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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
AND
APPOINTMENT OF THE
INDEPENDENT FINANCIAL ADVISER**

Reference is made to (i) the announcement of the Company dated 30 September 2016 (“**September Announcement**”) and the announcements referred to therein; and (ii) the announcement of the Company dated 20 October 2016 in relation to the appointment of the independent forensic accountant by the Company (“**RSM Announcement**”). Capitalised terms used in this announcement have the same meanings as those defined in the September Announcement unless otherwise specified.

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.

FINANCIAL POSITION AND BUSINESS OPERATIONS OF THE GROUP

Appointment of the independent financial adviser

Reference is made to (i) the announcement jointly issued by Hao Tian, Hao Tian China, Hao Tian Corporation and the Company dated 27 July 2016 in relation to, among others, the HT China Restructuring Agreement and the Offers; and (ii) the announcement jointly issued by Hao Tian, Hao Tian China, Hao Tian Corporation and the Company dated 5 September 2016, in relation to the completion of the HT China Restructuring Agreement (“**Completion**”).

Announcement”). As set out in the Completion Announcement, an independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders. The Board is pleased to announce that Central China International Capital Limited (“CCI”) has been appointed independent financial adviser to advise the Independent Board Committee and Independent Shareholders in respect of the Offers. Such appointment of CCI has been approved by the Independent Board Committee.

Proposed plan for the resumption of trading

As disclosed in the RSM Announcement, RSM Corporate Advisory (Hong Kong) Limited has been appointed independent forensic accountant to conduct an independent forensic accounting review on the Incidents. Save as disclosed, since the date of the September Announcement, there is no material development in relation to the proposed plan for the resumption of trading.

Business operation of the Group

Since the date of the September Announcement, the total number of retail shops of the Group has remained unchanged at 91 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 September 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 September 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 September Announcement, there has been no material development in relation to the civil actions and arbitration cases against the Group. As at the date of this announcement, there were 9 civil actions against the Group awaiting decisions from various 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 September 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 September 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, 28 October 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.