*
- *We look forward to further development and expansion during the 2013 financial year, and to the continued growth of Novarise.*
- *Again, thank you all for coming today and I will now hand back to Mr. Fai Peng Chen to lead the formal part of the meeting.*

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Business of the meeting Annual Report

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Resolution 1 – Re-Election of Non- Executive Director- Mr. Faipeng Chen

善袋地球,我们在行动.....

"That Mr. Faipeng Chen, a Non-Executive Director, retires by rotation in accordance with Clause 59 of the Company's constitution being eligible, is re-elected as a Non-Executive director of the Company."

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**Business of the meeting
Proxies**

	Vote Type	Voted	%	% of all securities
Resolution 1 Re-Election of Mr. Faipeng Chen	For 善袋地球,我们在行动.....	146,769	61.99%	0.04%
	Against	20,000	8.45%	0.00%
	Open	70,000	29.56%	0.02%
	Abstain	0	N/A	0.00%

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**Resolution 2 - Re-Election of Director-
Mr. Xiaobin Zhuang**

"That Mr. Xiaobin Zhuang, an Executive director retiring by rotation in accordance with clause 59 of the Company's constitution, being eligible, is re-elected as an Executive director of the Company."


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**Business of the meeting
Proxies**

	Vote Type	Voted	%	% of all securities
Resolution 2 Re-Election of Mr. Xiaobin Zhuang	For	148,789	61.99%	0.04%
	Against	20,000	8.45%	0.00%
	Open	70,000	29.56%	0.02%
	Abstain	0	N/A	0.00%

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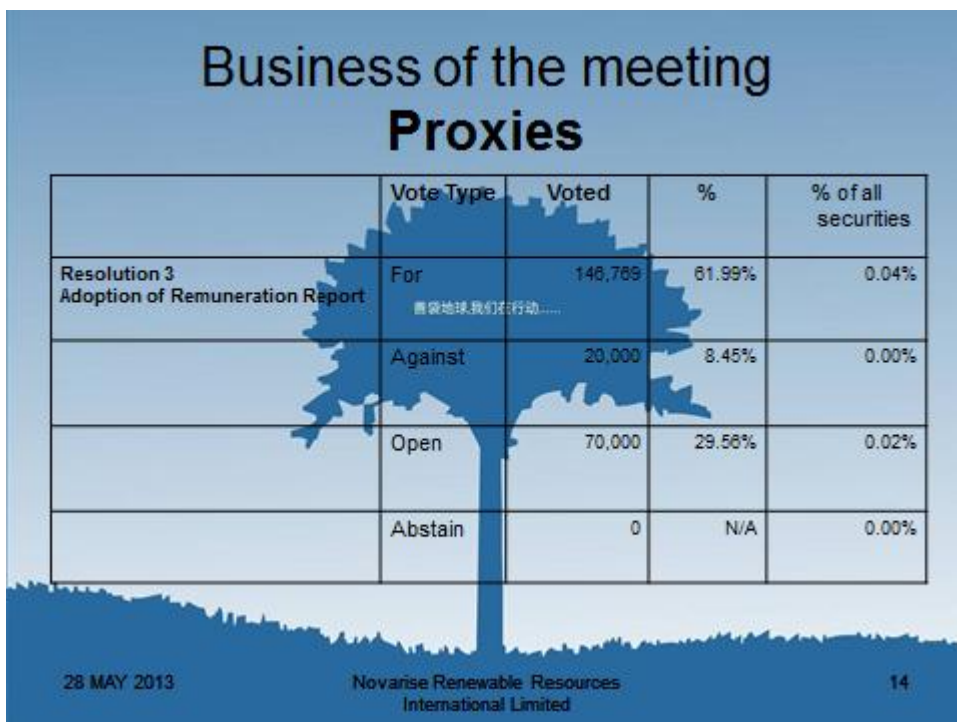


Resolution 3 - Adoption of Remuneration Report for the year ended 31 December 2012

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“That the Remuneration Report for the period ended 31 December 2012 be adopted.”

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Business of the meeting

Proxies

	Vote Type	Voted	%	% of all securities
Resolution 3 Adoption of Remuneration Report	For	148,789	61.99%	0.04%
	Against	20,000	8.45%	0.00%
	Open	70,000	29.56%	0.02%
	Abstain	0	N/A	0.00%

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Business of the meeting
Proxies - Summary

	Vote Type	Voted	%	% of all securities
Resolution 1 Re-Election of Mr. Faipeng Chen	For	146,769	61.99%	0.04%
	Against	20,000	8.45%	0.00%
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	Abstain	0	N/A	0.00%

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Managing Director's Presentation

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On behalf of Mr. Qingyue Su
By
Mr. Fai Peng Chen

