

# **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**

**30 November 2017**

### **ASX Announcement – Debt Restructure, Turnaround Plan, suspension of Selective Capital Reduction (SCR) and Audited Accounts**

---

#### **Debt Restructure and Turnaround Plan**

Novarise Renewable Resources International Ltd (the Company) wish to announce that its' two China's wholly owned subsidiaries, namely Fujian Sanhong Renewable Resources Technology Co. Ltd. ("FJSH") and Quanzhou Sanhong Chemical Fibre Co. Ltd ("QZSH") have reached an "in-principle" agreement with Great Wall Glory Securities Co., Ltd, which is a subsidiary of China Great Wall Asset Management Co., Ltd. to restructure the corporate debts and borrowings of both FJSH and QZSH ("Debt Restructure").

Mr Qingyue Su, the CEO of the Company advised the board that the Debt Restructure, when implemented will result in significant reduction of the overall debt and liabilities of FJSH and QZSH and an imperative to the Company's turnaround plan; namely, to return the Company to revenue growth, business expansion and long-term profitability.

The Company will be working with Mr Qingyue Su and the Company's management team on the Debt Restructure. The Company will also provide market release as and when further information (including when definitive terms to the Debt Restructure) are made available.

Depending on the outcome and impact of Debt Restructure on the shareholding and corporate structure of the Company, FJSH and QZSH, the Debt Restructure may in itself be subject to other relevant corporate and regulatory approvals (including relevant corporate, shareholders, ASX and regulatory approvals, both in China and Australia) and the Company will seek relevant advice and provide further releases.

Concurrent with the Debt Restructure, the Company is undertaking a corporate turnaround plan ("Turnaround Plan"):

- To return to optimal trading conditions and revenue base for Noavrise's core business;
- To undertake expansion of its business in China and internationally; and

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

Australian Office: Suite 5, Level 1, 325 Pitt Street , Sydney, NSW 2000

Chinese Office: No 2-16A Qingmeng Park, Quanzhou Economy & Technology Development Zone, Quanzhou, Fujian Province, The People's Republic of China

www.novarise.com.au

## **NOVARISE RENEWABLE RESOURCES INTERNATIONAL LTD**

- To provide a pathway for the Company to long term growth and profitability.

The Company will make further market releases of this Turnaround Plan, including business plan to increase its revenue base, optimise production of its core products at its Nan'an facilities, consideration into new markets internationally (Southeast Asia) and improving its financial position and build a strong foundation to return the Company to profitability.

### **Update on Selective Capital Reduction (SCR)**

As previously announced, the Company entered into agreement with 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.

### **Suspension of SCR negotiations**

The Company advised the market on 14 August 2017 that while GRII has secured additional funding from a China bank and was still in discussion with a Hongkong Bank which was expected to provide majority of the funding to GRII to fund the SCR. GRII has advised that it has not secured the loan from the Hongkong bank due to its current focus on Debt Restructure and Turnaround Plan.

Given the imminent Debt Restructure and Turnaround Plan announced today, the Company and GRII have agreed to suspend negotiation of the SCR until further notice, in order to focus its management and resources towards the Debt Restructure and Turnaround Plan. The Company and GRII will resume negotiating on SCR in the event that the Debt Restructure

## **NOVARISE RENEWABLE RESOURCES INTERNATIONAL LTD**

and/or the Turnaround Plan cannot be finalised, implemented, are not commercially viable and/or are not in the best in interest of the Company and all its shareholders.

In relation to the SCR with GRII, the Company has reserved all rights in relation to its rights and interests with GRII.

### **Further information on the Company's Audited accounts**

The Company is now working with its auditor to commence and complete its obligations to complete and release the Company's audited accounts in respect of the periods from 1 July 2015 to 31 December 2015; 1 January to 31 December 2016 and 1 January to 31 December 2017.

Through its auditor and legal adviser, the Company will also discuss with ASX in regards to the releases of the audited accounts, financial statements and the annual general reports as soon as it is practicable to do so, as well as other compliance matters to enable the shares of Novarise to be quoted as soon as practicable.

The Company note that it may be removed from the official listing of the ASX in March 2018 if it remains suspended.

### **Ongoing financial support and further announcement**

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 and GRII have provided and 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 Debt Restructure and the Turnaround Plan will be made in December 2017 as soon as further information are available.

Dated: 30 November 2017



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

Su Qingyue

CEO

For and on behalf of Novarise

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

Australian Office: Suite 5, Level 1, 325 Pitt Street, Sydney, NSW 2000

Chinese Office: No 2-16A Qingmeng Park, Quanzhou Economy & Technology Development Zone, Quanzhou, Fujian Province, The People's Republic of China

[www.novarise.com.au](http://www.novarise.com.au)