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If you have sold or transferred all your shares in Fujian Nuoqi Co., Ltd., you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

N&Q

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)

**VERY SUBSTANTIAL DISPOSAL
IN RELATION TO DISPOSAL OF PROPERTY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Unless the context otherwise requires, all capitalised terms used in this circular have the meanings set out in the section headed "Definitions" of this circular.

A letter from the Board is set out from pages 4 to 10 of this circular.

A notice convening the EGM to be held at Conference Room, 6/F, No. 55 Chongwen Road, Economic and Technical Development Zone, Quanzhou, Fujian Province, the PRC on 6 August 2019, at 2:00 p.m. (Hong Kong time) is set out on pages 26 to 27 of this circular. Whether or not you intend to attend the Extraordinary General Meeting, you are requested to complete and return (i) the enclosed reply slip in accordance with the instructions printed thereon not later than Wednesday, 17 July 2019 and (ii) the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be) (i.e. not later than 2:00 p.m. on Monday, 5 August 2019, Hong Kong time) to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or to the Company's registered office in the PRC at No. 55 Chongwen Road, Economic and Technical Development Zone, Quanzhou, Fujian Province, PRC (for holders of Domestic Shares). Completion and return of the form of proxy will not preclude you from attending the EGM and voting in person if you so wish.

21 June 2019

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the meanings set out below.

“Announcement”	the announcement dated 16 May 2019 made by the Company in respect of the Disposal
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	Fujian Nuoqi Co., Ltd. (a joint stock limited liability company incorporated in the People’s Republic of China), the issued shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Disposal as contemplated under the Sale and Purchase Agreement
“Conditions”	the conditions precedent to Completion, details of which are set out under the paragraph headed “Conditions Precedent” in this circular
“connected person(s)”	has the same meaning ascribed thereto in the Listing Rules
“Consideration”	the cash consideration payable by the Purchaser to the Company pursuant to Sale and Purchase Agreement
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Property subject to such terms and conditions as set out in the Sale and Purchase Agreement
“Domestic Share(s)”	the domestic invested share(s) in the share capital of the Company with a nominal value of RMB0.20 each, which are held in RMB
“EGM”	the extraordinary general meeting of the Company to be held for the purpose of approving the Disposal and the transaction contemplated under the Sale and Purchase Agreement
“H Share(s)”	the overseas listed foreign ordinary share(s) in the share capital of the Company, with a nominal value of RMB0.20 each, all of which are listed on the Main Board of the Stock Exchange and traded in HK\$
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Director’s knowledge, information and belief, having made all reasonable enquiries, are third parties independent of the Company and its connected persons of the Company in accordance with the Listing Rules
“Latest Practicable Date”	18 June 2019, being the latest practicable date prior to the despatch of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the property comprising the Land and the Buildings, each has the same meaning as defined in the section headed “The Property” in this circular
“Purchaser”	泉州市鑫浩瀚品牌營理有限公司(Quanzhou Xin Hao Han Brand Management Co., Ltd.*), which is owned as to 34% by 陳靜敏, as to 33% by 陳文杰 as to 33% by 陳傳賢 and each of them is an Independent Third Party
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the agreement entered into between the Company and the Purchaser dated 16 April 2019 for the sale and purchase of the Property
“Share(s)”	Domestic Shares and H Shares
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases
“%”	per cent.

For the purpose of this circular, unless otherwise specified, conversions of RMB into HK\$ are based on the approximate exchange rates of HK\$1.00 to RMB0.86.

The English names of the Chinese nationals, companies, entities, departments, facilities, certificates, titles and the like are translation of their Chinese names and are included in this circular for identification purpose only and should not be regarded as their official English

DEFINITIONS

translation. In the event of any inconsistency, the Chinese name prevails. English translation of company names in Chinese or another language which are marked with “” are for identification purpose only.*

The English language version of this circular has been translated into the Chinese language and English and Chinese versions of this circular are being published separately. If there should be any inconsistency between the English and Chinese versions, the English version shall prevail.

* *For identification purposes only*



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)

Executive Directors:

Mr. Xu Hai Ying
Mr. Sit Hon Wong

*Registered office and principal place of
business in the PRC:*

No. 55 Chongwen Road
Economic and Technical Development Zone
Quanzhou, Fujian province, the PRC

Non-executive Directors:

Mr. Han Huiyuan

Principal place of business in Hong Kong:

Rooms 4901, 4938-4940
49/F Sun Hung Kai Centre
30 Harbour Road, Wanchai
Hong Kong

Independent non-executive Directors:

Mr. Chan Ming Sun Jonathan
Mr. Lee Chi Hwa Joshua
Mr. Mak Yiu Tong

21 June 2019

Dear Sir or Madam,

**VERY SUBSTANTIAL DISPOSAL
IN RELATION TO DISPOSAL OF PROPERTY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcements in relation to the Disposal.

The purpose of this circular is to provide you with, amongst other things, (i) further details of the Disposal; (ii) financial information on the Company; (iii) valuation report on the Property and (iv) a notice of the EGM.

THE DISPOSAL

On 16 April 2019, the Company, entered into the Sale and Purchase Agreement with the Purchaser in relation to the Disposal. Pursuant to the Sale and Purchase Agreement, the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Property for a Consideration of RMB50 million (equivalent to approximately HK\$58.1 million).

