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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 and 30 January 2015 (“**January 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

There is no material development in relation to the Demands and the demand letter against Sun Power since the date of the January Announcement.

Civil actions and arbitration cases against the Group

There has been no material development in relation to the civil actions and arbitration cases against the Group since the date of the January Announcement. Based on the Group's recent collation of its internal records, 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.

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

There has been no material development in relation to civil actions against Mr. Ding Hui and Mr. Ding Canyang since the date of the January Announcement. To the best knowledge of the Directors, as at the date of this announcement, there was one civil action brought by an individual lender against, among other persons, Mr. Ding Hui and Mr. Ding Canyang (each being an executive Director who allegedly guaranteed a loan provided by the individual lender) awaiting decision from the relevant PRC court.

FINANCIAL POSITION AND BUSINESS OPERATIONS OF THE GROUP

Proposed plan for the resumption of trading

The Company requires additional time and effort to recruit suitable personnel for its finance department and to locate, retrieve and re-organise its financial and business records and other related information for collating its books and records. As KPMG's financial analysis is based on, among other information, such books and records, its work is affected by the Company's progress in providing its financial records and the relevant supporting documents. Accordingly, KPMG may only be able to estimate the time required for its analytical work on the Group's assets and liabilities when sufficient financial records and supporting documents have been provided by the Company. In view of its current situation as set out above, the Company has engaged an accounting firm to assist in the preparation of its accounts for the six months ended 30 June 2014 and the year ended 31 December 2014 and has been seeking qualified financial personnel for its finance department.

Since the last quarter of 2014, the Company has been having discussions with officials from the local government of Quanzhou City, the PRC and the Quanzhou Municipal Intermediate People's Court ("**Quanzhou Court**") regarding, among other matters, the petition for the restructuring of the Group. During its recent communications with such authorities, the Company had received indications regarding Quanzhou Court's acceptance of the petition for the restructuring of the Group. However, no formal reply from the Quanzhou Court has been received as at the date of this announcement. The Quanzhou Court's acceptance of the petition is necessary for the Group's restructuring, including but not limited to arrangements to restructure debts owing to or from the Group, and is crucial to the corporate and financial planning of the Group. It is expected that upon receipt of such acceptance from the Quanzhou Court, the Company will be able to formulate and implement a concrete and realistic plan for its resumption of trading on the Stock Exchange and for the appointment of a forensic accountant and an internal control consultant.

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 and the publication of 2014 Interim Results.

Business operation of the Group

There has been no material development in relation to the Group's business operations since the date of the January Announcement and the total number of retail shops of the Group in operation remained at 92 shops as at the date of this 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 January 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, 27 February 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.