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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)

**ENTERING INTO THE RESTRUCTURING AGREEMENT
AND
ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE
TAKEOVERS CODE AND RULE 13.09 OF THE LISTING RULES AND
INSIDE INFORMATION PROVISIONS UNDER
PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and pursuant to Rule 3.7 of The Hong Kong Code on Takeovers and Mergers (“**Takeovers Code**”).

Reference is made to (i) the announcement of the Company dated 4 December 2015 (“**November Announcement**”) in relation to, among other matters, an update of the affairs of the Group; (ii) the announcement of the Company dated 14 April 2015 in relation to, among other matters, the proposed reorganisation of the Company (“**Reorganisation Announcement**”); and (iii) the announcement of the Company dated 14 November 2014 in relation to, among other matters, the conditions for resumption of trading of the shares of the Company (“**Resumption Conditions Announcement**”). Unless otherwise specified, capitalised terms used in this announcement have the same meanings as those defined in the November Announcement, the Reorganisation Announcement and the Resumption Conditions Announcement.

The Company entered into a restructuring agreement (“**Restructuring Agreement**”) with an investor on 26 November 2015, pursuant to which the Investor conditionally agreed to participate in the restructuring of the Company. The Restructuring Agreement is the only agreement that the Investor and the Company would enter into during the Reorganisation, which sets out, among others, the aggregate investment sum (“**Investment Sum**”) payable by the Investor. The Investment Sum, which comprises the Assets Investment Sum (as defined below) and the Share Investment Sum (as defined below), amounts to a sum not exceeding RMB152,720,000.

As set out in the Reorganisation Announcement, on 1 April 2015, the Quanzhou Court appointed a group of persons collectively as the Administrator who are responsible for, among other matters, taking possession and control over the assets and company chop of the Company, deciding on the Company's internal administrative affairs and managing assets of the Company. As advised by the PRC legal advisers of the Company, the Administrator shall administer the assets of the Company to, among others, repay debts, settle operation costs and/or professional fees. As such, the Administrator would, on behalf of the Company, receive the Investment Sum from the Investor.

After signing of the Restructuring Agreement, the Investor will also endeavour to appoint auditors and other professional parties to assist the Company in fulfilling the Resumption Conditions. The Restructuring Agreement is a framework agreement which acts as a basis for the Administrator to formulate the proposal for the Reorganisation ("**Reorganisation Proposal**"), which shall be submitted to the Quanzhou Court, the creditors' meeting and the meeting of holders of domestic Share(s) for approval. The Quanzhou Court has the authority to make the final decision on the Reorganisation Proposal.

Details of the Restructuring Agreement are set out below:

THE RESTRUCTURING AGREEMENT

Date: 26 November 2015

Parties:

- (1) the Company; and
- (2) Romaster (Tianjin)* (羅馬世家(天津)服裝服飾銷售有限公司) ("**Investor**")

The Restructuring Agreement became effective upon signing and affixing of the company chop by each party.

Deposit

The Investor shall, on the day after the Restructuring Agreement becomes effective, pay to the Administrator a sum of RMB5 million as deposit ("**Deposit**"). The Deposit had been paid to the Administrator accordingly.

Assets of the Company

The Administrator will appoint a valuer to appraise the value of the Company's assets, which include, among others, land use rights, properties and other office equipment ("**Assets**") and the Investor shall pay a sum ("**Assets Investment Sum**") not exceeding RMB72,720,000 for the portion of the Assets with an aggregate appraised value not exceeding RMB72,720,000. Such portion of the Assets (i.e. within RMB72,720,000) shall be retained by the Company for its future business operations and the Assets Investment Sum shall be administered by the Administrator to settle the Company's debts. In the event that the appraised value of the Assets is less than RMB72,720,000, the Investor shall pay the corresponding sum as the Assets Investment Sum for the Assets.

For the portion of the Assets which exceeds RMB72,720,000, the Investor may decide not to retain such portion of the Assets and it shall be administered by the Administrator in accordance with the PRC laws to settle the Company's debts.

Proposed change in shareholding of the Company

In accordance with the Enterprise Bankruptcy Law of the PRC (《中華人民共和國企業破產法》) and other relevant laws of the PRC, when an enterprise cannot pay off its debts and its assets are insufficient to pay off all its debts, the enterprise may undergo reorganisation according to the Enterprise Bankruptcy Law, which shall be devised by the Administrator and shall include details such as the adjustment of the shares of the enterprise by distributing the shares to the enterprise's creditors to settle its debts. The relevant reorganisation proposal shall be submitted to the enterprise's creditors, the shareholders and the court for approval. As advised by the PRC legal advisers of the Company, under the Enterprise Bankruptcy Law of the PRC, the adjustment of the shares of an enterprise during the course of reorganisation by distributing its shares to its creditors to settle its debts applies to all shares of an enterprise. However, pursuant to the Restructuring Agreement and the Reorganisation Proposal, the Domestic Share Adjustment (as defined below) will only involve the domestic Shares and the H Shares will not be affected.