LETTER FROM THE BOARD

The Sale and Purchase Agreement

Set out below are the principal terms of the Sale and Purchase Agreement:

Date	16 April 2019
Parties	(1) the Company
	(2) Purchaser

The Purchaser is a company incorporated in the PRC with limited liability. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

The Property

The Property comprises a 9-storey workshop and a 6-storey dormitory with a total gross floor area of approximately 26,220.69 square meters (collectively, the "**Buildings**") erected on a parcel of land with a site area of approximately 23,104.10 square meters located at Quanzhou Economic and Technological Development Zone, Quanzhou City, Fujian Province, the PRC (the "**Land**"). The Company has been granted right to use the Land for a term expiring on 26 October 2060 for industrial use. The Property has been used by the Company for its business operation in PRC.

As at 30 April 2019, the book value of the Property is approximately RMB62.2 million (equivalent to approximately HK\$72.3 million).

As of 30 April 2019, based on the valuation conducted by the independent property valuer engaged to value the Property, the market value of the Property is approximately RMB68.0 million (equivalent to approximately HK\$79.1 million) using depreciated replacement cost approach. Details of the valuation report are set out in pages 14 to 18 of the circular.

Consideration and payment terms

The Consideration for the Disposal is RMB50 million (equivalent to approximately HK\$58.1 million), which was arrived at after arm's length negotiation between the Company and the Purchaser on normal commercial terms with reference to, among others, the valuation of the Property and the recent prevailing market conditions of the property market in PRC. In determining the Consideration, management of the Company has also considered the prices of similar properties in a similar location as listed by the real estate agents, the recent offers from potential buyers of the Property, and the opportunity costs of delaying the disposal of the Property during a time when the Company is in immediate need of cash. For further details of the reasons and benefits for the Disposal, please refer to the section headed "Reasons and Benefits of the Disposal" below.

LETTER FROM THE BOARD

The Consideration shall be payable by the Purchaser by four instalments in cash in the following manner:

- (1) 1st instalment of RMB10 million (equivalent to approximately HK\$11.6 million), being 20% of the Consideration which has been paid by the Purchaser to an escrow account with a bank in the PRC designated by the Purchaser and the Company (the “**Escrow Account**”) shall become part payment of the Consideration on the date of the Sale and Purchase Agreement;
- (2) 2nd instalment of RMB10 million (equivalent to approximately HK\$11.6 million), being 20% and part payment of the Consideration shall be paid by the Purchaser to the Escrow Account within five days after the signing the Sale and Purchase Agreement;
- (3) 3rd instalment of RMB20 million (equivalent to approximately HK\$23.3 million), being 40% and part payment of the Consideration shall be paid by the Purchaser to the Escrow Account five days before the EGM; and
- (4) in respect of the remaining balance of RMB10 million (equivalent to approximately HK\$11.6 million), RMB7 million (equivalent to approximately HK\$8.1 million) and part payment of the Consideration shall be paid by the Purchaser to the Escrow Account within five days after Shareholders having approved the Disposal at the EGM and RMB 3 million (equivalent to approximately HK\$3.5 million) shall be utilized to settle the tax payable for the transfer of the Property in accordance with the terms of the Sale and Purchase Agreement.

The payments held in the Escrow Account shall be released to the Company within five days after the issue of the new title certificates for the Buildings and the Land. As at the Latest Practicable Date, the Purchaser has paid RMB20 million into the Escrow Account.

Conditions Precedent

Completion is conditional upon, among others:

- (1) the approval by the Board and the Shareholders of the Company of the Sale and Purchase Agreement, and the transactions contemplated thereunder at extraordinary general meetings of the Company to be convened in accordance with the Listing Rules and all other consents and acts required under the Listing Rules being obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules being obtained from the Stock Exchange; and
- (2) the compliance with any other requirements under the Listing Rules or otherwise of the Stock Exchange or other regulatory authorities or any applicable laws and regulations which requires compliance at any time prior to Completion in relation to the transactions contemplated under the Sale and Purchase Agreement.

LETTER FROM THE BOARD

Completion

Subject to satisfaction of the Conditions, Completion shall take place within five days from date of the EGM whereupon the Parties shall procure the registration of transfer of title to the Property.

INFORMATION ON THE COMPANY

The Company's principal activity is to operate in fashion casual wear apparel business in the PRC offering a wide range of fashion casual wear products such as jackets, sweaters, shirts, T-shirts, trousers, shoes and accessories under its own brand, N&Q.

INFORMATION ON THE PURCHASER

The Purchaser is principally engaged in business of brands management and marketing. The Purchaser was introduced to the Company by a local real estate agent. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are Independent Third Parties of and not connected with the Company or any of its subsidiaries and its connected persons (as defined under the Listing Rules) as at the date of this circular. The Purchaser does not hold any Share in the Company.

FINANCIAL EFFECTS OF THE DISPOSAL

Based on the Consideration, the excess of aggregate of the book value of the Property of approximately RMB62.2 million (equivalent to approximately HK\$72.3 million) as at 30 April 2019 over the proceeds from the Disposal is approximately RMB12.2 million (equivalent to approximately HK\$14.2 million). The Company is expected to record an unaudited loss before and after tax on Disposal of approximately RMB12.2 million (equivalent to approximately HK\$14.2 million). The calculations are only estimates provided for illustrative purposes. The actual loss that the Company will recognize will depend on the actual carrying value of the Property at Completion, and is subject to the review by the Company's auditors.

