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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)**

**(1) UPDATE ON THE AFFAIRS OF THE GROUP; AND  
(2) ANNOUNCEMENT PURSUANT TO RULE 3.7 OF  
THE TAKEOVERS CODE**

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, 31 December 2014, 30 January 2015, 27 February 2015, 31 March 2015, 30 April 2015, 29 May 2015, 30 June 2015, 31 July 2015, 31 August 2015, 30 September 2015, 30 October 2015, 4 December 2015, 30 December 2015 (the “**December Announcement**”) and 28 January 2016 (the “**January Announcement**”) in relation to, among other matters, an update of the affairs of the Group (collectively, the “**Update Announcements**”);
- (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;
- (vii) the Reorganisation Announcement and the announcement of the Company dated 17 December 2015 (“**Restructuring Agreement Announcement**”) in relation to, among other matters, the restructuring agreement entered into between the Company and the investor dated 26 November 2015, and the announcement of the Company dated 12 January 2016 in relation to, among other matters, the update on the Reorganisation;

- (viii) the announcement of the Company dated 28 January 2016 in relation to, the Company being placed in the first delisting stage under Practice Note 17 to the Listing Rules.

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 August Announcement, the Update Announcements and the Restructuring Agreement Announcement unless otherwise specified.

## **FINANCIAL POSITION AND BUSINESS OPERATIONS OF THE GROUP**

### **Proposed plan for the resumption of trading**

#### *(1) The Reorganisation Proposal*

As disclosed in the December Announcement, the Reorganisation Proposal (重整計劃草案) was submitted to the Quanzhou Court on 30 December 2015 and would be subject to approval by the Quanzhou Court, the creditors' meeting and the meeting of holders of domestic Shares(s). The Reorganisation Proposal was approved at the creditors' meeting and the meeting of holders of domestic Shares held on 27 January 2016, and it was approved by the Quanzhou Court on 1 February 2016.

As set out in the Restructuring Agreement Announcement, the Investment Sum payable by the Investor (namely, 羅馬世家(天津)服裝服飾銷售有限公司, or Romaster (Tianjin)\*) comprises the Assets Investment Sum (of up to RMB72.72 million) and the Share Investment Sum (RMB80 million). Under the terms of the Restructuring Agreement, within one month upon obtaining the approval from the Quanzhou Court of the Reorganisation Proposal (that is to say, by 1 March 2016), the Investor shall, out of the Investment Sum, pay to the Administrator the outstanding (i) fees for the reorganisation; (ii) debts of common benefits; (iii) amounts due to employees; and (iv) tax payments. The Company understands that the Investor intends to apply the Deposit previously paid to the Company towards payment of an equivalent amount of the sums payable as described above. Any amount of the Investment Sum remaining payable is required by the Restructuring Agreement to be paid within three months from the date of approval of the Reorganisation Proposal by the Quanzhou Court (that is to say, by 1 May 2016).

If the Investor fails to perform its obligations under the Restructuring Agreement, which include the payment of any part of the Investment Sum, the Company will be entitled to terminate the Restructuring Agreement.

#### *(2) Matters in relation to the Takeovers Code*

Completion of the transfer of 311,504,940 domestic Shares to the Investor pursuant to the Restructuring Agreement, which represent 51% of the total issued Shares (including domestic Shares and H Shares) (the "**Completion**"), is conditional upon, among others, settlement of the Investment Sum. Subject to Completion, the Offeror will be required to make a mandatory unconditional cash offer (the "**Offer**") for all the then issued Shares not already beneficially owned or agreed to be acquired by the Investor and parties acting in concert with it under Rule 26.1 of the Takeovers Code. Further details

on the Offer will be disclosed in an announcement to be published by the Company with the Investor and other party(ies), if necessary, jointly (the “**Joint Announcement**”). As at the date of this announcement, the Board requires additional time to prepare the Joint Announcement, which will be published as soon as practicable.

**The Offer is possibility only. As the Offer will only be made after Completion, which is subject to a number of conditions, the Offer may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the securities of the Company.**

### **Business operation of the Group**

Since the date of the January Announcement, the total number of retail shops of the Group has remained unchanged at 92 shops as at the date of this announcement. There has been no material development in relation to the business operation of the Group since the date of the January 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 January Announcement.

#### **Civil actions and arbitration cases against the Group**

Based on the Group’s recent collation of its internal records, since the date of the January Announcement, 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. As at the date of this announcement, there were 12 civil actions against the Group and 18 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 the civil actions against Mr. Ding Hui and Mr. Ding Canyang since the date of the January 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 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, 29 February 2016

*\* For identification purposes only*

*As at the date of this announcement, the executive Directors are Ding Hui, Ding Canyang and Chen Quanyi; and the non-executive Directors are Han Huiyuan and Ding Lixia.*

*All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*