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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, 28 January 2016, 29 February 2016 and 31 March 2016 (the “**March 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, an update on the Reorganisation; and
- (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

Matters in relation to the Takeovers Code

As disclosed in the March Announcement, upon negotiations between the Company and the Investor, it has been agreed that the remaining balance of the First Installment Investment Sum (together with interest based on the benchmark interest rate of the People’s Bank of China for the period from 2 March 2016 to the date of settlement) and the Second Installment Investment Sum shall be settled by 1 May 2016. As at the date of this announcement, the above sums have not yet been settled.

Subject to Completion, the Offeror will be required to make the Offer. Further details on the Offer will be disclosed in the Joint Announcement, if necessary. As at the date of this announcement, the Board requires additional time to engage appropriate professional parties to prepare the Joint Announcement, which is targeted to be published as soon as possible.

The Offer is a 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 March 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 March 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 March 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 March Announcement:

1. a court order was granted in relation to a civil action against the Company and Mr. Ding regarding certain loans, in which Mr. Ding was ordered to pay damages of approximately RMB600,000; and
2. 26 arbitration awards were granted in relation to disputes on employees' wages, in which the Company was ordered to pay compensation of approximately RMB150,000 in aggregate. Such compensation is within the estimate of the Company's debts under the Reorganisation Proposal.

Save as disclosed, there has been no material development in relation to the civil actions and arbitration cases against the Group since the date of the March Announcement. As at the date of this announcement, there were 13 civil actions against the Group awaiting decisions from the relevant PRC courts.

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 March 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 March 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 April 2016

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.