Upon completion, the Company will not own the Property. Accordingly, the Company will record an estimated loss from the Disposal of approximately RMB12.2 million. The Disposal will decrease the total assets of the Company by approximately RMB12.2 million and have no effect on the liabilities of the Company. The Disposal will decrease the net assets of the Company by RMB12.2 million.

LETTER FROM THE BOARD

USE OF PROCEEDS

The net proceeds, being the Consideration of RMB50 million (equivalent to approximately HK\$58.1 million) less the estimated expenses (including associated taxes and transaction costs borne by the Company of approximately RMB4 million (equivalent to approximately HK\$4.7 million), of approximately RMB46 million (equivalent to approximately HK\$53.5 million) to be received by the Company from the Disposal will improve the overall cash position of the Company for general working capital purpose.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Due to the intense market competition in the apparel industry, the Company incurred a loss of RMB19.5 million and a net cash outflow in operating activities of RMB6.6 million during the year ended 31 December 2018. Under such severe circumstances, the Company has adopted a prudent approach, aiming at minimising the operating costs and improving the cash position of the Company by disposing the Property. The Company has scaled down its operations since first quarter of 2019 and the Property is currently idle. The Company has engaged local real estate agency to locate prospective buyers for the Property in February 2019. Four prospective buyers, including the Purchaser, approached the Company or its real estate agent. After arm's length negotiations, the Purchaser provided the highest offer and agreed to pay RMB10 million into a third party escrow account as deposit to obtain the right to negotiate for the definite sale and purchase agreement with the Company. The offer prices from the other prospective buyers were less attractive than the offer from the Purchaser and the Purchaser also agreed to instalment payments of the Consideration under the Sale and Purchase Agreement which provides greater assurance that it will complete the purchase of the Property. The Company noticed weakened market data in the third quarter of 2018, the challenging outlook for 2019 for the PRC economy in light of the on-going trade war and the increasing competition in the nearby cities may deteriorate the property market in Quanzhou in the future. As of 31 December 2018, based on the valuation conducted by the independent property valuer engaged to value the Property, the market value of the Property is approximately RMB72.9 million (equivalent to approximately HK\$84.8 million), which is higher than the Consideration. However, having considered the above circumstances, including the current market situation in Quanzhou and the market value of the Property which was higher than the Consideration as at 31 December 2018, the Directors considered that Consideration and the terms of the Sale and Purchase Agreement are fair and reasonable.

The Company is currently expected to record an estimated loss from the Disposal of approximately RMB12.2 million (equivalent to approximately HK\$14.2 million), based on the book value of the Property as at 30 April 2019 in excess of the Consideration. The Directors considered that the Disposal enables the Company to realize cash and unlock the value in its investment in the Property. The net proceeds to be received by the Company from the Disposal will strengthen the cash flow of the Company and enhance working capital condition of the Company to meet its immediate financial need, including the outstanding professional fee as at 31 December 2018 in relation to the new listing application of the Company filed with the Stock Exchange on 26 March 2018 and repayment of shareholder's loan.

LETTER FROM THE BOARD

The Directors considered that the Sale and Purchase Agreement is of normal commercial terms, fair and reasonable, and the Disposal is in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) calculated in accordance with Rule 14.07 of the Listing Rules exceed(s) 75%, the Disposal contemplated under the Sale and Purchase Agreement constitutes a very substantial disposal of the Company and is therefore subject to reporting, announcement, circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

EGM

A notice convening the EGM to be held at Conference Room, 6/F, No. 55 Chongwen Road, Economic and Technical Development Zone, Quanzhou, Fujian Province, the PRC on 6 August 2019 at 2:00 p.m. is set out on pages 26 to 27 of this circular for the purpose of considering and, if thought fit, passing the ordinary resolutions in relation to Sale and Purchase Agreement and the transactions contemplated thereunder by way of poll.

Any Shareholder with a material interest in the Disposal and his associates will abstain from voting on resolution approving the Sale and Purchase Agreement and the transactions contemplated thereunder. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, none of the Shareholders has a material interest in the Disposal contemplated under the Sale and Purchase Agreement and as such, no Shareholders are required to abstain from voting. All Shareholders will be entitled to vote on the resolution approving the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the meetings, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or to the Company's registered office in the PRC at No. 55 Chongwen Road, Economic and Technical Development Zone, Quanzhou, Fujian Province, PRC (for holders of Domestic Shares). Completion and return of the form of proxy will not preclude you from attending the EGM and/or the Class Meetings and voting in person if you so wish.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Board considers that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the information as set out in the appendices to this circular and the notice of the EGM as set out on pages 26 to 27, which form part of this circular.

Shareholders and investors should note that the Disposal is subject to, among other Conditions, Shareholders' approval at the EGM and therefore the Disposal may or may not be effected. As such, Shareholders and investors are urged to exercise caution when dealing in the Shares.

