

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



福建諾奇股份有限公司

Fujian Nuoqi Co., Ltd.

(a joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 1353)

UPDATE ON THE AFFAIRS OF THE GROUP

Reference is made to:

- (i) the holding announcements of the Company dated 25 July 2014 and 31 July 2014 in relation to, among other matters, the Incidents;
- (ii) the Dividend Postponement Announcement;
- (iii) the August Announcement;
- (iv) the announcement of the Company dated 28 August 2014 in relation to, among other matters, the delay in publication of the 2014 Interim Results and the 2014 Interim Report;
- (v) the announcements of the Company dated 24 October 2014, 28 November 2014 and 31 December 2014 (“**December Announcement**”) in relation to, among other matters, an update of the affairs of the Group (collectively, “**Update Announcements**”); and
- (vi) the announcement of the Company dated 14 November 2014 in relation to, among other matters, the conditions imposed by the Stock Exchange for the resumption of trading in the shares of the Company.

This announcement serves as an update on the latest developments in relation to, among other matters, the Demands and the financial position and business operations of the Group. Capitalised terms used herein shall have the same meanings as those defined in the Update Announcements unless otherwise specified.

DEMAND LETTERS FROM FINANCIAL INSTITUTIONS AND OTHER DISPUTES

Demand letters from financial institutions

Save as disclosed in the Update Announcements, there is no material development in relation to the Demands and the demand letter against Sun Power.

Civil actions and arbitration cases against the Group

In connection with the Incidents, based on the Group's recent collation of its internal records, save as disclosed in the Update Announcements, (i) a civil action was brought by a supplier of the Group in relation to its claim for outstanding amounts payable by the Group for products purchased by the Group, which amounted to approximately RMB0.1 million; (ii) a civil action was brought by a contractor in relation to its claim for payment of outstanding construction fees by the Group amounting to approximately RMB4 million; and (iii) the Company was named as a defendant in three arbitration cases brought by its employees in respect of their respective claims for outstanding salaries from the Group of approximately RMB32,000 in aggregate. The Board is seeking legal advice on appropriate actions to be taken in relation to the claims mentioned above and in the Update Announcements, and based on the advice of the Company's PRC legal advisers, it is expected that such claims will be handled in the court proceedings proposed to be conducted in relation to the Group's restructuring plans altogether.

As at the date of this announcement, the case brought against a subsidiary of the Company in relation to the transfer of a piece of land from the Company's subsidiary to the plaintiff as disclosed in the December Announcement had been withdrawn by the plaintiff.

The PRC courts have issued judgments in relation to three of the civil actions disclosed in the December Announcement, namely:

- (i) two civil actions brought against the Group by suppliers of the Group for outstanding amounts payable by the Group for products purchased by the Group, in which the PRC courts ordered the Group to repay a total amount of approximately RMB6 million to the suppliers; and
- (ii) a civil action brought against the Group by a financial institution for loan repayment from the Group, in which the PRC court ordered the Group to repay a total loan amount of approximately RMB5 million to the plaintiff in that case together with interest thereon.

As at the date of this announcement, among 71 arbitration cases against the Group, (i) arbitration committees in the PRC have ruled in favour of the plaintiffs in 37 arbitration cases against the Group, who claimed for outstanding salary and other compensation of approximately RMB0.6 million in aggregate; and (ii) two arbitration cases were withdrawn by the plaintiffs, who claimed for outstanding salary and other compensation of approximately RMB26,000 in aggregate.

As at the date of this announcement, there were 37 civil actions against the Group and 32 arbitration cases awaiting decisions from the relevant PRC court and arbitration committees respectively. Save as disclosed above, there has been no material development in relation to the civil actions and arbitration cases against the Group since the date of the December Announcement.

Civil actions against Mr. Ding Hui and Mr. Ding Canyang

The Company has been informed that, in January 2015, the PRC courts issued judgments in relation to two actions brought against, among other persons, Mr. Ding Hui and Mr. Ding Canyang (each being an executive Director) disclosed in the December Announcement. In one of such cases, it was ruled that, among other matters, each of Mr. Ding Hui and Mr. Ding Canyang was liable as a guarantor for the repayment of a loan amount of approximately RMB10 million. In the other case, it was ruled that Mr. Ding Hui and Mr. Ding Canyang was liable, as the borrower and a guarantor respectively, for the repayment of the loan amount of RMB5 million.

As at the date of this announcement, there was one civil action against, among other persons, Mr. Ding Hui and Mr. Ding Canyang awaiting decision from the relevant PRC court. Save as disclosed above, there has been no material development in relation to civil actions against Mr. Ding Hui and Mr. Ding Canyang since the date of the December Announcement.

FINANCIAL POSITION AND BUSINESS OPERATIONS OF THE GROUP

Proposed plan for the resumption of trading

As the Company requires additional time to collate its books and records to enable KPMG to complete its financial analysis, KPMG's analytical work on the Group's assets and liabilities is still on-going. Based on the Company's current progress, it is expected that KPMG will complete its initial analysis on the assets and liabilities of the Group by the end of February 2015.

Save as disclosed above, there has been no material development in relation to the Company's proposed plan for the resumption of trading, postponement of payment of the Final Dividend the publication of 2014 Interim Results.

Business operation of the Group

Since the date of the December Announcement, the total number of retail shops of the Group in operation has increased by two shops to 92 shops. Save as disclosed, there has been no material development in relation to the Group's business operation since the date of the December Announcement.

CESSATION OF AUTHORITY OF MR. DING HUI TO BIND THE GROUP

There has been no material development in relation to the proposed formal removal of Mr. Ding Hui as director of the Company since the date of the December Announcement.

SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 11:25 a.m. on 23 July 2014, and it will remain suspended pending the release of further information by the Company.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

The Company will disclose any material development in connection with the Incidents, the Demands and other relevant matters by way of further announcement(s) in accordance with regulatory requirements.

By Order of the Board
Fujian Nuoqi Co., Ltd.
Chen Quanyi
Executive Director

Hong Kong, 30 January 2015

As at the date of this announcement, the executive Directors are Ding Hui, Ding Canyang and Chen Quanyi; the non-executive Directors are Han Huiyuan and Ding Lixia; and the independent non-executive Directors are Qi Xiaozhai, Hsu Wai Man, Helen and Dai Zhongchuan.