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Performance Highlights 2012

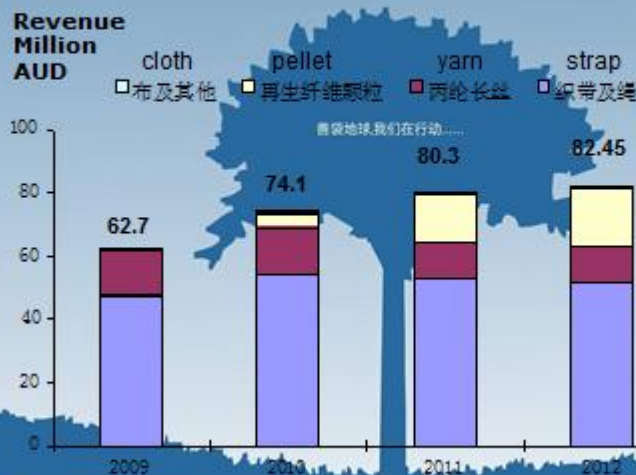
- Revenue increased 2.67% to AUD 82.45 million.
- NPAT declined slightly 2% to AUD 16.72 million.
- The Company continues its growth in its underlying business in spite of the strengthening of the Australian dollar.

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Review of performance - Sales Revenue



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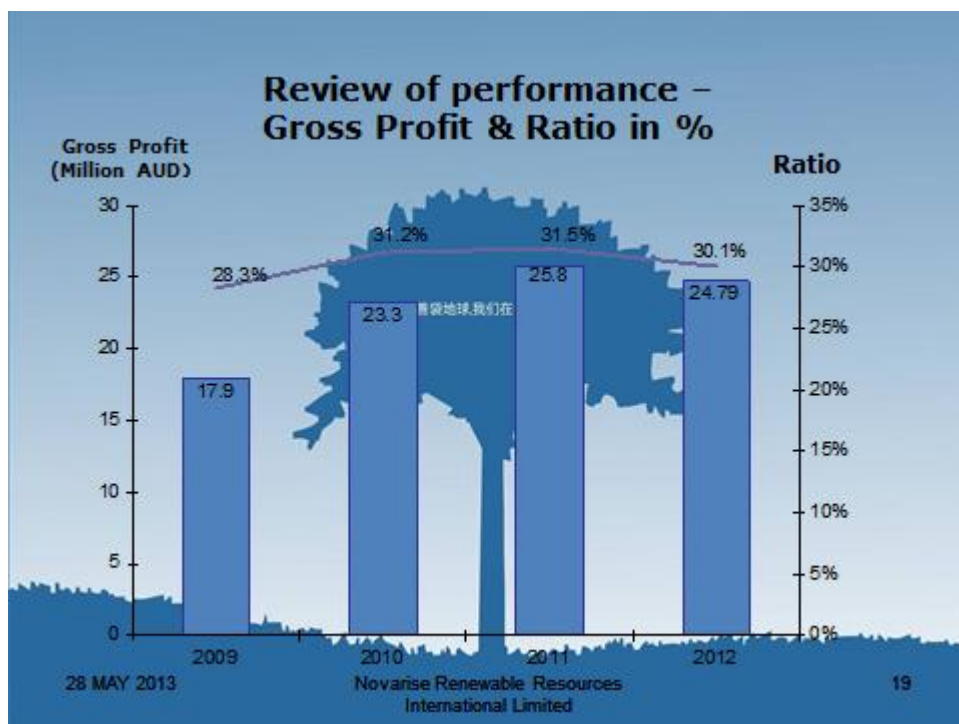
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Review of performance – Financial Overview

	FY2012* \$A m	FY2011* \$A m	FY12 – FY11 Change (%)
Gross Revenue	82.45	80.30	↑2.68%
Net Profit After Tax	16.72	17.10	↓-2.22%
Earnings Per Share (cents)	4.03	4.10	↓1.74

* Audited financials in the Annual Reports for 2012 and 2011 respectively.

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Review of performance – Business Update

- (1) Company increased the varieties, volume and supply network of post-consumer PP waste for its growing production needs.
- (2) In 2012, the Group won a silver award for environmentally friendly computer bags, hotel slippers and renewable polypropylene fibre spinning process in the "6.18 Cross-Strait innovations Exhibition" held in Fuzhou. In 2012, the Group obtained a total of nine utility model patent certificates from China for backpack, satchel, storage box, waist pack, computer bag, work cloths, slippers, shopping bags, mountaineering bags.
- (3) Honour: "National Manufacturing and R&D Base for polypropylene renewable products"
Certificate: "High-tech Enterprise"

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Review of performance – Business Update

- (4) The first and only PP recycling manufacturer awarded the certification from the Chinese Ministry of Environment Protection that comply with technical requirements for environmental labelling for PP filament yarn, PP consumer webbing and green bags.
- (5) Successfully developed 100% recyclable PP finished products; such as bags, cases, garments, footwear, tents etc.
- (6) There are 8 production lines planned for the completed Nan'an production facility, capable of producing 80,000 tonnes of PP products. The first production line was commissioned for production in October 2012. Another four production lines are in the process of being installed.