For and on behalf of
Fujian Nuoqi Co., Ltd.
Xu Hai Ying
Chairman

Hong Kong, 21 June 2019

1. FINANCIAL INFORMATION OF THE COMPANY

Details of the financial information of the Company and the related management discussion and analysis of the Group, for the three financial years ended 31 December 2016, 31 December 2017 and 31 December 2018 respectively have been set out in the Company's annual reports for the financial years ended 31 December 2016, 31 December 2017 and 31 December 2018, which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company <http://www.nuoqi.com.hk>

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 30 April 2019, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Company had the following liabilities: (1) the loan from Hao Tian Management (China) Limited of RMB15,900,000; and (2) the amount due to Hao Tian Management (Hong Kong) Limited of approximately RMB1,118,000.

Save as aforesaid or as otherwise disclosed herein, the Company did not have outstanding at the close of business on 30 April 2019 any other borrowings, debt securities, issued or outstanding, or authorised or otherwise created but unissued, loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, taking into account the Group's available financial resources, including the existing credit facilities and internal resources, and the Disposal can be completed as currently envisaged, the Group will have sufficient working capital for its present requirements and for at least twelve months from the date of this circular in the absence of unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2018 (being the date to which the latest published audited financial statements of the Group were made up) and up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS

As referenced in the annual report of the Company for the year ended 31 December 2018, since the suspension of the trading in H Shares in July 2014, the Company has been striving to reactivate its business and to fulfill the resumption conditions imposed by the Stock Exchange. As disclosed in the 2016 annual report of the Company, the Company would seek to resume the trading of the H Shares at the earliest possible time in order to re-establish a fund raising platform to be available for the future expansion of the Company. In light of the various challenges and uncertainties lying ahead in the apparel industry under the current PRC macro-

economic environment, the Board has continuously been exploring different investment opportunities to broaden the income stream of the Company with a view to promote growth in the revenue and profits of the Company which will be beneficial to its shareholders. Through the acquisition of the entire issued share capital (the “**Acquisition**”) in Zhong Hong International Limited (the “**Target Company**”) and its subsidiaries (collectively the “**Target Group**”), the Company can acquire the well-established businesses of the Target Group which is engaged in the construction industry in the PRC and allows the scope of business of the Company to be expanded and its existing business portfolio to be diversified.

The construction industry in the PRC has experienced rapid growth in the recent years in accordance with the improvement of urbanisation as well as investment in infrastructure in the PRC. In order to accommodate the increasing urban population in cities, there are growing opportunities for building construction projects of both residential and commercial properties. Further, as public facilities and infrastructure are necessary to drive the urbanisation, the Company is optimistic towards the growth potential in the construction industry. The Board is of the view that the growth potential and prospect of the construction industry is expected to be more promising than that of the apparel industry.

The Target Group has an established business and is a valuable asset to be added into the business as a diversification for the Company. After completion of the Acquisition subject to fulfillment of the conditions precedent as disclosed in the announcement made by the Company on 4 December 2017, the Target Group will become wholly-owned subsidiaries of the Company.

The net proceeds to be received by the Company from the Disposal will strengthen the cash flow of the Company and enhance working capital condition of the Company to meet its immediate financial need, including the outstanding professional fee as at 31 December 2018 in relation to the new listing application of the Company filed with the Stock Exchange on 26 March 2018 and repayment of shareholder’s loan.

6. MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity, financial resources and capital structure

As at 31 December 2018, bank and cash balances of the Company were approximately RMB488,000 (2017: approximately RMB90 million). The Company’s gearing ratio (measured as total borrowings over total assets) as at 31 December 2018 was approximately 21% (31 December 2017: 61%). The decrease was mainly attributable to the repayment of the other borrowings of RMB80 million during FY2018 which was arranged and drawn down in FY2017.

Foreign currency risks

Most of the Company’s transactions, assets and liabilities are principally denominated in Renminbi, the functional currency of the Company. Therefore, the Company had minimal exposure to foreign currency risk and hence the Company

currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure of the Company from time to time and will consider hedging significant foreign currency exposure should the need arise.

Significant investments/Material acquisitions and disposals

Save as the Acquisition mentioned in “FINANCIAL AND TRADING PROSPECTS”, the Company had not made any significant investments or material acquisitions of subsidiaries during FY2018.

Contingent liabilities and capital commitments

As at 31 December 2018, the Company did not have any significant contingent liabilities and capital commitments (31 December 2017: nil).

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Roma Appraisals Limited, an independent valuer, in connection with its valuation as at 30 April 2019 of the Group's property.



22/F, China Overseas Building
139 Hennessy Road, Wan Chai, Hong Kong
Tel (852) 2529 6878 Fax (852) 2529 6806
E-mail info@romagroup.com
<http://www.romagroup.com>

Fujian Nuoqi Company Limited

No.55 Chongwen Road,
Qingmeng Economic Development Zone,
Quanzhou City, Fujian Province,
The People's Republic of China

Dear Sir/Madam,

Re: Property Valuation of an Industrial Development located in Quanzhou City, Fujian Province, the People's Republic of China

In accordance with your instructions for us to value the property held by Fujian Nuoqi Company Limited (the “**Company**”) and its subsidiaries or associates (together with the Company referred to as the “**Group**”) in the People's Republic of China (the “**PRC**”), we confirm that we have made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 30 April 2019 (the “**Dates of Valuation**”) for the purpose of incorporation in the circular of the Company dated 21 June 2019.