As at the date of the announcement, the shareholding of the Company is as follow:

Name of shareholder	Number of Shares held	Percentage of the issued Shares	Class of Shares
Mr. Ding Hui	202,500,000	33.15%	Domestic Shares
Mr. Ding Canyang	82,450,000	13.50%	Domestic Shares
Quanzhou Hezhong Investment Development Company Limited* (泉州市合眾投資發展有限公司)	27,000,000	4.42%	Domestic Shares
Quanzhou Nuoqi Investment Development Company Limited* (泉州市諾奇投資發展有限公司)	18,000,000	2.95%	Domestic Shares
Mr. Wang Zongqing	3,600,000	0.59%	Domestic Shares
Mr. Qian Mingfei	14,400,000	2.36%	Domestic Shares
Mr. Wang Yi	10,800,000	1.77%	Domestic Shares

Name of shareholder	Number of Shares held	Percentage of the issued Shares	Class of Shares
Shenzhen Guigu Tiantang Yanguang Chuangye Investment Company Limited* (深圳矽谷天堂陽光創業投資 有限公司)	26,100,000	4.27%	Domestic Shares
Mr. Sun Shanzhong	13,500,000	2.21%	Domestic Shares
Mr. Li Ruoxi	3,900,000	0.64%	Domestic Shares
Jiaxing Shidai Jingxuan Chuangye Investment Partnership* (嘉興時代精選創 業投資合夥企業(有限合夥))	18,000,000	2.95%	Domestic Shares
Fuzhou Jinan Tianrun Chuangye Investment Centre* (福州市晉 安區天潤創業投資中心(有限 合夥))	18,000,000	2.95%	Domestic Shares
Xinjiang Shengshi Juteng Investment Partnership* (新疆 盛世聚騰股權投資合夥企 業(有限合夥))	11,750,000	1.92%	Domestic Shares
<i>Sub-total of domestic shareholders</i>	450,000,000	73.67%	
H shareholders	<u>160,794,000</u>	<u>26.33%</u>	H Shares
Total	<u><u>610,794,000</u></u>	<u><u>100%</u></u>	

In accordance with the PRC laws, the holders of the domestic Shares shall, through reorganisation procedures (to be implemented pursuant to the Reorganisation Proposal), have their number of domestic Shares held being adjusted (“**Domestic Share Adjustment**”) pursuant to the Reorganisation Proposal. As advised by the PRC legal advisers of the Company, the details in relation to the number of domestic Shares held by each holder of domestic Share(s) to be adjusted will be determined under the Reorganisation Proposal. Under the PRC laws, the Quanzhou Court has the authority to make the final decision on the Reorganisation Proposal which includes proposal in relation to the distribution of the domestic Share(s).

Pursuant to the Domestic Share Adjustment, the holders of the domestic Share(s) shall have their domestic Share(s) being distributed and the Investor shall become a holder of 51% of the total issued Shares (i.e. 311,504,940 domestic Shares) and the Investor shall pay RMB80 million (“**Share Investment Sum**”) to the Administrator (on behalf of the Company) in consideration for such transfer of domestic Shares. Since the rationale of the Domestic Share Adjustment is to distribute the domestic Share(s) to the Company’s creditors to settle its debts, the holders of the domestic Shares with their domestic Share(s) being distributed thereunder would not receive the Share Investment Sum, which shall instead be received and administered by the Administrator (on behalf of the Company) to settle the Company’s debts. The existing holders of domestic Share(s) are parties not connected with or acting in concert with the Investor. Pursuant to the Domestic Share Adjustment, apart from the Investor becoming a holder of 51% of the total issued Shares, some domestic Shares may be distributed to the creditors of the Company to settle its debts. As set out above, the details in relation to the Domestic Share Adjustment shall be determined under the Reorganisation Proposal, including the number of domestic Shares to be distributed to certain creditor(s) to offset their respective debts. After the Domestic Share Adjustment, the remaining domestic Share(s) shall be retained by the existing domestic Shareholders.

Operating cash during the transitional period

During the period between the Restructuring Agreement becoming effective and the date when the Quanzhou Court grants approval in relation to the Reorganisation Proposal, the Investor agreed to provide an interest-free loan (“**Loan**”) not exceeding RMB5 million to the Company to provide funding of its operations. The Loan shall become debts of common benefits (共益債務) of the Company. If the Quanzhou Court grants approval in relation to the Reorganisation Proposal, the Loan shall be used to offset the unsettled fees as described in the paragraph headed “Payment of the Investment Sum” below. If the Quanzhou Court does not grant approval in relation to the Reorganisation Proposal, the Loan shall be repayable on a preferential basis in accordance with the PRC laws.

