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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

Reference is made to the announcement of the Company dated 29 May 2020 (the “**May Announcement**”) and the announcements referred to therein. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the May Announcement.

This announcement serves as an update on the latest developments in relation to the Group.

FINANCIAL POSITION AND BUSINESS OPERATIONS OF THE GROUP

Since the date of the May Announcement, there has been no material update in relation to the financial position and business operations of the Group.

NEW LISTING APPLICATION

As disclosed in the May Announcement, the Company was in the course of preparing the new listing application. The Company filed the new listing application with the Stock Exchange on 9 June 2020.

For the purpose of the submission of the new listing application, the Application Proof was uploaded to the Stock Exchange’s website. The Application Proof is in draft form and the information contained in it is incomplete and is subject to change which can be material.

The Application Proof contains various disclosures regarding, among other things, the unaudited financial information of the Target Group (the “**Unaudited Financial Information**”). Based on the unaudited financial information of the Target Group for the three years ended 31 December 2019, it recorded an unaudited profit before taxation of approximately RMB194.5 million, RMB144.7 million and RMB158.2 million, respectively, and the unaudited total comprehensive income and profit for the year attributable to owners of the Target Group was approximately RMB139.1 million, RMB100.1 million and RMB111.5 million, respectively. As at 31 December 2019, the unaudited net asset value of the Target Group was approximately RMB721.1 million.

Under Rule 10 of the Takeovers Code, the Unaudited Financial Information constitutes a profit forecast and should be reported on by the financial adviser and the auditors/reporting accountants of the Target Company (the “**Reports**”) under Rule 10.4 of the Takeovers Code. However, due to the requirement under the Listing Rules to disclose the Unaudited Financial Information in the Application Proof and to upload the Application Proof to the Stock Exchange’s website prior to the approval of the listing application by the Stock Exchange, the Company encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements as set out under Rule 10.4 of the Takeovers Code. The Company would like to draw to the attention of the Shareholders and potential investors of the Company that the Unaudited Financial Information does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors should exercise caution in placing reliance on the Unaudited Financial Information when assessing the merits and demerits of the Acquisition Agreement and the transactions contemplated thereunder, the Specific Mandate, the Whitewash Waiver and the Placing.

Under Practice Note 2 of the Takeovers Code and in accordance with Rule 10.4 of the Takeover Code, the Reports are required to be included in the next document to be sent to the Shareholders. However, if the next document to be sent by the Company to the Shareholders contains a full set of the audited financial information of the Target Group prepared under International Financial Reporting Standards and which will be in full compliance with the requirements of the Takeovers Code, then the requirements to report on the Unaudited Financial Information under Rule 10.4 of the Takeovers Code will no longer apply.

The Application Proof and the transactions contemplated thereunder have not been approved or reviewed by the Stock Exchange and/or the SFC and may be updated or revised by the Company from time to time and the transactions disclosed in the Application Proof may or may not materialise. Shareholders and potential investors of the Company shall not rely on the contents set out in the Application Proof.

The Application Proof (in particular the disclosures relating to the Whitewash Waiver) has not been reviewed and approved by the Executive Director of the Corporate Finance Division of the SFC.

The Acquisition is subject to a number of conditions including but not limited to the Independent Shareholders’ approval, which may or may not be fulfilled. In addition, the Listing Committee’s approval on the new listing application may or may not be granted. In the event that the approval of the new listing application is not granted by the Listing Committee, the Acquisition Agreement will not become unconditional and the Proposed Acquisition will not proceed.

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.

The publication of this announcement does not indicate that the Resumption Proposal will be completed, nor does it indicate any decision or conclusion from the Stock Exchange or warrant any approval from the Stock Exchange on the resumption of trading in the shares of the Company.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Fujian Nuoqi Co., Ltd.
Xu Hai Ying
Chairman and Executive Director

Hong Kong, 29 June 2020

As at the date of this announcement, 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, 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.