1. BASIS OF VALUATION

Our valuation of the property is our opinion of the market value of the concerned property which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

2. VALUATION METHODOLOGY

Due to the specific purpose for the buildings and structures of the property, there are no readily identifiable market comparables. Thus the buildings and structures have been valued on the basis of their depreciated replacement costs instead of direct comparison method. The depreciated replacement cost approach (“**DRC**”) is based on an estimate of the market value

for the existing use of the land, plus the current cost of replacement of the existing structures less deductions for physical deterioration and all relevant forms of obsolescence and optimization. In practice, DRC approach may be used as a substitute for the market value of specialized property, due to the lack of market comparables available. Our valuations do not necessarily represent the amount that might be realized from the disposition of the property and the DRC is subject to adequate profitability of the concerned business.

3. TITLE INVESTIGATION

For the property in the PRC, we have been provided with copies of extracts of title documents relating to the property in the PRC. However, we have not searched the original documents to ascertain the existence of any amendments which do not appear on the copies handed to us. Therefore, in the course of our valuation, we have relied on the advice and information given by the Company and its PRC legal advisor, Fujian Zongyu Hezhong (Quanzhou) Law Firm (福建重宇合眾(泉州)律師事務所), regarding the titles of the property in the PRC. All documents have been used for reference only.

In valuing the property, we have relied on the advice given by the Group that the current owner has valid and enforceable title to the property which is freely transferable, and has free and uninterrupted right to use the same, for the whole of the unexpired term granted subject to the payment of annual government rent/land use fees and all requisite land premium/purchase consideration payable have been fully settled.

4. VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the property in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the value of such property. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no allowance has been made for the property to be sold in one lot or to a single purchaser.

5. SOURCE OF INFORMATION

In the course of our valuation, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of property, particulars of occupation, floor areas, age of building and all other relevant matters which can affect the value of the property. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

6. VALUATION CONSIDERATION

We have not inspected the exterior and, where possible, the interior of certain property. No structural survey has been made in respect of the property. We are not able to report that the property is free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

We have not carried out on-site measurement to verify the site area of the property under consideration but we have assumed that the site area shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Group and are therefore approximations.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

In valuing the property, we have complied with the HKIS Valuation Standards (2017 Edition) published by The Hong Kong Institute of Surveyors.

7. REMARKS

In accordance with our standard practice, we must state that this report is for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents and neither the whole, nor any part of this report may be included in any published documents or statement nor published in any way without our prior written approval of the form and context in which it may appear.

Unless otherwise stated, all monetary amounts stated in our valuation are in Renminbi (“RMB”).

Our Valuation Certificate is attached.

Yours faithfully,
For and on behalf of
Roma Appraisals Limited

Nancy Chan
BSc (Hons)
MHKIS MRICS
RPS(GP) MCIREA
Director

Note: Ms. Nancy Chan is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors, a member of the Royal Institution of Chartered Surveyors and a member of China Institute of Real Estate Appraisers and Agents. She has over 9 years’ experience in real estate industry and property and asset valuation in Hong Kong, Macau, the PRC, Singapore, Taiwan, United Kingdom, Australia, Japan and other overseas countries.

VALUATION CERTIFICATE

Property held by the Company for owner occupation purpose in the PRC

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 April 2019												
An Industrial Development situated at No. 55 Chongwen Road, Qingmeng Economic Development Zone, Quanzhou City, Fujian Province, The PRC 位於中國福建省泉州市經濟技術開發區清濛園區崇文路55號之工業項目	The property comprises a parcel of land with a site area of approximately 23,104.10 sq.m. (or about 248,692.53 sq.ft.) and 2 buildings with a total gross floor area ("GFA") of approximately 26,220.69 sq.m. (or about 282,239.51 sq.ft.) erected thereon, breakdown as below:	As at the Date of Valuation, the property was vacant.	RMB68,000,000												
	<table border="1"> <thead> <tr> <th>Use</th> <th>Storey</th> <th>GFA (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Workshop</td> <td>9</td> <td>20,421.19</td> </tr> <tr> <td>Dormitory</td> <td>6</td> <td><u>5,799.50</u></td> </tr> <tr> <td>Total</td> <td></td> <td><u>26,220.69</u></td> </tr> </tbody> </table>	Use	Storey	GFA (sq.m.)	Workshop	9	20,421.19	Dormitory	6	<u>5,799.50</u>	Total		<u>26,220.69</u>		
Use	Storey	GFA (sq.m.)													
Workshop	9	20,421.19													
Dormitory	6	<u>5,799.50</u>													
Total		<u>26,220.69</u>													

According to the floor plan attached to the Building Ownership Certificate, the property also comprises a one storey basement with a GFA of approximately 611.78 sq.m. which is excluded from the above area.

As advised by the Company, the buildings were completed in about 2013.

The land use right of the property has been granted to the Company for a term expiring on 26 October 2060 for industrial use.