As advised by the PRC legal advisers of the Company, according to the PRC laws, debts of common benefits generally refer to the debts arising from the business operations of the Company since the acceptance of the Application for the Reorganisation of the Company by the Quanzhou Court (i.e. 1 April 2015 as set out in the Reorganisation Announcement).

Payment of the Investment Sum

The Investment Sum, which comprises the Assets Investment Sum and the Share Investment Sum, amounts to a sum not exceeding RMB152,720,000.

Within one month upon obtaining the approval from the Quanzhou Court in relation to the Reorganisation Proposal, the Investor shall pay to the Administrator the unsettled (i) fees for the reorganisation; (ii) debts of common benefits (comprising the Loan); (iii) amounts due to employees; and (iv) tax payments, and part of the Investment Sum shall be used to settle the outstanding balance by the unsettled fees as mentioned above, which shall be offset by the Deposit and the Loan so far as possible.

Within three months upon obtaining the approval from the Quanzhou Court in relation to the Reorganisation Proposal, the Investor shall pay to the Administrator the remaining balance of the Investment Sum.

Other arrangements

In addition to the responsibilities of the Investor as set out above, under the Restructuring Agreement, the Investor shall be responsible for the relevant work in relation to the resumption of trading of the Company so as to fulfill the Resumption Conditions and be responsible for the fees incurred in the process.

After the Quanzhou Court grants approval in relation to the Reorganisation Proposal, the Investor shall be responsible for the operation the Company's business and shall provide the necessary capital to the Company for such purpose.

Within 10 working days upon receiving the total amount of the Investment Sum by the Administrator, the Administrator shall apply to the Quanzhou Court for unfreezing the domestic Shares of the Company and to transfer the domestic Shares to the Investor in accordance with the terms of the Restructuring Agreement.

Termination

The Restructuring Agreement shall be automatically terminated if the Quanzhou Court does not grant approval in relation to the Reorganisation Proposal and the Deposit (without interest) shall be returned to the Investor within 10 working days after the Quanzhou Court does not grant the approval.

After the payment of the Deposit, the Company shall be entitled to terminate the Restructuring Agreement if the Investor fails to perform its obligations in accordance with the terms of the Restructuring Agreement. In such case, the Deposit shall not be returned to the Investor.

INFORMATION OF THE INVESTOR

The Investor is a company established in the PRC which is principally engaged in wholesale, retail and trading businesses. It is owned as to 99% by 羅馬世家服裝服飾(北京)有限公司 (“**Romaster (Beijing)**”), a company established in the PRC and principally engaged in manufacture of clothing, textiles, leather goods and accessories, and sale of textiles, clothing, daily commodities, cultural and sports goods and equipment and 1% by Mr. Gu Ronghui. Romaster (Beijing) is wholly owned by Mr. Mo Juefan.

The Investor, its ultimate beneficial owner and parties acting in concert with any of them have confirmed to the Company and the Administrator that they and their respective associates are independent third parties not connected with or acting in concert with the Company, the Directors and substantial shareholders of the Company or any of their subsidiaries or their respective associates, and have not dealt in any Shares within the six-month period prior to the date of the Restructuring Agreement and up to the date of this announcement.

TAKEOVERS CODE IMPLICATIONS

As at the date of the Restructuring Agreement, the Investor, its ultimate beneficial owners and parties acting in concert with any of them did not own any share of the Company (“Share”). Pursuant to the Restructuring Agreement, the Investor will be interested in approximately 51% of the total issued Shares of the Company upon payment of the Investment Sum.

The shareholders and prospective investors of the Company should note that if the transaction(s) contemplated under the Restructuring Agreement be materialised or eventually be consummated, it may result in a mandatory general offer, in accordance with Rule 26.1 of the Takeovers Code, being made to all shareholders of the Company (other than the incoming shareholder and its concert parties).

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the aforesaid discussions will be made until any announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

In compliance with Rule 3.8 of the Takeovers Code, associates (including persons holding 5% or more of a class of relevant securities) of the Company and the Investor are hereby reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, as at the date of this announcement, the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company comprised an total of 610,794,000 Shares in issue, including 160,794,000 H Shares and 450,000,000 domestic Shares. Save for the aforesaid, the Company has no other relevant securities (as defined in the Note 4 to Rule 22 of the Takeovers Code) as at the date hereof.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and others persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

There is no assurance that any transaction mentioned in this announcement will materialise or eventually be consummated and the discussions may or may not lead to an offer for the Shares. Shareholders and public investors of the Company are urged to exercise extreme caution when dealing in the Shares.

SUSPENSION OF TRADING

At the request of the Company, trading in the Shares 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.

By Order of the Board
Fujian Nuoqi Co., Ltd.
Chen Quanyi
Executive Director

Hong Kong, 17 December 2015

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 fully 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.

* *For identification purposes only*