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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 despatch of the 2014 Interim Report;

(v) the announcements of the Company dated 24 October 2014, 28 November 2014 and 31 December 2014, 30 January 2015 and 27 February 2015 ("**February 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 in this announcement have the same meanings as those defined in the Update Announcements unless otherwise specified.

FINANCIAL POSITION AND BUSINESS OPERATIONS OF THE GROUP

Proposed plan for the resumption of trading

On 24 March 2015, the Company received a notice from the Quanzhou Municipal Intermediate People's Court ("**Quanzhou Court**") dated 23 March 2015 stating that an alleged creditor of the Company had applied to the Quanzhou Court for the reorganisation of the Company ("**Application**"), on the basis that there was possibility that the Company would be unable to repay its outstanding liabilities. On 27 March 2015, the Company submitted to the Quanzhou Court that it had no objection to the Application.

It is expected that the Quanzhou Court will hand down an order accepting the Application for the reorganisation of the Company in early April 2015 pursuant to the applicable laws of the PRC.

If the Application is accepted by the Quanzhou Court, it is expected that an administrator will be appointed by the Quanzhou Court to supervise the affairs and reorganisation of the Group from the date of appointment. Meetings of the creditors and the shareholders of the Company will be called and convened by the Quanzhou Court regarding the affairs of the Group and for the purposes of considering and approving any plans of reorganisation. Further announcement will be made by the Company in relation to the expected timetable, procedures and progress of the Group's proposed reorganisation as and when appropriate. Shareholders and potential investors of the Company should note that there is no certainty that a reorganisation can be agreed by the parties involved or, if agreed, will necessarily be sanctioned by the Quanzhou Court or other competent authorities.

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 the 2014 Interim Results.

Given that, as disclosed in the February Announcement, 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, additional time is required for the preparation of the annual results of the Group for the year ended 31 December 2014 ("**2014 Annual Results**"). Accordingly, the publication of the 2014 Annual Results will be delayed. Further announcement will be made in relation to the publication of the 2014 Annual Results as and when appropriate.

Pursuant to Rule 13.49 of the Listing Rules, the Company is required to publish the 2014 Annual Results no later than three months after the end of the financial year, that is, on or before 31 March 2015. The delay in the publication of the 2014 Annual Results constitutes non-compliance with Rule 13.49 of the Listing Rules.

Business operation of the Group

The total number of retail shops of the Group in operation remains at 92 shops as at the date of this announcement.

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 February Announcement. It is expected that disputes regarding the Demands and the demand letter against Sun Power will be handled in the proposed reorganisation of the Group if the Application is accepted by the Quanzhou Court.

Civil actions and arbitration cases against the Group

Save as disclosed in the Update Announcements, (i) a new civil action was brought by an individual lender in relation to his claim for enforcement of guarantee alleged to be provided by the Company in respect of a loan of approximately RMB8 million alleged to be advanced to Mr. Ding Hui; (ii) in a civil action brought by another individual lender, the PRC court ruled that the Company was liable as a guarantor for a loan of RMB6 million advanced to Mr. Ding Hui; and (iii) the arbitration committees in the PRC ruled in favour of the plaintiffs in four arbitration cases against the Group, who claimed for outstanding salary and other compensation of approximately RMB215,000 in aggregate.

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 February 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 28 arbitration cases awaiting decisions from the relevant PRC court and arbitration committees respectively. However, it is expected that, if the Application referred to above is accepted by the Quanzhou Court, all civil actions and arbitration cases against the Group will be stayed.

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 February 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 February 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 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, the Application 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, 31 March 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.