Notes:

1. Pursuant to a State-owned Land Use Rights Certificate, Quan Guo Yong (2011) No.00029 (泉國用(2011)第00029號) dated 8 April 2011, the land of the property with a site area of approximately 23,104.10 sq.m. has been granted to Fujian Nuoqi Company Limited (福建諾奇股份有限公司) for a term expiring on 26 October 2060 for industrial and warehouse uses.
2. Pursuant to the Building Ownership Certificate, Quan Fang Quan Zheng Kai (Kai) Zi No.201324758 (泉房權証開(開)字第201324758號) dated 31 December 2013, the ownership of the buildings of the property with a total GFA of approximately 26,220.69 sq.m. has been granted to Fujian Nuoqi Company Limited.
3. Our inspection was performed by Mr. Alex Ma with over 5 years of property valuation experience, in April 2019.
4. The status of the major relevant approvals and title certificates obtained for the property is summarized as below:

State-Owned Land Use Rights Certificate	Yes
Building and Land Ownership Certificate	Yes
5. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, *inter-alia*, the following information:
 - i. Fujian Nuoqi Company Limited legally owned the land use right of the land of the property;
 - ii. Fujian Nuoqi Company Limited legally owned the ownership of the buildings of the property;
 - iii. Fujian Nuoqi Company Limited legally owned the land use right and building ownerships without any encumbrances such as mortgage and seal; and
 - iv. Within the granted period and in accordance to the planned usages stipulated in the relevant title certificates, Fujian Nuoqi Company Limited is entitled to independently occupy, use, transfer, lease, mortgage or any other legal ways to manage the property.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors jointly and severally accept full responsibility for the accuracy of information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date:

<i>Registered, issued and fully paid:</i>		<i>RMB</i>
H Shares	160,794,000 H Shares of RMB0.20 each	32,158,800
Domestic Shares	450,000,000 Domestic Shares of RMB0.20 each	90,000,000

All the issued shares in the capital of the Company rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

Save as disclosed in this circular, the Company did not have any other options, warrants and other convertible securities or rights affecting the Shares and no capital of the Company is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

3. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, none of the Directors had any interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Listing Rules.

Save as disclosed in this circular, no Director was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

4. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director, persons other than a Director who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of part XV of the SFO, or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

Name of shareholder	Capacity	Number of Shares held (note 1)	Type of Shares	Approximate percentage of the respective type of shares	Approximate percentage of total issued shares
Hao Tian Investment (China) Company Limited	Beneficial owner	312,068,670 (L)	Domestic Shares (note 2)	69.35%	51.09%
Li Shao Yu	Interest in controlled corporation	312,068,670 (L)	Domestic Shares (note 2)	69.35%	51.09%
	Interest in controlled corporation	53,991,000 (L)	H Shares (note 3)	33.58%	8.84%
Asia Link Capital Investment Holdings Limited	Interest in controlled corporation	312,068,670 (L)	Domestic Shares (note 2)	69.35%	51.09%
	Interest in controlled corporation	53,991,000 (L)	H Shares (note 3)	33.58%	8.84%
Hao Tian Corporation Limited	Beneficial owner	53,991,000 (L)	H Shares (note 3)	33.58%	8.84%
Hao Tian Development Group Limited	Interest in controlled corporation	312,068,670 (L)	Domestic Shares (note 2)	69.35%	51.09%
	Interest in controlled corporation	53,991,000 (L)	H Shares (note 3)	33.58%	8.84%
Chan Yuk Ming	Beneficial owner/ Interest in controlled corporation/founder of a discretionary trust	42,800,000 (L)	H Shares (note 4)	26.62%	7.01%
Theme Link Investments Ltd.	Beneficial owner	12,700,000 (L)	H Shares (note 4)	7.90%	2.08%

Name of shareholder	Capacity	Number of Shares held (note 1)	Type of Shares	Approximate percentage of the respective type of shares	Approximate percentage of total issued shares
Evisu (PTC) Limited	Trustee	29,400,000 (L)	H Shares (Note 5)	18.28%	4.81%
Pacific Success Holdings Limited	Interest in controlled corporation	29,400,000 (L)	H Shares (Note 5)	18.28%	4.81%
Evergreen International Holdings Limited	Interest in controlled corporation	29,400,000 (L)	H Shares (Note 5)	18.28%	4.81%
Sunsonic Holdings Limited	Interest in controlled corporation	29,400,000 (L)	H Shares (Note 5)	18.28%	4.81%
Joy Business Investments Limited	Interest in controlled corporation	29,400,000 (L)	H Shares (Note 5)	18.28%	4.81%
Hong Jinjing	Interest in controlled corporation	17,840,000 (L)	H Shares (Note 6)	11.89%	2.92%
Sky Success Venture Holdings Limited	Beneficial owner	17,840,000 (L)	H Shares (Note 6)	11.89%	2.92%

Notes:

1. The letter “L” denotes a person’s or a corporation’s long position in the Shares and “S” denotes a person’s or a corporation’s short position in the Shares.
2. Hao Tian Investment (China) Company Limited was wholly owned by Hao Tian Investment (Hong Kong) Limited, which was in turn wholly owned by Long Xin Holdings Limited, which was in turn wholly owned by Hao Tian Development Group Limited. Hao Tian Development Group Limited was owned by Asia Link Capital Investment Holdings Ltd as to approximately 57.93%. Asia Link Capital Investment Holdings Ltd was wholly owned by Ms. Li Shao Yu.
3. Hao Tian Corporation Limited was wholly owned by Yixin Investments Limited, which was in turn wholly owned by Hao Tian Development Group Limited. Hao Tian Development Group Limited was owned by Asia Link Capital Investment Holdings Ltd as to approximately 57.93%. Asia Link Capital Investment Holdings Ltd was wholly owned by Ms. Li Shao Yu.
4. Of the 42,800,000 H Shares in which Mr. Chan Yuk Ming (“**Mr. Chan**”) was interested or deemed to be interested in, 700,000 H Shares were held by him personally, 12,700,000 H Shares are held by Theme Link Investments Ltd., a company wholly-owned by Mr. Chan, and 29,400,000 H Shares were held by Joy Business Investments Limited, a company wholly-owned by Sunsonic Holdings Limited which is a company indirectly owned by Evisu (PTC) Limited, the trustee of a discretionary trust of which Mr. Chan was a founder (please see Note 5 below).