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Outlook for 2013

- Novarise is currently operating at full capacity.
- Total production capacity in 2013 will be 80,000 tonnes (currently 50,000 tonnes per annum).
- Profit margins are expected to be maintained.
- Revenue in 2013 is expected to be same with 2012, the profit in contrast to 2012 declines slightly.
- Novarise is producing and selling more finished products and increasing its international sales through R&D, branding and marketing.
- Company is conscious of following factors: Core inflationary pressure; tightening of monetary policies in China; rise of RMB versus US\$ and slow down in consumption will impact growth and profitability.

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Production line equipment installation and production schedule

<u>Production line</u>	<u>Status of installation</u>	<u>Schedule for production</u>
First line	Installation completed in October 2012	October 2012
Second line	Installation completed in March 2013	April 2013
Third line	In process of installation and expected to be completed in May 2013	June 2013
Fourth line	In process of installation and expected to be completed in May 2013	June 2013
Fifth line	In process of installation and expected to be completed in May 2013	June 2013
Sixth line	Scheduled for installation in May 2013 and expected to be completed in October 2013	November 2013
Seventh line	Scheduled for installation in May 2013 and expected to be completed in October 2013	November 2013
Eighth line	Scheduled for installation in May 2013 and expected to be completed in October 2013	November 2013

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Growth Strategies for 2013

Purchase

- increased the varieties, volume and supply network of post-consumer PP waste
- Expand procurement network

Production

- Introduction of new and advanced integrated facility in Nan'an and annual production capacity of 80,000 tonnes.
- Economies of scale and improved efficiency.

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Growth Strategies for 2013

Sales and marketing

- Growing relationships with buyers and international brands.
- New finished consumer products
- "Green" branding of Novarise product

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PP Production

PP Straps

PP Straps

PP cloth

Bags

Garments & Footwear

Tents and Chairs

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Nan'an Facility Under Construction*

Phase 1

Phase 2

Phase 3

*Artist impression only.

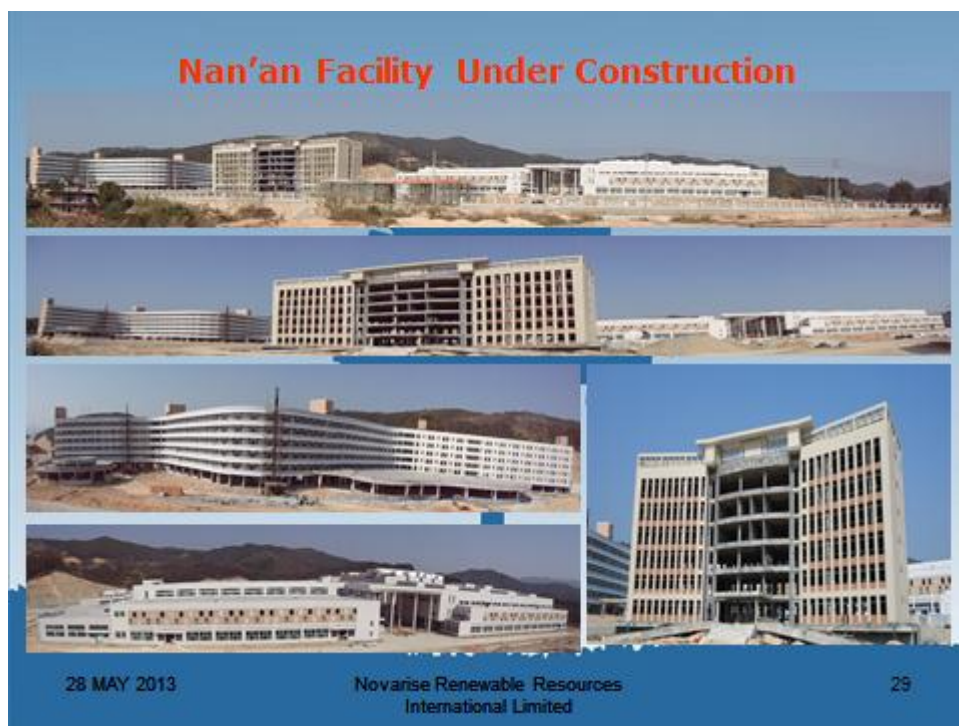
Phase 1 & 3 under construction.
Phase 2 was completed.

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