

NOVARISE RENEWABLE RESOURCES INTERNATIONAL LTD

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Date: 07th August, 2019

日期: 2019年8月7日

To Shareholders of Novarise Renewable Resources International Ltd
致宏升再生资源国际有限公司的股东

Dear Shareholders,
尊敬的股东,

Re: Update and Proposed Privatisation

回复：最新进展和私有化的提议

Following the completion of the financial audit of the Company and its two operating entities, namely Fujian Sanhong Renewable Resources Limited ("FJSH") and Quanzhou Sanhong Chemical Fibre Co. Ltd ("QZSH") for financial years 2015, 2016 and 2017, the Company wish to provide the following updates:

在完成本公司及其下两个营运实体, 福建三宏再生资源科技有限公司和泉州三宏化纤有限公司 2015, 2016 和 2017 财务年的财务审计后, 本公司希望提供以下市场更新信息:

1. Trading conditions of FJSH and QZSH remain challenging and difficult. This is due in part to the ban of import of recycled plastic raw materials in China and generally adverse and declining economic and financial conditions in China, exacerbated by international economic and trading developments.
中国公司的市场环境仍然充满挑战和困难。有部分原因是中国禁止进口再生塑胶原料, 以及受到不利的国际经济和贸易发展而加剧了中国经济及金融状况的下降和不利影响。
2. Great Rises International New Resources Limited ("GRII"), the substantial shareholder of the Company controlled by Mr Qingyue Su, the Executive Chairman of the Company, has provided and is continuing to provide funding to ensure that the Company continues to trade normally.
苏清阅先生, 宏升国际投资有限公司(GRII)负责公司管理的主要股东及执行主席, 已经提供并将继续提供资金以确保本公司继续正常交易。
3. GRII and Mr Su has indicated and reaffirmed to the Company their intention to take the Company private. The Company is of the view that it is in the best interest of the Company to privatise the Company. The board is currently in negotiation with GRII and Mr Su with the

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view to finalise a binding privatisation arrangement between the Company and GRII and Mr Su. Subject to professional advice and legal compliance, the Company envisages the privatisation will be by way Selective Capital Reduction ("SCR").

GRII 和苏先生已向本公司表明并重申他们打算对本公司进行私有化。本公司亦认为私有化是对本公司的最大利益。而董事会目前正在与 GRII 和苏先生进行谈判，去完成公司与 GRII 和苏先生之间的有效合同。根据专业建议和法律规条，公司预计私有化将由选择性减资 ("SCR") 的方法来通过。

4. The Board is working currently with GRII and Mr Su and will communicate and advise the Shareholders once binding agreements (including funding agreement) has been finalised in relation to SCR.

董事会目前正与 GRII 及苏先生协商，一旦關於 SCR 的有效合同达成 (包括融资协议)，将与股东沟通及提供建议。

5. It is noted that while the Board will continue to work diligently with GRII and is hopeful that binding agreements are forthcoming, the Company does not purport to give any of the representations that binding agreements will be signed by a particular time. The binding agreements will also be subject to performance by GRII and the Company, legal compliance and approvals from shareholders, therefore, the Company also does not purport to represent the due performance, compliance and approvals once binding agreements have been executed.

需要注意的是，虽然董事会将继续尽力与 GRII 合作，并且希望尽快签订有效合同，但本公司无法为准确的签订时间作任何确认。有效合同亦根据 GRII 和本公司的协商，法律规条和股东批准而决定，所以公司目前也无法为以上的协商，合规和批准作任何确认。

6. The Company will keep its shareholders updated with developments.

公司会一直就进展情况向股东更新。

Dated: 7th August, 2019



By Order of the Board
Winnie Chen
Company Secretary

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