5. The abovementioned 29,400,000 H Shares were held by Joy Business Investments Limited, a company wholly-owned by Sunsonic Holdings Limited which was in turn wholly-owned by Evergreen International Holdings Limited (“**Evergreen**”), a company the shares of which are listed on the Hong Kong Stock Exchange under stock code 238. Evergreen was owned as to 51% by Pacific Success Holdings Limited, a company wholly-owned by Evisu (PTC) Limited which was the trustee of a discretionary trust of which Mr. Chan was a founder.
6. Mr. Hong Jinjing holds 42.00% equity interest in registered capital of Sky Success Venture Holdings Limited. Accordingly, Mr. Hong Jinjing is deemed to be interested in the 17,840,000 Shares held by Sky Success Venture Holdings Limited by virtue of SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to any Director, other than a Director, no persons had interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such capital.

Save as disclosed above, the Directors are not aware of any person (not being a Director) who, as at the Latest Practicable Date, had an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was recorded in the register required to be kept under Section 336 of Part XV of the SFO or who (other than a member of the Group) was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

5. DIRECTORS’ INTEREST IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors or their respective associates had any personal interests in companies engaged in businesses, which compete or may compete with the Company.

6. DIRECTORS’ INTERESTS IN CONTRACTS/ASSETS

Save as disclosed in this circular, none of the Directors are interested in any contract or arrangement entered into by the Company or any of its subsidiaries or any member of the Target Group which contract or arrangement is subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors had any direct or indirect interest in any assets which have been, since the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to the Company or any of its subsidiaries.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company or any of its associated companies which are:

- (i) continuous contracts with a notice period of 12 months or more; or
- (ii) fixed term contracts with more than 12 months to run irrespective of the notice period.

8. LITIGATION

As at the Latest Practicable Date, the Company was not engaged in any litigations or claims and no litigations or claims of material importance is pending or threatened against any member of the Company.

9. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualifications of the experts who have given an opinion or advice contained in this circular:

Name	Qualification
Roma Appraisals Limited	Independent Valuer

As at the Latest Practicable Date, none of the experts above had any shareholding directly or indirectly in any member of the Company or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Company.

As at the Latest Practicable Date, none of the experts above had any interest, direct or indirect, in any asset acquired or disposed of by or leased to any member of the Company or proposed to be acquired or disposed of by or leased to any member of the Company since 31 December 2018, being the date to which the latest published audited financial statements of the Company were made up.

Each of the experts above has given and has not withdrawn its written consents to the issue of this circular with the inclusion of its report or letter or opinion as set out in this circular and references to its names in the form and context in which they appear in this circular.

10. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within two years immediately preceding the Latest Practicable Date and are or may be material:

- (1) the trust loan agreement dated 28 April 2017 and entered into by the Company and Daye Trust Company Limited* (大業信託有限責任公司) which is an Independent Third Party and not a Shareholder, pursuant to which the Company was granted by Daye Trust Company Limited a trust loan in the principal amount of RMB80 million with a term of three years, secured by the property owned by the Company situated at Fujian Quanzhou Economic Technological Development Zone Qingmengyuan West Area Lot C-09* (福建省泉州市經濟技術開發區清濛園西片區C-09地塊) and 311,504,940 Domestic Shares;
- (2) the acquisition agreement dated 6 November 2017 (as supplemented by the agreement dated 9 November 2017 entered into among the Company, the Vendor and Mr. Hu and the confirmation dated 29 September 2018) entered into among the Company, the Vendor and Mr. Hu in relation to the equity interest in the Company;
- (3) the Sale and Purchase Agreement.

11. GENERAL

- (a) The registered office of the Company is situated at No. 55 Chongwen Road Economic and Technical Development Zone Quanzhou Fujian Province, the PRC;
- (b) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong;
- (c) The company secretary of the Company is Mr. Leung Ka Kit. Mr. Leung has been appointed as the deputy financial controller of Hao Tian Development Group Limited, a company incorporated in the Cayman Islands which shares are listed on the Main Board of the Stock Exchange (stock code: 474), since 15 September 2017 primarily responsible for overseeing financial reporting matters. Mr. Leung has 14 years of experience in auditing, accounting and corporate finance. Before joining Hao Tian Development Group Limited, he was the senior finance manager of Union Medical Healthcare Limited, a company incorporated in the Cayman Islands which shares are listed on the Main Board of the Stock Exchange (stock code: 2138), for the period from 2 November 2015 to 14 September 2017, during which he was also appointed as the company secretary of the same company for the period from 9 September 2016 to 14 September 2017. He also had worked for an international accounting firm providing audit and assurance services to a number of listed companies in Hong Kong. Mr. Leung graduated from the University of Hong Kong with a bachelor degree in accounting and finance in 2004 and has become a member of Hong Kong Institute of Certified Public Accountants since December 2007;

- (d) The auditor of the Company is BDO Limited;
- (e) As at the Latest Practicable Date, the Board comprises two executive Directors, namely Mr. Xu Hai Ying and Mr. Sit Hon Wing, one non-executive Director, namely Mr. Han Huiyuan, and three independent non-executive Directors, namely Mr. Chan Ming Sun Jonathan, Mr. Lee Chi Hwa Joshua and Mr. Mak Yiu Tong; and
- (f) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. (except Saturdays, Sundays and public holidays) at the principal place of business of the Company in Hong Kong at Room 4901, 4938-4940, 49/F Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) this circular;
- (b) the Sale and Purchase Agreement;
- (c) the articles of association of the Company;
- (d) the letter from the board, the text of which is set out on pages 4 to 10 of this circular;
- (e) the written consent(s) referred to in the paragraph headed “Expert’s Qualification and Consent” in this appendix;
- (f) the published audited consolidated financial statements of the Company for each of the two years ended 31 December 2017 and 2018;
- (g) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (h) the service contracts referred to in the paragraph headed “Service Contracts” in this appendix;
- (i) the property valuation report from Roma Appraisals Limited, the text of which is set out in Appendix II to this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of Fujian Nuoqi Co., Ltd. (the “**Company**”) will be held at Conference Room, 6/F, No. 55 Chongwen Road, Economic and Technical Development Zone, Quanzhou, Fujian Province, the People's Republic of China on 6 August 2019 at 2:00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the sale and agreement dated 16 April 2019 (the “**Sale and Purchase Agreement**”), a copy of which has been produced to the meeting and marked “A” and signed by the chairman of the meeting for the purpose of identification and entered into among (i) the Company as vendor, and (ii) 泉州市鑫浩瀚品牌管理有限公司 (Quanzhou Xin Hao Han Brand Management Co., Ltd.*) as purchaser, in relation to the proposed disposal by the Company of the property comprises a 9-storey workshop and a 6-storey dormitory with a total gross floor area of approximately 26,220.69 square meters (collectively, the erected on a parcel of land with a site area of approximately 23,104.10 square meters located at Quanzhou Economic and Technological Development Zone, Quanzhou City, Fujian Province, the People's Republic of China (the “**Property**”) for a total cash consideration of RMB50,000,000 and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any director of the Company be and is hereby authorised to do such acts and things, to sign and execute all such further documents (in case of execution of documents under seal, to do so by any two directors of the Company or any director of the Company together with the secretary of the Company) and to take such steps as he/she may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Sale and Purchase Agreement, the disposal of the Property or any transactions contemplated thereunder.”

For and on behalf of
Fujian Nuoqi Co., Ltd.
Xu Hai Ying
Chairman

Hong Kong, 21 June 2019

* *for identification purpose only*

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Shareholders who intend to attend the EGM in person or by proxy should deposit the reply slip at the Company's registered office in the PRC at No. 55 Chongwen Road, Economic and Technical Development Zone, Quanzhou, Fujian province, PRC at least 20 days before the EGM, i.e. no later than 17 July 2019.
2. Any Shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint one or more persons (whether such person is a Shareholder of the Company or not) as his proxy or proxies to attend and vote on his behalf.
3. In order to be valid, the proxy form together with the notarised power of attorney and other authorisation documents, if any, must be lodged at the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares or the Company's registered office in the PRC at No. 55 Chongwen Road, Economic and Technical Development Zone, Quanzhou, Fujian province, PRC for holders of Domestic Shares at least 24 hours prior to the EGM (i.e. not later than 2:00 p.m. on 5 August 2019, Hong Kong time) for which the proxy is appointed to vote or 24 hours prior to the scheduled voting time.
4. If the proxy is a legal person, its legal representative or any representative authorised by its board or by other decision-making body shall attend the EGM on its behalf. If the shareholder is a recognised clearing house (or its agent), the Shareholder may authorise one or more suitable persons to act as its representative at the above meeting; however, if more than one person are authorised, the proxy form shall clearly indicate the number and types of shares each person is authorised to represent. The persons after such authorisation may represent the recognised clearing house (or its agent) to exercise the rights, as if they were the individual Shareholders of the Company.
5. A vote made in accordance with the terms of a proxy shall be valid notwithstanding the death or loss of capacity of the appointor or revocation of the proxy or the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given, provided that the Company does not receive any written notice in respect of such matters before the commencement of the above meeting.
6. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 8 July 2019 to 6 August 2019, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, holders of H Shares whose transfer have not been registered shall deposit all transfer documents accompanied by the relevant share certificates at the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 5 July 2019.
7. Completion and return of an instrument appointing a proxy will not preclude a member of the Company from attending and voting in person at the EGM and/or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
8. As required under the Listing Rules, the above resolutions will be decided by way of poll, except where the chairman, in good faith, decides to allow a resolution relating to a procedural or administrative matter to be voted on by show of hands.
9. The form of proxy for use at the EGM is enclosed herewith.

As at the date of this notice, the Board comprises two executive Directors, namely Mr. Xu Hai Ying and Mr. Sit Hon Wing, one non-executive Director, namely Mr. Han Huiyuan, and three independent non-executive Directors, namely Mr. Chan Ming Sun Jonathan, Mr. Lee Chi Hwa Joshua and Mr. Mak Yiu Tong.